

FINANCIAL RESULTS

* New Announcement

Submitting Secretarial Firm Name : TRICOR CORPORATE SERVICES SDN. BHD.

* Company name : **TEO GUAN LEE CORPORATION BHD (283710-A)**

* Stock name : **TGL**

* Stock code : **9369**

* Contact person : Madam Toh Kian Beng

* Designation : Executive Director

PART A1: QUARTERLY REPORT

* Quarterly report for financial period ended : **30th June 2021**

* Quarter : **4th Quarter**

* Financial Year End : **30th June 2021**

* The figures : Have not been audited

TEO GUAN LEE CORPORATION BHD (COMPANY NUMBER 283710-A)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2021 (UNAUDITED)**

	INDIVIDUAL PERIOD (4TH QUARTER)				CUMULATIVE PERIOD			
	Current Year Quarter 30/6/2021	Preceding Year Corresponding Quarter 30/6/2020	Changes	Changes	Current Year To-date 30/6/2021	Audited Preceding Year Corresponding Period 30/6/2020	Changes	Changes
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	34,155	23,467	10,688	45.54%	105,514	86,981	18,533	21.31%
Gross profit	6,958 20%	4,511 19%	2,447	54.25% 1.00%	29,871 28%	29,364 34%	507	1.73% -6.00%
Other operating income	2,310	1,015	1,295	127.59%	5,625	2,633	2,992	113.63%
Operating expenses	(7,511)	(5,911)	(1,600)	27.07%	(26,771)	(28,917)	2,146	-7.42%
Profit/(loss) from the operation	1,757	(385)	2,142	556.36%	8,725	3,080	5,645	183.28%
Finance costs	(107)	(154)	47	-30.52%	(543)	(685)	142	-20.73%
Profit/(loss) before taxation	1,650	(539)	2,189	406.12%	8,182	2,395	5,787	241.63%
Taxation	(460)	241	(701)	290.87%	(2,144)	(458)	(1,686)	368.12%
Profit/(loss) for the period representing total comprehensive income for the period, net of tax	1,190	(298)	1,488	499.33%	6,038	1,937	4,101	211.72%
Profit attributable to :								
Equity holders of the parent	1,187	(187)	1,374	734.76%	6,346	2,095	4,251	202.91%
Non-controlling interest	3	(111)	114	102.70%	(308)	(158)	(150)	94.94%
	1,190	(298)	1,488	-499.33%	6,038	1,937	4,101	211.72%
Earnings per share								
-Basic	2.91	(0.46)			15.58	5.14		
-Diluted	N/A	N/A			N/A	N/A		

The condensed consolidated statements of comprehensive income statements should be read in conjunction with the audited financial statements for the year ended 30th June 2021 and the accompanying explanatory notes attached to the interim financial statements.

TEO GUAN LEE CORPORATION BHD (COMPANY NUMBER 283710-A)**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
AS AT 30 JUNE 2021

	Unaudited as at 30.06.2021 RM'000	Audited as at 30.06.2020 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	2,350	2,239
Right-of-use assets	4,345	5,589
Investment properties	24,026	22,894
Investment in quoted shares	1,894	1,828
Deferred tax assets	130	173
	<hr/> 32,745	<hr/> 32,723
CURRENT ASSETS		
Inventories	23,132	36,331
Receivables	31,784	21,489
Tax assets	38	348
Investment management funds	34,037	31,385
Deposits, cash and bank balances	1,294	2,470
	<hr/> 90,285	<hr/> 92,023
TOTAL ASSETS	<hr/> 123,030	<hr/> 124,746
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital	40,742	40,742
Reserves	52,829	47,705
	<hr/> 93,571	<hr/> 88,447
Non-controlling interest	403	711
TOTAL EQUITY	<hr/> 93,974	<hr/> 89,158
NON-CURRENT LIABILITIES		
Borrowings	3,805	2,084
Lease liabilities	3,552	4,666
Deferred taxation	1,614	1,666
	<hr/> 8,971	<hr/> 8,416
CURRENT LIABILITIES		
Payables	13,576	14,180
Tax liabilities	478	108
Lease liabilities	1,000	1,053
Borrowings	5,031	11,831
	<hr/> 20,085	<hr/> 27,172
TOTAL LIABILITIES	<hr/> 29,056	<hr/> 35,588
TOTAL EQUITY AND LIABILITIES	<hr/> 123,030	<hr/> 124,746

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30th June 2021 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2021 (UNAUDITED)**

	Attributable to equity holders of the Company				
	<u>Non-distributable</u>	<u>Distributable</u>			
	Share Capital RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
Balance at 1 July 2019	40,742	49,072	89,814	869	90,683
Total comprehensive income for the year	-	2,096	2,096	(158)	1,938
Dividend paid	-	(3,463)	(3,463)	-	(3,463)
Balance at 30 June 2020/1 July 2020	40,742	47,705	88,447	711	89,158
Total comprehensive income for the period	-	6,346	6,346	(308)	6,038
Dividend paid	-	(1,222)	(1,222)	-	(1,222)
Balance at 30 June 2021	40,742	52,829	93,571	403	93,974

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30th June 2021 and the accompanying explanatory notes attached to the interim financial statements.

