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Teo Seng Capital Berhad

Subsidy Tailwinds Faded

Initiate Coverage

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Friday, November 7, 2025

Price:	RM1.07
Fair Value:	RM0.93

Valuation

We derive a Target Price (TP) of RM0.93 for Teo Seng Capital Berhad (Teo Seng), based on a target P/E multiple of 12x applied to its FY26F core EPS of 7.8 sen. The multiple is derived from the 10-year average P/E of domestic peers (PWF and LTKM), adjusted to exclude subsidies-related income for a more accurate reflection of a normalised operating conditions. Our valuation captures Teo Seng's strong market position, vertically integrated structure, and long-term earnings resilience, while balancing cyclical risks from feed cost fluctuations, forex exposure, and ASP normalization.

Investment Highlights

Resilient Egg Demand. Rising domestic egg consumption, supported by affordability and stable protein demand, continues to anchor Teo Seng's revenue base. Sales volume increased 7.4% YoY to 846 million eggs in 1HFY2025, reaffirming the defensive nature of its core business and the stability of underlying consumer demand.

Margin Recovery from Lower Feed Costs & Stronger Ringgit. Feed cost pressures have eased substantially from peak 1QFY24 levels, aided by lower ocean freight and domestic logistics costs. As feed expenses comprises c.75% of production cost, this trend provides meaningful margin relief. Additionally, a firmer Ringgit helps mitigate imported grain inflation.

Integrated and Sustainable Operations. Vertically integrated operations spanning feed milling, poultry farming (AIAO system), recycled paper egg tray production, and organic fertilizer processing help strengthen cost efficiency, traceability, and biosecurity.

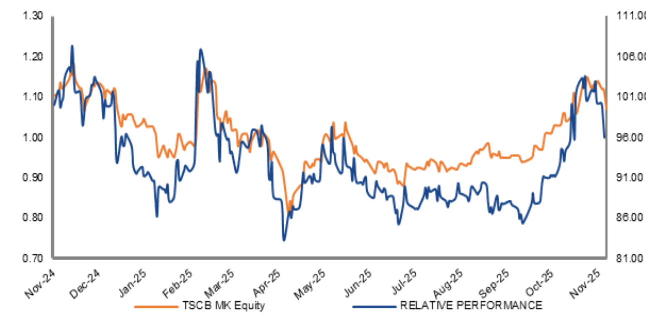
Downstream Expansion for Value-Added Growth. Strategic diversification into Old Hen Chicken Soup, Egg Mayo, Liquid Eggs, and Processed Old Hen products (FYE2025–FY2026 launches) positions Teo Seng to capture higher revenue stream. Expansion into Japan (target: 1HFY2026) and the Middle East further enhances revenue stream.

Financial Highlights. A 6.6% revenue CAGR from FY2019 to FY2024, supported by higher egg production capacity, stable demand for poultry products and expanded distribution channels. FY2024, revenue posted a marginal decline of 0.9% to RM753.8 million, primarily due to lower average egg selling prices. Looking ahead, revenue growth is expected to be in the 4-20% range over FY2026E–FY2027E but PAT growth will suffer a sharp decline at 29%/65% for FY25E/FY26E due to the removal of subsidies. PAT margins are expected to normalise at c.5.5% post subsidy era.

Recommendation. We initiate coverage on Teo Seng Capital Berhad with a **HOLD** recommendation and a **target price of RM0.93**, as valuations are stretched currently. Our conservative view reflects earnings normalisation post-subsidy and near-term ASP softness and uncertainties in supply chain though Teo Seng's strong market position and integrated operations underpin its long-term resilience.

Key risks; (i) Risk of Poultry Disease, (ii) Feed Cost Volatility, (iii) Forex Volatility, and (iv) Softer ASPs and Sales Volume Risk.

Share Price Performance



Business Overview

Teo Seng Capital Bhd. is an investment holding company principally involved in poultry farming as well as the manufacture and marketing of paper egg trays and animal feeds, along with the distribution of animal health products.

Return Information	
KLCI (pts)	1,618.94
YTD KLCI chg	-1.4%
YTD Stock Price chg	-2.7%

Price Performance	1M	3M	12M
Absolute (%)	3.9%	14.4%	-4.6%
Relative to KLCI (%)	5.1%	9.4%	-3.7%

Stock Information	
Market Cap (RM m)	628.3
Issued Shares (m)	587.2
52-week High (RM)	1.29
52-week Low (RM)	0.83
Estimated Free Float (%)	84%
Beta vs FBM KLCI	1.3
3-month Average Vol.(m)	804,434
Shariah Compliant	Yes
Bloomberg Ticker	TSCB MK EQUITY

Top 3 Shareholders	%
Advantage Valuations	53.0%
Khing Kong Goon	3.4%
Leong Hup Sdn Bhd	2.4%

FY Dec (RM m)	FY24A	FY25E	FY26E
Revenue	**753.8**	**687.3**	**827.9**
EBITDA	229.5	209.6	104.6
EBIT	200.1	177.1	67.8
PBT	198.4	171.5	60.5
Core Net Profit	**183.4**	**130.4**	**45.9**
Core EPS (sen)	30.9	22.0	7.8
Core EPS Growth (%)	18%	-29%	-65%
Net Div. Yield (%)	6.0	10.2	3.6
BVPS (sen)	104.3	126.3	134.1
PER (x)	3.6	5.0	14.2
PBV (x)	1.1	0.9	0.8
Net Gearing (x)	0.2	0.1	0.2

Company Overview

Teo Seng Capital Berhad was founded in 1978 and is based in Yong Peng, Malaysia. It is an investment holding firm that operates poultry farms in Malaysia and Singapore. It has two business segments: poultry and trading and others. The Poultry segment manufactures and markets eggs, animal food, paper egg trays, and fertilizer byproducts. The Trading and Other sector distributes pet food, medications, and other items connected to animal health; it also holds investments and offers management services. In addition, it manages and rents poultry properties, provides cold room services, leases factory spaces, imports and exports egg products, plants, processes, and trades fruits and related products, and supplies poultry farming machinery and equipment.

Industry Overview

Subsidy Rationalisation Marks a Structural Shift. The Malaysian egg industry has entered a new phase following the government's decision to fully phase out egg subsidies in August 2025. The Ministry of Agriculture and Food Security (KPKM), in collaboration with the Ministry of Domestic Trade and Cost of Living (KPDN), began a gradual reduction of the per-egg subsidy from RM0.10 to RM0.05 in May 2025 before removing it entirely by August. This restructuring reflects the government's broader fiscal policy objective of reallocating resources towards more targeted welfare initiatives in line within the Madani framework.

Supply Surplus and Stabilised Production. Malaysia's egg supply has stabilised significantly, with local production now exceeding domestic demand. Data from the Department of Veterinary Services in 2024 indicates a healthy oversupply with a self-sufficiency rate of 106.5%, supported by the expansion of layer populations across major producers. This structural surplus has eliminated the need for import reliance and created a more competitive domestic landscape, with pricing increasingly determined by market forces rather than government ceilings.

New Pricing Mechanism: Floating Prices and Market-Driven Adjustments. The removal of subsidies has paved the way for a floating price mechanism, allowing egg producers to respond more dynamically to changes in feed costs, market demand, and supply conditions. Price hikes have been modest due to stabilised input costs and ongoing competition. The strengthening ringgit and lower global grain prices have further alleviated cost pressures, reducing the risk of sharp price escalations post subsidy removal.

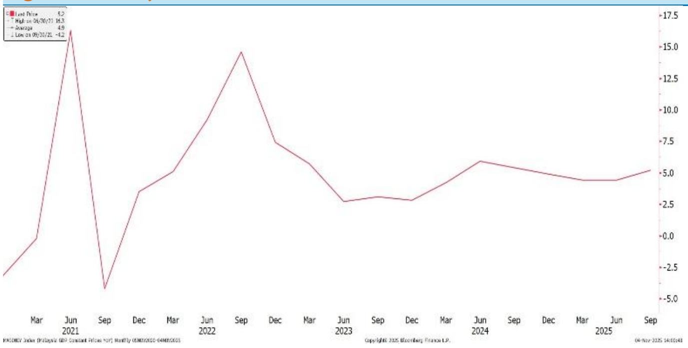
Mitigating Consumer Impact: Targeted Initiatives. To cushion consumers, the government has introduced "special grade eggs" offered at reasonable prices through the Agro Madani and Jualan Rahmah sales channels via FAMA and LPP outlets. These targeted initiatives aim to strike a balance between consumer affordability and industry sustainability, and are expected to have minimal competitive impact on large-scale commercial players like Teo Seng, which operate primarily within the premium and mid-market egg segments.

Regulatory Oversight Remains Strong. Despite subsidy removal, regulatory scrutiny remains stringent. The Price Control and Anti-Profiteering Act 2011 continues to be actively enforced to prevent profiteering and price manipulation. This ensures market discipline, especially among downstream distributors and retailers, while allowing producers to operate with more pricing autonomy.

Transition to a Liberalised, Sustainable Model. The transition from a subsidy-driven model to a liberalised market structure is viewed positively by major producers and industry stakeholders. It promotes healthier competition, improves long-term cost efficiency, and encourages production rationalisation based on demand fundamentals. For vertically integrated players like Teo Seng, which benefit from economies of scale, in-house feed milling, and established distribution networks, the removal of artificial pricing constraints enhances earnings visibility and market competitiveness. The egg industry's structural resilience, combined with favourable input cost trends and proactive policy support, sets a solid foundation for sustained profitability and industry consolidation. We believe Teo Seng is well-positioned to capture value from this market recalibration.

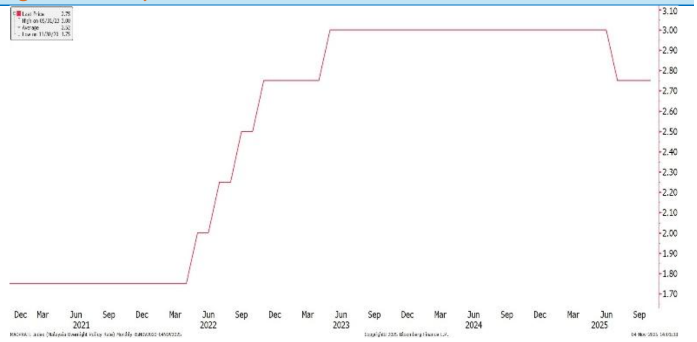
Structural and cyclical pressures. Even before COVID-19, the industry faced high feed-cost dependency and heavy import dependency for grains and parent stock, while the smaller farms struggled with labour constraints and bio-security issues. In the past five years, Argentina has experienced global commodity shocks and government intervention (price caps plus subsidies) including the pandemic that further stressed already burdened profit margins and triggered supply disruptions as egg prices plunged during the pandemic despite increasing production costs, and the government later imposed ceiling pricing to stabilize supply. In the face of all these shifts, the industry appears to be poised for deregulation (subsidy elimination), although remaining susceptible to changes in feed cost volatility, exchange-rate risk (ringgit depreciation), labour shortages, and disease outbreaks in what remains a tightly margin-sensitive value chain.

