



ANNUAL REPORT 2019



Leong Hup International Berhad

Registration No.: 201401022577 (1098663-D)

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龍合國際有限公司

Leong Hup International Berhad



PROUDLY A MALAYSIAN REGIONAL CHAMPION

TRIBUTE TO THE CO-FOUNDERS OF LEONG HUP INTERNATIONAL GROUP

The late Datuk Lau Chong Wang and the late Dato' Lau Bong Wong, both co-founders of Leong Hup International Group of Companies, are synonymous with pioneering the commercialisation and transformation of the poultry industry in Malaysia that began in the 1960s. Their shared vision, entrepreneurial spirit, commercial and business acumen, as well as sheer determination and perseverance had enabled Leong Hup International Group to push boundaries as a Malaysia's first fully integrated poultry operator and break glass ceilings to become South East Asia's regional champion that it is today.

Humble beginnings

In the 1960s, Datuk Lau Chong Wang ("Datuk Lau") and Dato' Lau Bong Wong ("Dato' Lau") joined the family's vegetable wholesale business founded by their late father, Mr Lau Leng Yeaw ("Mr Lau") who had throughout his career steadfastly imparted and reinforced the core values of his enterprising spirit, namely upholding trust, credibility and integrity. Their father's drive and commitment had inspired and driven both Datuk Lau and Dato' Lau to explore further possibilities and into uncharted territories. Mr Lau has been credited to be the earliest proponent of Datuk Lau and Dato' Lau decision to grow the family business by diversifying into other businesses, including rearing of broiler chickens for the local market and subsequently, chicken breeding. Building up the family's poultry business from scratch required many years of hard work, under the joint stewardship of Datuk Lau and Dato' Lau, Leong Hup Poultry Farm Sdn Bhd was then established in 1978 to consolidate the family's poultry business. This marked the beginning of Leong Hup International Group's aggressive expansion in poultry industry and became the basis of both Datuk Lau and Dato' Lau's vision which was to be a market leader in the production of poultry.



Datuk Lau Chong Wang
(Left)

Dato' Lau Bong Wong
(Right)

TRIBUTE TO THE CO-FOUNDERS OF LEONG HUP INTERNATIONAL GROUP (cont'd)

Driving expansion

The dynamic partnership of the two co-founders formed the bedrock upon which the Leong Hup International Group's earlier crucial years of success was built on. Datuk Lau oversaw the overall group's strategies, expansion as well as sales and marketing, while Dato' Lau focused on sharpening the operational excellence of the group's farms as a pure-play poultry producer, with a singular focus on achieving meaningful economies of scale in production processes and raw material procurement.

With the rapid rate of growth of Leong Hup International Group, Dato' Lau spearheaded and pushed for the transformation of the group's farm and breeding operations into one of the most modern in the country.

Both the co-founders of Leong Hup International Group were passionate in growing the business and continually invested in the production infrastructure in order to maximise efficiencies and ensured that the group's facilities conform to the highest global standards. The group's size, reputation and track record (in particular, in matters such as biosecurity and product quality) caught the attention of well-known and high-quality genetics companies namely Arbor Acres in the United States of America and Euribrid BV in the Netherlands. The trailblazing co-founders successfully pioneered the country's gaining access to high-quality genetics from Arbor Acres and Euribrid, and would over the years build strong relationships with them, thus setting the country up for the unprecedented rapid development of its nascent commercial poultry production.

Under Datuk Lau watch, the group's aggressive expansion saw it pursuing diversification vertically upwards and downwards along the poultry value chain and as a result, Leong Hup International

Group became the pioneer of the integrated "Farm-to-Plate" business model in Malaysia. By 1990, Leong Hup International Group was widely recognised as the largest poultry breeder and integrated farm operator in Malaysia, covering the production of livestock and other poultry related products, livestock feed and food processing. As a result of his foresight, the group deepened its expertise and substantially strengthened its vertically integrated poultry business model. This model would serve to future proof the group's business, as the co-founders looked beyond the Malaysian market and set their sights on further expansion into the burgeoning South East Asia market.

Synergy drive and strengthening regional footprint

Following the successful listing of Leong Hup Holdings Berhad on the Main Board of the Kuala Lumpur Stock Exchange ("KLSE") (now known as the Main Market of Bursa Malaysia Securities Berhad) in 1990, the group ventured into Singapore as well as commercial egg production by acquiring Teo Seng Farming Sdn Bhd (a wholly-owned subsidiary of Teo Seng Capital Berhad, a listed entity on the Main market of Bursa Malaysia Securities Berhad). By the turn of the millennium, the group expanded its footprint further by establishing its presence in Indonesia, via PT Malindo Feedmill TBK, and expanded quickly amid the significant turbulence of the Asian Financial Crisis.

With the Lau family firmly on board and behind Leong Hup International Group, the co-founders would strategise and chart the group's foray into Vietnam, by leveraging on their vast experience in running livestock and feedmill operations in Malaysia and across the group's other markets. Dato' Lau's foresight and conscientiousness had enabled the group to demonstrate

its proven ability to transfer and replicate its successful business model into those markets and then tailor it to fit the local environment.

Under the guidance and mentorship of the co-founders, more family members including Mr Lau Chia Nguang, Dato' Lau Eng Guang and Tan Sri Lau Tuang Nguang joined the family business and worked together hand-in-hand to expand the family's poultry empire, with much success. This culminated in the eventual listings of Emivest Berhad on the Second Board of KLSE in 2002 and PT Malindo Feedmill TBK on Jakarta Stock Exchange (now known as Indonesia Stock Exchange) in 2006, while the group's Vietnam operations which started from ground zero in 2007 grew exponentially and hit the RM1 billion revenue benchmark within a decade of operations.

Today, the leaders and employees of the Leong Hup International Group continue to draw inspiration from Datuk Lau and Dato' Lau's legacy. As one of the market leaders in integrated poultry operations in South East Asia, Leong Hup International Berhad continues to honour the vision of the group's co-founders in upholding trust as an exemplary centre for safe, quality and affordable food for the growing population.



OVERVIEW OF LEONG HUP INTERNATIONAL BERHAD

OUR VISION

We aspire to be one of the top integrated poultry operators in the Asian region. We are committed to uphold trust and aim to be an exemplary organization for safe, quality and affordable food.



WHO WE ARE

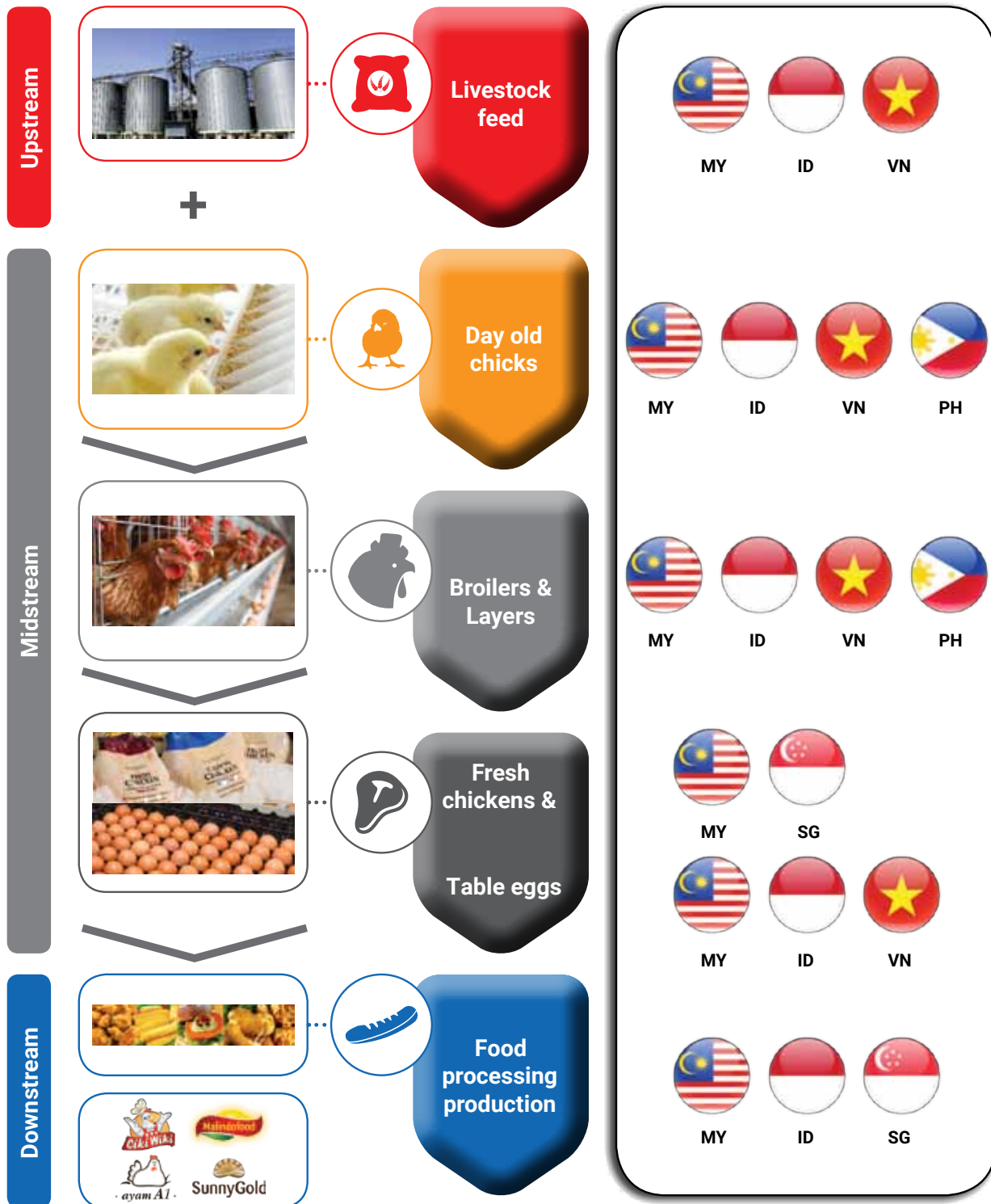
Established in Malaysia in 1978, Leong Hup International Group is one of the largest fully integrated producers of poultry, eggs and livestock feeds in Southeast Asia. Our operations are spread across Malaysia, Indonesia, Vietnam, Singapore and the Philippines, which are attractive consumer markets, with a population of over 540 million people and significant growth potential. As one of Southeast Asia's leading pure play integrated poultry operators, our operations span the entire poultry supply chain, encompassing livestock feed production, poultry breeding, broiler farming, layer production and further processed poultry products.

OVERVIEW OF **LEONG HUP INTERNATIONAL BERHAD**
 (cont'd)

OUR VALUE CHAIN

Leong Hup International Berhad and subsidiaries (our "Group") are primarily involved in the Feedmill business (upstream) and Livestock business (midstream and downstream).

