

HARN LEN CORPORATION BHD (502606-H)

Financial Year End : 31 December 2020
 Quarter : Second Quarter

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2020

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter	Preceding year	Current year	Preceding year
	30/6/2020	corresponding quarter 30/6/2019	to date 30/6/2020	corresponding period 30/6/2019
	RM	RM	RM	RM
Revenue	18,962,279	17,848,682	46,662,025	43,614,543
Cost of sales	(15,943,649)	(16,459,068)	(38,201,457)	(37,283,716)
Gross profit	3,018,630	1,389,614	8,460,568	6,330,827
Other income	58,667	125,754	576,380	748,155
Distribution expenses	(1,799,916)	(1,941,116)	(3,837,168)	(4,750,746)
Administrative expenses	(5,534,390)	(8,360,410)	(15,833,461)	(17,266,678)
Other expenses	-	(460,646)	-	(823,300)
Results from operating activities	(4,257,009)	(9,246,804)	(10,633,681)	(15,761,742)
Finance costs	(2,223,410)	(2,765,199)	(4,351,567)	(5,580,241)
Interest income	205,864	2,687	205,864	5,365
Loss before tax	(6,274,555)	(12,009,316)	(14,779,384)	(21,336,618)
Income tax expense	(61,381)	110,560	(734,725)	234,881
Total comprehensive loss for the period	(6,335,936)	(11,898,756)	(15,514,109)	(21,101,737)
Loss attributable to ;				
Owners of the Company	(5,775,043)	(11,283,696)	(14,438,073)	(19,929,390)
Non-controlling interests	(560,893)	(615,060)	(1,076,036)	(1,172,347)
Loss for the period	(6,335,936)	(11,898,756)	(15,514,109)	(21,101,737)
Loss per share				
Basic (sen)	(3.33)	(6.51)	(8.34)	(11.51)
Weighted average number of shares	173,219,859	173,219,859	173,219,859	173,219,859

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

Note: The Minority shareholders have a binding obligation to absorb the loss and have the ability to make good or absorb the losses incurred as provided in the Joint Venture Agreement.

HARN LEN CORPORATION BHD (502606-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	As at 30/6/2020 RM	As at 31/12/2019 RM (AUDITED)
Assets		
Non-current assets		
Property, plant and equipment	211,147,840	219,106,655
Investment properties	108,831,087	109,508,211
Right-of-use assets	74,819,353	75,664,683
Goodwill on consolidation	5,794,799	5,794,799
Total non-current assets	<u>400,593,079</u>	<u>410,074,348</u>
Current assets		
Biological assets	1,439,128	2,163,902
Inventories	4,690,652	5,195,286
Trade receivables	2,178,797	4,879,286
Other receivables, deposits and prepaid expenses	35,126,230	35,817,504
Amount owing from affiliated companies	2,155,899	3,570,244
Tax recoverable	-	1,057
Cash and bank balances	1,852,623	1,621,489
	<u>47,443,329</u>	<u>53,248,768</u>
Assets classified as held for sale	50,608,622	50,982,388
Total current assets	<u>98,051,951</u>	<u>104,231,156</u>
Total assets	<u><u>498,645,030</u></u>	<u><u>514,305,504</u></u>
Equity and liabilities		
Capital and reserves		
Share capital	198,380,013	198,380,013
Reserves	27,607,065	38,826,668
Equity attributable to owners of the company	<u>225,987,078</u>	<u>237,206,681</u>
Non-controlling interests	(13,739,299)	(12,663,263)
Total equity	<u>212,247,779</u>	<u>224,543,418</u>
Liabilities		
Non-current liabilities		
Deferred tax liabilities	19,166,446	19,957,446
Loans and borrowings	8,190,467	8,795,004
Lease liabilities	22,061,942	21,859,924
Total non-current liabilities	<u>49,418,855</u>	<u>50,612,374</u>
Current liabilities		
Trade payables	69,444,566	74,484,637
Other payables and accrued expenses	77,194,114	55,361,660
Amount owing to affiliated companies	12,462,745	16,924,729
Amount owing to a director	720,288	960,288
Tax liabilities	4,468,033	3,066,675
Loans and borrowings	72,688,650	88,351,723
Total current liabilities	<u>236,978,396</u>	<u>239,149,712</u>
Total liabilities	<u>286,397,251</u>	<u>289,762,086</u>
Total equity and liabilities	<u><u>498,645,030</u></u>	<u><u>514,305,504</u></u>
Net assets per share (sen)	122.53	129.63

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2020

	<u>Share Capital</u> RM	<u>Treasury Shares</u> RM	<u>Share Option Reserve</u> RM	<u>Retained Profit (loss)</u> RM	<u>Total</u> RM	<u>Non-controlling Interests</u> RM	<u>Total Equity</u> RM
At 1 January 2020	198,380,013	(9,871,127)	-	48,697,795	237,206,681	(12,663,263)	224,543,418
Total comprehensive loss for the period	-	-	-	(14,438,073)	(14,438,073)	(1,076,036)	(15,514,109)
Share option granted under ESS	-	-	346,010	-	346,010	-	346,010
Share granted under ESS	-	4,220,123	-	(1,347,663)	2,872,460	-	2,872,460
Balance at 30 June 2020	198,380,013	(5,651,004)	346,010	32,912,059	225,987,078	(13,739,299)	212,247,779
At 1 January 2019	198,380,013	(9,871,127)	-	106,988,753	295,497,639	(10,919,248)	284,578,391
Total comprehensive loss for the period	-	-	-	(19,929,390)	(19,929,390)	(1,172,347)	(21,101,737)
Balance at 30 June 2019	198,380,013	(9,871,127)	-	87,059,363	275,568,249	(12,091,595)	263,476,654

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying notes attached to the interim financial statements.