Figure 1: Malaysia's GDP



Source: Bloomberg, Mercury Securities

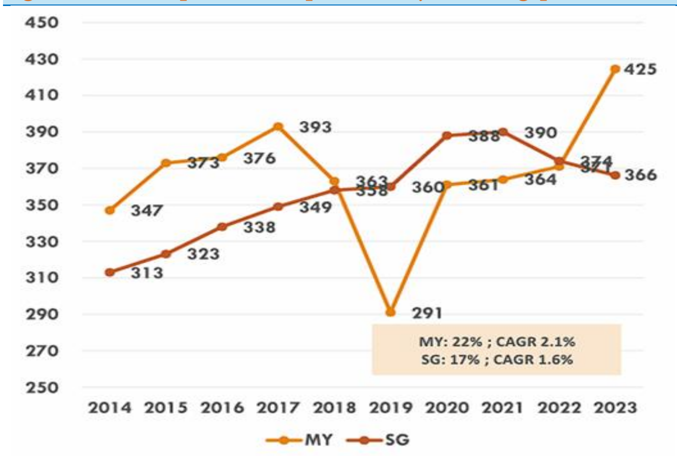
Figure 2: Malaysia's OPR



Source: Bloomberg, Mercury Securities

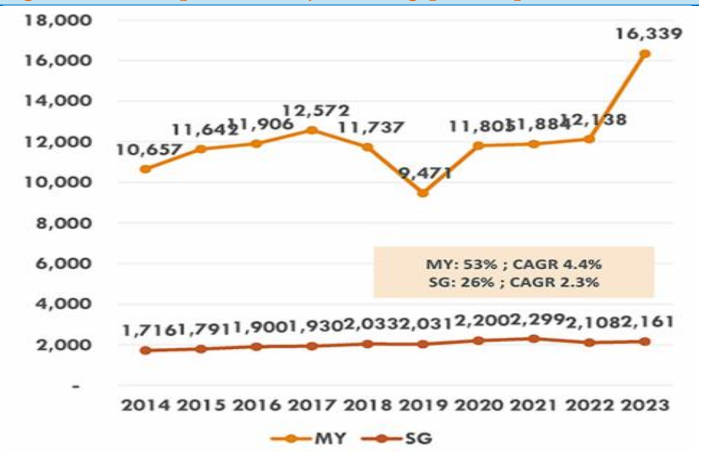
Growing Consumption for Eggs. Malaysia's egg consumption has steadily recovered post-COVID – from 16.3bn eggs (CY21) to 11.9bn eggs (CY2023), driven by resilient household demand and rising per capita intake. Conversely, Singapore's total consumption has softened slightly, easing from the pandemic peak in CY2021 (2.3m eggs) to CY2023 (2.2m eggs), reflecting normalised demand trends.

Figure 3: Consumption Per Capita – Malaysia & Singapore



Source: DVS, SFA, Company

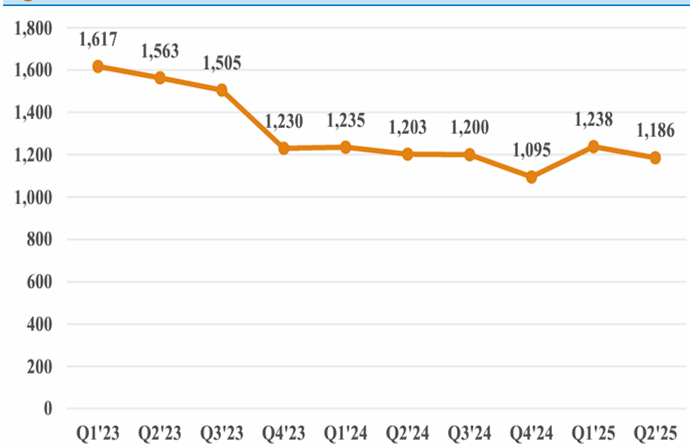
Figure 4: Consumption – Malaysia & Singapore (m pcs)



Source: DVS, SFA, Company

Easing Feed Cost Trend. Feed input prices have continued to moderate, with maize and soybean meal costs trending lower. YoY, maize fell by 1.4% to RM1,186/MT in 2QFY25 (2QFY2024: RM1,203/MT), price of soybean meal dropped by 25.9% to RM1,685/MT (2QFY2024: RM2,275/MT) - prices inclusive of shipping and local transport cost. This sustained easing, aided by normalised global commodity prices and stabilising freight and transport costs, has alleviated margin pressures across the poultry sector. For Teo Seng, the improvement in feed cost dynamics supports stronger cost efficiency and underpins margin recovery heading into FY2025–FY2026.

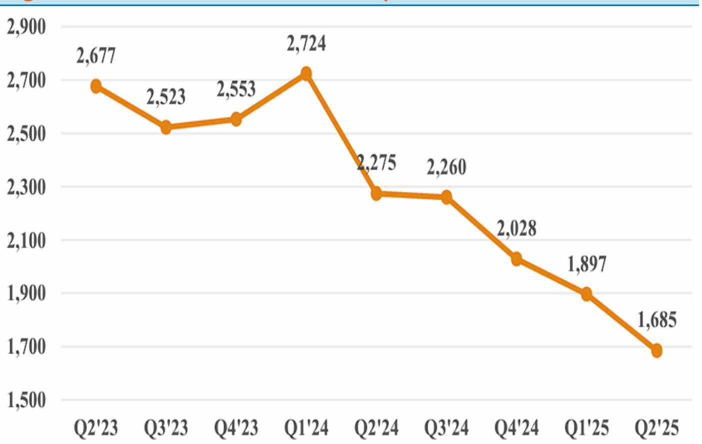
Figure 5: Feed Mill Raw Material – Maize (RM/MT)



**Inclusive of Shipping & Local Transport Cost (Delivered)*

Source: Company

Figure 6: Feed Mill Raw Material – Soya (RM/MT)

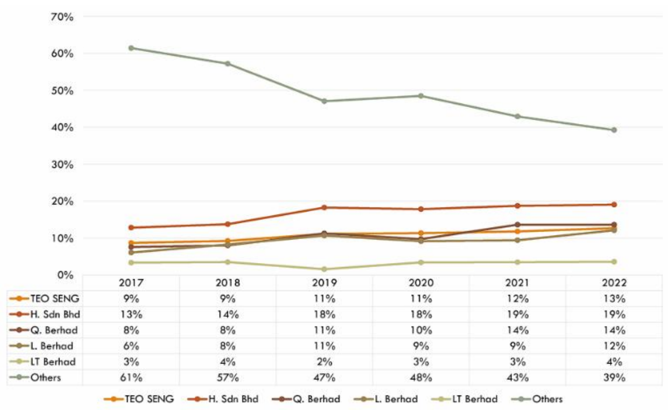


**Inclusive of Shipping & Local Transport Cost (Delivered)*

Source: Company

Market Share Leadership. Teo Seng Capital Berhad is the second-largest egg producer in Peninsular Malaysia, with domestic market share of approximately 13% as of 2022. The Group also holds the #1 position in the Singapore egg market, commanding around 16% market share as of 2022. This leading footprint provides Teo Seng with economies of scale, pricing leverage and stable volume throughput, all of which provide critical advantages in a margin-sensitive poultry business.

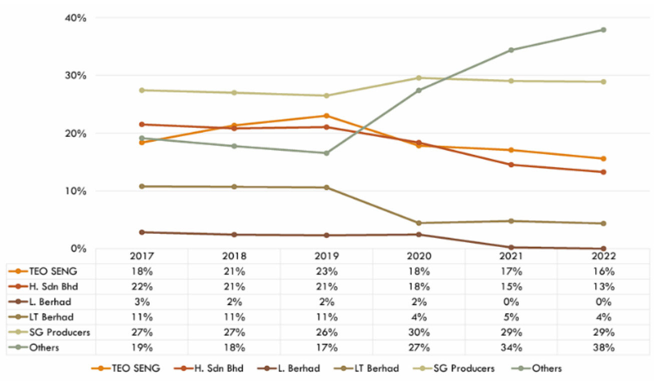
Figure 7: Market Share – Peninsular Malaysia (2017-2022)



	2017	2018	2019	2020	2021	2022
TEO SENG	9%	9%	11%	11%	12%	13%
H. Sdn Bhd	13%	14%	18%	18%	19%	19%
Q. Berhad	8%	8%	11%	10%	14%	14%
L. Berhad	6%	8%	11%	9%	9%	12%
LT Berhad	3%	4%	2%	3%	3%	4%
Others	61%	57%	47%	48%	43%	39%

Source: Company

Figure 8: Market Share – Singapore (2017-2022)



	2017	2018	2019	2020	2021	2022
TEO SENG	18%	21%	23%	18%	17%	16%
H. Sdn Bhd	22%	21%	21%	18%	15%	13%
L. Berhad	3%	2%	2%	2%	0%	0%
LT Berhad	11%	11%	11%	4%	5%	4%
SG Producers	27%	27%	26%	30%	29%	29%
Others	19%	18%	17%	27%	34%	38%

Source: Company

Investment Merits

1. Rising Structural Demand for Table Eggs in Malaysia

Malaysia's egg consumption continues to demonstrate structural resilience, underpinned by its position as an affordable and accessible protein source amid elevated living costs. Demand from both households and the hospitality sector remains robust, shielding producers from cyclical pricing pressures. Teo Seng benefits directly from this sustained consumption trend, supported by its extensive domestic and export distribution network. In 2QFY2025, the Group's egg sales volume rose 12.0% QoQ to 447 million eggs (1QFY2025: 399 million eggs). On a year-to-date basis, sales volume increased 7.4% year-on-year to 846 million eggs in 1HFY2025, reaffirming the defensive nature of its core business and the stability of underlying consumer demand.

2. Margin Recovery from Lower Feed and Logistics Costs

Feed mill raw material costs have moderated significantly, with prices for maize and soybean meal declining by 24.1% and 37.1% respectively in 1HFY2025 (RM1,186/MT and RM1,685/MT) compared to 1HFY2023 (RM1,563/MT and RM2,677/MT). As feed costs represents approximately 75% of total production expenses, this downtrend provides substantial support for gross margin recovery. Lower shipping and local transport rates have further reduced the total landed cost per tonne of key feed inputs. Concurrently, the Malaysian Ringgit (MYR) has shown signs of strengthening against the US Dollar (Figure 9). Collectively, these factors are expected to enhance Teo Seng's earnings margins in the coming quarters as commodity price volatility continues to stabilise.

3. Vertical Integration Enhances Cost Control and Resilience

Teo Seng's vertically integrated model spans feed mill operations, layer farming under an All-In-All-Out (AIAO) system, paper egg tray production from recycled materials, and organic fertiliser processing from poultry waste. This structure minimises reliance on third-party suppliers, enhances traceability, and supports biosecurity across the supply chain. By reusing internal waste streams and integrating production steps, Teo Seng achieves better cost control while reducing environmental impact. These efficiencies collectively help preserve margins, particularly during volatile feed or energy cost cycles.