Regional geographical presence:
 across value chain in each of the target markets



OVERVIEW OF **LEONG HUP INTERNATIONAL BERHAD**
 (cont'd)

**WHAT
 DIFFERENTIATES
 US**

- Fully integrated business model
- Geographically diversified
- One of the largest producers in fast-growing ASEAN consumer markets with rising poultry consumption
- Leading “pure-play” poultry producer, with strong economies of scale and significant market shares in most product segments
- Experienced senior management, supported by seasoned country managers and prominent investors
- Robust historical financial growth and performance, underpinned by a strong track record

AWARDS

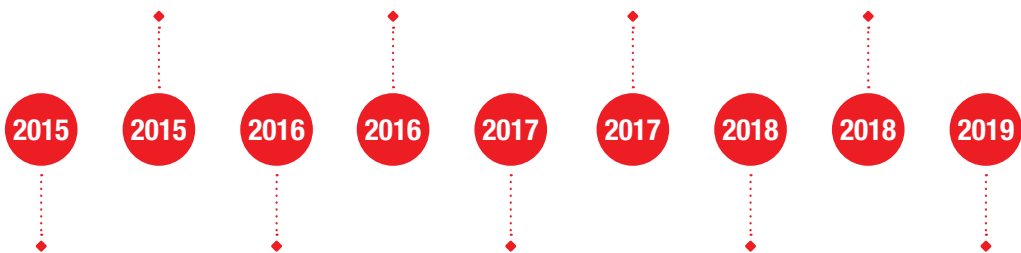
Our Group has won numerous awards in the past five years, such as:

Blue Rated Program for Pollution Control, Evaluation, and Rating (PROPER) for Company Performance to Manage Environment by the Ministry of Environment and Forestry of the Republic of Indonesia

Outstanding Feed Product Innovation by Vietstock Exhibition

Best of the Best Award by Forbes Indonesia

Outstanding Industry Achievement – ASEAN by the Department of Veterinary Sciences Malaysia



Singapore Prestige Brand Award – Established Brands by the Singapore’s Association of Small & Medium Enterprises

Top Parent Flock Award by Cobb-Vantress, USA

The BrandLaureate BestBrands in Product Branding (Consumer Eggs) by The World Brands Foundation

The Trusted Company in The Best Product Quality by the Indonesian Achievement Centre

The BrandLaureate World BestBrands in Consumer - Integrated Poultry, Egg & Livestock Feed Solutions by The World Brands Foundation

EVENTS HIGHLIGHT

CORPORATE OVERVIEW

BUSINESS REVIEW

GOVERNANCE

FINANCIAL STATEMENTS

ADDITIONAL INFORMATION



Date: 25 April 2019
Event: Launch of Leong Hup International Berhad's Prospectus



Date: 16 May 2019
Event: Leong Hup Appreciation Night



Date: 16 May 2019
Event: Leong Hup International Berhad Listing Ceremony



Date: 24 June 2019
Event: Media Visit to Leong Hup Singapore Operation

EVENTS HIGHLIGHT
 (cont'd)

Date: 31 October 2019

Event: The BrandLaureate BestBrands Awards 2019, Shangri-la Hotel Singapore

LHI was awarded the BrandLaureate World BestBrands in Consumer – Integrated Poultry, Egg & Livestock Feed Solutions, while Executive Chairman, Mr Lau Chia Nguang, was honoured with the Brandpreneur Leadership of the Year Award



Date: 16 December 2019

Event: Visit by 14th Chief Secretary to the Government of Malaysia (Ketua Setiausaha Negara), YBhg Tan Sri Dr. Ismail Haji Bakar to Linggi 1 Farm



Date: 20 June 2019 & 26 September 2019

Event: Site visit by fund managers to Feedmill and Broiler Farm in Malaysia



CORPORATE SOCIAL RESPONSIBILITY

CORPORATE OVERVIEW

BUSINESS REVIEW

GOVERNANCE

FINANCIAL STATEMENTS

ADDITIONAL INFORMATION



Provision of education aid to students

On 24 May 2019, our Group's subsidiary in Vietnam, Emivest Feedmill (TG) Vietnam Limited Liability Company, participated in a charitable drive to provide education aid and relief to schools in the Ben Tre region. During this event, students from disadvantaged background received donation of exercise books as part of the aid to encourage them to stay in school.



Prevention of African swine fever event held by the Animal Husbandry & Veterinary Department in Thong Nhat, Dong Nai region

In conjunction with this one-day event on 24 May 2019, our Group's Vietnam operation, via Emivest Feedmill Vietnam Company Limited, donated 1,000 litres of animal disinfectant products to the authority, as part of its effort to educate farmers on the importance of biosecurity in farm management. Approximately 1,000 farmers attended and benefitted from this event.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-Independent Executive Chairman
Lau Chia Nguang

**Non-Independent Executive Director/
Group Chief Executive Officer**
Tan Sri Lau Tuang Nguang

Non-Independent Executive Directors
Dato' Lau Eng Guang
Datuk Lau Joo Hong
Lau Joo Han
Lau Joo Keat

Non-Independent Non-Executive Director
Benny Lim Jew Fong

Senior Independent Non-Executive Director
Low Han Kee

Independent Non-Executive Directors
Datin Paduka Rashidah Binti Ramli
Mahani Binti Amat
Chu Nyet Kim
Goh Wen Ling
Tay Tong Poh

AUDIT AND RISK COMMITTEE

Committee Chairman
Low Han Kee
Committee Members
Chu Nyet Kim
Goh Wen Ling

NOMINATION COMMITTEE

Committee Chairman
Tay Tong Poh
Committee Members
Mahani Binti Amat
Benny Lim Jew Fong

REMUNERATION COMMITTEE

Committee Chairperson
Goh Wen Ling
Committee Members
Datin Paduka Rashidah Binti Ramli
Low Han Kee

KEY SENIOR MANAGEMENT

Lau Chia Nguang (*Executive Chairman*)
Tan Sri Lau Tuang Nguang (*Executive Director /
Group Chief Executive Officer*)
Dato' Lau Eng Guang
(*Executive Director / Group Business Strategist*)
Datuk Lau Joo Hong
(*Executive Director / Chief Executive Officer of Vietnam
operations*)
Lau Joo Han
(*Executive Director / Chief Executive Officer of Malaysia
operations*)
Lau Joo Keat
(*Executive Director / Country Head of Indonesia
operations*)

Lau Jui Peng (*Group Breeder Chief Executive Officer*)
Lau Joo Heng (*Chief Executive Officer of Philippines operations*)
Lau Joo Hwa (*Chief Executive Officer of Singapore operations*)
Chew Eng Loke (*Group Chief Financial Officer*)

COMPANY SECRETARIES

Lum Sow Wai (MAICSA 7028519) (SSM PC NO. 202008002373)
Tan Lai Kai (MIA 41018) (SSM PC NO. 202008002788)
Te Hock Wee (MAICSA 7054787) (SSM PC NO. 202008002124)
Lim Hooi Mooi (MAICSA 0799764) (SSM PC NO. 201908000134)

AUDITORS

PricewaterhouseCoopers PLT
(LLP0014401-LCA & AF1146)
Chartered Accountants
Level 10, 1 Sentral,
Jalan Rakyat,
Kuala Lumpur Sentral,
PO Box 10192,
50706 Kuala Lumpur,
Wilayah Persekutuan.
Tel: +603-2173 1188
Fax: +603-2173 1288

CORPORATE WEBSITE

www.leonghupinternational.com

REGISTERED OFFICE

Unit 30-01, Level 30, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur,
Wilayah Persekutuan.
Tel : +603-2783 9191
Fax : +603-2783 9111

HEAD/MANAGEMENT OFFICE

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Tel : +603-7980 8086 / +603-7980 3817
Fax : +603-7980 0040
E-mail: info@lhhb.com

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Registration no. 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur,
Wilayah Persekutuan.
Tel : +603-2783 9299
Fax : +603-2783 9222

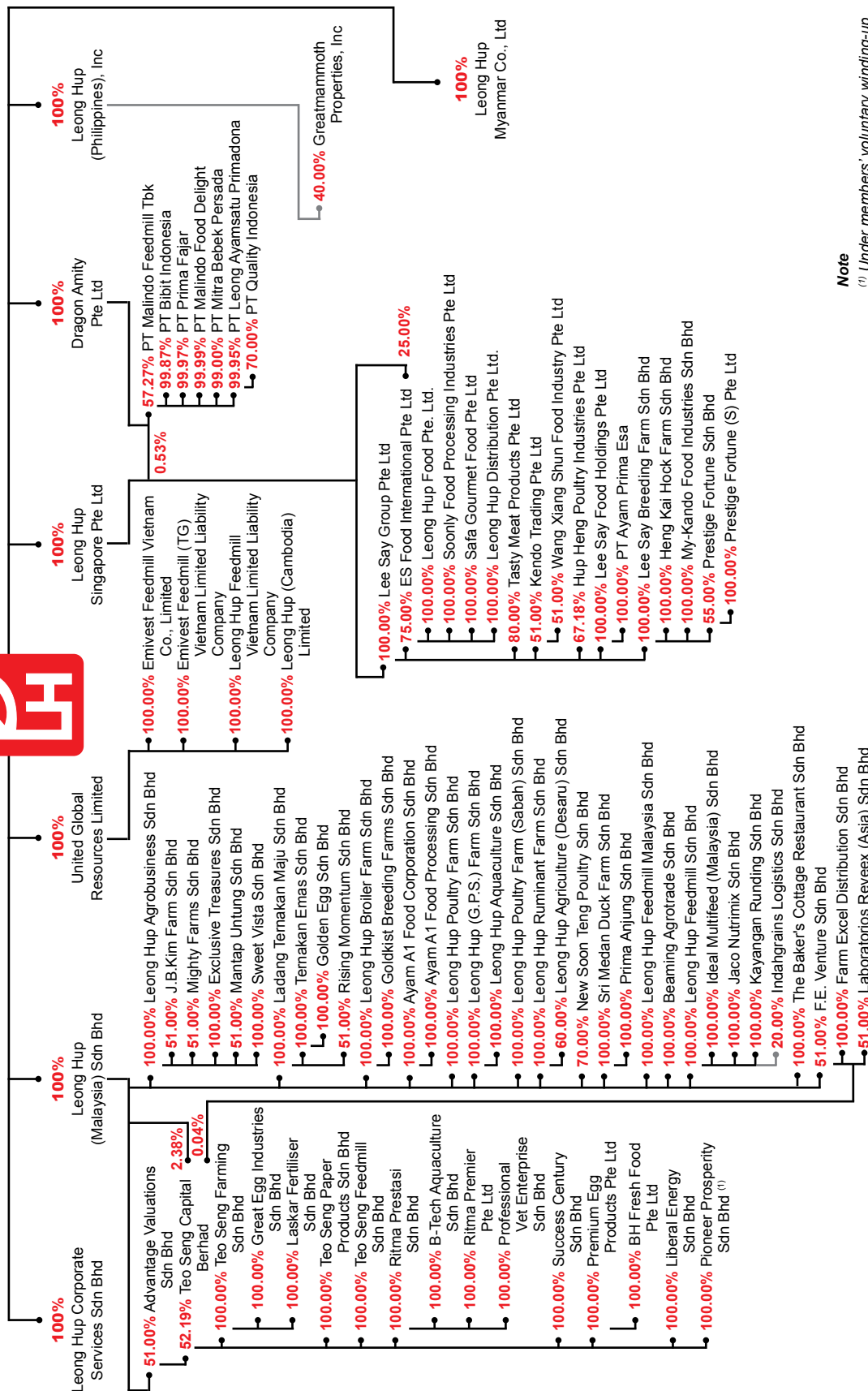
STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Date of Listing : 16 May 2019
Stock Name : LHI
Stock Code : 6633
Stock Sector : Consumer Products & Services
Sub-sector : Agricultural Products

GROUP CORPORATE STRUCTURE

As at 30 April 2020

Leong Hup International Berhad



Note

⁽¹⁾ Under members' voluntary winding-up.

