

## **HARN LEN CORPORATION BHD**

Registration No. 200001000001 (502606-H)  
(Incorporated in Malaysia)

MINUTES of the 24<sup>th</sup> Annual General Meeting (“AGM”) of **HARN LEN CORPORATION BHD** (“HARN LEN” or “the Company”) duly convened and held at Merdeka Hall, Ground Floor, Johor Tower, 15 Jalan Gereja, 80100 Johor Bahru on **Tuesday, 26 November 2024** at 10.00 a.m.

- Present : As per attendance sheet
- Shareholders : Individuals – 3  
By Proxy - 4  
(of which Chairman acted for 6 shareholders)
- Directors : 9
- By Invitation : Ms Marilyn Ngu (*Representative from Messrs PKF PLT*)  
Mr Dawin Tang (*Representative from Messrs PKF PLT*)  
Ms Rachel Chua (*Representative from Aldpro Corporate Services Sdn Bhd*)  
Mr William Ng Kok Kiong (*Investor Relationship Officer*)
- Chairperson : Puan Sri Datin Chan Pui Leorn (“The Chairperson”) took the Chair and called the Meeting to order.
- In Attendance : Mr Loh Kah Tiong (*Chief Financial Officer*)  
Ms Wong Lee Peng (*Senior Finance Manager*)  
Ms Wendy Mak Mei Ching (*Company Secretary*)

### **CHAIRPERSON’S ADDRESS**

The Chairperson welcomed all the shareholders to the 24<sup>th</sup> AGM of the Company. She informed the shareholders that she is a member and as a corporate representative for the total shareholdings of 30,017,000 or equivalent to around 5.33% of total voting rights. She further disclosed that she was appointed by 6 shareholders as their proxies representing total 121,604,885 shares which was equivalent to 21.58% of voting rights at this meeting and they had given their individual instructions for the voting to be carried out.

### **QUORUM**

There being the requisite quorum, the AGM was called to order.

### **NOTICE OF MEETING**

The Notice convening the AGM as set out in the Annual Report, which had been properly dispatched to the shareholders of the Company by email or post and duly advertised in a local newspaper, the New Straits Times, on 30 September 2024, was taken as read.

## POLL VOTING

Before proceeding with the items of the agenda at the meeting, the Chairperson informed that the voting for all the resolutions to be considered at the meeting would be put to vote by poll pursuant to Paragraph 8.29A (1) of Bursa Malaysia Securities Berhad's Main Market Listing Requirements.

The Share Registrars, Messrs Tricor Investor & Issuing House Services Sdn. Bhd. was appointed to act as the Poll Administrator and Messrs Aldpro Corporate Services Sdn. Bhd. represented by Ms Rachel Chua was appointed to act as Scrutineer to validate the votes casted at the meeting. However, to ensure the smooth conduct of this meeting, the poll on all resolutions would be conducted after the meeting has deliberated on all items on the agenda.

The Chairperson explained to the shareholders present that Ordinary Resolutions 1 to 11 require a simple majority of more than 50% votes from those shareholders in person or by proxies and voting at the meeting.

### **1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2024 TOGETHER WITH THE DIRECTORS' AND THE AUDITORS' REPORTS THEREON**

The Chairperson informed that the first item on the agenda was to receive the Audited Financial Statements ("AFS") of the Company and of the Group for the financial year ended 31 May 2024 together with the Directors' and Auditors' Reports, having been circulated to all the shareholders of the Company within the Statutory period, were tabled for discussion.

The Chairperson invited Mr William Ng, the Investor Relationship Officer of the Company to present the AGM Corporate Presentation to the shareholders as per Appendix A.

Before the Board took question from the floor in relation to the AFS, the Chairperson then informed that the Company has received a letter from the Minority Shareholders Watchdog Group (MSWG) on 20 November 2024 and Ms Wendy Mak Mei Ching, the Company Secretary of the Company read the question and the answer as per Appendix B.

### **2. ORDINARY RESOLUTION 1: DIRECTORS' FEES TO INDEPENDENT NON-EXECUTIVE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31 MAY 2024**

The second item of the Agenda was to approve the payment of Directors' Fees to Independent Directors for the financial year ended 31 May 2024.

The Chairperson proposed the motion "THAT the Directors' Fees of RM137,500.00 for the financial year ended 31 May 2024 be hereby approved" to the meeting for consideration.

With no objection to the motion, the poll on this resolution would be conducted later. The Chairperson then proceeded to the next item on the Agenda.

### **3. ORDINARY RESOLUTION 2: DIRECTORS' BENEFITS PAYABLE TO THE DIRECTORS FOR THE PERIOD 1 JULY 2024 TO THE NEXT AGM OF THE COMPANY**

The Chairperson proposed the motion "THAT the Directors' benefits payable up to an amount of RM200,000.00 for the period 1 July 2024 to the next AGM of the Company to be held in 2025 be hereby approved" to the meeting for consideration.

With no objection to the motion, the poll on this resolution would be conducted later. The Chairperson then proceeded to the next item on the Agenda.

**4. ORDINARY RESOLUTIONS 3, 4, AND 5:  
RE-ELECTION OF DIRECTORS**

**(i). Ordinary Resolution 3: Mr Low Kueck Shin – Clause 76(3)**

The Chairperson proposed the motion “That Mr Low Kueck Shin retiring pursuant to Clause 76(3) of the Constitution of the Company and being eligible, be re-elected Director of the Company” to the meeting for consideration.

As there was no question, the Chairperson then proceeded to the next item on the Agenda.

**(ii). Ordinary Resolution 4: Mr Low Kwek Lee – Clause 76(3)**

For Agenda item 4(ii), the Chairperson proposed the motion “That Mr Low Kwek Lee retiring pursuant to Clause 76(3) of the Constitution of the Company and being eligible, be re-elected Director of the Company” to the meeting for consideration.

As there was no question, the Chairperson then proceeded to the next item on the Agenda.

**(iii). Ordinary Resolution 5: Mr Low Kok Yaow – Clause 76(3)**

For Agenda item 4(iii), the Chairperson proposed the motion “That Mr Low Kok Yaow retiring pursuant to Clause 76(3) of the Constitution of the Company and being eligible, be re-elected Director of the Company” to the meeting for consideration.

As there was no question, the Chairperson then proceeded to the next item on the Agenda.

**5. ORDINARY RESOLUTION 6:  
RE-APPOINTMENT OF MESSRS PKF PLT AS AUDITORS OF THE COMPANY**

The next Agenda was on the re-appointment of Messrs PKF PLT as Auditors of the Company. The Shareholders were informed that the Board has assessed the suitability and independence of Messrs PKF PLT as Auditors of the Company for the financial year ending 31 May 2025.

The Chairperson proposed the motion “THAT the re-appointment of Messrs PKF PLT as Auditors of the Company for the financial year ending 31 May 2025 and to authorise the Directors to fix their remuneration” to the meeting for consideration.

