

Press Release



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LEONG HUP INTERNATIONAL REPORTS RESULTS FOR Q1FY22

KUALA LUMPUR, 24 May 2022 – **Leong Hup International Berhad** (“LHI” or the “Group”), one of the largest integrated producers of poultry, eggs and livestock feed in Southeast Asia, announced its unaudited consolidated financial results for the first quarter of 2022 (“**Q1FY22**”) today.

In the first 3 months of 2022, LHI grew its revenue to RM2.09 billion, an increase of 24.5% from the RM1.68 billion recorded in the preceding year’s corresponding quarter ended 31st March 2021 (“**Q1FY21**”). Feedmill segment revenue expanded by 22.9% as the Group improved sales volume in Indonesia and Malaysia as well as pass on part of the soaring raw material cost increases. Meanwhile, livestock and poultry related products segment saw revenue increase of 25.9% as a result of higher volume from broiler sales in Vietnam and Indonesia and higher average selling price (“**ASP**”) of broiler in Indonesia and egg in Malaysia. The Group also benefited from the expanding footprint of The Baker’s Cottage in Malaysia with 185 outlets to date.

Profit after tax and minority interests was RM20.4 million for Q1FY22, 71.0% lower as compared to RM70.3 million for Q1FY21 as the Group’s margins were compressed despite the increases in ASP of feed and livestock and poultry related products due to the rapid rise in global cost of commodities.

On geographical segmentation review, Indonesia was the highest revenue contributor to the Group’s revenue at RM804.8 million or 38.6%. Malaysia was the second highest contributing segment of the Group at RM552.1 million (26.5%). Vietnam contributed RM468.8 million (22.5%) while the remaining contribution was by both Singapore at RM197.9 million (9.5%) and the Philippines at RM60.2 million (2.9%).

Executive Director / Group Chief Executive Officer of LHI, Tan Sri Lau Tuang Nguang shared, “The Group started the year 2022 strongly with Covid-19 coming under control and becomes endemic but as the winds of war grew in Europe, the cost of commodities, especially corn and soyabean meal used in animal feed production increased at a rapid pace. Despite strong

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demand as economic activities in the region normalise, average selling price increase lagged that of commodity cost increase and the Group experienced margin compressions”.

“The Group has maintained growth and momentum despite the difficult operating environment. We will continue to optimisation cost control and are confident that better days are ahead of us.” He added.

ABOUT LEONG HUP INTERNATIONAL BERHAD

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.

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. Established in Malaysia with a track record of more than 40 years, the Leong Hup brand is well-entrenched in the business of feedmill and pure-play poultry. Under its livestock business, the LHI Group produces day-old-chicks, broiler chickens, table eggs and a range of further processed poultry and food products under a number of well-recognised brands, including “Ayam A1”, “SunnyGold”, “Happy Egg” and “Ciki Wiki”. Completing its “Farm-to-Plate” business model and through the “Baker’s Cottage” outlets, LHI retails quality ready-to-eat poultry meals at outstanding value directly to consumers in Malaysia.

LHI is a constituent of the MSCI Global Small Cap Indexes' MSCI Malaysia Index and the FTSE Bursa Malaysia Mid 70 Index.

For more information, please visit www.leonghupinternational.com

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