PROFILE OF THE BOARD OF DIRECTORS

Lau Chia Nguang

Non-Independent Executive Chairman

Lau Chia Nguang, Male, a Malaysian aged 68, is our Non-Independent Executive Chairman and President Commissioner of PT Malindo Feedmill TBK (“Malindo Feedmill”). He completed his primary school education in 1964. He has over 41 years of experience and expertise in the integrated livestock industry.

He began his career in the late 1960s as a vegetable wholesaler. In 1978, he joined one of our Group’s subsidiaries. He led our Group’s broiler business in Malaysia from 1985 to 2002.

He led the expansion of our Group’s poultry business to Jakarta in 1996 with the incorporation of PT Leong Ayamsatu Primadona. Thereafter, he founded Malindo Feedmill in 1997 as the vehicle for expanding our Group’s poultry business in Indonesia to tap into the market potential and opportunities of the Indonesian poultry industry. Malindo Feedmill was listed on the Jakarta Stock Exchange (now known as Indonesia Stock Exchange) in 2006.

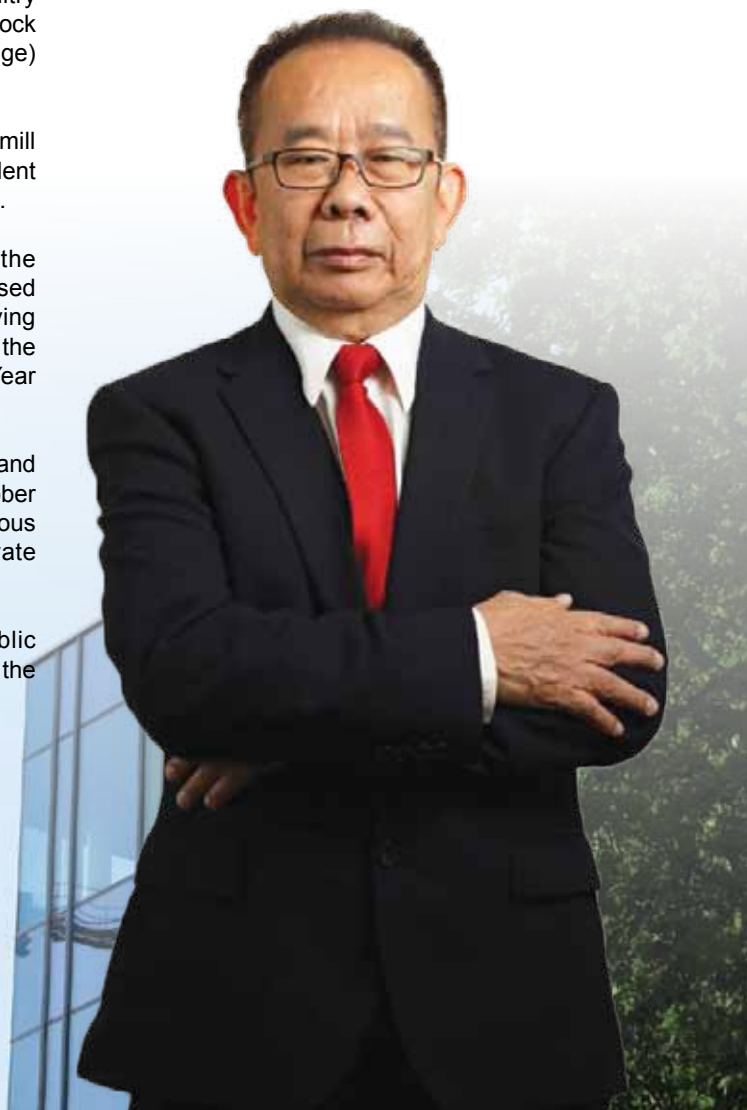
He served as President Director of Malindo Feedmill from 2014 to June 2018 and is currently the President Commissioner of Malindo Feedmill since June 2018.

His notable achievements, aside from leading the listing of Malindo Feedmill, include being recognised by Enterprise Asia in 2013 and 2015 upon receiving the Asia Pacific Entrepreneurship Award, as well as the BrandLaureate Brandpreneur Leadership of the Year Award 2019 by the World Brands Foundation.

He was appointed to our Board on 9 September 2014 and re-designated as our Executive Chairman on 1 October 2018. Currently, he also sits on the boards of various subsidiaries of our Group and several other private limited companies.

He does not hold any other directorship in public companies and listed issuers in Malaysia other than the Company.

He is the brother of Dato’ Lau Eng Guang and Tan Sri Lau Tuang Nguang; and the uncle of Datuk Lau Joo Hong, Lau Joo Han and Lau Joo Keat who are the Directors/major shareholders of our Company. Except for certain related party transactions of revenue or trading nature which are necessary for the day-to-day operations of our Company and its subsidiaries; and for which he is deemed to be interested, there are no other business arrangements with our Company in which he has personal interest. He has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2019. He attended all the four (4) Board meetings held during the financial year.



PROFILE OF THE **BOARD OF DIRECTORS**
(cont'd)

Dato' Lau Eng Guang

Non-Independent Executive Director & Group Business Strategist

Dato' Lau Eng Guang, Male, a Malaysian aged 65, is our Non-Independent Executive Director and Group Business Strategist. He completed his secondary school education in 1972 and South Australian matriculation in 1974. He has over 41 years of experience and expertise in the integrated livestock industry.

In 1978, he joined one of our Group's subsidiaries where he oversaw its finances and corporate affairs.

He is responsible for our Group's business strategies and risk management and has been involved in various aspects of our Group's operations. He served as a director in Leong Hup Holdings Bhd ("LH Holdings") and Emivest Bhd ("Emivest") when both companies were listed on the Main Board of Bursa Securities. He remains as a director of both companies since 1989 and 2002, respectively.

He was appointed to our Board on 1 July 2014. Currently, he also sits on the boards of various subsidiaries of our Group and several other private limited companies.

He does not hold any other directorship in public companies and listed issuers in Malaysia other than the Company.

He is the brother of Lau Chia Nguang and Tan Sri Lau Tuang Nguang; and the uncle of Datuk Lau Joo Hong, Lau Joo Han and Lau Joo Keat who are the Directors/major shareholders of our Company. Except for certain related party transactions of revenue or trading nature which are necessary for the day-to-day operations of our Company and its subsidiaries and for which he is deemed to be interested, there are no other business arrangements with our Company in which he has personal interest. He has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2019. He attended all the four (4) Board meetings held during the financial year.



PROFILE OF THE **BOARD OF DIRECTORS**
(cont'd)

Tan Sri Lau Tuang Nguang

Non-Independent Executive Director & Group Chief Executive Officer

Tan Sri Lau Tuang Nguang, Male, a Malaysian aged 61, is our Non-Independent Executive Director, Group Chief Executive Officer and President Director of Malindo Feedmill. He completed his secondary school education in 1975. He has over 36 years of experience and expertise in the integrated livestock industry.

He began his career in the family farm business at one of our Group's subsidiaries where he gained experience through running the operations of the Grand Parent Stock ('GPS') and breeder farms and was director from 1978 to October 2018. He has been a director of LH Holdings since 1986. He sat on our Board from 2014 until his resignation on 1 August 2018. He was appointed as our Group's Chief Executive Officer on 13 June 2018 and was re-appointed to our Board on 23 November 2018. As the Group Chief Executive Officer, he oversees the entire business operations of our Group covering Malaysia, Singapore, Indonesia, Vietnam and Philippines. He sat on the board of Teo Seng Capital Bhd ("Teo Seng") from 2009 to August 2018 and is the current President Director of Malindo Feedmill, both being our listed subsidiaries.

He served as a panel advisor to the Ministry of Agriculture and Agro-based Industry of Malaysia ('MOA') in 2004 and currently sits as a panel member of the National Agriculture Advisory Council to the MOA. From 2005 to 2006, he was the President of the Federation of Livestock Farmers' Association of Malaysia, an association instituted for the safeguarding of the livestock farming community's interest and the betterment of the livestock industry and presently sits on its advisory panel.

His notable achievements include receiving the Lifetime Achievement Award which was awarded by Department of Veterinary Services of Malaysia in 2013 during the 7th Malaysian Livestock Industry Award and being appointed as a panel member of National Agriculture Advisory Council, under the purview of the MOA in 2018.

Currently, he also sits on the boards of various subsidiaries of our Group and several other private limited companies.

He does not hold any other directorship in public companies and listed issuers in Malaysia other than the Company.

He is the brother of Dato' Lau Eng Guang and Lau Chia Nguang; and the uncle of Datuk Lau Joo Hong, Lau Joo Han and Lau Joo Keat who are the Directors/major shareholders of our Company. Except for certain related party transactions of revenue or trading nature which are necessary for the day-to-day operations of our Company and its subsidiaries and for which he is deemed to be interested, there are no other business arrangements with our Company in which he has personal interest. He has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2019. He attended all the four (4) Board meetings held during the financial year.



PROFILE OF THE **BOARD OF DIRECTORS**
(cont'd)

Datuk Lau Joo Hong

Non-Independent Executive Director & Chief Executive Officer of Vietnam Operations

Datuk Lau Joo Hong, Male, a Malaysian aged 49, is our Non-Independent Executive Director and Chief Executive Officer for our Group's Vietnam operations. He completed his secondary school education in 1988. He has over 21 years of experience and expertise in the integrated livestock industry and retail market.