With no objection to the motion, the poll on this resolution would be conducted later. The Chairperson then proceed to the next item on the Agenda.

**6. ORDINARY RESOLUTION 7:  
CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR – EN  
MOHAMED AKWAL BIN SULTAN MOHAMAD**

The Chairperson proposed the motion “THAT approval be and is hereby given to En Mohamed Akwal Bin Sultan Mohamad who has served as Independent Non-Executive Director of the Company for a cumulativeterm of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company till the next Annual General Meeting” to the meeting for consideration.

With no objection to the motion, the poll on this resolution would be conducted later. The Chairperson then proceed to the next item on the Agenda.

**7. ORDINARY RESOLUTION 8:  
AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE  
COMPANIES ACT 2016**

The Chairperson proposed the motion “THAT contingent upon the passing of the Special Resolution on waiver of pre-emptive rights under Section 85 of the Companies Act 2016 (“the Act”) and that pursuant to Sections 75 and 76 of the Act, and subject to the approval of the relevant governmental/regulatory authorities (if any), the Directors be and are hereby authorised to allot shares in the Company, from time to time, at such price, upon such terms and conditions and for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be allotted during the preceding 12 months does not exceed ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so allotted from Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company after the approval was given or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is earlier, unless such approval is revoked or varied by a resolution of the Company at a general meeting” to the meeting for consideration.

With no objection to the motion, the poll on this resolution would be conducted later. The Chairperson then proceeded to the next item on the Agenda.

**8. ORDINARY RESOLUTION 9:  
RENEWAL OF SHAREHOLDERS’ MANDATE FOR SHARE BUY-BACK**

The Chairperson proposed the motion “THAT subject always to the Companies Act 2016 (“the Act”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- (a) the aggregate number of issued shares in the Company (“Shares”) purchased (“Purchased Shares”) and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and
- (b) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

(“Proposed Share Buy-Back”).

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

- i) the conclusion of the next Annual General Meeting of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- ii) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or

- iii) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- i. To cancel all or part of the Purchased Shares;
- ii. To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- iii. To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- iv. To resell all or part of the treasury shares;
- v. To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- vi. To transfer all or part of the treasury shares as purchase consideration;
- vii. To sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and/or
- viii. To deal with the treasury shares in any other manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by therelevant authorities" to the meeting for consideration.

With no objection to the motion, the poll on this resolution would be conducted later. The Chairperson then proceeded to the next item on the Agenda.

## **9. ORDINARY RESOLUTIONS 10 AND 11: ALLOCATION OF AWARDS**

### **(i). Ordinary Resolution 10: Mr Low Yew Yi**

The Chairperson proposed the motion "THAT approval be and is hereby given to the Employees' Shares Scheme ("ESS") Committee from time to time throughout the duration of the ESS, to offer and grant to Mr Low Yew Yi, being a person connected to a major shareholders of the Company, such number of ESS shares/Options representing up to an amount of 390,000 HLCB Shares to be issued and /or transferred pursuant to the ESS, subject to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws" to the meeting for consideration.

As there was no question, the Chairperson then proceeded to the next item on the Agenda.

**(ii). Ordinary Resolution 11: Mr Brendan Low Chin Yong**

For Agenda item 9(ii), the Chairperson proposed the motion “THAT approval be and is hereby given to the Employees’ Shares Scheme (“ESS”) Committee from time to time throughout the duration of the ESS, to offer and grant to Mr Brendan Low Chin Yong, being a person connected to a major shareholders of the Company, such number of ESS shares/Options representing up to an amount of 390,000 HLCB Shares to be issued and /or transferred pursuant to the ESS, subject to such terms and conditions of the By-Laws and/or any adjustment which may be made in accordance with the provisions of the By-Laws” to the meeting for consideration.

As there was no question, the Chairperson then proceeded to the next item on the Agenda.

**10. ANY OTHER BUSINESS**

The Chairperson informed that the Company has not received any notice to deal with any other business for which due notice was required to be given, pursuant to the Companies Act 2016.

**CONDUCT OF POLL**

Having dealt with all the items of the agenda, the meeting proceeded to vote on Resolutions 1 to 11 by poll and she invited the Polling Administrator to brief the polling process to the shareholders for casting of votes.

The Chairperson informed that the shareholders and proxy holders who had not voted, to cast their votes accordingly. She then declared the voting session closed and adjourned the meeting for 30 minutes for counting of votes.

**ANNOUNCEMENT OF POLL RESULTS**

Upon completion of the counting of votes by the Poll Administrator and verification of the results by the Scrutineer, the Chairperson resumed the meeting after 30 minutes for the declaration of the results of the poll. The poll results which were verified by the Scrutineers, and announced to Bursa Securities were disclosed in Appendix.

Based on the poll result, the Chairperson declared all Ordinary Resolutions 1 to 11 carried.

**CLOSE OF MEETING**

There being no other business, the Meeting ended at 11:11 a.m. with a vote of thanks to the Chair.

Confirmed as a Correct Record,

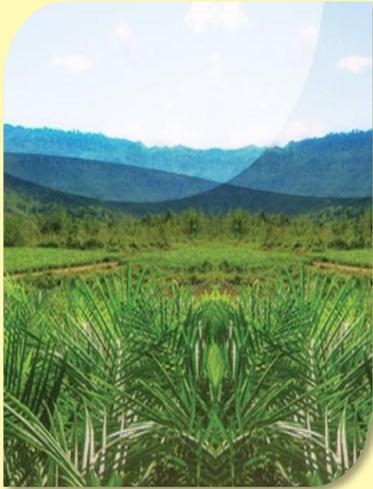
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**PUAN SRI DATIN CHAN PUI LEORN**

Chairperson

Dated:

# Appendix A



## HARN LEN CORPORATION BHD

**BURSA CODE :7501**

**AGM Corporate Presentation**

**November 2024**



汉联机构有限公司  
HARN LEN CORPORATION BHD  
200001000001(502606-H)

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# Disclaimer



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Such information is subject to change from time to time without notice and it may not contain all material information concerning Harn Len Corporation Bhd (“Harn Len” or the “Group”).

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In addition, the information contains forward-looking statements that reflect the Group’s current views with respect to future events and financial performances. These views are based on current assumptions which are subject to various risks and may change over time. No assurance can be given that future events will occur, that such forward-looking statements will be achieved, or that the Group’s assumptions are correct. Actual results may differ materially from those disclosed.

Accordingly, interested parties are advised to carry out their own due diligence, investigations, analysis of any information contained or referred to herein or made available at any stage in this process.

That the information contained our presentation is true and accurate in all material respects and is not misleading as at the date hereof, that the opinions and the intentions of the Group expressed herein are honestly held, and that there are no other facts the omission of which would make this Presentation as a whole or any information herein or expression of any such opinions or intentions misleading.

