

Company Name : Teo Seng Capital Berhad
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Teo Seng Capital To Expand Premium Egg Portfolio As 1Q Profit Drops Over 60% After Subsidy Removal



KUALA LUMPUR (May 12): Teo Seng Capital Bhd (KL:TEOSEN) plans to continue expanding its branded premium egg portfolio and downstream processed products, as earnings remained under pressure following the removal of egg subsidies.

The premium product strategy is aimed at enhancing customer value and improving margin resilience, the poultry and animal health products company said in a statement on Tuesday. It noted that eggs remain a staple protein source, with consumption on the rise, positioning the group to capitalise on this demand.

However, it cautioned that the operating environment remains challenging, particularly due to ongoing geopolitical uncertainties that continue to disrupt global supply chains and push up input costs. "These macroeconomic headwinds are expected to exert pressure on operational margins in the near term," the group said, adding it is managing these challenges through prudent cost controls, operational optimisation and strategic diversification.

The group's net profit dropped 64% to RM14.75 million in the first quarter ended March 31, 2026 (1QFY2026), from the RM41.12 million it made in 1QFY2025, its bourse filing on Tuesday showed. This was despite revenue rising more than 9% to RM184.6 million from RM168.6 million on higher egg sales volume and stronger contribution from animal health products.

The group attributed the earnings decline mainly to the absence of the egg subsidy scheme, which was removed in September last year. At the same time, other income, which previously included government subsidies, dropped to RM543,000 from RM31.3 million.

No dividend was declared for the quarter, compared with 1.5 sen per share in the same quarter last year.

Teo Seng Capital fell half a sen or 0.6% to 90 sen at Tuesday's close, giving the company a market capitalisation of RM540 million.