He began his career in the family poultry business in 1991 when he joined one of the Group's subsidiaries which was principally involved in the processing and marketing of chicken and related products, where he oversaw the entire operations of that subsidiary.

In 1994, he was also assigned the responsibility of overseeing the entire operations of another subsidiary principally involved in food processing products. He was transferred to Astaka Shopping Centre (Muar) Sdn Bhd ("Astaka"), another family business in 1996 where he was responsible for the overall operations of Astaka until the family's decision to venture into Vietnam's poultry business in 2007 where he planned and executed the expansion plan. He led our Vietnam operations as Deputy Chief Executive Officer until his promotion in 2014 to Chief Executive Officer. He has been leading the expansion of our Vietnam operations since its incorporation.

He is a director of both LH Holdings and Emivest since 2008 and 2010 respectively (including the period whilst both companies were listed on the Kuala Lumpur Stock Exchange ("KLSE")).

He was appointed to our Board on 9 September 2014. Currently, he also sits on the boards of various subsidiaries of our Group and several other private limited companies.

He does not hold any other directorship in public companies and listed issuers in Malaysia other than the Company.

He is also a director and substantial shareholder of CW Lau & Sons Sdn Bhd ("CWL&S"), which in turn is a substantial shareholder of Emerging Glory Sdn Bhd ("Emerging Glory"), a major shareholder of our Company. He is the nephew of Lau Chia Nguang, Dato' Lau Eng Guang and Tan Sri Lau Tuang Nguang; and the cousin of Lau Joo Han and Lau Joo Keat who are the Directors/major shareholders of our Company. Except for certain related party transactions of revenue or trading nature which are necessary for the day-to-day operations of our Company and its subsidiaries and for which he is deemed to be interested, there are no other business arrangements with our Company in which he has personal interest. He has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2019. He attended all the four (4) Board meetings held during the financial year.



PROFILE OF THE **BOARD OF DIRECTORS**
(cont'd)

Lau Joo Han

Non-Independent Executive Director & Chief Executive Officer of Malaysia Operations

Lau Joo Han, Male, a Malaysian aged 45, is our Non-Independent Executive Director and Chief Executive Officer for our Group's Malaysia operations. He has over 20 years of experience in the livestock industry.

He graduated with a degree in International Trade from Victoria University, Melbourne, Australia in 1999.

He began his career in 2001 at Leong Hup Contract Farming Sdn Bhd (now known as Leong Hup Agrobusiness Sdn Bhd) in charge of the marketing and operations of that subsidiary. He rose through the ranks and has been the Chief Executive Officer of Leong Hup (Malaysia) Sdn Bhd ('LH Malaysia') since 2014, in-charge of overseeing the business and full operations of LH Malaysia. He was duly appointed and has served as a director of LH Malaysia since 2014.

He has extensive expertise in the upstream and downstream activities of livestock production, operation, development and marketing of poultry industry. He has contributed to our Group's marketing strategies and spearheaded many business expansion projects at LH Malaysia which contributed to the growth of LH Malaysia. He served as a non-executive director of Teo Seng from 2008 until he was re-designated to the position of executive director in 2013 until his resignation on 31 July 2018.

He was appointed to our Board on 1 October 2018. Currently, he also sits on the board of directors of various subsidiaries of our Group and several other private limited companies.

He does not hold any other directorship in public companies and listed issuers in Malaysia other than the Company.

He is a director and substantial shareholder of Emerging Glory, a major shareholder of our Company.

He is the nephew of Lau Chia Nguang, Dato' Lau Eng Guang and Tan Sri Lau Tuang Nguang; and the cousin of Datuk Lau Joo Hong and Lau Joo Keat who are the Directors/major shareholders of our Company. Except for certain related party transactions of revenue or trading nature which are necessary for the day-to-day operations of our Company and its subsidiaries and for which he is deemed to be interested, there are no other business arrangements with our Company in which he has personal interest. He has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2019. He attended all the four (4) Board meetings held during the financial year.



PROFILE OF THE **BOARD OF DIRECTORS**
(cont'd)

Lau Joo Keat

Non-Independent Executive Director & Country Head of Indonesia Operations

Lau Joo Keat, Male, a Malaysian aged 40, is our Non-Independent Executive Director and Country Head for our Group's Indonesia operations. He has approximately 17 years of experience and expertise in the integrated livestock industry.

In 2002, he obtained his Bachelor of Marketing from University of Kentucky, United States.

He began his career in 2002 when he joined the Malindo Feedmill as Production Manager of the breeding, hatchery and broiler farms. In 2007, he served as Head of Production of the breeding, hatchery and broiler farms. He has served as a director of Malindo Feedmill since 2015 and has been the Country Head of our Group's Indonesian business since 2017.

He was appointed to our Board on 9 September 2014. Currently, he also sits on the board of Malindo Feedmill, other various subsidiaries of our Group, and several other private limited companies.

He does not hold any other directorship in public companies and listed issuers in Malaysia other than the Company.

He is the nephew of Lau Chia Nguang, Dato' Lau Eng Guang and Tan Sri Lau Tuang Nguang and the cousin of Datuk Lau Joo Hong and Lau Joo Han who are the Directors/major shareholders of our Company. Except for certain related party transactions of revenue or trading nature which are necessary for the day-to-day operations of our Company and its subsidiaries and for which he is deemed to be interested, there are no other business arrangements with our Company in which he has personal interest. He has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2019. He attended three (3) out of four (4) Board meetings held during the financial year.



PROFILE OF THE **BOARD OF DIRECTORS**
(cont'd)

Benny Lim Jew Fong

Non-Independent Non-Executive Director

Benny Lim Jew Fong, Male, a Singaporean aged 47, is our Non-Independent Non-Executive Director. He has over 23 years of experience and expertise in private equity, corporate and investment banking.

He obtained a Bachelor of Commerce from Monash University, Australia in 1995 and is a Chartered Financial Analyst charterholder since 2001.

He began his career with Southern Bank Berhad as a corporate banking officer from 1996 to 2000. Thereafter, he joined DBS Bank Ltd in 2001 where he held various positions in corporate and investment banking in Malaysia and Singapore. In 2009, he joined United Overseas Bank Ltd in Singapore where he oversaw the origination activities in Malaysia for the bank's strategic client coverage team until he left in 2011 to join Affinity Equity Partners (S) Pte Ltd ("Affinity Singapore") at its Singapore office. He is currently the Managing Director in Affinity Singapore where he is responsible for originating, executing and managing investments for Affinity Singapore.

He was appointed to our Board on 9 September 2014. He is also a member of the Nomination Committee of the Company. Currently, he also sits on the boards of portfolio companies as representative of Affinity Singapore.

He does not hold any other directorship in public companies and listed issuers in Malaysia other than the Company.

He does not have any family relationship with any Director/major shareholder of our Company. He does not have any conflict of interest with our Company. He has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2019. He attended all the four (4) Board meetings held during the financial year.



PROFILE OF THE **BOARD OF DIRECTORS**
(cont'd)

Datin Paduka Rashidah Binti Ramli

Independent Non-Executive Director

Datin Paduka Rashidah Binti Ramli, Female, a Malaysian aged 60, is our Independent Non-Executive Director.

She obtained her Bachelor of Arts (Honours) in South East Asian Studies from University of Malaya, Kuala Lumpur in 1982.

She began her career in 1984 as an Administrative and Diplomatic Officer and served at various senior levels in the Ministry of Foreign Affairs of Malaysia, including the Southeast Asia Division, Development Division and Chief of Inspectorate. She also had foreign postings in Singapore and Canada, and was Ambassador (in residence) to the Republic of Ecuador and the Republic of Colombia. In 2010, she was appointed as the Director General of the Southeast Asia Regional Centre for Counter-Terrorism ("SEARCCT"), Ministry of Foreign Affairs until her retirement in 2017.

She was conferred the Selangor State Award of Datuk Paduka Mahkota Selangor in 2008, which carries the title 'Datin Paduka'.

She was appointed to our Board on 1 August 2018.

She is also a member of the Remuneration Committee of the Company. Other than the Company, she is not a Director of any other public companies and listed issuers in Malaysia.

She does not have any family relationship with any Director/major shareholder of our Company. She does not have any conflict of interest with our Company. She has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2019. She attended all the four (4) Board meetings held during the financial year.



PROFILE OF THE **BOARD OF DIRECTORS**
(cont'd)

Mahani Binti Amat

Independent Non-Executive Director

Mahani Binti Amat, Female, a Malaysian aged 65, is our Independent Non-Executive Director. She has over 27 years of working experience in the banking industry.

She obtained her Bachelor in Economics (majoring in Business Administration) from University of Malaya, Kuala Lumpur in 1977.

She began her career with Bank Negara Malaysia in 1977 where she spent 7 years in Reserves Management. In 1984, she moved on to RHB Bank in Singapore where she took on various positions in the Treasury and Offshore Banking as well as Consumer Banking. She returned to RHB Bank Kuala Lumpur in 2001, where she held senior management positions in the Premium Banking and International divisions, up to her last designation in 2004 as the Executive Vice President of Operations and Services. In 2006, she joined the Investment Committee of Opus Asset Management Sdn Bhd, a boutique fund house investing in Malaysian fixed-income securities, where she has since remained as a member.

She has served as chairman of various taskforce and committees at bank working levels including asset liability management, information technology steering committee, delivery channels transformation and various ad hoc project committees. She was also then a member of the Association of Banks, Fraud Risk Committee.

She was appointed to our Board on 1 August 2018. She is also a member of the Nomination Committee of the Company. Currently, she is an Independent Non-Executive Director on two (2) public listed companies on the Main Market of Bursa Securities, namely Unisem (M) Bhd and Scicom (MSC) Bhd since 2016 and 2017 respectively. She was also appointed as an Independent Non-Executive Director of AIA Berhad on 18 November 2019.

She does not have any family relationship with any Director/major shareholder of our Company. She does not have any conflict of interest with our Company. She has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2019. She attended all the four (4) Board meetings held during the financial year.



PROFILE OF THE **BOARD OF DIRECTORS**
(cont'd)

Chu Nyet Kim

Independent Non-Executive Director

Chu Nyet Kim, Female, a Malaysian aged 64, is our Independent Non-Executive Director. She has more than 33 years of working experience in the field of taxation, finance and accounting functions.

She obtained her Diploma in Accounting (Honours) from Algonquin College of Applied Arts and Technology, Canada in 1977. She became an associate member of the Chartered Association of Certified Accountants, United Kingdom (now known as Association of Chartered Certified Accountants, United Kingdom) ("ACCA") in 1995 and she has been a Fellow member of the ACCA since 2000. She became a member of the Malaysian Institute of Accountants ("MIA") in 2018.

