



Press Release

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LEONG HUP INTERNATIONAL BERHAD POSTS REVENUE OF RM1.48 BILLION FOR Q2FY19

KUALA LUMPUR, 29 AUGUST 2019 – 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 2019 (“**Q2FY19**”). The Company posted revenue of RM1.48 billion, an increase of 3.8% as compared to RM1.42 billion recorded in the preceding year’s corresponding quarter ended 30 June 2018 (“**Q2FY18**”). On the other hand, the Company’s profit after tax and minority interests (“**PATMI**”) for Q2FY19 dropped 75.5% to RM16.09 million, as compared to RM65.66 million for Q2FY18.

During the quarter under review, LHI and its subsidiaries (“**LHI Group**” or the “**Group**”) reported lower revenue for its livestock and poultry related products segment, which declined by 11.8% to RM803.66 million, as compared to RM910.73 for Q2FY18, mainly due to a significant decrease in the average selling price of broiler day-old-chicks (“**DOC**”) and broiler chickens in Malaysia. Meanwhile, significant improvement in performance by the Group’s feedmill segment helped to compensate for the softness in livestock prices during the quarter under review. Revenue for its feedmill segment jumped 32.6% to RM671.27 million for Q2FY19, as compared to RM506.40 million recorded in Q2FY18, which was primarily due to the increase of sales volume and average selling price of livestock feed in Indonesia and Vietnam.

On a geographical segmentation review, Indonesia continues to be the largest contributing segment of the Group, contributing 38.2% equivalent to RM563.93 million to the Group’s total revenue for Q2FY19. Malaysia was the second highest revenue contributor to the Group’s total revenue at RM368.01 million or 25.0%. Vietnam contributed 22.7% or RM335.17 million to the Group’s total revenue for Q2FY19, while the remaining contribution was by both Singapore at 13.0% or RM191.12 million, and Philippines at 1.1% or RM16.69 million respectively.



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Executive Director / Group Chief Executive Officer of LHI, Tan Sri Lau Tuang Nguang (“**Tan Sri Francis Lau**”) shared, “During this quarter, the Group’s livestock segment was affected by the headwinds on the selling prices of poultry products which have spared no operators in the region. However, we saw strong performance by the feedmill segment and this has helped the Group to cushion the effect felt by the livestock segment.”

“At LHI Group, we have invested in significant capacity expansion in Malaysia, Vietnam and Philippines over the past year. Thus, greater economies of scale coupled with our cost optimisation strategy will position the Group well for long term growth. As we continue to grow our sales volume and premised on a sustained price recovery for poultry products, barring unforeseen circumstances, we expect our third quarter’s results to be better than Q2FY19,” Tan Sri Francis Lau added.

For the cumulative six-month period ended 30 June 2019 (“**6MFY19**”), the Group posted revenue of RM2.98 billion, an increase by 7.7% as compared to RM2.77 billion recorded in the preceding year’s corresponding six-month period ended 30 June 2018 (“**6MFY18**”). The group’s PATMI for 6MFY19 stood at RM76.69 million.

In respect of the financial year ending 31 December 2019, the Board of Directors of LHI has declared an interim single tier dividend of 1.6 sen per ordinary share amounting to RM58.4 million, payable to LHI’s shareholders on 30 September 2019.



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ABOUT LEONG HUP INTERNATIONAL BERHAD

LHI Group, one of the largest fully integrated producers of poultry, eggs and livestock feed in Southeast Asia, was incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016 on 23 June 2014 as a private limited company under the name of Octagon Bliss Sdn Bhd. On 10 July 2014, LHI changed its name to Leong Hup International Sdn Bhd and was converted into a public company on 17 August 2018.

The LHI Group operates in Malaysia, Singapore, Indonesia, Vietnam and the Philippines, all of which are attractive consumer markets with significant growth potential. The operations consist of feedmill and livestock businesses.

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