

# Press Release



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## **LEONG HUP INTERNATIONAL REPORTS RECORD QUARTERLY PROFIT FOR Q1FY21 RESULTS, STRONG UNDERLYING PERFORMANCE AMID RECOVERY AND SOLID FUNDAMENTALS**

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**KUALA LUMPUR, 20 May 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 first (1<sup>st</sup>) quarter of 2021 (“**Q1FY21**”).

LHI and its subsidiaries (the “**Group**”) posted revenue of RM1.68 billion, 16.9% higher as compared to RM1.43 billion recorded in the preceding year’s corresponding quarter ended 31 March 2020 (“**Q1FY20**”). The increase in the Group’s profit after tax and minority interests outpaced revenue, surging by 222.8% to a record RM70.33 million for Q1FY21, against RM21.79 million recorded a year ago, its strongest quarterly performance since the Company’s listing on Bursa Malaysia Securities Berhad about two years ago.

During the quarter under review, both of the Group’s livestock and poultry related products segment and feedmill segment recorded double-digit growth in revenue. For its livestock and poultry related products segment, revenue strengthened 16.9% to RM915.16 million during Q1FY21, from RM782.63 million in the corresponding period a year ago. This was driven by the recovery of average selling price (“**ASP**”) and sales volume growth of day-old-chicks and broiler chickens in Indonesia and the Philippines. The segment’s performance was also buoyed by stronger performance from the Group’s businesses in Malaysia. Notably, earnings before interest, taxes, depreciation and amortisation (“**EBITDA**”) for the said segment soared by 1,461.6% to RM94.24 million during the quarter, as compared to RM6.03 million for Q1FY20. Meanwhile, the Group’s feedmill segment registered RM758.35 million in revenue during the latest quarter, a growth of 17.0% as compared to RM648.15 million for Q1FY20, accelerated by higher sales volume and ASP of livestock feed in Vietnam and Indonesia. EBITDA for the feedmill segment moderated to RM111.75 million, a year-on-year decrease of 6.4% versus RM119.44 million for Q1FY20, as margins normalised in Indonesia and Vietnam during the quarter.

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On a geographical segmentation review, Indonesia continues to be the largest segment of the Group, contributing RM613.68 million (36.6%) to the Group's total revenue for Q1FY21. Malaysia was the second highest at RM443.33 million or 26.4%. Vietnam contributed RM385.10 million (23.0%), while Singapore and Philippines contributed RM189.87 million (11.3%) and RM44.57 million (2.7%) respectively.

Executive Director / Group Chief Executive Officer of LHI, Tan Sri Lau Tuang Nguang ("**Tan Sri Francis Lau**") shared, "For the first quarter of 2021, the Group delivered 199.6% growth in its pre-tax profit to RM105.15 million against RM35.09 million recorded in Q1FY20, while net profit grew 223.7% to RM81.96 million versus RM25.32 million in the corresponding quarter a year ago. With the latest set of results, the Group is on course to stage a recovery on the back of solid top line growth underpinned by continuous volume expansion and vigilance in cost management. While Covid-19 and other exogenous factors will continue to pose uncertainty and pressure on our business, we are encouraged to see traction with the strategies undertaken since last year."

On the Group's prospects, Tan Sri Francis Lau commented that, "Notwithstanding transitory setbacks which may temper the economic recovery, we are optimistic on our market's operating environment and believe that the sequential recovery in earnings since the second half of 2020 can be sustained. Our conviction is premised upon the fact that LHI represents a good proxy to the economic recovery following the improvement in market sentiments across our regional footprints in Southeast Asia."

The Group adds that it has ample liquidity for its operations and this has entrenched its position to capture opportunities in alignment to market recovery. In respect of the financial year ending 31 December 2021, the Board of Directors of LHI has declared an interim single tier dividend of 0.66 sen per ordinary share amounting to RM24.09 million, payable to shareholders on 9 July 2021.

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### **ABOUT LEONG HUP INTERNATIONAL BERHAD**

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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](http://www.leonghupinternational.com)

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