She began her career in Harrisons & Crosfield (Sabah) Sdn Bhd in 1977 as an accounts executive until 1980 before leaving the company to study full time for her ACCA. She then joined Houw Hing Co., Singapore, a trading company and served as an accountant from 1984 to 1987. Thereafter, she moved to Indonesia and went on sabbatical before re-entering the workforce when she joined Deloitte Indonesia ("Deloitte") in Jakarta, Indonesia in 1989. She was admitted as a partner in Deloitte in 1997 and later became a senior partner of Deloitte Southeast Asia Cluster until her retirement in 2016. In the 27 years that she was with Deloitte, she held various positions, specialising in taxation with her last designation as the Leader of Global Employer Services (a tax service line) and Tax Risk Leader/Deputy Tax Managing Partner of Deloitte Indonesia. As the Tax Risk Leader of Deloitte Indonesia, she worked closely with Deloitte Southeast Asia Tax Risk Leader to build up the tax risk management team in Indonesia.

She was appointed to our Board on 1 August 2018. She is also a member of the Audit and Risk Committee of the Company. She does not hold any other directorship in public companies and listed issuers in Malaysia other than the Company. She has been a Commissioner of PT PZ Cussons Indonesia ("PT PZ Cussons") since 2016. PT PZ Cussons is a subsidiary of PZ Cussons PLC, a company listed on the London Stock Exchange and a constituent of the FTSE 250 Index.

She does not have any family relationship with any Director/major shareholder of our Company. She does not have any conflict of interest with our Company. She has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2019. She attended all the four (4) Board meetings held during the financial year.



PROFILE OF THE **BOARD OF DIRECTORS**
(cont'd)

Goh Wen Ling

Independent Non-Executive Director

Goh Wen Ling, Female, a Malaysian aged 40, is our Independent Non-Executive Director. She has over 15 years of working experience in the legal industry encompassing direct real estate acquisitions and divestments, retail banking and various aspects of financing, corporate and commercial legal practice.

She graduated with a Bachelor of Laws (Honours) degree from University of Hull in 2000. She obtained her Postgraduate Diploma from City University London, Inns of Court School of Law in 2001. She was called to the Bar of England and Wales in 2001 as a Barrister-at-Law of the Honourable Society of the Middle Temple in 2001. In 2002, she was admitted to the High Court of Malaya as an advocate and solicitor.

She began her professional career in 2002 as an associate in the intellectual property department of Messrs. Shook Lin & Bok where her main area of practice was in intellectual property litigation, reviewing and advising on trade marks, patents and industrial design registration and general advisory work relating to intellectual property rights.

She left legal practice in 2003 and started her own event management company, Aldrea Dream Media Sdn Bhd. In 2004, she returned to legal practice and joined Messrs. Andrew T.S. Goh & Khairil as a junior partner and head of the conveyancing, corporate and banking department and is still currently active in legal practice.

She was appointed to our Board on 1 August 2018. She is also the Chairperson of the Remuneration Committee and a member of the Audit and Risk Committee of the Company. She does not hold any other directorship in public companies and listed issuers in Malaysia other than the Company.

She does not have any family relationship with any Director/major shareholder of our Company. Save for the provision of professional legal services in her capacity as an advocate and solicitor, she does not have any conflict of interest with our Company. She has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2019. She attended all the four (4) Board meetings held during the financial year.



PROFILE OF THE **BOARD OF DIRECTORS**
(cont'd)

Low Han Kee

Senior Independent Non-Executive Director

Low Han Kee, Male, a Malaysian aged 60, is our Senior Independent Non-Executive Director.

He qualified as a certified public accountant with the Malaysian Association of Certified Public Accountants ("MACPA") (now known as Malaysian Institute of Certified Public Accountants) in 1984.

He began his career in 1980 with Ernst & Whinney (now known as Ernst and Young) where he completed his qualification as a Certified Public Accountant. From 1985 until 1990, he served at Mulpha International Berhad ("Mulpha"), a trading, construction and engineering company listed on the KLSE. His last designation at Mulpha was Group Chief Accountant. In 1990, he joined Amway (Malaysia) Sdn Bhd as Divisional Manager, Finance & Administration. From 1998, he served as Managing Director of Amway Malaysia Holdings Berhad ("AMHB") which is listed on the Main Market of Bursa Securities until his retirement in 2016. From 2005 until 2016, he also served as President of Amway South East Asia, Australia and New Zealand where he had led the successful opening of Amway's group business in South East Asia including Singapore, Brunei and Vietnam.

He has more than 30 years of financial expertise, having held senior finance positions in public listed companies, namely AMHB and Mulpha.

He was appointed to our Board on 1 August 2018. He is also the Chairman of the Audit and Risk Committee and a member of the Remuneration Committee of the Company. Currently, he is a Non-Independent Non-Executive Director of AMHB.

He does not have any family relationship with any Director/major shareholder of our Company. He does not have any conflict of interest with our Company. He has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2019. He attended all the four (4) Board meetings held during the financial year.



PROFILE OF THE BOARD OF DIRECTORS (cont'd)

Tay Tong Poh

Independent Non-Executive Director

Tay Tong Poh, Male, a Malaysian aged 58, is our Independent Non-Executive Director.

He obtained a Bachelor of Science in Electrical Engineering from the University of Southern California Viterbi School of Engineering, United States in 1984 and a Master of Business Administration (Finance) from the University of Chicago Booth School of Business, United States in 1986.

He has 18 years of experience in corporate banking, corporate finance, project finance, leveraged finance and debt capital markets in J.P Morgan Securities (Asia Pacific) Limited ("JP Morgan"). He began his career with Chase Manhattan Bank, Singapore ("CMB") as an associate in 1987 and transferred to Chase Manhattan Asia Limited, Hong Kong ("CMAL") in 1993. Both CMB and CMAL were the predecessors of JP Morgan. He held various senior management positions in JP Morgan with his last designation as managing director of Debt Capital Markets, Asia Pacific where he was responsible for the loan syndication business of JP Morgan in Asia Pacific and aided in establishing JP Morgan as one of the market leaders in leveraged finance in the region.

He took a career break after he left JP Morgan in 2004 and relocated to Singapore in 2005. He joined United Overseas Bank Limited, Singapore ("UOB") as Head of Investment Banking and Executive Vice President from 2006 to 2011. Whilst in UOB, he served as a member of UOB's management committee and investment committee and reported directly to the Chief Executive Officer of UOB.

He joined Affinity Singapore in 2011 as managing director and Head of Portfolio Management and was responsible for various functions, including performing due diligence and opining on the Affinity group of companies' investment opportunities, monitoring of investment portfolios, performing portfolio valuation, and supervising the Affinity group of companies' responsible investment policy. He also represented the Affinity group of companies on the board of directors of several portfolio companies. He retired from Affinity Singapore in June 2018 and resigned from the board of directors of several portfolio companies and other Affinity group entities.

He was appointed to our Board on 1 August 2018. He is also the Chairman of the Nomination Committee of the Company. He does not hold any other directorship in public companies and listed issuers in Malaysia other than the Company.

He does not have any family relationship with any Director/major shareholder of our Company. He does not have any conflict of interest with our Company. He has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year ended 31 December 2019. He attended three (3) out of the four (4) Board meetings held during the financial year.



PROFILE OF KEY SENIOR MANAGEMENT

Lau Jui Peng

Group Breeder Chief Executive Officer

Lau Jui Peng, Male, a Malaysian aged 48, is our Group Breeder Chief Executive Officer. He has approximately 20 years of experience and expertise in the production processes and management of poultry companies.

He graduated in 1996 with a Bachelor's degree in Business Administration from the Hawaii Pacific University, United States.

He began his career in 1999 when he joined one of our Group's subsidiary as the Head of breeder operation. He has held various management positions in that subsidiary including General Manager and Deputy Chief Executive Officer. He has led our Group's Breeder operation since 2013 and was formally appointed as the Group Breeder Chief Executive Officer on 1 January 2016, and is responsible for the production, operation and administration of breeder operation.

He was appointed as Non-Executive Chairman of Teo Seng in 2008 and was re-designated as the Executive Chairman, a position which he has held since 2013 until his subsequent re-designation as Non-Executive Chairman on 29 January 2019. Currently, he also sits on the board of various subsidiaries of our Group and several private limited companies.

He is also a director and substantial shareholder of CWL&S, which in turn is a substantial shareholder of Emerging Glory, a major shareholder of our Company.

He is the brother of Datuk Lau Joo Hong, nephew of Lau Chia Nguang, Dato' Lau Eng Guang and Tan Sri Lau Tuang Nguang; and the cousin of Lau Joo Han and Lau Joo Keat who are the Directors/major shareholders of our Company. Except for certain related party transactions of revenue or trading nature which are necessary for the day-to-day operations of our Company and its subsidiaries and for which he is deemed to be interested, there are no other business arrangements with our Company in which he has personal interest. He has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year.



PROFILE OF **KEY SENIOR MANAGEMENT**
(cont'd)

Lau Joo Heng

Chief Executive Officer of Philippines Operations

Lau Joo Heng, Male, a Malaysian aged 45, is the Chief Executive Officer of our Group's Philippines operations. He has 16 years of experience in the operational activities of the integrated livestock industry and exposure in retail and export businesses.

He graduated from Western Michigan University, United States with a Bachelor and Master's degree in Finance in 1996 and 1998 respectively.

He began his career in 1998 when he joined Arab-Malaysian Merchant Bank Berhad as Risk Management Officer until he left to join the family business from 1999 until he was transferred to a bakery business owned by LH Holdings in 2003 as its Chief Executive Officer. He held positions at various management levels in the family business and our subsidiaries. He left the bakery business to join our Group's Livestock business in 2015 and expanded our Livestock business to Philippines. He was appointed as the Chief Executive Officer of our Philippines operations on 1 January 2016 and has since led our Philippines operations.

Currently, he also sits on the board of Leong Hup (Philippines), Inc. and several other private limited companies. He does not hold any other directorship in public companies and listed issuers in Malaysia.

He is also a director and substantial shareholder of CWL&S, which in turn is a substantial shareholder of Emerging Glory, a major shareholder of our Company.

He is the brother of Datuk Lau Joo Hong, nephew of Lau Chia Nguang, Dato' Lau Eng Guang and Tan Sri Lau Tuang Nguang; and the cousin of Lau Joo Han and Lau Joo Keat who are the Directors/major shareholders of our Company. Except for certain related party transactions of revenue or trading nature which are necessary for the day-to-day operations of our Company and its subsidiaries and for which he is deemed to be interested, there are no other business arrangements with our Company in which he has personal interest. He has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year.