# Overview of Harn Len Group



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HARN LEN CORPORATION BHD  
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- Harn Len Corporation Bhd ('Harn Len' or 'the Company') was incorporated on 1 January, 2000.
- The principal activities of the Harn Len Group include operating oil palm estates and mills, trading Fresh Fruit Bunches (FFB), Crude Palm Oil (CPO), and Palm Kernels (PK), cultivating pineapples, and providing plantation development services in Pahang and Sarawak. The Group also invests in properties in Johor and Sarawak, earning income mainly from rentals, and operates a food and beverage outlet.
- Harn Len was listed on the Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Securities Berhad) on 25 July, 2003.



# Board Of Directors



**Puan Sri Datin  
Chan Pui Leorn**  
*Deputy Executive  
Chairman*



**Low Quek Kiong**  
*Managing  
Director*



**Low Kueck Shin**  
*Deputy Managing  
Director*



**Low Kwek Lee**  
*Executive Director*



**Low Kuek Kong**  
*Executive Director*



**Low Kok Yaow**  
*Executive Director*



**Mohamed Akwal Bin  
Sultan Mohamad**  
*Independent  
Non-Executive Director*



**Chan Chong Wey**  
*Senior Independent  
Non-Executive Director*



**Tan Siang Lim**  
*Independent  
Non-Executive Director*

# Key Management Officers



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**CHIEF OPERATION  
OFFICER**



**CHIEF FINANCIAL  
OFFICER**

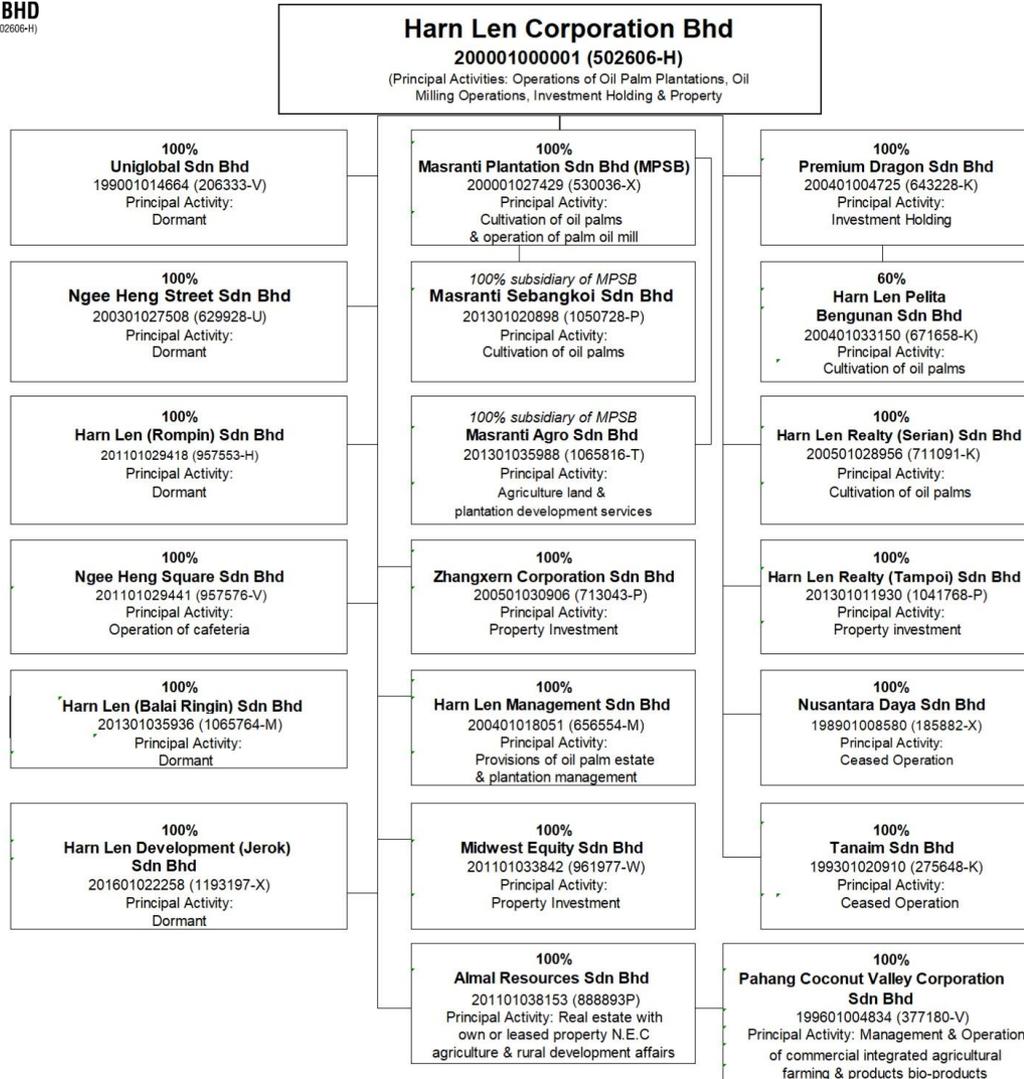


**GENERAL MANAGER,  
SARAWAK OPERATIONS**

# Corporate Structure



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# Overview of Harn Len Group



## Business Segment



### **Plantation**

The operation of oil palm estates, palm oil mill, sales and purchases of Fresh Fruit Bunches (“FFB”), cultivation of pineapples, sales and trading of Crude Palm Oil (“CPO”) and Palm Kernels (“PK”) and the provision of plantation development contract services to related parties in Pahang and Sarawak.

### **Property and others**

Property investment in land, commercial and industrial buildings in Johor and Sarawak where rental is the main source of income. Other business includes the operation of a food and beverage outlet.

# Location of operations / properties



**Total planted area of 17,215 hectares of oil palm plantations and 202 hectares of pineapple plantation (as of November 2023)**

## Harn Len Corporation Bhd (“Harn Len”)

- Senang Estate (2,116 Ha)

## Pahang Coconut Valley Corporation Sdn Bhd (“PCVCSB”)

- Pineapple estate & Oil Palm Estate (1,640 Ha) Mukim Keratong, District of Rompin

## Harn Len

- Corporate & business office - 25-storey office cum hotel building (Johor Tower)
- 6 units of double storey terrace shop houses
- 3 units of factory building cum offices
- 3.84 Ha of agricultural land at Mukim tebrau.

