

Press Release



For Immediate Distribution

LEONG HUP INTERNATIONAL POSTS TURNAROUND WITH Q4FY20 RESULTS AMID RECOVERY IN MARKETS

KUALA LUMPUR, 23 February 2021 – **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 unaudited consolidated financial results for the fourth (4th) quarter of 2020 (“**Q4FY20**”) and the twelve (12)-month period ended 31 December 2020 (“**FY20**”).

Reflecting the gradual recovery in business conditions, LHI and its subsidiaries (the “**Group**”) reported revenue of RM1.61 billion, 4.1% higher as compared to RM1.54 billion recorded in the preceding year’s corresponding quarter ended 31 December 2019 (“**Q4FY19**”). The Group delivered profit after tax and minority interests (“**PATMI**”) of RM52.56 million for Q4FY20, a 78.0% jump from RM29.53 million for Q4FY19. During the quarter under review, the Group posted healthy gains in its livestock and poultry related products segment as it recorded RM899.55 million in revenue, an increase of 2.9% as compared to RM874.53 million for Q4FY19. The performance of the segment was lifted by stronger average selling price (“**ASP**”) and sales volume of day-old-chicks in the Group’s operations in Indonesia, as well as improvement in sales volume and higher ASP of eggs in Vietnam. Revenue for the Group’s feedmill segment stood at RM704.89 million, recording a 5.8% gain during the latest quarter as compared to RM665.99 million in the corresponding period a year ago, sustained by steady growth in the sales volume of livestock feed in Indonesia and Vietnam.

On a geographical segmentation review, Indonesia continues to be the largest contributing segment of the Group, contributing RM567.83 million (35.3%) to the Group’s total revenue for Q4FY20. Malaysia was the second highest revenue contributor to the Group’s total revenue at RM413.42 million or 25.7%. Vietnam contributed RM409.63 million (25.5%) to the Group’s total revenue for Q4FY20, while the remaining contribution was by both Singapore at RM185.96 million (11.6%) and Philippines at RM30.84 million (1.9%).

Press Release



For Immediate Distribution

Executive Director / Group Chief Executive Officer of LHI, Tan Sri Lau Tuang Nguang (“**Tan Sri Francis Lau**”) shared, “The strengthening of our performance and underlying operational data in the fourth quarter as evidenced by volume growth across our key products has given us an optimistic reading of the current operating environment. The economic tailwind in Indonesia is expected to sustain the recovery process for the Group, while we expect our markets in general to demonstrate resilience this year as they emerge from the upheaval caused by the Covid-19 pandemic.”

The Group concluded FY20 on a sturdy note. Revenue eased marginally to RM6.04 billion against RM6.05 billion for the previous financial year while PATMI stood at RM113.15 million as compared to RM150.58 million recorded in the preceding year, representing a decline of 24.9% attributable to severe pressure on ASP of poultry products as experienced in most countries following the onset of the Covid-19 pandemic.

“Economic activities are slated to normalise in 2021 now that the Covid-19 vaccination programme in most countries have been unveiled. Over the past year, the Group has taken decisive actions to position itself for the eventual industry upswing and these include, among others, undertaking a strategic review and pacing of its capital expenditure vis-à-vis shifts in demand and supply conditions amid heightened volatility, as well as steering its business focus towards a new growth engine in the further processing and business-to-consumer channels. Given the backdrop, the Group has fortified itself by investing in its downstream operations while unlocking further benefits of vertical integration along the poultry value chain. Premised on the above, the Group is geared towards the imminent recovery in consumption and demand,” Tan Sri Francis Lau added.

“We will continue to drive volume expansion across our markets. While cost optimisation remains an ongoing agenda, we continue to practise prudence in capital management and maintain balance sheet strength. The lessons learned in FY20 have informed the development of the Group’s strategies amid the new normal, and the ongoing work we have done has undoubtedly created a stronger, more resilient financial frame for the Group.”

Press Release



For Immediate Distribution

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.

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. Established in Malaysia with a track record of more than 40 years, 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". Completing its "Farm-to-Plate" business model and through the "Baker's Cottage" outlets, LHI retails 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.

For more information, please visit www.leonghupinternational.com

Issued by: Leong Hup International Berhad (Registration No.: 201401022577 (1098663-D))

Date: 23 February 2021

For more information, please contact:

Victor Geh

Tel : +603 7980 8086

Email : ir@lhnb.com
