



Press Release

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LEONG HUP INTERNATIONAL BERHAD POSTS IMPROVED REVENUE AND PROFIT FOR Q3FY19

KUALA LUMPUR, 26 NOVEMBER 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 third quarter ended 30 September 2019 (“Q3FY19”), showing continued improvements. For Q3FY19, the Company’s profit after tax and minority interest (“PATMI”) rose 26.1% to RM44.38 million from RM35.21 million on the back of improvement seen in its revenue, which grew 7.4% to RM1.53 billion from RM1.42 billion in the corresponding quarter a year ago.

During the quarter under review, LHI and its subsidiaries (“LHI Group” or the “Group”) reported higher revenue for its livestock and poultry related products segment, which improved by 5.3% to RM858.21 million, as compared to RM814.88 recorded in the same quarter last year, mainly due to stronger average selling price and sales volume of broiler chickens and eggs in Malaysia. Meanwhile, its feedmill segment continued to expand during Q3FY19, as revenue came in at RM665.80 million, a 10.0% gain from RM605.35 million for the corresponding quarter last year. The improvement in this segment was primarily due to the increase in 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 34.9%, equivalent to RM532.10 million to the Group’s total revenue for Q3FY19. Malaysia remained the second highest revenue contributor to the Group’s total revenue at RM426.34 million or 28.0% while Vietnam, Singapore and Philippines contributed RM344.43 million or 22.6%, RM201.75 million or 13.2% and RM19.39 million or 1.3% respectively.

Executive Director / Group Chief Executive Officer of LHI, Tan Sri Lau Tuang Nguang (“**Tan Sri Francis Lau**”) shared, “The Group’s performance during the third quarter of this year was commendable, and this highlights the resiliency of our business model, where our feedmill segment in Indonesia and Vietnam continued to see growth in volume and sales. I am also



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pleased to note a marked improvement in contribution from our livestock segment in Malaysia during the third quarter as compared with the last quarter.”

Tan Sri Francis Lau remains sanguine on the prospects of the LHI Group despite volatility in this year’s selling prices of poultry products. He added, “The higher sales volume of both livestock and feed is expected to mitigate the seasonally weaker livestock prices in the fourth quarter of 2019. Barring unforeseen circumstances, the Group is expected to register a satisfactory financial performance for the remaining period of the year.”

Tan Sri Francis Lau noted that while Indonesia and Vietnam are expected to continue to see growth and contribution towards the Group’s bottom line, the Group has also taken steps to strengthen its geographical diversification. On 16 October 2019, LHI incorporated Leong Hup Myanmar Co., Ltd, a wholly-owned subsidiary in Myanmar. Tan Sri Francis Lau said, “The registration of our new subsidiary in Myanmar marks our first step to tap into the growing economy and meat consumption in Myanmar. We intend to penetrate the market through the livestock segment.” He added, however, that the Group’s venture into Myanmar is at a preliminary stage and thus, is not expected to make any material contribution to the Group’s earnings for the FY2019 and FY2020.

For the cumulative nine-month period ended 30 September 2019 (“**9MFY19**”), the Group posted revenue of RM4.51 billion, an increase by 7.6% as compared to RM4.19 billion recorded in the preceding year’s corresponding nine-month period ended 30 September 2018. The group’s PATMI for 9MFY19 stood at RM121.05 million.

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 feedmill and livestock businesses. 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”.

In November 2019, LHI became a constituent of the MSCI Global Small Cap Indexes’ MSCI Malaysia Index and the recipient of the BrandLaureate World BestBrands in Consumer – Integrated Poultry, Egg & Livestock Feed Solutions award in 2019.



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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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