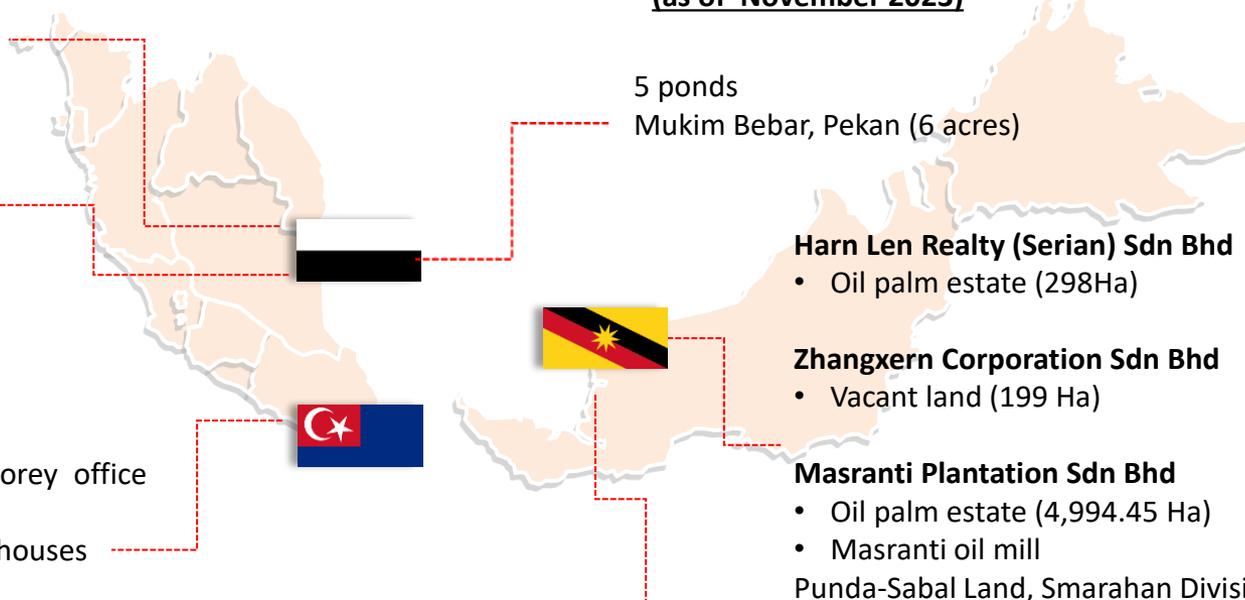
## Harn Len Realty (Tampoi) Sdn Bhd

- Vacant land (0.8073 Ha)

## Midwest Equity Sdn Bhd

- Freehold land (3,725.8 sq meter)

*Total planted area of 17,215ha oil palm includes 5 plantation units where Harn Len acts as the exclusive contractor. The total area of oil palms planted on Harn Len’s own land stands at 15,362 ha.*



5 ponds  
Mukim Bebar, Pekan (6 acres)

## Harn Len Realty (Serian) Sdn Bhd

- Oil palm estate (298Ha)

## Zhangxern Corporation Sdn Bhd

- Vacant land (199 Ha)

## Masranti Plantation Sdn Bhd

- Oil palm estate (4,994.45 Ha)
  - Masranti oil mill
- Punda-Sabal Land, Smarahan Division

## Masranti Sebangkoi Sdn Bhd

- Oil palm estate (1,670.5 Ha)
- Kampung Sebangkoi & Kampung Mawang, Simunjan Division

## Harn Len Pelita Bengunan Sdn Bhd

- Oil palm estate (1,982 Ha)
- Bukit Bengunan, Sri Aman Division

# Business Model - Plantation



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Harvesting Fresh Fruit Bunches ("FFB") at the optimum ripeness for maximum oil yields



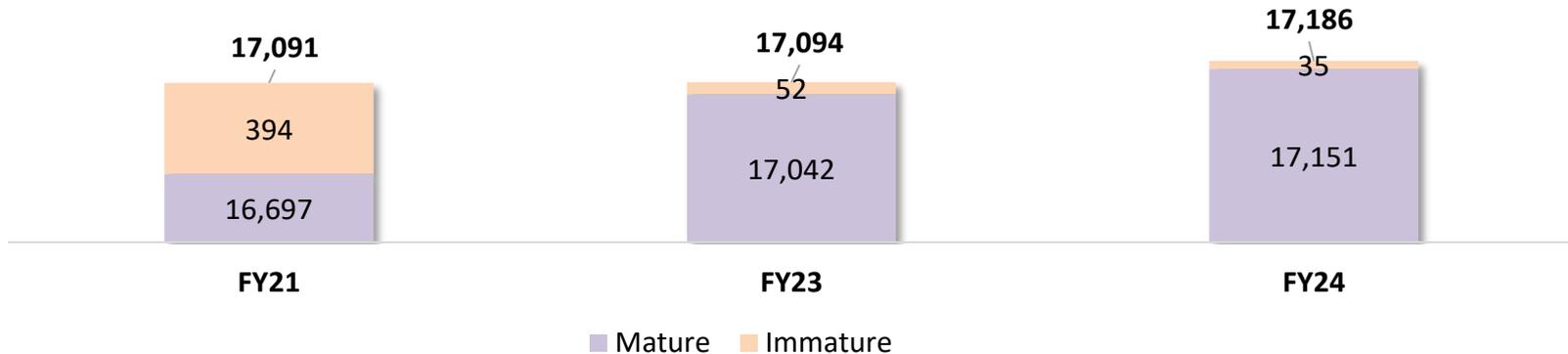
- Extracted from the flesh or pulp of the fruit (the outer part)
- Traditionally used for edible purposes such as cooking and frying, in addition to being a choice ingredient of food formulations (e.g. shortenings and confectionery)

- Extracted from the soft part of the seed (the inner part)
- Generally used for non-edible purposes such as the formulations of soaps, cosmetics and detergents - oleochemicals

