



Press Release

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LEONG HUP INTERNATIONAL REPORTS RESULTS FOR Q2FY20

KUALA LUMPUR, 25 August 2020 – Leong Hup International Berhad (“LHI” or the “Company”), one of the largest fully integrated producers of poultry, egg and livestock feed in Southeast Asia, today announced its financial results for the second quarter ended 30 June 2020 (“Q2FY20”). LHI and its subsidiaries (the “Group”) reported revenue of RM1.43 billion, nearly 3.5% lower as compared to RM1.48 billion posted in the preceding year’s corresponding quarter ended 30 June 2019 (“Q2FY19”). Profit after tax and minority interests (“PATMI”) for Q2FY20 increased marginally to RM16.27 million, from RM16.09 million for Q2FY19.

During the quarter under review, revenue for the Group’s livestock and poultry related products segment came in at RM807.28 million, up by a marginal 0.5% from RM803.66 million in the corresponding quarter a year ago. This was driven by stronger sales volume of broiler chickens in Vietnam and higher average selling prices (“ASP”) of broiler chickens in Malaysia. However, a marked contraction in ASP and sales volume of day-old-chicks in Indonesia as well as lower contribution from the sales volume of fresh chickens and duck in Singapore had pared those gains significantly. Meanwhile, revenue for the Group’s feedmill segment slipped to RM614.69 million during Q2FY20, an 8.4% decline as compared to RM671.27 million recorded in the prior year. The segment was weakened by a decrease in the sales volume of livestock feed in Indonesia during the quarter, although its Vietnam operations continued to forge ahead on the back of higher sales volume and ASP of livestock feed, bolstered by contribution from the newly-acquired feedmill located in the Mekong delta region.

On a geographical segmentation review, Indonesia continues to be the largest contributing segment of the Group, contributing RM447.48 million (31.4%) to the Group’s total revenue for Q2FY20. During the quarter under review, Vietnam took the spot as the second highest revenue contributor to the Group’s total revenue at RM387.50 million (27.2%). Malaysia contributed RM385.52 million (27.0%) to the Group’s total revenue for Q2FY20, while the remaining contribution was by both Singapore at RM182.68 million (12.8%) and Philippines at RM22.26 million (1.6%).



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Executive Director / Group Chief Executive Officer of LHI, Tan Sri Lau Tuang Nguang (“**Tan Sri Francis Lau**”) shared, “The confluence of the Covid-19 pandemic, lockdowns and economic slowdown have changed the global economic landscape drastically. At the height of the pandemic in April, these events had adversely impacted demand, with rippling effects on the industry supply chain. As a result, our performance during the second quarter of 2020 was marred but I am heartened that the Group still remained profitable during these challenging times.”

“We are fortunate as our operations have been unimpeded throughout the period of movement controls. A bright spot has been the resilient performance of our Vietnam operations which continue to outperform the country’s growth rate, while our Malaysia operations bounced back quickly during the quarter; and this underscores our advantage as a geographically diversified poultry integrator,” Tan Sri Francis Lau added.

On the Group’s prospects, Tan Sri Francis Lau commented that, “As stimulus measures taper off, movement restrictions of varying degrees and government-mandated safe distancing measures are expected to weigh on employment level, household spending and general mobility. Although we expect headwinds to persist, substantial resumption of many economic sectors in our markets have so far have bode well for the Group. While we have no control over external factors, we continue to undertake efficient capital management measures and remain proactive to capture opportunities when the market recovers.”

For the cumulative six-month period ended 30 June 2020 (“**6MFY20**”), the Group posted revenue of RM2.86 billion, lower by 4.2% as compared to RM2.98 billion recorded in the preceding year’s corresponding six-month period ended 30 June 2019. The group’s PATMI for 6MFY20 stood at RM38.06 million.

In respect of the financial year ending 31 December 2020, the Board of Directors of LHI has declared an interim single tier dividend of 0.55 sen per ordinary share amounting to RM20.075 million, payable to LHI’s shareholders on 30 September 2020.



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ABOUT LEONG HUP INTERNATIONAL BERHAD

Leong Hup International Berhad ("LHI") is a Malaysian-incorporated company listed on the Main Market of Bursa Malaysia Securities Berhad and one of the largest fully integrated producers of poultry, eggs and livestock feed in Southeast Asia.

Established in Malaysia with a track record of more than 40 years and running, the Leong Hup brand is well-entrenched in the business of feedmill and pure-play poultry. Under its livestock business, the LHI Group produces day-old-chicks, broiler chickens, table eggs and a range of further processed poultry and food products under a number of well-recognised brands, including "Ayam A1", "SunnyGold", "Happy Egg" and "Ciki Wiki". Extending its "Farm-to-Plate" business model, LHI runs The Baker's Cottage, a fast-growing chain of quick service restaurants-cum-bakery that serves quality ready-to-eat poultry meals at outstanding value directly to consumers in Malaysia.

LHI is a constituent of the MSCI Global Small Cap Indexes' MSCI Malaysia Index and the FTSE Bursa Malaysia Mid 70 Index, as well as the recipient of the BrandLaureate World BestBrands in Consumer – Integrated Poultry, Egg & Livestock Feed Solutions award in 2019.

The LHI Group has a strong and growing presence in Malaysia, Singapore, Indonesia, Vietnam and the Philippines – all of which are attractive consumer markets with significant growth potential. It employs more than 10,700 people across its operations which consist of feedmill and livestock businesses.

For more information, please visit www.leonghupinternational.com

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