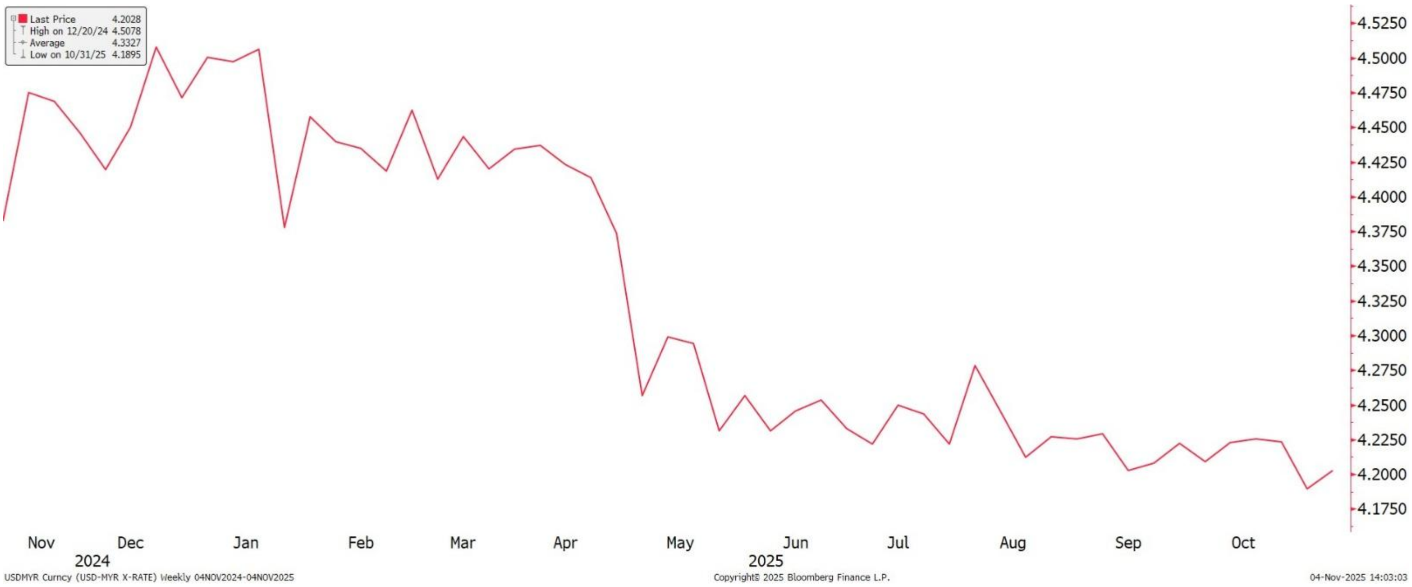
4. Downstream Expansion to Capture Value-Added Growth

Teo Seng is broadening its earnings base through downstream and processed-egg initiatives:

- Target Launch (FYE2025): Old Hen Chicken Soup and Egg Mayo products.
- Target Launch (FY2026): Liquid Eggs and Processed Old Hen Products.
- Export Expansion: Entry into the Japanese market targeted for 1HFY2026, capitalising on Japan's high domestic production cost structure and reliance on imported processed food. Plans to explore opportunities in the Middle East market are also under consideration (timeline TBD).

While downstream operations are not expected to significantly alter overall revenue contribution in the near term, they provide a strategic buffer against ASP volatility in the raw egg segment. The initiative also enhances Teo Seng's brand positioning, operational flexibility, and long-term earnings resilience within the integrated poultry value chain.

Figure 9: 1-Year USDMYR *(Weekly Chart)*



Source: Bloomberg, Mercury Securities

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Financial Highlights

Steady revenue recovery post-pandemic. Teo Seng's topline expanded to RM753.8 million in FY24 (FY19: RM548.9 million), reflecting a robust five-year revenue CAGR of 6.6%. Revenue eased marginally by 0.9% YoY in FY24 due to a lower average selling price of eggs (FY24: RM0.38; FY23: RM0.43), partially offset by a 10.4% increase in egg production volume. Profitability improved, with gross profit and PAT margins rising to 32.2% (FY23: 31.2%) and 24.3% (FY23: 20.5%) respectively, supported by cost optimization and lower feed prices.

Poultry farming remains the Group's primary revenue driver, contributing approximately 84.0–87.0% of total revenue between FY19 -FY24. The distribution segment, encompassing pet food, veterinary medicine, and other animal health products, accounted for around 12.0–16.0% over the same period. Geographically, Malaysia continues to be the core market, representing 75.0% of FY2024 revenue, followed by Singapore at 22.7%, with other markets contributing the remaining 2.3%.

Earnings boosted by Government Subsidies. Excluding the contribution from subsidy income of RM91 million in FY24 (FY22: RM34 million; FY23: RM105 million), the Group recorded PBT of RM107 million in FY24 (FY22: -RM5 million; FY2023: RM58 million). Correspondingly, adjusted PAT stood at RM99 million (FY2022: -RM5 million; FY2023: RM58 million). This translates to adjusted PBT and PAT margins of 14% and 13%, respectively (FY2022: -1% and -1%; FY2023: 8% and 7%).

For comparison, reported PBT and PAT margins were notably higher at 26% and 24% in FY2024 (FY2022: 4% and 3%; FY2023: 21% and 20%), reflecting the significant impact of government subsidies on the Group's earnings performance.

Pre-pandemic performance. Pre-pandemic, Teo Seng's recorded a four-year revenue (FY16-FY19) CAGR of 6.0%, (FY19: RM546.5m) supported by consistent growth in poultry farming operations and trading of poultry-related products. During this period, GP margin improved by 10ppts to 38.%, reflecting higher egg selling prices and better cost management, despite moderate increases in feed and utility expenses. At the bottom line, PAT margin increased from 5% in FY2016 to 11% in FY2019, highlighting the group's strong operational efficiency and stable demand from both domestic and regional markets. Overall, the pre-COVID years represented a period of stable expansion and profitability, establishing a solid financial base before industry volatility emerged during the pandemic years.

Quarterly results. For 2QFY25**,** Teo Seng's revenue edged up 1.7% QoQ to RM171.4 million, supported by higher egg sales volume, stable feed prices, and stronger contribution from the animal health products segment. However, YoY revenue declined 7.4% from RM185.0 million in 2QFY24, primarily due to lower average selling prices (ASPs) despite the volume increase. Stable feed costs and improved cost efficiency helped offset the impact of lower ASPs, maintaining a steady gross profit margin of 27% for both quarters.

The Group recorded PBT and PAT of RM45.1 million and RM42.1 million respectively in 2QFY2025 (1QFY2025: RM46.2 million and RM41.1 million). Corresponding PBT and PAT margins stood at 26.3% and 24.6% (1QFY2025: 27.4% and 24.4%), with the marginal decline mainly attributable to higher operating expenses.

Excluding the effects of government subsidies, the Group's normalised PBT and PAT are estimated at RM4.1 million and RM3.8 million respectively in 2QFY2025 (1QFY2025: RM14.9 million and RM13.3 million), translating into adjusted PBT and PAT margins of 2.4% and 2.2% (1QFY2025: 8.8% and 7.9% respectively).

Balance Sheet and Cash Flows. Teo Seng's balance sheet remains solid, with net gearing improving to 0.2x in FY2024 — the lowest level in six years, compared to 0.7x in FY2021. Despite a sharp increase in capital expenditure to RM100.0 million in FY2024 (FY2023: RM38.7 million), strong operating cash flows, supported by subsidy income, comfortably funded the Group's investment needs without additional borrowings.

Operating cash flow remained robust at RM196.2 million in FY2023 and RM172.5 million in FY2024, underpinned by resilient earnings and effective working capital management. Although operating cash flow moderated slightly in FY2024, the Group remained highly cash-generative, reflecting the strength and stability of its core poultry operations. Free cash flow (FCF) declined to RM72.6 million in FY2024 (FY2023: RM157.5 million), primarily due to increased capital spending as the Group expanded production capacity and enhanced operational efficiency.

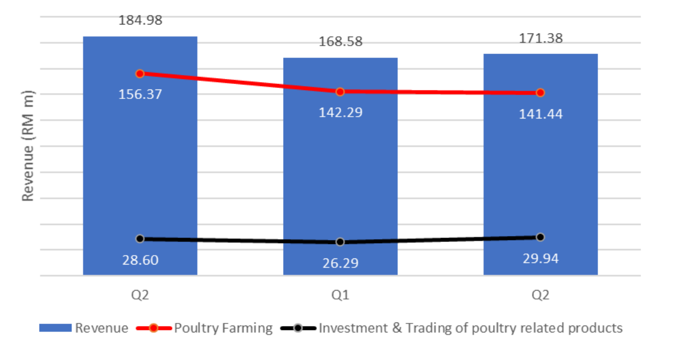
Moving Forward. We expect Teo Seng to sustain its growth trajectory, with FY2025 revenue projected at approximately RM687.3 million (-8.8% YoY). The decline primarily reflects softer average selling prices (ASPs), which have been trending lower from RM0.37 in 4QFY2024 to RM0.34 in 1QFY2025 and RM0.30 in 2QFY2025. PAT is expected to fall by 29% to RM130m due to the withdrawal of subsidies in August 2025. For FY2025E, we estimate an average ASPs of around RM0.32. A strong topline recovery is anticipated in FY2026E (+20.5%), followed by steady growth in FY2027E (+4.1%), driven by ASPs normalisation and resilient market demand. We expect ASPs to rise by about 15% to RM0.37 in FY2026E. However PAT correspondingly decline is expected to be steep (-65%) given the full-year absence of subsidies in FY26.

Profitability is expected to normalise, with PAT margins estimated at around 5.5% for FY2026–FY2027E, compared to 19% in FY2025E. The variance reflects the transitional impact of post-subsidy adjustments, after which margins are expected to stabilise alongside improved cost structures and operating efficiency. Gross profit margin is projected to remain stable at approximately 27% over the forecast period, supported by a normalised supply chain and stable Ringgit.

The Group's balance sheet is expected to remain solid, with manageable gearing levels between 0.1x and 0.2x. Although near-term free cash flow may be constrained by planned capital expenditure, a robust operating cash generation continues to support financial stability and sustain future dividend-paying capacity. We assume a corporate tax rate of 24% for FY2025E–FY2027E, consistent with statutory rates. Looking ahead, the Group is projected to maintain a net cash position of RM114–134 million over FY2025E–FY2027E, underpinned by a steady earnings trajectory.