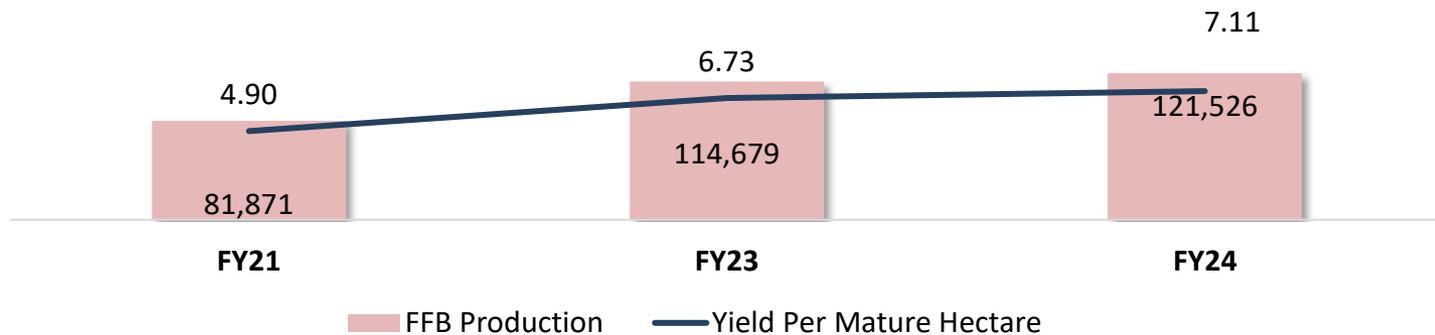
# Estates Performance



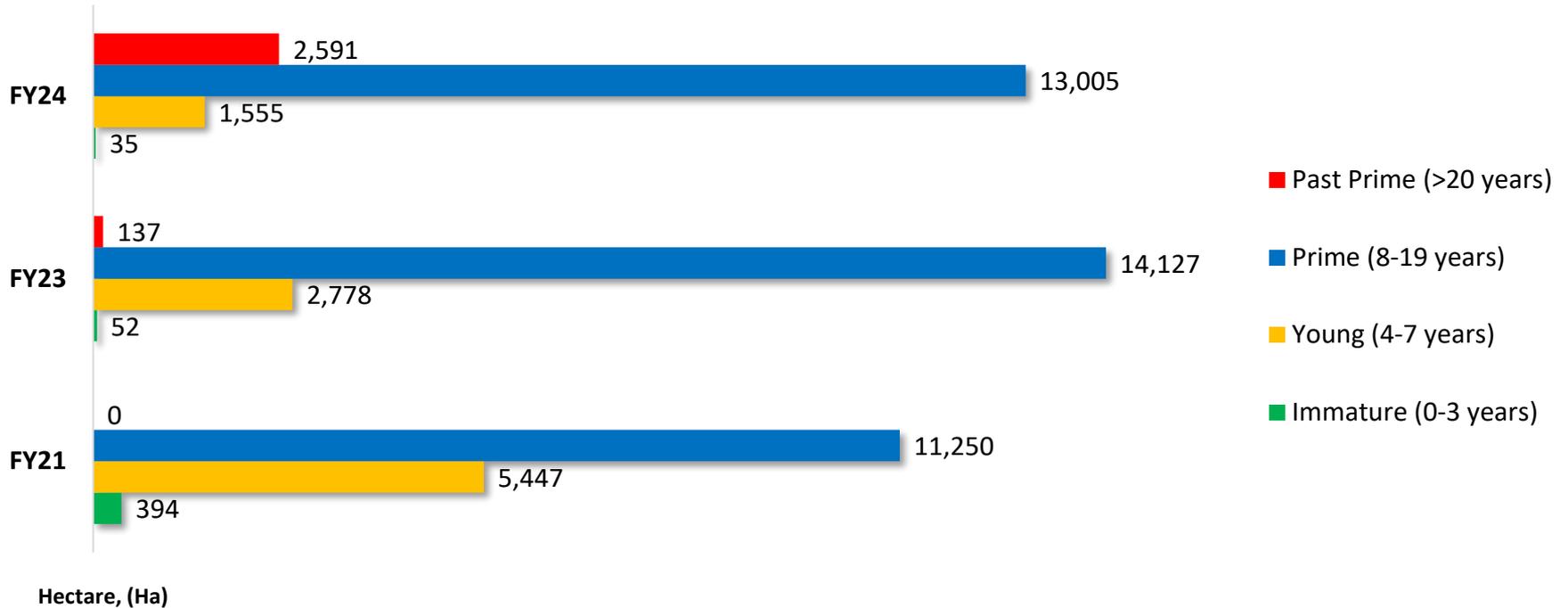
## Total Planted Area (ha)



## FFB Production (mt) & Yield Per Mature Hectare (mt/ha)



# Tree Profiles



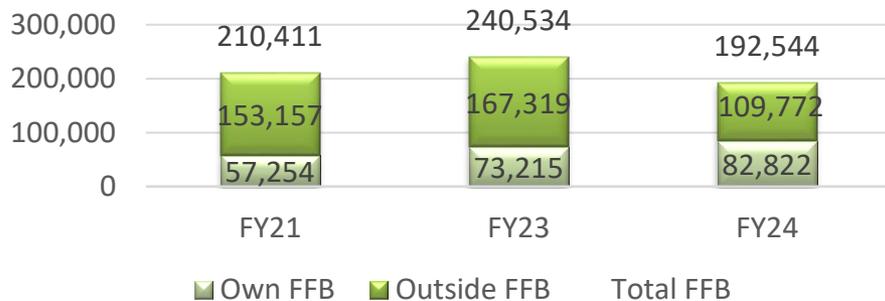
- Average age of tree profile is within the prime age band of approximately 10 to 12 years old

# Plantation Operation Statistic

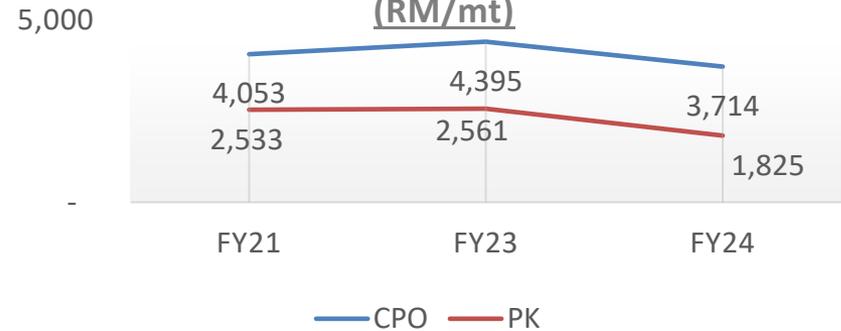


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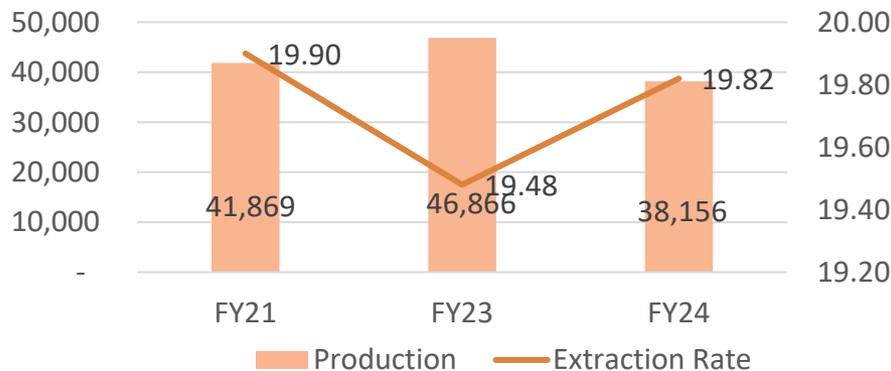
### FFB Processed (mt)



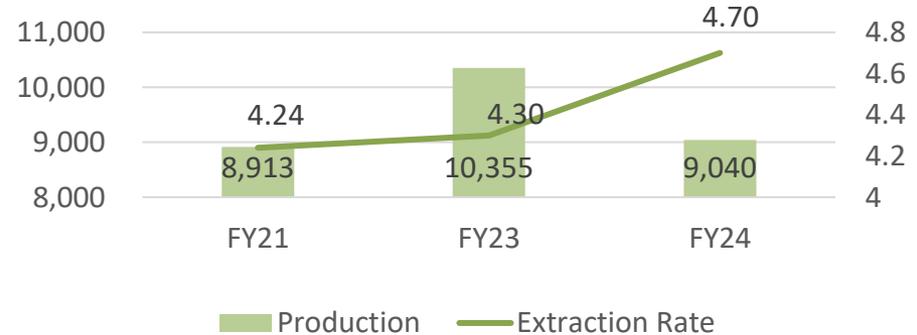
### Average Selling Prices of CPO & PK (RM/mt)



