



PRESS RELEASE

(QUARTERLY RESULT FOR Q2FY2025)

19 AUGUST 2025

FAVORABLE PROFIT AFTER TAX FOR SECOND QUARTER ENDED 30 JUNE 2025 (Q2FY25 vs Q2FY24)

Teo Seng Capital Berhad (“Teo Seng” or “the Group”) announced its financial results for the second quarter ended 30 June 2025, with revenue recorded at RM171.4 million. Revenue softened by 7.4% as compared to RM185.0 million in the same period of the previous year due to lower average selling price of eggs despite higher volume of egg sold. While profit after tax (“PAT”) improved significantly by 59.5%, reaching RM42.1 million compared to the RM26.4 million in the same period last year attributed by higher productivity coupled with stable feed cost and cost effectiveness. The Group’s total revenue for the first half of 2025 was recorded at RM340.0 million, 9.4% lower than corresponding period last year, RM375.0 million. PAT for the first six months registered at RM83.2 million which is 37.8% higher than same period last year of RM60.4 million. The Group demonstrated resilience and continued to build on the strength of its core businesses despite the challenges ahead.

Segment Performance: Seize Opportunities Within Challenging Environment

- **Poultry Farming Segment:** Revenue for the Poultry Farming segment registered RM141.4 million, which representing a decline of 9.6% against corresponding quarter last year. However, pre-tax profit registered strong growth of 46.9% to RM38.0 million as compared with corresponding last year. The softened revenue was due to a lower average selling price of eggs, but this was offset by stable feed cost and higher productivity coupled with cost effectiveness. Segmental revenue for the first half of 2025 dropped by 11.7% whereas pre-tax profit improved by 10.0%.
- **Investment and Trading of Poultry-Related Products Segment:** This segment reported revenue of RM29.9 million and pre-tax profit of RM7.1 million, represented improvement of 4.7% and 32.4% respectively. This segment continued to grow from strength to strength due to higher demand for animal health products. Segmental revenue and pre-tax profit for the first six months of 2025 improved by 4.8% and 30.5% respectively.

For the Current Quarter vs Previous Quarter (Q2FY25 vs Q1FY25)

The Group’s revenue reported for Q2FY25 versus Q1FY25 marginally increase of 1.7%, from RM169.0 million to RM171.4 million. In term of earnings, the reported PAT is aligned with the revenue growth, improved marginally of 2.5%, from RM41.1 million to RM42.1 million. These are attributed by the higher sales quantity of eggs coupled with stable feed cost and better contribution from segment of animal health products

Second Interim Dividend of RM0.015 per Share

In recognition of the Group's impressive quarterly net profit of RM42.1 million, the Board of Directors has declared a second interim single-tier dividend of RM0.015 per share, amounting to RM8.86 million. Teo Seng's consistent dividend payout reflects its dedication to delivering value to shareholders.

Key Financial Ratio

	Q2FY25	Q1FY25	Q4FY24	Q3FY24
Quarterly Revenue Growth	1.7%	-10.5%	-1.0%	2.9%
Earnings Before Interest, Tax & Depreciation Margin (%)	31.6	26.5	43.3	32.6
Profit Before Tax Margin (%)	26.3	21.4	38.6	28.1
Profit After Tax Margin (%)	24.6	24.4	34.4	30.5
Gearing Ratio (times)	0.19	0.17	0.16	0.20
Net Assets Per Share (RM)	1.15	1.09	1.04	1.91
Return on Equity (%)	6.2	6.4	10.5	10.2

Prospect for the Group

The Group's key strength remains in layer farming, strategically complemented by its investments and trading of poultry-related products. The poultry market in Malaysia is expected to remain resilient, supported by sustained demand for eggs as an affordable and essential source of protein.

However, the road ahead is not without challenges. On the local front, the expanded scope of the Sales and Services Tax ("SST") is expected to increase operating costs across various industries. With this in mind, the Group aims to remain resilient and agile, supported by a robust financial position and a prudent risk management strategy.

The Group is actively pursuing capacity expansion initiatives, underpinned by a focus on operational excellence and long-term sustainability. Our experienced management team, guided by strong Environmental, Social, and Governance ("ESG") principles, continues to drive value creation for all stakeholders.

Barring any unforeseen circumstances, the Board remains cautiously optimistic about the Group's future performance. With the positive momentum in the first half of 2025, we are committed to leveraging and explore growth opportunities while ensuring a sustainable return to reward our stakeholders.

For more information, please visit our corporate website at www.teoseng.com.my

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