TEO GUAN LEE CORPORATION BHD (COMPANY NUMBER 283710-A)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 JUNE 2021 (UNAUDITED)**

	Unaudited 30/6/2021 RM'000	Audited 30/6/2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,182	2,395
Adjustments for:		
Non-cash items		
Depreciation of investment properties	683	629
Depreciation of property, plant and equipment	655	574
Depreciation of right-of-use assets	1,105	1,134
Distribution from investment management funds	(804)	(1,401)
Dividend income	(82)	(82)
Expenses related to short-term lease	-	36
Fair value change on other investment	100	462
Gain on derecognition and reassessment of lease	-	(5)
Gain on disposal of property, plant and equipment	(137)	(109)
Interest expenses	543	685
Interest income	(9)	(19)
Inventories written down to net realisable value	3,913	3,013
Inventories written off	-	483
Property, plant and equipment written off	22	-
Sundry deposits written off	3	126
Operating profit before working capital changes	14,174	7,921
Changes in inventories	9,286	(13,603)
Changes in receivables	(10,298)	15,732
Changes in payables	(604)	3,257
Cash generated from operations	12,558	13,307
Dividend paid	(1,222)	(3,463)
Interest received	9	19
Interest paid	(543)	(685)
Short-term lease payment	-	(36)
Tax paid	(1,553)	(1,373)
Tax refunded	81	5
Net cash from operating activities	9,330	7,774
CASH FLOWS FROM INVESTING ACTIVITIES		
Net movement in investment management funds	(2,014)	(7,757)
Dividend received	82	82
Proceeds from disposal of property, plant and equipment	182	109
Payment for investment properties	(1,815)	(901)
Purchase of property, plant and equipment	(490)	(456)
Net cash used in investing activities	(4,055)	(8,923)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payables and lease liabilities	(1,109)	(1,047)
Proceeds from drawn down of term loans	1,623	1,740
Movement in short term borrowings	(6,780)	2,391
Net cash used in financing activities	(6,266)	3,084
Net changes in cash and cash equivalents	(991)	1,935
Cash and cash equivalent at beginning of period	2,285	350
Cash and cash equivalent at end of period	1,294	2,285
Represented by:		
Cash and bank balances	1,294	2,470
Bank overdrafts	-	(185)
	1,294	2,285

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statement for the year ended 30th June 2021 and the accompanying explanatory notes attached to the interim financial statements.

**(A) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2021**

1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30th June 2021. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30th June 2021.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest ringgit (RM) except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except for the following Standards, Amendments to Standards and Interpretation which are mandatory for annual financial periods beginning on or after 1 January 2020 and which were adopted by the Group on 1st July 2020.

- Amendments to MFRS 3: Definition of a Business
- Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
- Amendments to MFRS 101 and MFRS 108: Definition of Materiality
- IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments
- IC Interpretation 22: Foreign Currency Transaction and Advance Consideration

The adoption of the above Amendments and Annual improvements to Standards did not have any material financial impact to the Group.

3. SEASONAL OR CYCLICAL FACTORS

The Group is principally involved in the manufacture, wholesale and retail of garments and related accessories. The demand for the Group’s products is generally dependent on the Malaysian economy, consumer confidence and is seasonal with demand peaking at the festive seasons at the end and beginning of the year.

4. UNUSUAL MATERIAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period under review.

5. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates that have a material effect to the current quarter results.

**(A) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2021 (cont'd)**

6. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the interim quarter under review.

7. DIVIDEND PAID

No dividends were paid during the quarter under review.

