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TEO SENG REPORTED LOWER PRE-TAX PROFIT FOR 2nd QUARTER ENDED 30 JUNE 2020 (Q2FY20 vs Q2FY19)

Despite Teo Seng Capital Berhad (“Teo Seng” or “the Group”) recorded sustainable revenue of RM120.8 million for Q2FY20 as compared to the preceding year corresponding quarter of RM121.2 million, the lower pre-tax profit of RM4.3 million representing decrease of 34.0% was mainly due to the increase in feed cost, decrease in sales quantity of eggs coupled with lower contribution from animal health products. The weaken of MY currency caused an increase in feed cost and the decrease in sales quantity of eggs for Q2FY20 resulting from the previous impact on early depopulation of spent layer chicken in Q1FY20. Whereas, the lower contribution from animal health products for the current quarter was mainly due to higher customers’ orders during the initial Movement Control Order implemented by the government to curb the Covid-19 pandemic in the previous quarter.

For the Current Quarter vs Previous Quarter (Q2FY20 vs Q1FY20)

The Group reported its higher quarterly revenue of RM120.8 million as compared with RM116.0 million in the previous quarter. The marginal increase of approximately 4.1% was due to the improved selling price of eggs for the current quarter. Despite the favorable selling price of eggs partly offsetting by the higher feed cost and lower contribution from animal health products, the Group still registered higher pre-tax profit of RM4.3 million about 51.6% increase in Q2FY20.

For the Remaining 6 months period

Following the occurrence of Covid-19 pandemic globally in the beginning of year 2020, it had triggered the Malaysia government to implement several phases of Movement Control Order (“MCO”), Conditional MCO since 18 March to 9 June 2020 and extended to Recovery MCO till 31 August 2020, most of businesses are adversely affected. Despite the Group’s businesses are categorized as the essential food sector and the recent improved selling price of eggs, the uncertainty market condition is still challenging. The Board of Directors are confident to face this challenge by taking necessary precautionary actions and to mitigate the possible risk impact on Covid-19 pandemic.

Looking forward, the Group will be more prudent to manage its financial resources, operational cost and capex requirements.

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

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