### CPO Production (mt) & Extraction Rate (%)



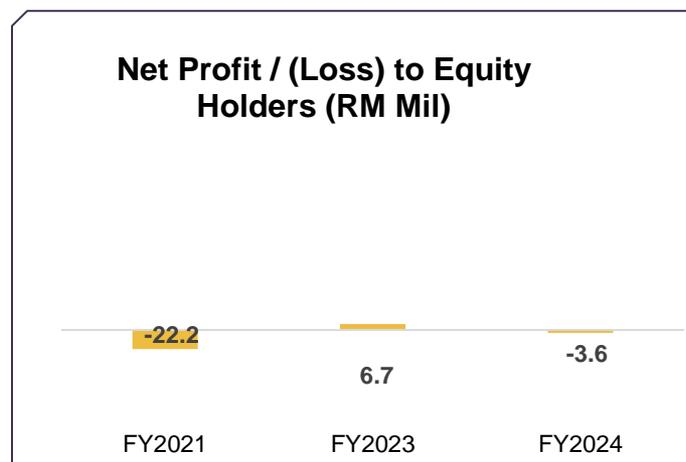
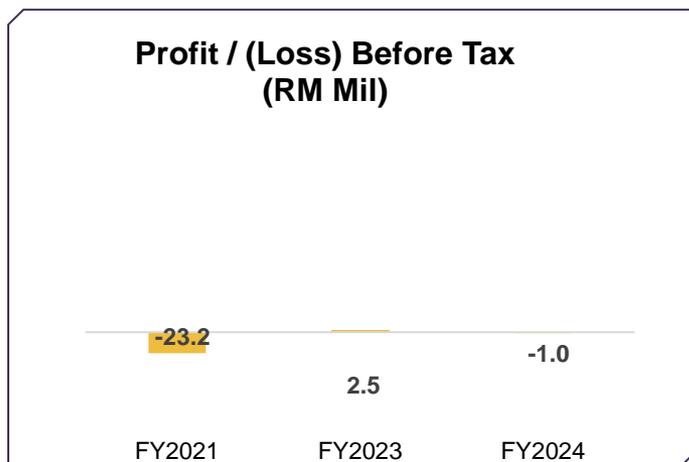
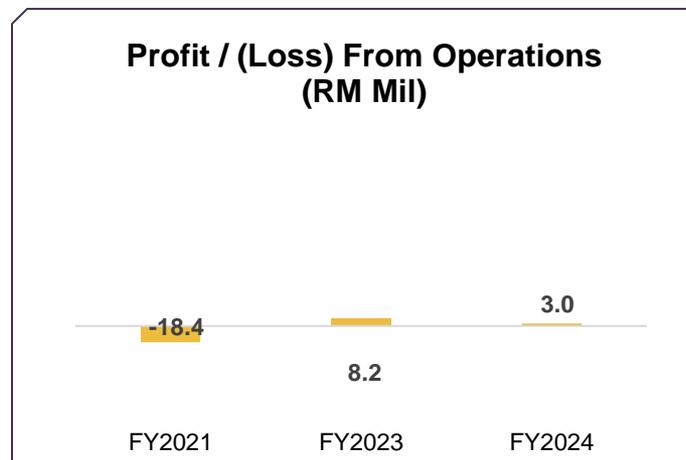
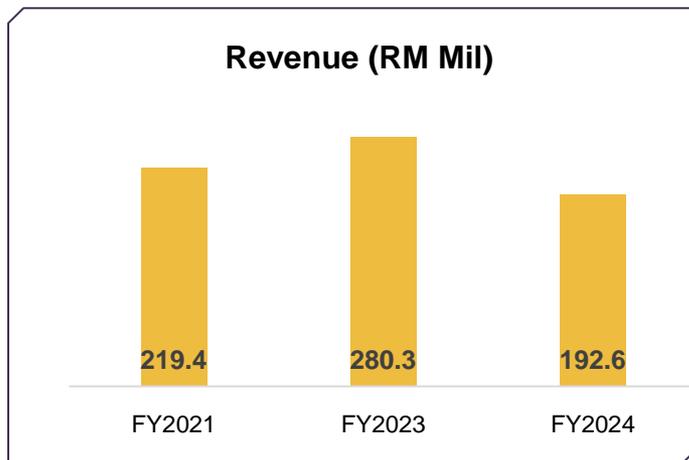
### PK Production (mt) & Extraction Rate (%)



# Annual Financial Performance



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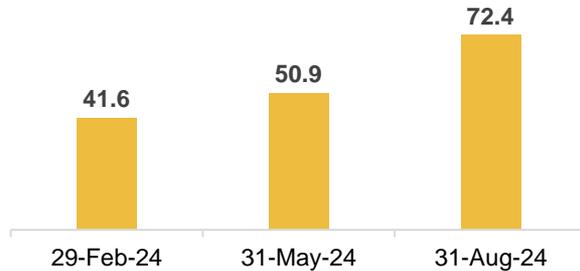


# Quarterly Financial Performance

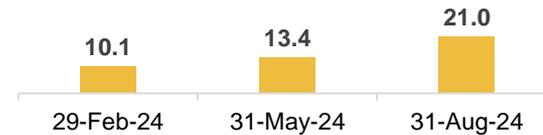


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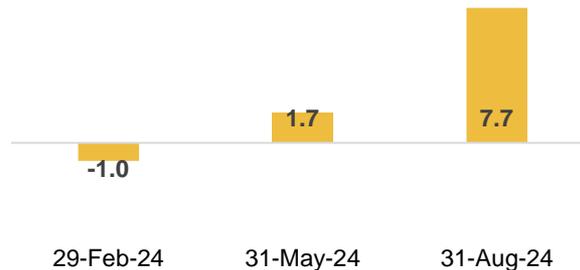
### Revenue (RM Mil)



### Profit / (Loss) From Operations (RM Mil)



### Profit / (Loss) Before Tax (RM Mil)



### Profit / (Loss) to Equity Holders (RM Mil)



# Financial Position as at 31 August 2024



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**RM 459.12M**  
*Total Assets*



**RM 322.32**  
*Total Equity*



**RM 12M**  
*Cash and Bank  
Balances*



**RM 136.79M**  
*Total Liabilities*



**RM 0.572**  
*Net Assets Per Share*



**0.885x**  
*Current Ratio*



**RM 34.42M**  
*Total  
Borrowings*



**0.424x**  
*Gearing Ratio  
(Debt to Equity)*

# Outlook



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- The global economic recovery remains challenging due to ongoing geopolitical tensions and market instability. With global growth projected at 3.1% in 2024 and 3.2% in 2025, compared to the pre-pandemic average of 3.8%, uncertainties persist, particularly in the commodities market. Falling commodity prices and rising operational costs, such as labor and material expenses, have created a tough business environment, affecting margin-dependent industries, including Harn Len.
- Despite these challenges, Harn Len continues to strengthen its financial position through strategic business streamlining and cost rationalization. The recent acquisition of Almal Resources Sdn. Bhd., which includes a 60-year lease of plantation land in Mukim Rompin, Pahang, marks the Group's first step toward diversifying its revenue base beyond oil palm with pineapple cultivation. This diversification is expected to positively impact the Group's financial performance over the next two years.