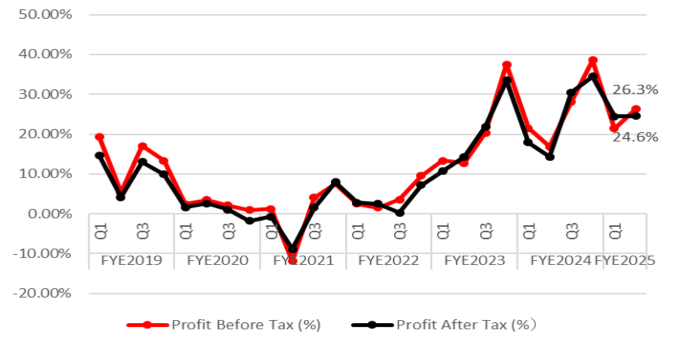
With the Board's stated intention to distribute 20–50% of PAT, we assume a dividend payout ratio of 25%, aligning with the Group's historical averages and expected earnings normalisation post-subsidy removal. Over the past five years, Teo Seng's dividend payout stood at 70.2% in FY2020, 9.4% in FY2023, and 20.3% in FY2024, with no dividends declared in FY2021 and FY2022.

Figure 10: TSCB Revenue (RM m) and YoY Growth Rate (%)



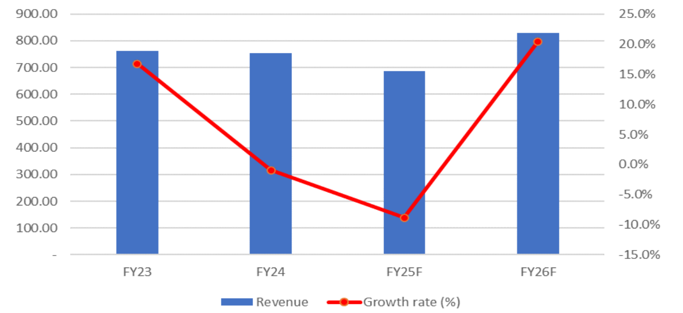
Source: Company, Mercury Securities

Figure 11: TSCB GP and PAT Margin (%)



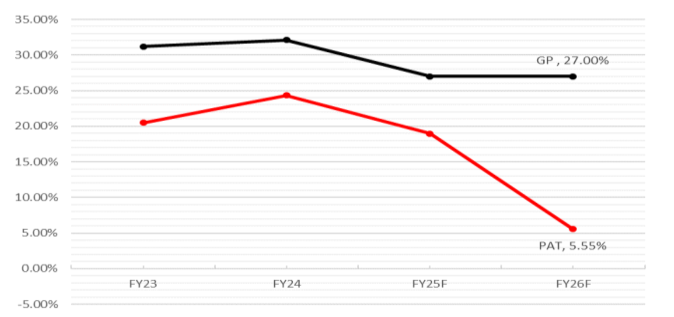
Source: Company, Mercury Securities

Figure 12: TSCB Revenue (RM m) and YoY Growth Rate (%)



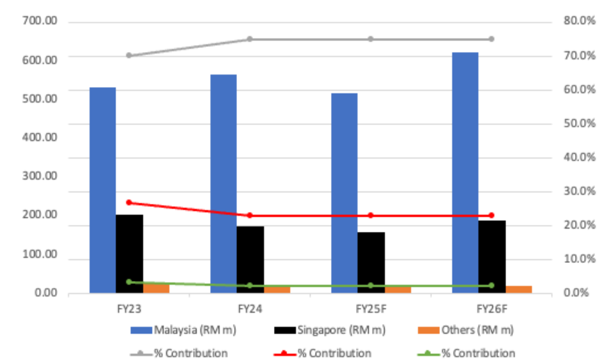
Source: Company, Mercury Securities

Figure 13: TSCB GP and PAT Margin (%)



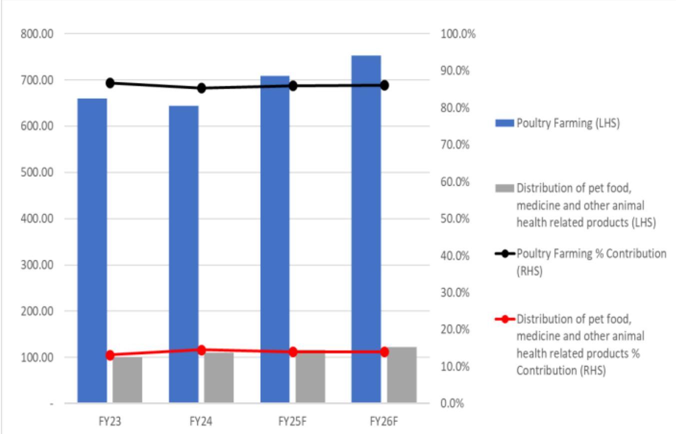
Source: Company, Mercury Securities

Figure 14: Geographical Revenue Breakdown (RM m, %)



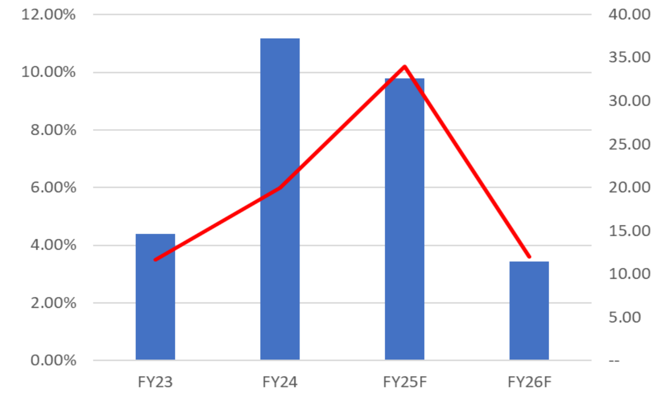
Source: Company, Mercury Securities

Figure 15: Segmental Revenue Breakdown (RM m, %)



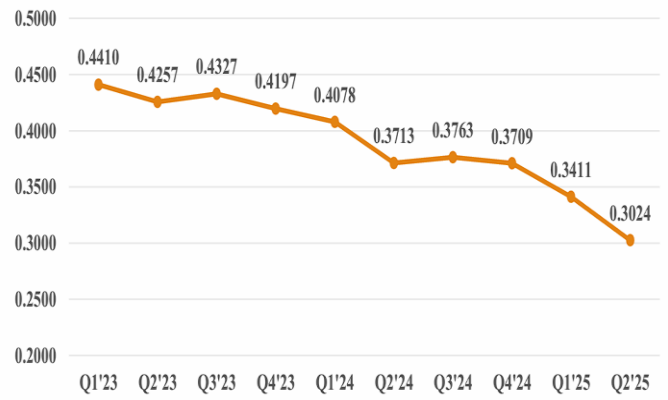
Source: Company, Mercury Securities

Figure 17: Dividend Payout (RM m) & Yield (%)



Source: Company, Mercury Securities

Figure 16: Commercial Egg Average Selling Price (RM)



Source: Company

Valuation. We derive a Target Price (TP) of **RM0.93** for **Teo Seng Capital Berhad,** based on a target P/E multiple of **12x** applied to its **FY2026E EPS of 7.8 sen**. The target multiple is benchmarked against the 10-year average P/E of domestic peers with comparable operations —**PWF Corporation and LTKM**, excluding the impact of government subsidies (FY2022–FY2024) to ensure a more accurate reflection of normalized sector valuations across both pre- and post-pandemic periods. This approach captures structural earnings trends while removing temporary distortions caused by subsidy inflows.

Recommendation. We assign a **HOLD** rating to **Teo Seng** premised on a **TP of RM0.93** (-9.5% downside from current price - as total returns mitigate by a +3.6% dividend yield) as the expected stock total return falls within the parameters of our rating call. Current valuations appear stretched, warranting a cautious stance amid (i) persistent economic and geopolitical uncertainties under the current Trump administration, and (ii) ongoing risks in raw material supply chains and input costs.

10-Year Historical P/E Peer Comparison excluding Government Subsidy

Company	2015/16^	2016/17^	2017/18^	2018/19^	2019/20^	2020/21^	2021/22^	2022/23^#	2023/24^#	2024/25^#
PWF Corp Bhd	9.4	6.1	6.1	6.5	15.7	19.6	43.7	(1.1)	7.4	5.8
LTKM Bhd	14.8	11.4	35.4	6.5	23.1	(4.2)	(10.5)	22.8	5.5	16.2
Teo Seng Capital	8.5	13.2	68.6	7.6	5.5	53.1	61.2	(39.8)	7.6	6.3

Source: Bloomberg, Company, Mercury' ^ LTKM financial end year: 31st March, # No subsidies

Peer Comparison (as at 6th November 2025)

Company	Bloomberg Ticker	Share price (RM)	Mkt Cap (RM m)	EPS Growth (%) 2023	EPS Growth (%) 2024	P/E (x) 2023	P/E (x) 2024	P/B 2023	P/B 2024	ROE (%) 2023	ROE (%) 2024	Net Dividend Yield (%) 2023	Net Dividend Yield (%) 2024
LTKM Bhd	LTKM MK Equity	1.46	208.9	N/A	184.0	10.4	3.5	0.9	0.7	9.1	22.5	N/A	N/A
PWF Corp Bhd	PW MK Equity	0.79	243.8	315.4	(46.6)	4.2	9.3	0.6	0.7	14.5	7.6	2.2	1.8
Simple Average						7.3	6.4	0.8	0.7	11.8	15.0		
Teo Seng Capital	TSCB MK Equity	1.07	628.3	621.1	18.5	2.7	3.4	0.9	1.0	38.4	33.5	2.1	1.9

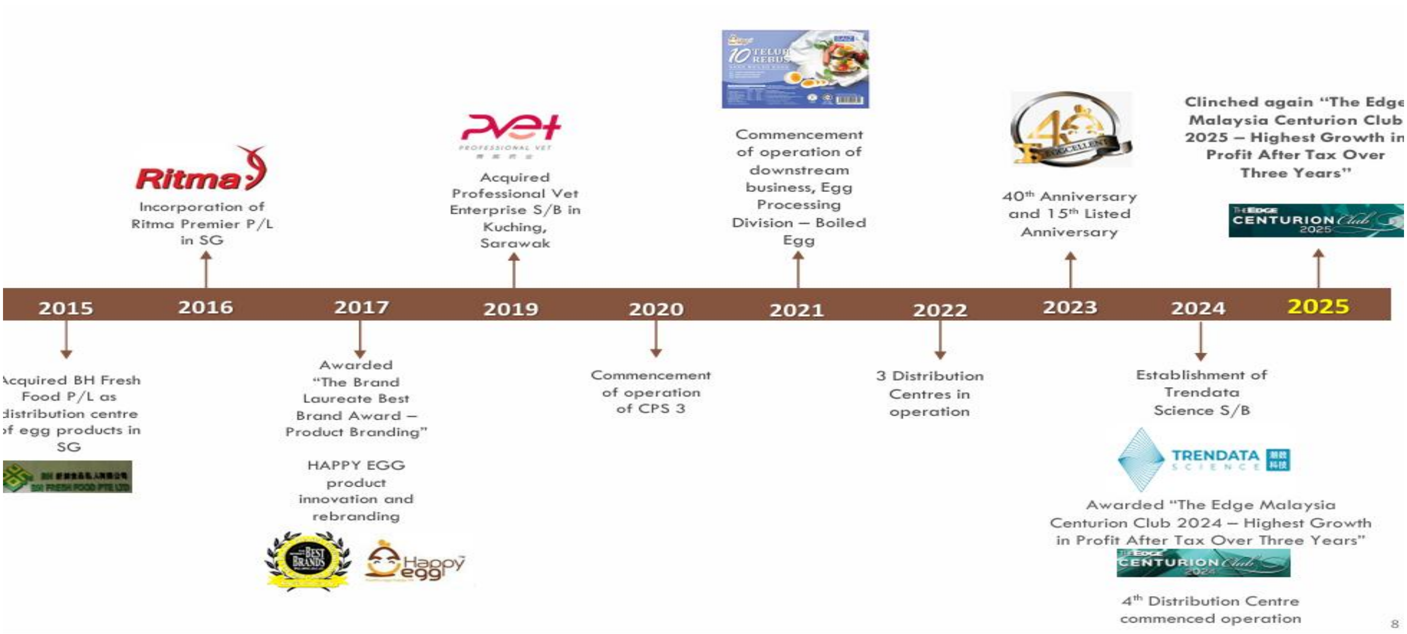
Company	Gross Profit Margin (%)		PAT Margin	
	2023	2024	2023	2024
LTKM Bhd	11.2	17.2	8.0	22.7
PWF Corp Bhd	13.8	16.9	9.1	5.6
Simple Average	**12.5**	**17.1**	**8.5**	**14.2**
Teo Seng	**31.2**	**32.1**	**20.5**	**24.3**

