



Press Release

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LEONG HUP INTERNATIONAL POSTS HIGHER REVENUE OF RM6.05 BILLION IN FY19

KUALA LUMPUR, 18 FEBRUARY 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 its unaudited consolidated financial results for the fourth (4th) quarter of 2019 (“**Q4FY19**”) and the twelve (12)-month period ended 31 December 2019 (“**FY19**”).

For the quarter under review, LHI and its subsidiaries (the “**Group**”) recorded revenue of RM1.54 billion, a marginal drop as compared to RM1.55 billion in the preceding year’s corresponding quarter ended 31 December 2018 (“**Q4FY18**”). Profit after tax and minority interests (“**PATMI**”) for Q4FY19 decreased by 9.5% to RM29.53 million, from RM32.63 million for Q4FY18. During the quarter under review, the Group reported continuing expansion in its feedmill segment, as the segment’s revenue climbed 3.5% to RM665.99 million for Q4FY19, as compared to RM643.43 million in the preceding year’s corresponding quarter, primarily contributed by higher livestock feed sales in Vietnam. However, revenue in Q4FY19 was affected by the Group’s livestock and poultry related products segment, which decreased by 3.7% to RM874.53 million, from RM907.79 million in the same quarter a year ago, mainly due to lower average selling price (“**ASP**”) and sales volume of day-old-chicks, as well as softer ASP of eggs and broiler chickens in Malaysia.

On a geographical segmentation review, Indonesia continues to be the largest contributing segment of the Group, contributing RM533.38 million (34.6%) to the Group’s total revenue for Q4FY19. Malaysia was the second highest revenue contributor to the Group’s total revenue at RM411.28 million (26.7%). Vietnam contributed RM374.40 million (24.3%) to the Group’s total revenue for Q4FY19, while the remaining contribution was by both Singapore at RM195.39 million (12.7%), and Philippines at RM26.07 million (1.7%) respectively.



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Executive Director / Group Chief Executive Officer of LHI, Tan Sri Lau Tuang Nguang (“**Tan Sri Francis Lau**”) shared, “In 4QFY19, despite the Group’s earnings coming under pressure due mainly to the lower poultry prices in Malaysia; expansion in the feedmill segment remain robust while overall Group sales volume for broiler chickens, eggs and livestock feed continue to record positive growth. Notably, Vietnam and Philippines continue to deliver strong financial performance, and this underlines the strength of our geographical diversification.”

“Our steadfast focus remains on our cost optimisation agenda. As we ramp up production in our feedmills, we expect the higher utilisation rate as well as lower average cost to be accretive to our bottom line,” Tan Sri Francis Lau added.

For the full year under review, the Group posted another record revenue of RM6.05 billion, an increase of 5.4% as compared to RM5.75 billion recorded in the preceding year.

Commenting on the Group’s FY19 results, Tan Sri Francis Lau stated, “We reported a decent set of results despite a challenging market landscape last year. Our geographical diversification in Southeast Asia coupled with a strong and expanding presence in our markets, will continue to play a big part in mitigating the risk of volatility in poultry prices. We remain broadly positive on the outlook of the Group, backed by continually rising demand for poultry meat and improving income levels in the region’s fastest-growing economies where we are present. While we are cognisant of a weaker economic environment due to the implications of the Covid-19 outbreak which may exert pressures on our operating margins, the Group on balance expects to register a satisfactory performance in FY20.”



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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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Important notice

This press release shall be read in conjunction with the Company's unaudited consolidated financial result for Q4FY19, as announced to Bursa Malaysia Securities Berhad on even date. Statements included herein may include “forward-looking statements” relating to the Group's business and the sectors in which the Group operates. These forward-looking statements include statements relating to the Group's performance. These statements reflect the current views of the Group with respect to future events and are subject to certain risks, uncertainties and assumptions. It is important to note that actual results could differ materially from those anticipated in these forward-looking statements. Actual results may differ materially from those projected and there can be no assurance on the occurrence of certain events, achievability of projections or accuracy of assumptions made by the Group.