# Stock Information



Stock Quote	HARN:MK
Stock Number	7501
Market Cap (RM Million)	RM 239.5m
Shares Outstanding (Million)	584.26m
52-Week Range (High)	RM 0.285
52-Week Range (Low)	RM 0.875
3mths Average Volume	719,700

Source: Bursa Malaysia, 25 Nov 2024

Top 3 Substantial Shareholders	Direct Interest %
LNH Enterprise Sdn Bhd	18.12
Low Nam Hui United Holdings Sdn Bhd	17.87
Low Quek Kiong	5.08

Source: FY2024 Annual Report

# Monthly Production Figures



汉联机构有限公司  
HARN LEN CORPORATION BHD  
200001000001(502606-H)

Month	Metric Ton		
	FFB	CPO	PK
November 2023	13,677.11	4,221.69	1,019.71
December 2023	10,748.13	3,274.26	810.68
January 2024	10,003.59	2,485.10	608.78
February 2024	8,224.78	2,058.21	484.49
March 2024	9,008.05	2,621.08	551.85
April 2024	9,718.30	2,612.93	574.29
May 2024	11,819.42	4,118.83	954.29
June 2024	11,465.07	2,353.28	502.67
July 2024	12,812.65	5,776.60	1,200.89
August 2024	13,366.84	5,692.73	1,175.50
September 2024	14,485.70	6,170.87	1,448.35
October 2024	14,986.10	5,374.53	1,237.75

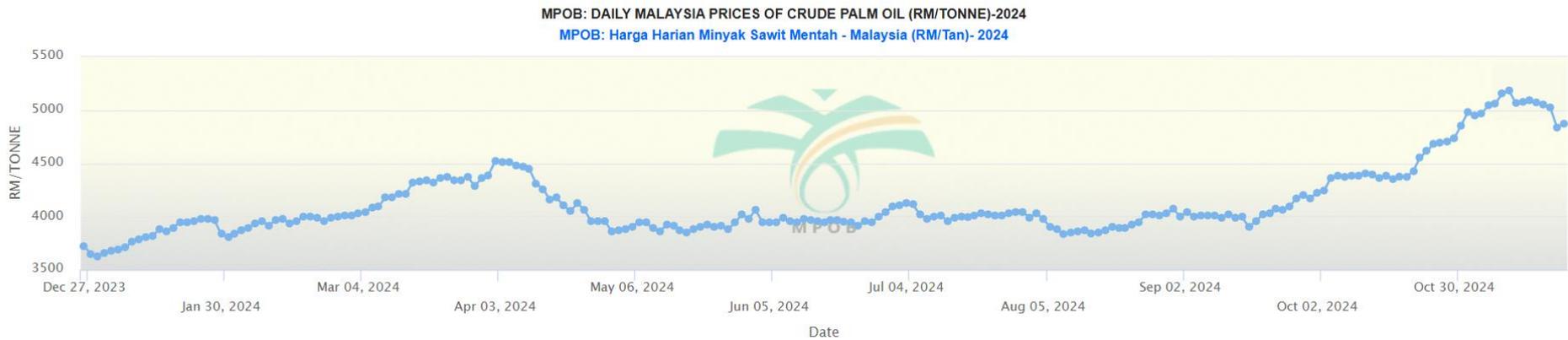
Source: Bursa Malaysia

# CPO Price Trend



MYR 4,872.00

Latest Price: 22 November 2024



Source: Malaysian Palm Oil Board (“MPOB”)

# Business Activities 1: Land Disposal

## 24 Sep 2024



The Land



- HARNLEN's wholly-owned subsidiary of the Company, Midwest Equity Sdn Bhd had entered into a sale and purchase agreement (“SPA”) with Starsea Resources Sdn Bhd for a disposal of a piece of land measuring 3,725.8sq metres in Johor Bahru for a total cash consideration of RM55mil.
- The Group proposes to utilize RM29.4 million to fund capital expenditure and plans to use RM20 million for general working capital. Additionally, RM1.1 million will be allocated for the repayment of bank borrowings to reduce financial liabilities while RM4.5 million is earmarked to cover estimated expenses related to the proposed disposal.

# Business Activities 2: EGM

## 5 Nov 2024



HARN LEN CORPORATION BHD  
Registration No. 200001000001 (502606-H)

### EXTRAORDINARY GENERAL MEETING

5 November 2024

- (I) PROPOSED ACQUISITION OF THE ENTIRE EQUITY INTEREST IN TIGER AQUACULTURE SDN BHD FOR A TOTAL PURCHASE CONSIDERATION OF RM42.5 MILLION; AND
- (II) PROPOSED AMENDMENT TO THE COMPANY'S CONSTITUTION

Principal Adviser  
 Malacca  
Securities  
Since 1983



Figure 1: Aerial view of the Land

- The following resolution set out in the Notice of Extraordinary General Meeting (“EGM”) dated 14 October 2024 had been tabled and approved at the EGM. This acquisition represents a strategic milestone in HARNLEN’s diversification efforts, reducing reliance on the oil palm plantation segment while securing an alternative income stream.
- TASB will become a wholly-owned subsidiary, granting HARNLEN rights to 300 acres of land in Mukim Bebar, Pahang, for aquaculture activities over the next 60 years. This venture positions the Group to capitalize on opportunities within the aquaculture industry, further strengthening its business portfolio.



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# THANK YOU!

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# HARN LEN CORPORATION BHD – MSWG QUESTIONS (24<sup>th</sup> AGM)



汉联机构有限公司  
**HARN LEN CORPORATION BHD**  
200001000001 (502606-H)



## OPERATIONAL & FINANCIAL MATTERS

### QUESTION 1

The maturity profile of the Group's oil palm planted areas is summarized as follows: (page 24 of AR 2024)

Profile of maturity (as at)	Mature (4 years and beyond)	Hectares Immature (0-3 years)	Total
31 May 2024	17,151	35	17,186
31 May 2023	17,042	52	17,094
31 December 2021	16,697	394	17,091
31 December 2020	15,564	1,527	17,091
31 December 2019	14,269	2,568	16,837

a) What was the average age of the Group's palm trees as of 31 May 2024?

The average age of the Group's palm trees is **15 years** as of 31 May 2024.



## OPERATIONAL & FINANCIAL MATTERS

### QUESTION 1

b) Please provide further breakdown of your palm trees by age group (immature, young, prime and old).