PROFILE OF **KEY SENIOR MANAGEMENT**
(cont'd)

Lau Joo Hua

Chief Executive Officer of Singapore Operations

Lau Joo Hua, Male, a Malaysian aged 41, is the Chief Executive Officer of our Group's Singapore operations. He has approximately 17 years of experience in the operational activities of the integrated livestock industry and exposure in retail and export businesses.

He graduated from Victoria University of Melbourne, Australia in 2002 with a Bachelor's degree in Business. He began his career in 2002 as a Marketing Manager at Malindo Feedmill and was re-designated as its Operational Manager in 2008. He was promoted to the position of Deputy Chief Executive Officer of Malindo Feedmill in charge of marketing and overall

administration. He was also appointed as Deputy Chief Executive Officer of one of our Singapore subsidiaries in 2014. He has been the Chief Executive Officer of our Group's Singapore operations since 23 October 2014.

Currently, he also sits on the boards of various subsidiaries of LHI Group and several other private limited companies. He does not hold any other directorship in public companies and listed issuers in Malaysia.

He is the son of Lau Chia Nguang, nephew of Dato' Lau Eng Guang and Tan Sri Lau Tuang Nguang; and the cousin of Datuk Lau Joo Hong, Lau Joo Han and Lau Joo Keat who are the Directors/major shareholders of our Company. Except for certain related party transactions of revenue or trading nature which are necessary for the day-to-day operations of our Company and its subsidiaries and for which he is deemed to be interested, there are no other business arrangements with our Company in which he has personal interest. He has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year.



PROFILE OF **KEY SENIOR MANAGEMENT**
(cont'd)

Chew Eng Loke
Group Chief Financial Officer

Chew Eng Loke, Male, a Malaysian aged 51, is our Group Chief Financial Officer. He has over 26 years of experience in management and financial roles at numerous companies.

He obtained a Bachelor of Economics in 1991 from Monash University, Australia and Master of Business Administration from University of Strathdyde, United Kingdom in 1998. He is a member of the MIA since 2005, a Certified Practising Accountant of CPA Australia since 2002 and a Chartered Accountant of the Chartered Accountants Australia and New Zealand since 2004.

He began his career with The Asia Life Assurance Society Limited (now known as Tokio Marine Life Assurance Singapore) in 1991 as an Executive Assistant and assumed the position of Executive Officer until 1992 when he joined Ayamas Food Corporation Berhad (now known as Ayamas Food Corporation Sdn Bhd) ("Ayamas"). Whilst at Ayamas, he held several general management and finance roles, including Assistant Management Accountant, Management Accountant and Operations Support Manager. He left Ayamas in 1999 to join Universal Nutribeverage (M) Sdn Bhd as Chief Operating Officer and was appointed as General Manager of Green Spot Beverage (M) Sdn Bhd in 2000 until 2002. He was a director of Prinsip Mahir Sdn Bhd from 2003 until 2008. Thereafter, he joined Texchem Resources Berhad and assumed the position of Assistant General Manager before moving to its subsidiary, Seapack Food Sdn Bhd (now known as Sea Master Food Sdn Bhd), as General Manager (Operations) in 2006 until 2007.

Subsequently, from 2007 to 2014, he was the Chief Financial Officer of Ogawa World Berhad, which was previously listed on the Main Market of Bursa Securities, with operations across Asia including China, which distributes healthcare equipment and supplementary appliances through its subsidiaries. He then joined AirAsia X Berhad, a long-haul budget airline company listed on Bursa Securities, in 2014 as its Chief Financial Officer, responsible for corporate finance and treasury matters, financial planning and analysis, external reporting and investor relations. He then left AirAsia X Berhad in 2015 and joined our Company as Chief Financial Officer on 7 January 2015, and was subsequently appointed as our Group Chief Financial Officer on 1 March 2015. He is responsible for all of our Group's overall financial operations.

He does not hold any directorship in public companies and listed issuers in Malaysia.

He does not have any family relationship with any Director/major shareholder of our Company. He does not have any conflict of interest with our Company. He has no conviction of any offences within the past five (5) years, or any sanctions and penalties imposed by relevant regulatory bodies during the financial year.

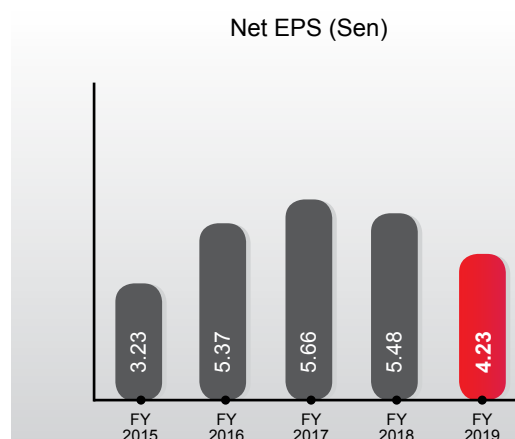
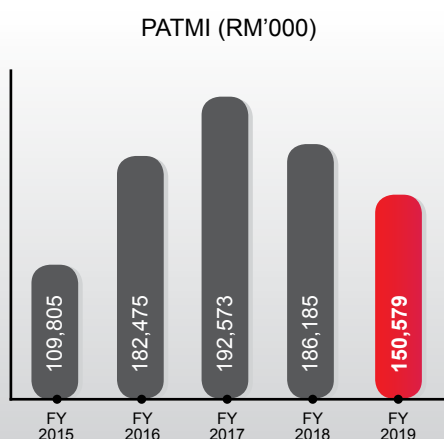
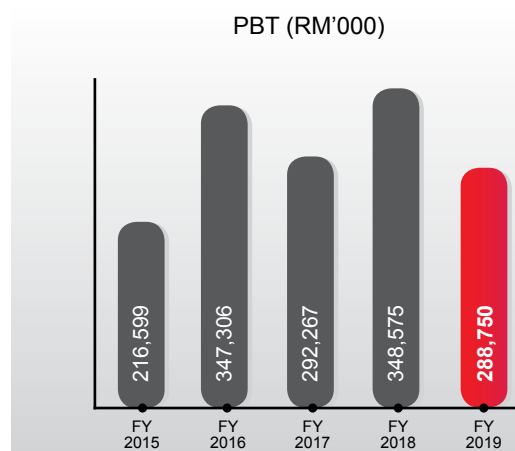
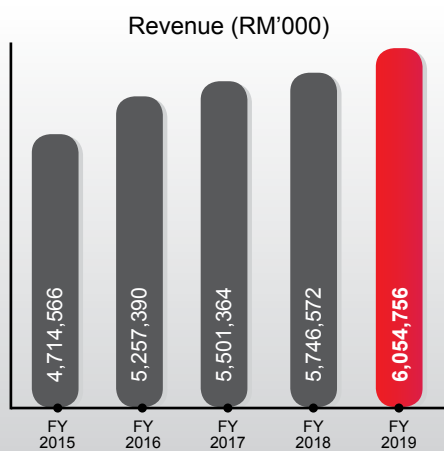


FINANCIAL HIGHLIGHTS

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	4,714,566	5,257,390	5,501,364	5,746,572	6,054,756
Profit Before Tax ("PBT")	216,599	347,306	292,267	348,575	288,750
Profit Attributable To Owners Of The Parent ("PATMI")	109,805	182,475	192,573	186,185	150,579
Weighted Average Number of Ordinary Shares In Issue ('000) ¹	3,400,000	3,400,000	3,400,000	3,400,000	3,557,535
Net Earnings Per Share ("EPS") (Sen)	3.23	5.37	5.66	5.48	4.23
PBT Margin (%)	4.59	6.61	5.31	6.07	4.77

Note:

- (1) As the Company undertook a bonus issue and share split exercise on 11 January 2019, the basic and diluted earnings per share have been adjusted to reflect the new number of ordinary shares of 3,400,000,000. In accordance with MFRS 133 'Earnings per Share', the calculation of basic and diluted earnings per share for all periods presented have been adjusted retrospectively as the number of ordinary shares has increased as a result of the bonus issue or share split. The weighted average number of ordinary shares in issue for financial year ended 31 December 2019 takes into account the issuance of 250,000,000 new ordinary shares of the Company on 15 May 2019.



CHAIRMAN'S STATEMENT

Dear Shareholders,

It gives me great pleasure to present to you our first Annual Report of Leong Hup International Berhad as a public listed company.

Lau Chia Nguang

Non-Independent
Executive Chairman



CHAIRMAN'S STATEMENT (cont'd)

The financial year end ("FYE") 31 December 2019 was a momentous year for Leong Hup International Berhad ("LHI") and its subsidiaries (the "Group"). Years of hard work and focus to grow our business culminated in the successful listing of LHI on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 16 May 2019. As one of the largest initial public offerings ("IPO") in the recent history of the stock exchange, we are indeed grateful that our IPO had received extremely favourable support from several large local and overseas institutional funds, Bumiputera investors and the Malaysian public investors at large.

On behalf of the Board of Directors ("Board") and Key Senior Management of LHI, I would like to thank our shareholders – including the ten cornerstone investors of LHI's IPO, namely Employees Provident Fund Board (EPF), Maybank Asset Management Sdn Bhd, AIA Berhad, Louis Dreyfus Company Asia Pte Ltd, Tan Sri Datuk Seri Chua Ma Yu, Ovata Capital Management Limited, RHB Asset Management Sdn Bhd, Factorial Master Fund, Hong Leong Capital Berhad and Guoline (Singapore) Pte Ltd – for their vote of confidence and trust in our Group's strategies and growth potential.

The successful completion of the IPO also marks the realization of our immediate past Executive Chairman and my late brother, Dato' Lau Bong Wong's dream for the LHI Group. Our co-founders, the late Datuk Lau Chong Wang, together with Dato' Lau Bong Wong, had dedicated much of their lifetimes, through their entrepreneurial spirit, vision and sheer hard work, building up the LHI Group from scratch to become one of the leading fully integrated poultry producers in Southeast Asia that it is today.

Shortly after the listing of LHI on Bursa Securities, LHI was inducted into the MSCI Global Small Cap Indexes' MSCI Malaysia Index and the FTSE Bursa Malaysia Mid 70 Index. The aforementioned indices typically serve as bases in exchange traded funds in respect of investments in certain markets and stocks. I am also proud to share with you that our Group's constant drive towards excellence was recognised by the prestigious BrandLaureate BestBrands Awards 2019. This is a testament to LHI's brand strength and success, as consumers seek such brands known for their quality and other value-added features.

FINANCIAL PERFORMANCE AND FINANCIAL POSITION

The financial year under review has been fraught with uncertainties brought about by ongoing global trade tension, a deteriorating trade environment and as a result, slowing economic growth around the world. In Asia, export-led economies including China, South Korea and Singapore were affected by the spillovers effects of weak export and softer private sector expenditure. While economic growth rate in our markets in Southeast Asia slowed during 2019, domestic demand remained strong during this turbulent period, supported by policy stimulus.