Source: Bloomberg, Company, Mercury

Company Background

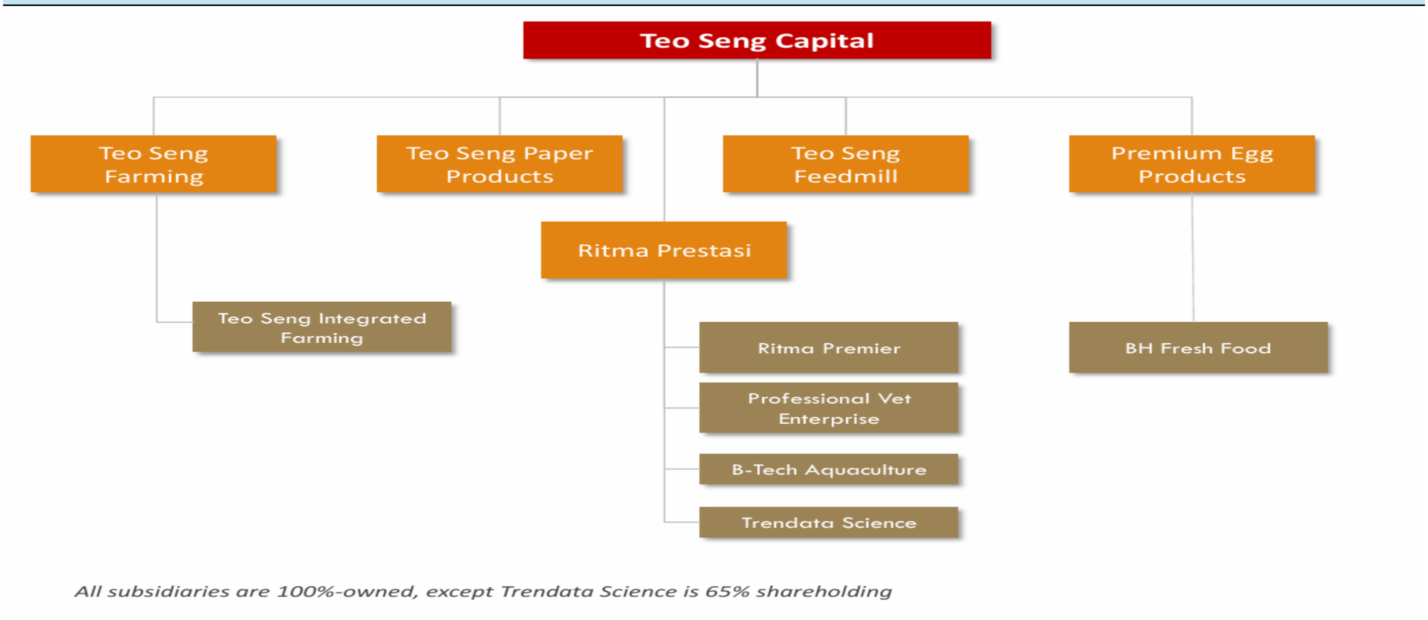
Teo Seng Capital Berhad (Teo Seng) is one of Malaysia's largest commercial egg producers, recording RM753.8m in revenue in 2024 with a market capitalization of RM643m as of October 2025. Listed on Bursa Malaysia since 2008 and transferred to the Main Board in 2009, the group operates an integrated layer farming business under its All-In-All-Out (AIAO) system, supported by its own feed mill, paper egg tray production, and organic fertilizer operations. With over 40 years of industry experience, Teo Seng's management has built a strong reputation for quality, with farms accredited by Malaysia's MyGAP and more than half certified by Singapore's SFA for export. Beyond egg production, the group also provides veterinary healthcare through Ritma and promotes sustainable farming via its Laskar Fertiliser division, reinforcing its position as a leading player in the regional food and agriculture sector.

Figure 18: Company Milestone (2015-2025)



