



Press Release

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LEONG HUP INTERNATIONAL EXPANDS FURTHER IN VIETNAM WITH LATEST FEEDMILL ACQUISITION

KUALA LUMPUR, 9 March 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 it has inked agreements to acquire a feedmill in Vietnam, including its plant, equipment, machineries and motor vehicles, for a total consideration of approximately RM67.03 million.

Strategically located within the thriving Mekong delta region, the acquisition represents the regional integrated poultry operator’s diversification into aquatic feed in Vietnam. Currently, LHI and its subsidiaries (the “Group”) in Vietnam produce a wide range of feed products, including those for parent stock chickens, broiler chickens, layer chickens, colour birds, ducks, cattle, goats, swine and quail. The asset, which currently produces only aquatic feed, has the capacity to produce up to 118,800 metric tonnes of aquatic feed per annum, while the Group has plans to enhance the asset’s capacity and begin poultry feed production by the end of 2020. The production of aquatic feed complements and extends the offerings of the Group’s range of feed product offered.

Executive Director / Group Chief Executive Officer (“CEO”) of LHI, Tan Sri Lau Tuang Nguang (“**Tan Sri Francis Lau**”) shared, “Vietnam is one of the Group’s burgeoning markets in Southeast Asia and we continue to sharpen our focus on expanding our growth in this region. This acquisition presents us with an opportunity to introduce feed products to capture more pockets of the region’s rising protein consumption and enables the Group to strengthen our market position in Vietnam, particularly around the southern region.”

To recap, in its recently announced unaudited consolidated financial results for the fourth (4th) quarter of 2019, the Group had reported a 15.6% gain in revenue from Vietnam against the same quarter a year ago, led by feed sales volume. The latest acquisition is expected to drive the Group’s feed sales volume further.



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Executive Director and CEO of LHI's Vietnam operation, Datuk Lau Joo Hong commented, "The Group has seen exponential growth from its Vietnam operation since its establishment in 2007. Our Dong Nai feedmill, which commenced operation in January 2019, has made significant contribution as we continue to ramp up production on the back of higher demand. Following this acquisition and upon installation of an additional production line for poultry feed, the Group's combined capacity in Vietnam is expected to increase by up to 17.5%, per annum. Hence, we expect to derive synergistic benefits in our feed production by way of cost and capital efficiencies."

ABOUT 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 a range of further processed poultry and food products under a number of well-recognised brands, including "Ayam A1", "SunnyGold" and "Ciki Wiki".

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.

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 10,400 people across its operations which consist of feedmill and livestock businesses.

For more information, please visit www.leonghupinternational.com

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For more information, please contact:

Victor Geh

Tel : +603 7980 8086

Email : ir@lhnb.com