Compared to previous years, we had to contend with more volatile poultry selling prices during FYE 31 December 2019, especially in Malaysia and Indonesia, which mired our Group's performance. Meanwhile, our emerging markets in Vietnam and the Philippines delivered solid financial results. Being geographically diversified in Southeast Asia allows our Group to take advantage of the regional growth in demand and consumption of poultry while mitigating the impact of periodic weaknesses in each country experienced from time to time.

Against a challenging market landscape, I am heartened to report that our Group posted another record revenue of approximately RM6.1 billion in FYE 31 December 2019, a 5.4% increase as compared to approximately RM5.7 billion recorded in the preceding year. Encouragingly, group sales volume for DOC, broiler chickens, eggs and livestock feed continue to record year-on-year growth.

While our Group's Livestock segment experienced headwinds and volatile selling prices of poultry products, we saw strong performance in our Feedmill segment and this had helped the Group to cushion the effect felt by the Livestock segment.

Geographically, Indonesia was the largest contributing segment of our Group, contributing RM2,192.3 million (36.3%) to our Group's total revenue for FYE 31 December 2019. Malaysia was the second highest revenue contributor to our Group's total revenue at RM1,647.8 million (27.3%). Vietnam contributed RM1,347.2 million (22.3%) to our Group's total revenue for FYE 31 December 2019, while the remaining contribution was by both Singapore at RM779.1 million (12.9%), and Philippines at RM76.3 million (1.2%) respectively. Our Group posted a profit after tax and minority interests of RM150.6 million in FYE 31 December 2019 as compared to RM186.2 million a year ago.

CHAIRMAN'S STATEMENT (cont'd)

In FYE 31 December 2019, upon completion of the listing of LHI, our Group raised RM275.0 million in gross proceeds from the public issue and our cash position grew to RM764.8 million as at 31 December 2019, as compared to RM458.9 million in the preceding financial year. Net gearing ratio stood at 0.8 times, which is an improvement from 1.1 times a year ago. Correspondingly, our Group's net debt over earnings before interest, tax, depreciation and amortization ("EBITDA") fell to 2.5 times as at 31 December 2019, from 2.9 times last year.

Overall, LHI Group emerged leaner and has a stronger financial standing in FYE 31 December 2019. Group gearing remains at an acceptable level, while our improved cash allows us to capitalize on emerging merger and acquisition opportunities.

Riding on the strength of our Feedmill segment in Vietnam and as part of our effort to capture more pockets of the growing protein consumption in Vietnam, on 9 March 2020, our Group announced the acquisition of a new feedmill in South Vietnam which specializes in aquatic feed production. This acquisition allows our Group to further diversify our range of feed products in Vietnam, following the introduction of new feed products for goat and cattle. Upon further enhancement of the new feedmill's existing capacity, this acquisition will boost our Vietnam operation's feed production capacity by up to 17.5% per annum in FYE 31 December 2021.

FYE 31 DECEMBER 2020 PROSPECTS

As a regional fully integrated poultry producer, we leverage on our geographical diversification to mitigate country-specific concentration risk. Nevertheless, we are not exempted from the impact of global economic and political development. Amidst the deteriorating economic outlook arising from the novel coronavirus pandemic and dramatic drop in global oil prices, there have been increasing, coordinated and targeted efforts by governments and monetary authorities worldwide to ease fiscal and monetary policies, coupled with unprecedented economic stimulus packages to avoid a scenario of global recession. Premised on the above, we expect private consumption in our growth markets in Malaysia, Vietnam, Indonesia and the Philippines to remain positive, albeit lower than previous years. This should bode well for the respective markets' demand for basic food products, including chicken meat. Nevertheless, we continue to face fluctuation in our products' selling prices due to their commoditized nature.

Going forward, apart from ensuring higher utilisation of our feedmills and poultry farms, our razor sharp focus in maintaining cost leadership in our operations remains an ongoing and important agenda, in order to guard our margins.

Another thrust of our Group's strategy is to move further downstream in our developed markets, which is less exposed to volatility in earnings. To this end, we intend to leverage on our market leadership position in Malaysia and Singapore, by adopting a more aggressive approach in rolling out quick-service restaurants under The Baker's Cottage brand in Malaysia and further diversifying our product range and enhancing our value-adding capabilities in Singapore.

Further review of our Group's financial performance and strategies are set out in this Annual Report, under the section Management Discussion and Analysis by the Group Chief Executive Officer.

CORPORATE GOVERNANCE

Our Group is cognisant that long-term, responsible and sustainable growth of businesses will enhance investor confidence and ensure creation of shareholder value. In light of the above, we continue to instill corporate governance best practices and implement various measures to improve our risk management and internal control across our organisation. To ensure that this process can be undertaken effectively and on a continuous basis, I am pleased to inform that your Board is currently well-represented in respect of skills, experience, age, cultural background and gender. The diversity which is present in your Board shall ensure that sound corporate governance, robust risk management process and a culture of prudence continue to drive business decisions across all levels of our operations and organisation.

ACKNOWLEDGEMENTS

On behalf of my fellow Directors, I wish to sincerely thank all our management team and employees for their utmost commitment, dedication and hard work which contributed tremendously to our Group's growth. To my fellow Board members, thank you for your unrelenting support, counsel, insights and guidance to the Group. Our Group's dedicated pool of talents, solid fundamentals and financials will stand us in good stead, as we continue to steer through the various challenges in our business.

We are grateful to our customers, suppliers, bankers, state and federal agencies and government departments, as well as business associates for their continued confidence and unwavering support. Together, we believe we can achieve greater successes and build a more sustainable business that will thrive in the longer term.

MANAGEMENT DISCUSSION AND ANALYSIS BY THE GROUP CHIEF EXECUTIVE OFFICER



Tan Sri Lau Tuang Nguang

Non-Independent Executive Director & Group Chief Executive Officer

Dear Shareholders,

**As one of
the leading
integrated
poultry
operators in
Southeast Asia,**

our Group is geographically diversified with footprints covering 5 key countries in the region, namely:

- Malaysia
- Indonesia
- Singapore
- Vietnam
- Philippines

MANAGEMENT DISCUSSION AND ANALYSIS BY THE
GROUP CHIEF EXECUTIVE OFFICER
 (cont'd)



BUSINESS AT A GLANCE

Feedmill

We are the largest integrated producer of livestock feed in Malaysia and the third-largest in Indonesia and Vietnam⁽¹⁾. We produce feed for grandparent stock, parent stock, broiler chicken, layer chicken, broiler duck, swine, quail, cattle, goat, aquatic animals and certain domestic pets. Our livestock feed has high nutritional value, tailored to the type of livestock and rearing stage. The key brand name we use in Malaysia and Vietnam is “Leong Hup”, and the key brand name we use in Indonesia is “Malindo”. Other livestock feed brands that we market are “Gymtech” in Vietnam, “Emivest” in Vietnam and “A88” in Indonesia.

Growing market share⁽²⁾

10.5% in Malaysia

5.5% in Indonesia

4.0% in Vietnam

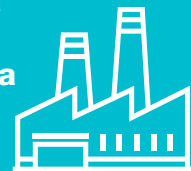


...with an expanding South East Asia footprint

5 feedmills in Malaysia

5 feedmills in Indonesia

5 feedmills in Vietnam



3,529,780 metric tonnes

Total Group production capacity⁽³⁾

2,321,900 metric tonnes

Total Group sales volume of
 livestock feed⁽³⁾



RM2.65 billion

in revenue contribution⁽⁴⁾



Notes:

- (1) By annual production output in 2017. Source: Frost & Sullivan.
- (2) By annual production of livestock feed in 2017. Source: Frost & Sullivan.
- (3) For the financial year ended 31 December 2019.
- (4) Based on group revenue by product segment, as extracted from the audited financial statements of LHI for the financial year ended 31 December 2019.

MANAGEMENT DISCUSSION AND ANALYSIS BY THE
GROUP CHIEF EXECUTIVE OFFICER
(cont'd)

Livestock Production

Our Livestock Business is vertically integrated and, in combination with our Feedmill Business, covers the entire poultry value chain. Our integrated “Farm-to-Plate” business model operations began in Malaysia, where our headquarters remain. Today, we have expanded and operate in four other faster-growing countries in South East Asia, namely Indonesia, Singapore, Vietnam and the Philippines.

As the biggest producer of day old chicks (“DOC”) in Malaysia and the top three producers of DOC in Indonesia and Vietnam, we are among the market leaders for prime quality DOC including parent stock DOC, broiler DOC and layer DOC⁽¹⁾.

In Malaysia, Indonesia, Vietnam and Philippines, we produce and distribute broiler chickens for the consumption of our respective domestic markets. We also export broiler chickens from Malaysia into Singapore. In Malaysia, our table egg production is operated by our subsidiary, Teo Seng Capital Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad.

The slaughtering of poultry and food processing complement our livestock upstream business and adds value to our upstream live chicken production. “Ayam A1”, “SunnyGold”, “SAFA”, “Ciki Wiki” and “Sobat” are some of the well-known brands that we carry for our food processing products like sausages, frankfurters, nuggets, chicken tempura, frozen seafood, frozen meat and marinated meat in Malaysia, Singapore and Indonesia.

Market leading position⁽²⁾

Largest integrated poultry producer in Malaysia

Top three integrated producers in Indonesia and Vietnam

Market Leader in poultry processing in Singapore



... with more than 240 poultry farms and hatcheries in

Malaysia

Indonesia

Vietnam

Philippines

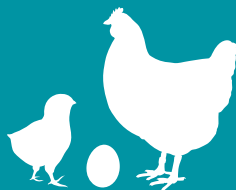


Total Group sales volume⁽³⁾

471.96 million
day old chicks

129.94 million
broiler chickens

1,729.82 million
table eggs



RM3.39 billion
in revenue contribution⁽⁴⁾



Notes:

- (1) Source: Independent market research report dated 10 April 2019 by Frost & Sullivan GIC Malaysia Sdn Bhd.
- (2) Based on comparison with selected integrated poultry companies which are also publicly listed in 2017. Source: Frost & Sullivan.
- (3) For the financial year ended 31 December 2019.
- (4) Based on group revenue by product segment, as extracted from the audited financial statements of LHI for the financial year ended 31 December 2019.

MANAGEMENT DISCUSSION AND ANALYSIS BY THE GROUP CHIEF EXECUTIVE OFFICER (cont'd)

In the financial year ended ("FYE") 31 December 2019, amidst the escalating US-China trade war and outbreak of the African swine flu in Asia, demand for chicken meat largely remained robust in our markets in Southeast Asia. During the year under review, despite considerable earnings volatility in our Malaysia and Indonesia operations, our Group continued to perform well in key emerging markets namely Vietnam and the Philippines.