HARN LEN CORPORATION BHD (502606-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SECOND QUARTER ENDED 30 JUNE 2020

	<u>30/6/2020</u> RM	<u>30/6/2019</u> RM
<u>Cash flows from operating activities</u>		
Loss before tax	(14,779,384)	(21,336,618)
Adjustments for:		
Depreciation and amortisation	9,828,508	11,525,817
Finance costs	4,351,567	5,580,241
Interest received	(205,864)	(5,365)
Loss on fair value of biological assets	724,774	163,698
Inventory written off	-	27,501
Share granted under ESS	2,872,460	-
Share option granted under ESS	346,010	-
Gain from sale of asset classified as held for sale	(511,389)	(569,600)
Operating profit (loss) before changes in working capital	<u>2,626,682</u>	<u>(4,614,326)</u>
<u>Increase (Decrease) in working capital:-</u>		
Change in inventories	504,634	(282,495)
Change in trade debtors and other receivables	3,391,763	1,337,756
Change in trade creditors and other payables	16,792,383	629,164
Amount owing from affiliated companies	-	(1,087,068)
Amount owing to affiliated companies	<u>(3,047,639)</u>	<u>2,199,276</u>
Cash generated from (used in) operations	<u>20,267,823</u>	<u>(1,817,693)</u>
Income tax paid	(123,310)	(132,019)
Income tax refunded	-	1,210,192
Net cash from (used in) operating activities	<u>20,144,513</u>	<u>(739,520)</u>
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(295,017)	(4,063,880)
Proceed from sale of asset classified as held for sale	873,160	19,000,000
Interest received	205,864	5,365
Increase in fixed deposit	(4,518)	(5,365)
Net cash from investing activities	<u>779,489</u>	<u>14,936,120</u>
<u>Cash flows from financing activities</u>		
Finance expenses paid	(4,188,009)	(4,300,908)
Repayment of loans and borrowings	(4,146,828)	(13,434,414)
Payment of lease liabilities	-	(664,149)
Proceeds of loan	-	4,135,000
Amount owing to a director	(240,000)	290,000
Net utilisation of bank overdraft	<u>(12,122,549)</u>	<u>(751,727)</u>
Net cash used in financing activities	<u>(20,697,386)</u>	<u>(14,726,198)</u>
Net increase (decrease) in cash and bank balances	226,616	(529,598)
Cash and bank balances at beginning of period	1,232,472	1,057,446
Cash and bank balances at end of period	<u><u>1,459,088</u></u>	<u><u>527,848</u></u>
Cash and cash equivalents consist of the following:		
Cash and bank balances	1,852,623	911,748
Less: Deposits with licensed banks	<u>(393,535)</u>	<u>(383,900)</u>
	<u><u>1,459,088</u></u>	<u><u>527,848</u></u>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

Part A2-SUMMARY OF KEY FINANCIAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/6/2020 RM '000 (UNAUDITED)	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2019 RM '000	CURRENT YEAR TO DATE 30/6/2020 RM '000 (UNAUDITED)	PRECEDING YEAR CORRESPONDING PERIOD 30/6/2019 RM '000
1 Revenue	18,982	17,849	46,662	43,615
2 Profit (loss) before taxation	(6,275)	(12,009)	(14,779)	(21,337)
3 Profit (loss) for the period	(6,336)	(11,899)	(15,514)	(21,102)
4 Profit (loss) attributable to ordinary equity holders of the parent	(5,775)	(11,284)	(14,438)	(19,929)
5 EPS-Basic (sen)	(3.33)	(6.51)	(8.34)	(11.51)
6 Proposed/ Declared Dividend per share (sen)	-	-	-	-

	AS AT END OF CURRENT QUARTER 30/6/2020 RM (UNAUDITED)	AS AT END OF PRECEDING FINANCIAL YEAR END 31/12/2019 RM (AUDITED)
7 Net assets per share attributable to ordinary shareholders of the parent	1.23	1.30

Part A3-ADDITIONAL INFORMATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/6/2020 RM '000	PRECEDING YEAR CORRESPONDING QUARTER 30/6/2019 RM '000	CURRENT YEAR TO DATE 30/6/2020 RM '000	PRECEDING YEAR CORRESPONDING PERIOD 30/6/2019 RM '000
1 Gross interest income	206	3	206	5
2 Gross interest expenses	(2,223)	(2,765)	(4,352)	(5,560)

Note: The summary of key financial information should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying notes to the interim financial statements.