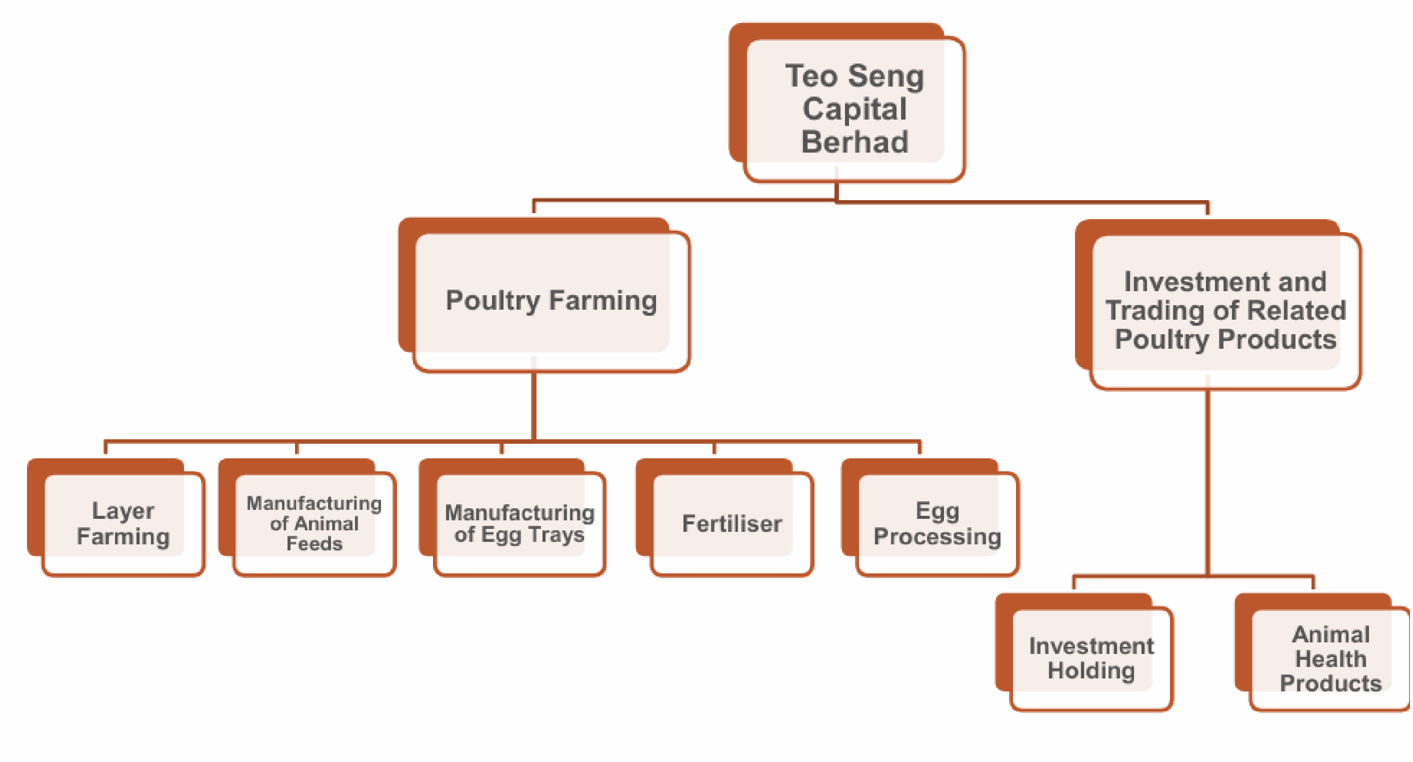
Source: Company

Figure 19: Corporate Structure



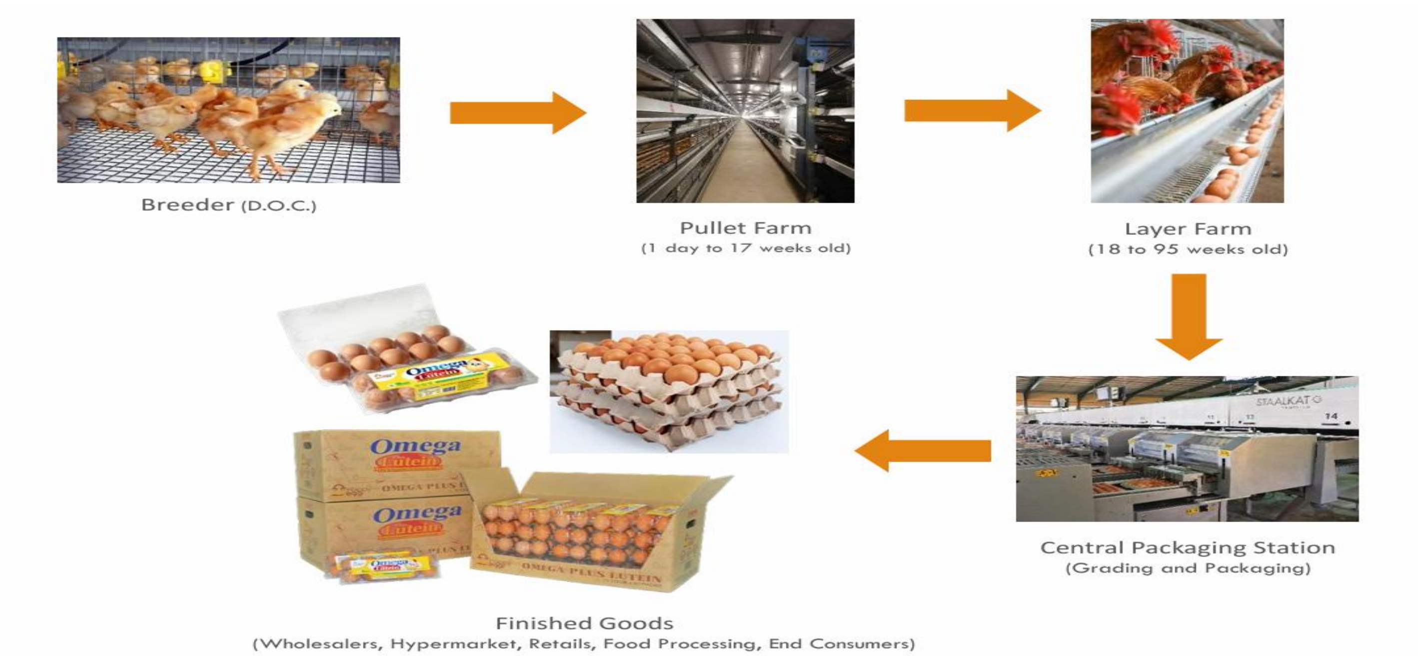
Source: Company

Figure 20: Business Segments



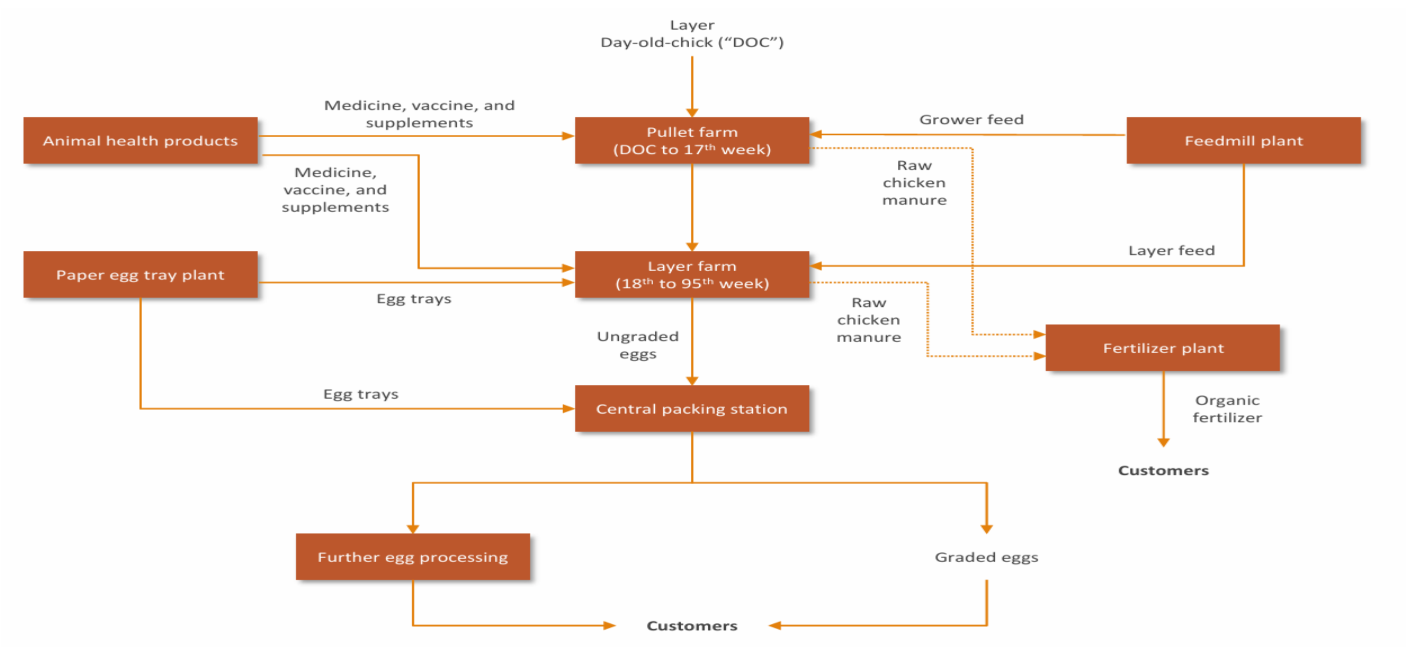
Source: Company

Figure 21: Layer Farming Operational Process



Source: Company

Figure 22: Integrated Layer Farming Operational Process

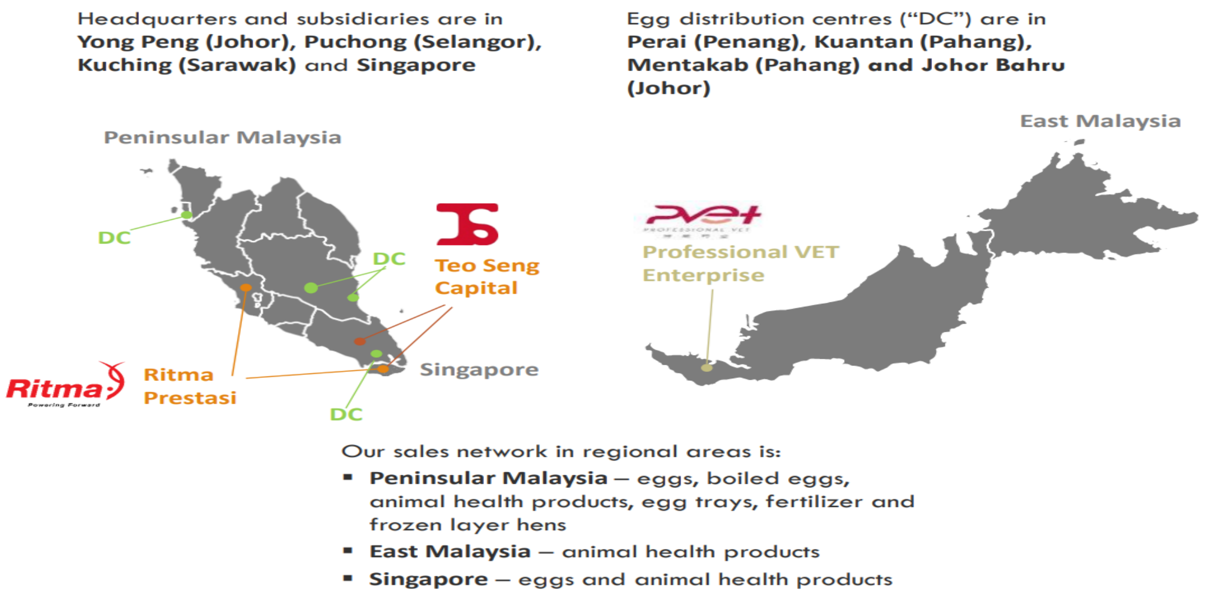


Source: Company

Figure 23: Integrated Farming Operational

Source: Company

Figure 24: Geographical Footprint



Source: Company

SWOT Analysis

S STRENGTHS	W WEAKNESS
Market Leader in Egg Production: Among the top layer farmers in Malaysia, ensuring strong brand recognition and market presence. **Vertical Integration:** Owns feed milling, paper egg tray manufacturing, and distribution, allowing better cost control and supply chain efficiency. **Export Network:** Supplies to both domestic and export markets (e.g., Singapore), reducing reliance on a single market. **Reputation for Quality & Food Safety:** Compliance with international food safety standards (e.g., ISO, HACCP, HALAL), strengthening consumer and retailer trust.	**High Dependence on Imported Feed:** Major reliance on imported corn and soybean meal, exposing the company to foreign exchange risks (USD/MYR fluctuations). **Biological Risks:** Outbreaks of poultry disease could disrupt production, impact product quality, and increase costs. **Thin Profit Margins:** Poultry industry is cost-sensitive; rising feed or energy costs can quickly erode profitability
T THREATS	**O OPPORTUNITIES**
Foreign Exchange Volatility: Weaker MYR against USD increases feed costs, directly impacting margins. **Feed Price Fluctuations:** Global commodity price swings (soya bean, maize) could raise operating costs. **Regulatory Changes:** Government intervention in egg ceiling prices, removal of subsidies, and stricter compliance requirements may pressure profitability.	**Rising Protein Consumption:** Rising consumption of protein-rich eggs globally drives steady egg demand **Integration of Agri-Tech Solutions:** Incorporating Trendata Science for R&D, data servers, and sales of intelligent agricultural machinery, equipment and robots enables Teo Seng to strengthen its technological capabilities and expand into agri-tech. **Downstream Value-Added Products:** Expansion into processed egg products (egg mayo) for food manufacturing and F&B industries.

Figure 25: Key Management Team

Name and Designation	Age	Profile
Lau Jui Peng Executive Chairman	54	• Appointed to the Board on 19 June 2008 and re-designated as Executive Chairman on 15 November 2022. • Began career at Leong Hup Poultry Farm Sdn Bhd as Deputy Chief Executive Officer before promotion to Chief Executive Officer and joined its Board in 2004 and the Board of Leong Hup GPS Farm Sdn Bhd in 2007 • Holds a Bachelor Degree in Business Administration majoring in Marketing from Hawaii Pacific University United States • Indirect major shareholder of the Company together with siblings Datuk Lau Joo Hong and Mr Lau Joo Heng
Nam Hiok Joo Managing Director	58	• Appointed Managing Director on 27 June 2018 and Chairman of the Risk Management Committee since 20 August 2018. • Brings over 30 years of experience in the poultry industry covering feed production, operations and administration. • Held senior roles at Teo Seng Feedmill Sdn Bhd and Ritma Prestasi Sdn Bhd before joining the Company as Group General Manager in 2010.
Loh Wee Ching Executive Director	56	• Appointed Non-Executive Director on 19 June 2008 and redesignated as Executive Director on 17 November 2020. Former member of the Nomination Committee and Remuneration Committee. • Brings over 20 years of experience in the poultry industry, currently serving as Marketing Director of the layer farming division. • Began career as Marketing Executive at Telic Corporation Sdn Bhd before joining Teo Seng Farming Sdn Bhd in 1994, advancing to Senior Marketing Manager in 2003. • Plays a key role in shaping the Group marketing strategies, driving campaigns and identifying market opportunities to support long term growth.
Ng Eng Leng Group Finance Director	54	• Appointed Director of Teo Seng Farming Sdn. Bhd. in March 2002 and redesignated as Group Finance Director on 3 January 2024, after serving as Group Financial Controller since 2010. • Member of the Sustainability Steering Committee and Risk Manager leading the Group Risk Management Team. • Holds an Executive Master in Business Management (Finance) from Asia e University and an MBA from Buckinghamshire New University, UK. • Over 20 years' experience in financial management, corporate affairs and administration, with expertise in accounting, taxation, internal controls, acquisitions and corporate finance.
Na Eluen Chief Marketing Officer, Layer Farming Division	42	• Appointed on 1 January 2018 and promoted to Chief Marketing Officer, Layer Farming Division on 3 January 2024. • Over 20 years' experience in sales, marketing and business development in Malaysia and Singapore. • Previously Director of Premium Egg Products Pte. Ltd. and BH Fresh Food Pte. Ltd., where he drove business growth and operations. • Currently oversees sales, marketing, logistics and brand building, strengthening the Group's market presence.
Na Yi Chan Chief Operating Officer, Layer Farming Division	36	• Appointed COO, Layer Farming Division on 3 January 2024 after serving as Deputy COO since 2018. • Chairman of the Group's Sustainability Steering Committee reporting to the Audit Committee. • Over a decade of experience in farm management, production and operations, having progressed through multiple leadership roles within the Group.
Nam Ya Jun Executive Director, Animal Health Products Division	43	• Appointed Executive Director of Ritma Prestasi Sdn. Bhd. on 31 January 2018, having joined the Teo Seng Group in 2005. • Holds a First-Class Honours Degree in Science from Victoria University of Wellington, New Zealand. • Over 15 years' experience in animal healthcare distribution, business development and corporate management. • Instrumental in expanding Ritma's operations to Singapore and East Malaysia, securing partnerships with leading global animal healthcare providers.
Ku Leong Choon Farm General Manager	58	• Appointed Farm General Manager in March 2002, having begun his career with Teo Seng Group as a farmworker in 1987 and advanced through various managerial roles. • Brings over 30 years of experience in poultry farm operations, with expertise in supervising farm managers, coordinating daily operations and ensuring effective farm management.

