



## **HARN LEN BOUNCES BACK IN SECOND QUARTER WITH REVENUE INCREASE OF 42% Y-O-Y**

*Net profit improved to RM4.6 million, from loss after tax of RM2.9 million*

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**Johor Bahru, 25 August 2022** – Harn Len Corporation Bhd (“Harn Len” or “Group”) today announced its second quarter results for the financial year ending 31 December 2022 (“Q2FYE2022”).

For the quarter under review, the Group reported revenue of RM75.4 million, which translated to an increase of 42% year-on-year. In addition, net profit and profit after tax and minority interest clocked in at RM4.6 million and RM4.9 million respectively, a significant improvement from the loss after tax of RM2.6 million and loss after tax and minority interests of RM2.6 million recorded in the preceding year’s corresponding quarter. The increase in revenue was attributed to the better average selling prices of crude palm oil (“CPO”) and palm kernel (“PK”).

The average selling prices for Q2FYE2022 were as follows:

- a) CPO: RM6,245 per metric tonne (“per m/t”) (Q2FYE2021: RM3,775 per m/t);
- b) Fresh fruit bunches: RM1,290 per m/t (Q2FYE2021: RM770 per m/t); and
- c) PK: RM3,615 per m/t (Q2FYE2021: RM2,372 per m/t).

On a quarter-on-quarter basis, revenue increased by 98% from RM38.1 million to RM75.4 million. The Group reported a net profit of RM4.6 million compared to a loss of RM0.9 million in Q1FYE22. The profit from operations was due to higher CPO sales volume and better average selling prices of CPO and PK.

For the six-month financial period ended 30 June 2022 (“6MFYE22”), Harn Len’s plantation division remained as the major revenue contributor where it accounted for 99% of 6MFYE22’s revenue, equivalent to RM111.9 million of the total 6MFYE22 revenue of RM113.6 million. The remaining 1% was from property and other divisions.

No dividend was announced for the financial quarter under review.

Commenting on the results, **Harn Len managing director Low Quek Kiong** said, “We are pleased that the second quarter has been a fruitful period for the Group and we have bounced back to report a profitable quarter. Similar to our industry peers, we faced labour shortages on a large scale. However, the team has worked tirelessly and we manage to record higher CPO sales volume on the back of better average selling price of CPO.

CPO price is currently hovering between RM3,700 to RM4,300 per m/t amidst the ongoing concern on edible oil shortage globally. Coupled with the ongoing labour shortage issues, we have been in talks with the relevant authorities and aired our hopes that the issues can be resolved in the near-term.

## **PRESS RELEASE**

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Moving into the second half 2022, we anticipate the price of CPO in 2022 to settle between RM3,500 m/t and RM3,800 per tonne for the rest of the year.”

He added, “With current global uncertainties dampening our industry’s outlook, we are working to ensure the sustainability of our business. We hope to see the entry of foreign workers into our country to ease the labour shortages considering their significant contribution to the stability and development of the country's economy. Our goal is to constantly increase the quality of extraction rate of our fresh fruit bunches at our oil palm estates. We are cautiously charting out our various transformation strategies, which include efforts to increase efficiency and cost rationalisation, to counter any negative impact on our business operations.”

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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/>

### **Issued by Imej Jiwa Communications Sdn Bhd on behalf of Harn Len Corporation Bhd**

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