

HARN LEN THIRD QUARTER REVENUE SURGES 99% Y-O-Y

Gross profit grew by 25% year-on-year

Johor Bahru, 30 November 2021 – Harn Len Corporation Bhd (“Harn Len” or “Group”) today announced its third quarter results for the financial year ending 31 December 2021 (“Q3FYE2021”).

For the quarter under review, the Group reported revenue and gross profit of RM72.0 million and RM13.3 million, which translated to a year-on-year increase of 99% and 25% respectively. The increase in revenue was attributed to the higher sales volume and average selling prices of crude palm oil (“CPO”) and palm kernel (“PK”).

The average selling prices for Q3FYE2021 were as follows:

- a) CPO: RM4,099 per metric tonne (“per m/t”) (Q2FYE2021: RM3,933 per m/t); and
- b) PK: RM2,316 per m/t (Q2FYE2021: RM2,484 per m/t).

On a quarter-on-quarter basis, revenue for the Group increased by 35% from RM53.2 million to RM72.0 million. The Group reported a profit from operating activities of RM1.1 million compared to a loss of RM1.3 million in Q2FYE21. The profit from operations was due to improved CPO prices in addition to higher production and sales volume of CPO and PK.

For the nine-month financial period ended 30 September 2021 (“9MFYE21”), Harn Len’s plantation division remained as the major revenue contributor where it accounted for 99% of 9MFYE21’s revenue, equivalent to RM159.1 million. The remaining 1% came from property and other divisions.

No dividend was announced for the financial quarter under review.

Commenting on the results, **Harn Len managing director Mr. Low Quek Kiong** said, “Despite the challenging times with the COVID-19 pandemic and labour shortages concern, the Group recorded positive results for the first nine months of the financial year. Notably, CPO price is currently hovering between RM5,000 to RM5,200 per m/t due to the concern on adverse weather conditions that curb FFB yield together with crop losses caused by ongoing labour shortage issues. Moving into the last quarter of financial year 2021, we anticipate that CPO prices will soften to an average selling price of above RM3,800 for the year. As for the financial year 2022, we expect the average selling prices of CPO to maintain above RM3,500 per m/t.”

He added, “As the vaccine booster shots are being rolled out, we hope for the international borders to reopen to allow the entry of foreign labour. This will benefit us in order to increase the extraction rate of our fresh fruit bunches at our palm oil estates. We look forward to continuously charting out our various transformation strategies, which include efforts to increase efficiency and cost rationalization, to counter any negative impact to its business operations as we head into the last quarter of 2021.”

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About Harn Len Corporation Bhd (“Harn Len”)

Harn Len was incorporated on 1 January 2000 and was listed on Bursa Malaysia Securities Berhad on 25 July 2003. Harn Len’s principal activities are in the cultivation of oil palm plantations, operation of palm oil mill, provision of plantation development services, palm oil estate and plantation management, investment holding, real property investment and operation of a food and beverage outlet.

For more information on Harn Len, please visit <http://harnlen.com.my/>

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