Major Customers

Teo Seng's customer portfolio is well-diversified across both modern trade and traditional retail channels, ensuring stable demand visibility and low concentration risk. Major customers for its raw egg segment include 99 Speedmart (~8%), Lotus's (~6%), as well as Giant, Econsave, and AEON. Collectively, large retail chains contribute approximately 20% of total egg sales, while the remaining 80% is derived from wet markets, direct sales, and small retailers. To improve profitability, the Group is actively minimizing third-party involvement in distribution to capture better margins and strengthen control over its supply chain.

In the downstream segment, Teo Seng supplies value-added egg products (half-boiled and soft-boiled eggs) primarily to foodservice operators and F&B establishments, including Sushi King, Madam Kwan, and Oriental Kopi. Sales are not contract-based and are conducted on a weekly or monthly order basis, though demand remains consistent given the company's strong product reputation and long-standing client relationships.

Teo Seng's processed egg products are widely preferred for their quality consistency, food safety compliance, and operational convenience. These products meet stringent F&B hygiene requirements, where opened packages must be consumed within four hours, reducing wastage and ensuring freshness. Moreover, the products offer a higher yield advantage, using only 10 eggs per serving compared to the usual 40 eggs, providing both cost efficiency and compliance benefits for food operators.

Key Risks

Risk of Poultry Disease. Teo Seng is exposed to poultry disease outbreak risk such as avian influenza and other poultry-related illnesses. Any occurrence may lead to lower production output, culling activities, or regulatory movement restrictions. These events could cause significant operational disruptions and financial losses despite the Group's implementation of strict biosecurity protocols under its All-In-All-Out (AIAO) farming system.

Feed Cost Volatility. Teo Seng is highly dependent on imported maize and soybean meal as its key raw materials for feed production. Any fluctuation in global commodity prices would directly affect feed costs. Ongoing trade tensions between major grain-exporting nations, particularly the US, China, and the Black Sea region, have heightened supply uncertainty and price volatility in the global feed market. These disruptions, coupled with elevated freight rates and weather-driven yield risks, could pressure input costs despite the recent easing trend. Additionally, as feed commodities are largely priced in USD, movements in the MYR/USD exchange rate remain critical as a strengthening ringgit could mitigate import cost pressures, while prolonged depreciation would amplify margin risks through imported inflation.

Foreign Exchange Fluctuations. Teo Seng's sales are primarily denominated in RM, with a portion in SGD from its export market in Singapore. While the Group's direct foreign currency exposure is limited, it remains indirectly affected by fluctuations in the USD/MYR exchange rate as its feed ingredients such as maize and soybean meal are imported through suppliers that transact in USD. Any unfavourable movement in the USD/MYR exchange rate could indirectly increase input costs and exert downward pressure on the Group's operating margins.

Weaker-Than-Expected Average Selling Price (ASP) and Sales Volume Risk. With the removal of government subsidies, Teo Seng faces greater exposure to market-driven pricing amid temporary oversupply conditions in the domestic egg market. Production recovery has outpaced demand growth, exerting downward pressure on ASPs. However, Malaysia's per capita egg consumption remains among the highest in the region, providing a degree of volume resilience and helping to partially offset pricing weakness. Sustained oversupply or weaker export momentum could still weigh on margins, but strong domestic demand should limit the downside to overall sales performance.

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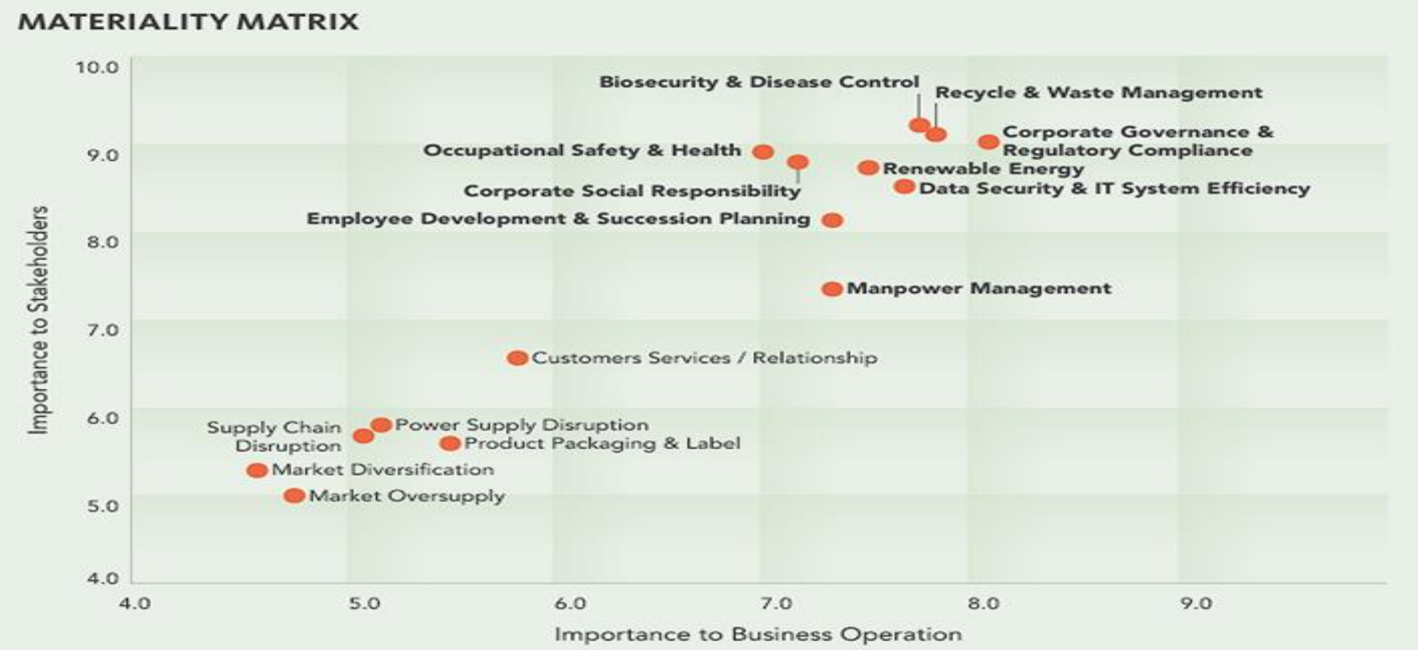
Sustainability Review

Figure 26: Sustainability Materiality Assessment



Source: Company

Teo Seng's materiality priorities reflect a structured alignment between business sustainability and its contribution to key UN Sustainable Development Goals (SDGs). The Group places highest emphasis on corporate governance and regulatory compliance, reinforcing strong ethical conduct, transparency, and enterprise risk management practices, supporting SDG 8 (Decent Work & Economic Growth), SDG 16 (Peace, Justice & Strong Institutions) and SDG 17 (Partnerships). The company's second key pillar is biosecurity and disease control, recognising its critical role in food safety, farm productivity, and national supply stability. Through proactive veterinary oversight, closed-house systems, and strict biosecurity protocols, Teo Seng advances SDG 2 (Zero Hunger), SDG 3 (Good Health & Well-Being) and SDG 12 (Responsible Consumption & Production).

Environmental responsibility forms the third priority, with a strong focus on waste management and recycling, including manure conversion to organic fertiliser, wastewater treatment systems, and environmentally friendly packaging, contributing to SDG 6 (Clean Water & Sanitation), SDG 7 (Affordable & Clean Energy), SDG 12 (Responsible Consumption & Production), SDG 13 (Climate Action) and SDG 15 (Life on Land). Complementary initiatives such as renewable energy adoption, workforce development, occupational safety, and data security further broaden Teo Seng's ESG impact across social and environmental areas. Overall, these material matters demonstrate the Group's structured and proactive sustainability strategy, ensuring operational resilience while delivering meaningful progress toward multiple SDGs across governance, food security, environmental circularity, and community wellbeing. Sustainability Performance Overview

The Group continues to strengthen its sustainability journey, focusing on reducing its carbon footprint and enhancing operational efficiency through structured environmental, social and governance (ESG) initiative:

Environmental (E)

1. **Biosecurity & Disease Control**

   - TSCB has consistently strengthened its farm biosecurity framework, beginning with the adoption of Closed-House (CHS) and All-In-All-Out (AIAO) systems, which earned 24 farms MyGAP certification for high hygiene standards.
   - In FY2024, the Group maintained strong veterinary oversight and strict visitor controls, achieving zero major disease incidents across all operations.
   - Moving into FY2025, TSCB plans to further enhance its biosecurity infrastructure through digital monitoring systems, reinforcing its commitment to operational efficiency and livestock health.

2. **Recycle & Waste Management**

   - TSCB has made steady progress in transforming waste into value-added products.
   - In FY2023, the Group operated 10 fertiliser plants to convert chicken manure into SIRIM-certified organic fertiliser and achieved Chain

of Custody certification for PEFC-compliant paper egg trays.
- In FY2024, capacity was expanded to 14 plants to manage higher manure volumes, while wastewater reuse and recycled tray production continued.
- Looking ahead to FY2025, TSCB plans to adopt composting tower technology and greater automation to enhance waste conversion efficiency.

3. Renewable Energy

- The Group continues to expand its renewable energy portfolio in line with its low-carbon transition.
- In FY2024, solar PV capacity increased to 6,702 kWp (FY2023: 4,915 kWp) and generation rose to 8,168 MWh (FY2023: 5,755 MWh), avoiding 6,322 tCO_2e (FY2023: 4,454 tCO_2e).
- For FY2025, TSCB aims to further scale its solar installations and introduce EV charging infrastructure to support sustainable mobility. Subsequently, they have formed a partnership with Solarvest to carry out this initiative.

4. Climate Change & Emissions Management

- TSCB continues to demonstrate its commitment to mitigating climate impact through proactive emissions management.
- In FY2024, total GHG emissions stood at 29,767 tCO_2e, with additional energy-saving initiatives such as LED lighting and inverter air-conditioning improving overall efficiency.
- For FY2025, TSCB targets further reduction of Scope 3 emissions from logistics and commuting, while aligning disclosures with Bursa ESG reporting guidelines.