In the FYE 31 December 2019, our Group posted a record revenue of RM6.1 billion, which represents an increase of 5.4% from the preceding financial year. During the year under review, our Group registered a lower profit attributable to owners of the company ("PATMI") of RM150.6 million, as compared to RM186.2 million in FYE 31 December 2018, owing to unfavourable poultry selling prices in our Indonesian and Malaysian operations.

Oversupply of broiler chickens in Indonesia had resulted in a slump in poultry selling prices in most parts of FYE 31 December 2019. Despite the aforementioned challenge, we grew our business in Indonesia, as we recorded higher sales volume for broiler DOC, broiler chickens and eggs, whilst the Feedmill segment saw stable volume growth. In the fourth quarter of 2019, government-enforced culling of hatching eggs provided a respite to poultry selling prices in Indonesia and the poultry industry in Indonesia as a whole experienced a positive boost from this coordinated regulatory action.

In Malaysia, while private consumption had remained resilient, overall economic activities was weighed down by softer-than-expected investment growth and a slower growth in export demand amidst trade tensions. Although our Malaysian operations saw continuous volume growth during the year under review, profitability was significantly affected due to depressed average selling prices of broiler DOC and broiler chickens, particularly in the second quarter and fourth quarter of 2019, due to oversupply and unpredictable weather pattern which brought about generally cooler temperatures. Nevertheless, the said impact was mitigated by higher contributions from stable egg prices during the year, coupled with growth in egg production as well as efficient and effective cost control. Lower commodities prices as a result of the US-China trade war had also contributed to lower production cost for our Livestock business.

Vietnam's economy grew by 6.8% in 2019, buoyed by robust domestic demand and increase in exports, manufacturing activities and foreign investments. The country experienced a net positive effect from the US-China trade war which gave a boost to the nation's profile as a manufacturing and export powerhouse, and as a result increased its consumers' purchasing power. Despite the African swine flu which persisted in Vietnam during the year, Vietnam operations achieved a remarkable result, led by the Feedmill segment which benefitted from strong volume growth. Ramp up of feed production was possible following the commencement of Dong Nai feedmill in January 2019. Vietnam's Livestock

segment also reported better performance, as average selling prices for broiler DOC and broiler chickens improved during the year under review as African swine flu caused consumers to switch to chicken meat as their alternative source of protein.

In Singapore, we recorded lower EBITDA contribution in FYE 31 December 2019. This was due mainly to the divestment of a subsidiary, Jordon International Food Processing Pte. Ltd. on 30 June 2018. The said divestment was in line with our Group's focus to be a pure-play integrated poultry operator.

Meanwhile, our Philippines operations, which was established in 2015, continue to record promising growth amidst resiliency of the economy's domestic consumption. Its broiler DOC sales volume grew by 34% in FYE 31 December 2019 while broiler chickens production rose 18% as compared to the preceding year.

Despite the market challenges, our Group's financial position remain strong and healthy. As at 31 December 2019, our Group's balance sheet had strengthened with net assets per share attributable to ordinary equity holders rising to RM0.45 from RM0.38 a year ago, representing an increase of RM0.07 or 18.4%; while the Group's net gearing ratio stood at 0.8 times, an improvement from 1.1 times recorded in the preceding financial year.

CAPITAL EXPENDITURE AND STRUCTURE

Our Group capital expenditure ("capex") is driven by our focus to meet the increasing demand for meat protein within our footprints in Southeast Asia. Hence, our ongoing expansion and capex projects are intended to allow us to meet such demand.

Our Group incurred a total of RM400.2 million for capex in FYE 31 December 2019, mainly for the construction of new feedmill plants including warehouse, as well as upgrading of existing farm facilities and equipment. Geographically, 47.3%, 28.3%, 4.3%, 11.5% and 8.6% of our Group's capex was incurred in Malaysia, Indonesia, Singapore, Vietnam and the Philippines, respectively. The source of financing for the capex was mainly from bank borrowings, IPO proceeds and internally-generated funds.

RISKS AND MITIGATING MEASURES

Biosecurity and Disease Control

Outbreaks of livestock diseases at our poultry farms or facilities could significantly restrict our ability to conduct our operations. Avian Influenza such as H5N1 and H7N9 is highly contagious among birds and can cause sickness or death of domesticated birds, including chickens, geese, ducks and turkeys.

MANAGEMENT DISCUSSION AND ANALYSIS BY THE GROUP CHIEF EXECUTIVE OFFICER (cont'd)

In the event that disease afflict our livestock, it will have an adverse impact on our productivity and mortality of our livestock, which would then have an adverse effect on the revenue and profitability of our Group. Recognising the importance of this risk, the management team carries out several preventive actions to mitigate the risk. We have implemented measures to mitigate this risk with stringent biosecurity control at our poultry farms. Our chicken farms are mainly closed house farming system to minimize the impact of disease transmission through open air. Additionally, we also have dedicated veterinarians for our livestock farms to ensure our livestock are healthy.

Selling Price Volatility

The prices of our products sold on the open market under our Livestock business, including broiler chickens and broiler DOC, have historically been subject to wide fluctuations due to changes in demand and supply conditions.

The changes in demand and supply conditions are primarily due to the seasonal factors such as weather, festive seasons and school holidays. Changes in demand and supply conditions or the occurrence of other factors beyond our control in the future may result in unusual movements in our selling prices or affect our selling prices negatively.

The frequency and fluctuations in selling prices may vary from month to month and consequently, our quarterly financial results may also be affected by such fluctuations. We minimize our exposure through vigilance and close monitoring of prevailing market prices and we remain focused on our cost optimization strategy.

Succession Planning

We believe that our future success is heavily dependent upon the continued service of our Executive Directors and key senior management team who have valuable experience in the business in which we operate.

We believe we offer attractive terms of employment including an Employee Share Option Scheme ("ESOS"), which is crucial for our Group to attract and retain qualified personnel. In addition, our Group views proactive succession planning as a strategic importance to ensure long term continuity of business and operations. We continue to recruit more professional staff and to retain them for dedicated needs in our organisation.

OUTLOOK

Despite a promising start to the year 2020, with a string of positive developments from the trade front following the signing of the phase one US-China trade deal that lifted investors' sentiment, as well as initial expectation that the improved trade outlook will continue to generate

continuous income growth and employment, we had towards the end of January 2020 witnessed the new decade's first black swan event in the outbreak of the novel coronavirus in Wuhan, China ("Covid-19").

The adverse impact of the Covid-19 pandemic has been felt across the world, affecting commodity prices as well as sectors like tourism (hotels and airlines), retail, entertainment and the food and beverage businesses. Further, geopolitical instability and disagreement amongst the OPEC+ alliance bloc on oil output cuts in March 2020 had triggered a rout in equity markets and collapse in oil price. The abovementioned events cast significant uncertainty to economies worldwide – denting travel and economic activity across the globe, damaging business and consumer confidence as well as leading unemployment rates higher. As a result, economic recession is expected in 2020 and the International Monetary Fund had in its World Economic Outlook published in April 2020, forecasted a global growth of -3%, while predicting a contraction of 1.7% and 0.6% for Malaysia and the ASEAN-5's gross domestic product (GDP), respectively, in 2020, before rebounding in 2021, depending on the severity and length of the Covid-19 pandemic.

On the other hand, the US Dollar has strengthened against a basket of major Asian currencies, as investors turned to safe-haven assets. In ASEAN (including Malaysia, Philippines, Vietnam and Indonesia in which our businesses operate), the majority of raw materials for producing poultry feed, such as corn, wheat and soybean meal are imported from the US and Latin American countries, using the US Dollar as the functional currency. While the strength of the US dollar is expected to exert some pressure on our margins, our Group expects commodity prices to dampened in the near to medium term, as a result of the recessionary pressures from the Covid-19 outbreak and global oil price cuts.

To counter with the cutback on economic activities which trickles down to lower consumption, a combination of further easing of monetary policy by central banks as well as aggressive fiscal stimulus packages by governments around the world are expected to prop up demand and ensure private consumption-driven economies where we operate in, will continue to remain robust. Therefore, we expect conditions in the poultry industry will remain satisfactory.

Our Group will sharpen our focus on execution plans as we continue grow market share in our footprints. Our steadfast focus will remain in our cost optimisation agenda. Combined with our scale, incremental savings from such cost control efforts will protect our margins and enhance our bottom line. This is crucial given the volatile price environment. Implementation of our strategic plans, as set out below, will be underpinned by strong corporate governance standards and continued deployment of technology throughout our operations.

MANAGEMENT DISCUSSION AND ANALYSIS BY THE GROUP CHIEF EXECUTIVE OFFICER (cont'd)

In Malaysia and Singapore – both of which being the developed markets of our Group – continued drive towards downstream expansion will be a key strategic focus for the year. In Malaysia, riding on the growing popularity of quick-service restaurants (“QSR”), our Group will continue to roll out The Baker’s Cottage outlets in its refreshed format. Of particular focus will be the sales of its popular roast chicken and other related fast food products. Our Group intends to expand in secondary townships in West Peninsular Malaysia, with a particular focus on emerging M40 group of consumers and families. In Singapore, we will be offering more customized and diversified products to customers. Currently, our Singapore operations supply several popular ready-to-eat (“RTE”) and ready-to-cook (“RTC”) products to several major convenience store and supermarket chains. We intend to expand our product range and further our RTE and RTC footprint within the city state.

The financial year under review has been an exceptional year for our Feedmill business, most notably in Vietnam where we are increasing market share at an encouraging pace. To leverage on Vietnam’s strength in feed products and its sales and distribution channels, we are now moving into higher margin, premium feed products. This move is also expected to benefit the Livestock segment, as we step up our bundling efforts of cross-selling our DOC in Vietnam and Cambodia. Our Vietnam operation is also aggressively extending our range of feed offered, such as goat and cattle feeds in FYE 31 December 2019, and aquatic feed in FYE 31 December 2020. Underpinned by healthy demand for our quality feed, we will continue to strengthen our position as one of the market-leading integrated poultry operators in Vietnam.

Over in Indonesia, government-enforced culling is seen to be on a more aggressive mode in FYE 31 December 2020, to curb oversupply. Nationally, the culling activities have resulted in a more stable poultry selling prices. As such, over the medium term, this is expected to be positive for the industry while the economy continues to grow. Our Indonesia operation will similarly capitalize on its market position by introducing more range of feed products, while we continue to increase feed volume by expanding market reach within the country.

DIVIDEND POLICY

We have a target payout ratio of 30.0% of our PATMI of each fiscal year on a consolidated basis after taking into account reinvestment opportunities for further expansion in our businesses. Our Board had declared an interim single tier dividend of 1.60 sen per ordinary share for FYE 31 December 2019, which was paid on 30 September 2019.