The Group trees profile is as follows:

			FYE 2024	FYE 2023	FYE 2021	FYE 2020	FYE 2019
Profit of Taxes							
Immature	(0-3 years)	Ha	35	52	394	1,527	2,568
Young	(4-7 years)	Ha	1,555	2,778	5,447	4,391	3,827
Prime	(8-19) years)	Ha	13,005	14,127	11,250	11,173	10,442
Past Prime	(>20years)	Ha	2,591	137	0	0	0
Abbreviations:							
Ha - Hectare							

The same info above was also disclosed in the 5 years Key Statistics page 11 of AR 2024.

## ***OPERATIONAL & FINANCIAL MATTERS***

### **QUESTION 1**

**c) Does the Group have any plans to replant all the old areas? If yes, by when?**

The current tress age profile is very healthy with 15% of trees just crossing 20 years. The Group is constantly monitoring the trees conditions and yield where no potential replanting need is identified at this present.

**d) What is the Group's target replanting area for FY2025?**

The Group is constantly monitoring the trees conditions and yield where no potential replanting need is identified at this present.

## **OPERATIONAL & FINANCIAL MATTERS**

### **QUESTION 2**

**FFB yield per mature hectare (Ha) improved to 7.11 metric tonnes (MT) in FY2024 from 6.73 MT in FY2023. Labour shortage continues to be a challenge to the Plantation Segment, despite gradual efforts by the government and relevant authorities to ease the crunch in the nation's supply of workers. (page 23-24 of AR2024)**

**a) What is the outlook for FFB yield? What are the measures taken to improve FFB yield?**

The Group is seeing good progression in precision farming pilot project (ie. target spraying of liquid fertilizer with drone) and is optimistic that it should help to improve the FFB yield further after rolling out in all oil palm estates.

**b) Is the Group still facing labour shortage issues?**

The labour shortage issue is improving with additional 116 workers recruited in FY2024.

## **OPERATIONAL & FINANCIAL MATTERS**

### **QUESTION 2**

**FFB yield per mature hectare (Ha) improved to 7.11 metric tonnes (MT) in FY2024 from 6.73 MT in FY2023. Labour shortage continues to be a challenge to the Plantation Segment, despite gradual efforts by the government and relevant authorities to ease the crunch in the nation's supply of workers. (pg 23-24 of AR2024)**

**c) What was the Group's labour productivity in terms of land-labour coverage ratio in FY2024? How does it compare to FY2021?**

The Group's labour productivity for harvesting has improved from 1 worker covering 41HA (FY 2021) to 24HA (FY 2024).

## ***CORPORATE GOVERNANCE MATTERS***

### **QUESTION 3**

**Practice 5.9 of the Malaysian Code of Corporate Governance (MCCG) stipulates that the Board should comprise at least 30% women directors.**

***Company's response:* Departure. During the financial year under review, the Board appointed an additional female Director to fill causal vacancy and at the end of the financial year, the Board comprised of nine members, seven of whom are male Directors with the remaining two female Directors, making up 22% of the Board, which falls short of the 30% composition prescribed under Practice 5.9.**

***MSWG comments:* What are the challenges faced by the Company in sourcing for women directors? Would the Board be able to set a timeline to adopt Practice 5.9?**

## **CORPORATE GOVERNANCE MATTERS**

### **QUESTION 3 (Answer)**

- The Board views that the existing composition of 2 women Directors not only complies with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which stipulates at least a woman Director in the board, but is also sufficient to achieve the **Intended Outcome 5.0 of the MCCG** for which **Practice 5.9** is aimed at, i.e., *“Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights”*.
- It should also be noted that the Board appointed a woman Director during the year to replace a male Independent Director. This appointment was based on the candidate’s competence, experience, character, integrity and time availability following a rigorous assessment by the Nominating Committee.
- With the 2 women Directors, one of whom is an Independent Director and the other an Executive Director, the Board believes that its decisions will likely be made objectively in the best interests of the Company after considering diverse perspectives and insights. Currently, the Board has no intention to move towards the 30% composition, premised upon the rationale discussed above.

## **CORPORATE GOVERNANCE MATTERS**

### **QUESTION 4**

**The Company is seeking shareholders' approval to retain En. Mohamed Akwal Bin Sultan Mohamad (Ordinary Resolution 7) as Independent Non-Executive Director (INED) of the Company via a two-tier voting process. En. Mohamed Akwal has served the Board as an INED for more than nine years. As his tenure has now exceeded nine years, what is the Company's plan for identifying a replacement?**

- At today's AGM, En. Mohamed Akwal Bin Sultan Mohamad ('En. Akwal') will have served more than 10 years since his appointment as an Independent Director of the Company on 18 March 2014. Following a rigorous review by the Nominating Committee (with En. Akwal abstaining), the Committee was of the view that apart from fulfilling the fit and proper criteria for Directors, including the criteria for independent directors, En. Akwal has effectively contributed during deliberation at meetings of the Board and Board Committees and in the decision-making process thereat. Premised on these and having considered its size and diversity within it, the Board has decided to retain En. Akwal as an Independent Director beyond the 9-year tenure via a 2-tier voting process as prescribed by Practice 5.3 of the MCCG.
- The Main Market Listing Requirements of Bursa Malaysia Securities Berhad prescribe the limit of an independent director's tenure to **12 years**. Whilst it does not formalise a process for the succession of En. Akwal, the Board believes that candidate for suitable independent director can be sourced from the marketplace, like what was done when a new Director was onboarded during the financial year to succeed an Independent Director who resigned from the Board in compliance with Bursa Securities' Listing Requirements mandatory 12-year tenure.

## **SUSTAINABILITY MATTERS**

### **QUESTION 5.**

**In FY2024, Harn Len's total GHG emissions amounted to 2,700 tCO<sub>2</sub>e, with an emissions intensity of 0.07 tCO<sub>2</sub>e/ tonne of CPO. Majority of these emissions (91%) are classified as Scope 1, directly associated with diesel usage for its operations. (page 67 of AR 2024)**

**a) What specific actions is Harn Len taking to reduce its Scope 1 emissions, particularly diesel usage which accounts for 91% of total GHG emissions?**

Harn Len is actively exploring ways to reduce its Scope 1 emissions and is currently considering renewable energy solution, such as adopting solar power systems. Besides, we are also considering implementing a policy where driver turns off the vehicle engine when loading or unloading of goods if waiting time is long. The Company also proposes transitioning to electric vehicles (EVs) for its operations. However, these initiatives are still in the review phase and will require additional time for comprehensive planning and implementation.

## ***SUSTAINABILITY MATTERS***

### **QUESTION 5.**

**In FY2024, Harn Len's total GHG emissions amounted to 2,700 tCO<sub>2</sub>e, with an emissions intensity of 0.07 tCO<sub>2</sub>e/ tonne of CPO. Majority of these emissions (91%) are classified as Scope 1, directly associated with diesel usage for its operations. (page 67 of AR 2024)**

**b) Is Harn Len exploring any emerging technologies, such as renewable energy systems (e.g., biogas or solar), to help lower its Scope 1 emissions from diesel usage?**

Please refer to the answer to 5(a).



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# THANK YOU!



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