5. Water Management

- In managing its water footprint, TSCB introduced wastewater treatment and reuse systems for its paper egg tray operations to optimising consumption across layer farms.
- In FY2024, these systems continued to perform effectively ensuring sustainable reuse and preventing pollution.
- Moving forward, the Group plans to invest in advanced recycling technologies and expand treatment capacity to further reduce reliance on fresh water.

Social (S)

1. Occupational Safety & Health (OSH)

- Established a Safety & Health Committee and the rollout of a comprehensive Safety & Health Policy that ensured PPE compliance and proper incident management.
- In FY2024, there were enhanced implementation of HIRARC risk assessments, emergency drills, and continuous OSH training, contributing to strong regulatory compliance.
- In FY2024, a total of 13 injury cases (FY2023: 8 injury cases) with no fatality were reported and thoroughly investigated with appropriate remedial actions implemented.
- Moving forward, TSCB aims to achieve a strong safety culture across the Group by increasing awareness and safety practices to reduce the number of workplace accidents.

2. Employee Development & Succession Planning

- Recognising people as a key asset, TSCB has maintained a strong focus on capacity building and leadership development.
- In FY2024, 11 workshops (FY2023: 10 workshops) and 3 virtual training sessions (FY2023: 3 virtual training sessions) were conducted, complemented by a KPI-driven promotion system and cross-functional mentorship programmes.
- Looking ahead, TSCB aims to build a skilled and sustainable workforce through focus on providing training, leadership development and mentorship opportunities.

3. Corporate Social Responsibility (CSR)

- TSCB continues to support the communities surrounding its operations through sustained CSR initiatives.
- In FY2024, the Group collaborated with NGOs and educational organisations while providing financial and in-kind contributions to community programmes.
- This includes regular egg donations to underprivileged families, active staff involvement in CSR projects, and partnerships with local schools on beautification initiatives.

- Moving into FY2025, TSCB aims to deepen its community impact by focusing on creating a lasting social impact, fostering meaningful connections and support the well-being of communities they serve.

4. **Manpower Management**

- The Group improved manpower planning through structured recruitment and training for both local and foreign employees.
- FY2024 marked a key milestone with the introduction of advanced egg grading automation, achieving a 15% increase in grading efficiency, while optimising logistics through outsourced transportation partnerships.
- Moving forward, TSCB aims to further enhance productivity through automation upgrades and the adoption of smart monitoring systems to reduce reliance on manual labour.

Governance (G)

In line with its commitment to strong governance standards, the Board remains focused on achieving high levels of transparency, accountability, and ethical conduct across the organisation. To support these objectives, the Group aligns its governance framework with the principles and recommended practices of the Malaysian Code on Corporate Governance (MCCG) 2021, as required under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This proactive approach reflects the Board's ambition to uphold best-in-class governance practices, strengthen organisational integrity, and reinforce stakeholder confidence in the Group's long-term stewardship.

1. **Corporate Governance & Regulatory Compliance**

- TSCB continues to uphold the highest standards of corporate governance and ethical conduct.
- The Group maintained full compliance with the Malaysian Code on Corporate Governance (MCCG) and Bursa Malaysia's Sustainability Reporting Guide, supported by the implementation of anti-corruption, whistleblowing, and ethics policies.
- Established a Corporate Affairs Committee to strengthen oversight and ensure ongoing adherence to MCCG best practices, with full compliance except for minor procedural areas.
- Moving forward, TSCB aims to further reinforce board accountability through regular ESG performance evaluations and continuous regulatory compliance reviews.

2. **Data Security & IT System Efficiency**

- TSCB continued to modernise its IT infrastructure to support operational integrity and data protection.
- Rollout of comprehensive cybersecurity measures, including a Disaster Recovery Plan, System Access Control, and two-tier backup at a Disaster Recovery Centre, to ensure secure backup capabilities and guaranteeing data accessibility in the event of a disaster or data loss incident.
- In 2024, the Groups' Cyber Security Policy was updated to enhance the cybersecurity across all company digital devices and personal devices used for work, with clearly defined protocols and guidelines.
- There were zero breaches of customer privacy or loss of customer data reported in 2024.
- Moving on, TSCB intends to adopt real-time cybersecurity monitoring and conduct annual IT resilience audits to maintain data reliability.

3. **Supply Chain Management**

- Responsible sourcing and supply chain sustainability remain key governance priorities for TSCB.
- The Group reinforced feed and raw material sourcing under strict biosecurity standards and animal welfare requirements.
- FY2024 marked further progress as TSCB strengthened supplier partnerships and promoted circularity through the use of organic fertiliser by-products.
- Looking ahead, the Group plans to enhance supplier traceability through digital tracking systems to monitor compliance and ethical sourcing.

TSCB demonstrates its commitment to sound corporate governance through adherence to the Malaysian Code on Corporate Governance (MCCG) and ongoing stakeholder engagement under its Sustainability Steering Committee. The Group regularly assesses material ESG matters in consultation with key stakeholders, including customers, suppliers, regulators, investors, employees, and the wider community to ensure alignment with best practices and to drive meaningful sustainability outcomes.

As at the latest practicable date (LPD), the Group has adopted key MCCG recommendations, with strong board independence and gender diversity:

Key MCCG Governance Indicators	
MCCG Governance Application	Practices Fully Applied except departures for Practice 5.6, 5.10, 9.2 and 13.3
Independent Directors	3 out of 6 (50% of the Board)
Women Directors	2 out of 6 (33% of the Board)
Compliance with 30% women target	Achieved and Exceeded

Source: Company, Mercury Securities

The composition of the Board reflects the Group's emphasis on diversity and independence in decision-making. The Group continues to enhance its governance practices through structured stakeholder engagement, ESG integration and alignment with MCCG principles.

Overall ESG Performance. TSCB demonstrated strong ESG performance by expanding renewable energy capacity, enhancing waste management with certified organic fertiliser production, and implementing energy and water-saving measures to reduce environmental impact. The Group prioritized employee safety with rigorous OSH programs, fostered inclusivity and development through training and mentorship, and actively supported local communities via CSR initiatives. Robust governance frameworks, including ethical codes, whistleblowing policies, and transparent sustainability reporting, ensured effective oversight and accountability across all ESG areas.

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Income Statement

FY Dec (RM m)	2023A	2024A	2025E	2026E	2027E
Revenue	761.0	753.8	687.3	827.9	861.8
EBITDA	197.9	229.5	209.6	104.6	108.8
Depreciation & Amortz	(28.6)	(29.4)	(32.6)	(36.8)	(38.0)
Operating Profit	**169.2**	**200.1**	**177.1**	**67.8**	**70.7**
Interest Inc/(Exp)	1.3	3.6	(0.6)	(1.5)	(1.8)
Assoc Earnings	-	-	-	-	-
Profit Before Tax	**162.7**	**198.4**	**171.5**	**60.5**	**63.0**
Taxation	(6.9)	(15.1)	(41.2)	(14.5)	(15.1)
Net Profit	155.8	183.4	130.4	45.9	47.9
Core PATAMI	**155.8**	**183.4**	**130.4**	**45.9**	**47.9**

Balance Sheet

Fixed Assets	387.9	438.5	504.4	564.9	566.0
Intangible Assets	3.8	1.4	1.8	(0.7)	0.1
ROU Assets	0.0	0.0	0.0	0.0	0.0
Other Fixed Assets	0.3	4.7	4.7	4.7	4.7
Inventories	71.6	75.3	75.3	75.3	75.3
Receivables	64.0	63.2	78.3	94.3	98.2
Other Current Assets	78.3	136.0	193.1	268.8	208.9
Cash	98.9	126.8	141.4	140.2	167.0
Total Assets	**704.7**	**846.1**	**999.0**	**1,147.5**	**1,120.2**
Payables	79.2	91.3	114.5	138.0	143.6
ST Borrowings	59.9	67.4	67.4	67.4	67.4
Other ST Liability	2.0	2.1	2.1	2.1	2.1
LT Borrowings	46.3	30.4	30.4	110.4	30.4
Other LT Liability	40.4	36.6	35.9	35.0	34.1
Net Assets	**477.1**	**618.4**	**748.8**	**794.7**	**842.6**
Shareholders' Equity	477.1	618.4	748.8	794.7	842.6
Minority Interests	0.0	(0.0)	(0.0)	(0.0)	(0.0)
Total Equity	**477.1**	**618.4**	**748.8**	**794.7**	**842.6**

Cashflow Statement

FY Mar (RM m)					
Operating CF	190.3	167.2	147.8	69.6	80.7
Investing CF	(37.9)	(75.3)	(100.0)	(100.0)	(43.5)
Financing CF	(94.7)	(62.3)	(33.3)	29.3	(10.5)
Change In Cash	57.7	29.7	14.5	(1.2)	26.7
Free CF	98.9	126.8	141.4	140.2	167.0

Financial Data & Ratios

FY Dec	2023A	2024A	2025E	2026E	2027E
Growth					
Turnover	16.7%	-0.9%	-8.8%	20.5%	4.1%
EBITDA	222.2%	16.0%	-8.7%	-50.1%	4.0%
Operating Profit	374.6%	18.3%	-11.5%	-61.7%	4.3%
PBT	454.9%	22.0%	-13.6%	-64.8%	4.3%
Core Net Profit	620.0%	17.7%	-28.9%	-64.8%	4.3%
Profitability					
Gross Profit Margin	31.2%	32.1%	27.0%	27.0%	27.0%
EBITDA Margin	26.0%	30.4%	30.5%	12.6%	12.6%
Operating Margin	22.2%	26.5%	25.8%	8.2%	8.2%
PBT Margin	21.4%	26.3%	25.0%	7.3%	7.3%
Core Net Margin	20.5%	24.3%	19.0%	5.6%	5.6%
Effective Tax Rate	4.2%	7.6%	24.0%	24.0%	24.0%
ROA	22.1%	21.7%	13.0%	4.0%	4.3%
ROE	32.7%	29.6%	17.4%	5.8%	5.7%
Leverage					
Debt/Asset (x)	0.15	0.12	0.10	0.15	0.09
Debt/Equity (x)	0.22	0.16	0.13	0.22	0.12
Net (Cash)/Debt	1.07	0.77	1.00	1.00	1.00
Net Debt/Equity (x)	0.00	0.00	0.00	0.00	0.00
Valuations					
Core EPS (sen)	0.26	0.31	0.22	0.08	0.08
NDPS (sen)	2.5	6.3	5.5	1.9	2.0
BV/sh (RM)	0.8	1.0	1.3	1.3	1.4
PER (x)	4.2	3.6	5.0	14.2	13.6
Div. Yield (%)	3.5%	6.0%	10.2%	3.6%	3.7%
PBV (x)	1.4	1.1	0.9	0.8	0.8

Source: Mercury Securities

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Published & Printed By:

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