8. SEGMENTAL REPORTING

Quarter ended 30th June 2021

	Apparels RM'000	Investment holding RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External revenue	104,085	1,429	-	105,514
Inter-segment revenue	8,883	36	(8,919)	-
Total segment revenue	112,968	1,465	(8,919)	105,514
Results				
Segment profit from operations	15,080	389	(7,557)	7,912
Interest income	9	-	-	9
Distribution from management investment funds	804	-	-	804
Interest expenses	(543)	-	-	(543)
Profit before tax	15,350	389	(7,557)	8,182
Tax expenses	(1,930)	(214)	-	(2,144)
Profit for the financial period	13,420	175	(7,557)	6,038
Attributable to:				
Owners of the Company				6,346
Non-controlling interest				(308)
				6,038
Segment assets	99,193	26,725	(2,888)	123,030
Segment liabilities	22,875	9,069	(2,888)	29,056

The Group's business activities were predominantly carried out in Malaysia.

9. CARRYING AMOUNT OF REVALUED ASSETS

The valuation of land and buildings has been brought forward, without amendment from the financial statements for the financial year ended 30th June 2020.

**(A) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2021 (cont'd)**

10. MATERIAL SUBSEQUENT EVENTS

There were no other material events subsequent to the end of the current quarter that have not been reflected in this interim report other than the listing of and quotation for 40,742,200 Bonus Shares on the Main Market of Bursa Securities on 26th July 2021 as disclosed in Note B6.

11. CHANGES IN COMPOSITION OF GROUP

There was no change in composition of the Group during the quarter under review.

12. CONTINGENT LIABILITIES

There were no material contingent liabilities or contingent assets to be disclosed as at date of this report.

13. CAPITAL COMMITMENTS

Capital commitment as at 30th June 2021 is as follows:

	RM'000
Approved but not contracted	
Tender for trademarks	3,150

14. SIGNIFICANT RELATED PARTY TRANSACTIONS

The Group undertakes at agreed terms and prices, the following significant related party transactions for the financial period ended 30th June 2021:

	RM'000
Purchase of goods from	
- Perniagaan Sulam Kim Bin (M) Sdn. Bhd.	40
- TGL Packaging Sdn. Bhd.	5
Rental paid to	
- TGL Packaging Sdn. Bhd.	600
- TGL Industries Sdn. Bhd.	600

[The rest of the page is intentionally left blank]

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2021 (cont'd)**

1. REVIEW OF PERFORMANCE

	INDIVIDUAL PERIOD (4TH QUARTER)				CUMULATIVE PERIOD			
	Current Year	Preceding Year	Corresponding Quarter		Current Year	Preceding Year	Corresponding Period	
	Quarter 30/6/2021	Quarter 30/6/2020	Changes	Changes	To-date 30/6/2021	Period 30/6/2020	Changes	Changes
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	34,155	23,467	10,688	45.54%	105,514	86,981	18,533	21.31%
Profit/(loss) from the operation	1,757	(385)	2,142	556.36%	8,725	3,080	5,645	183.28%
Profit/(loss) before taxation	1,650	(539)	2,189	406.12%	8,182	2,395	5,787	241.63%
Profit/(loss) after tax	1,190	(298)	1,488	499.33%	6,038	1,937	4,101	211.72%
Profit attributable to : Equity holders of the parent	1,187	(187)	1,374	734.76%	6,346	2,095	4,251	202.91%

Revenue had increased by RM10.688 million (45.54%) compared to preceding year corresponding quarter. This is due to the enforcement of first Movement Control Order (“MCO”) during previous year’s comparative quarter and the Group was not allowed to operate in full capacity in longer period from 18th March 2020 until 4th May 2020. During the quarter under review, the Group was disallowed to operate from 1 June 2021 until 30 June 2021 with the implementation of Full Movement Control Order (“FMCO”). However, as Hari Raya fell on 13th & 14th May 2021, the Group was able to capture the Hari Raya festival sales in the months of April and May 2021.

Profit before tax had increased by RM2.189 million (406.12%) compared to previous year corresponding quarter. The increased in profit before tax mainly due to higher revenue and other operating income.

The year-on-year revenue and profit before tax had increased by RM18.533 million (21.31%) and RM5.787 million (241.63%) respectively. This is due to the Group was able to capture the Hari Raya festival sales whereas for the year ended 30th June 2020, the first MCO was implemented during the Hari Raya festival period resulting in lower revenue.

[The rest of the page is intentionally left blank]

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2021 (cont'd)**

2. COMPARISON WITH PRECEDING QUARTER'S REPORT

	Current Year Quarter 30 June 2021 RM'000	Immediate Preceding Quarter 31 March 2021 RM'000	Changes RM'000	Changes %
Revenue	34,155	24,434	9,721	40%
Profit from the operation	1,757	1,588	169	11%
Profit before taxation	1,650	1,474	176	12%
Profit after tax	1,190	1,069	121	11%
Profit/(loss) attributable to :				
Equity holders of the parent	1,187	1,268	(81)	-6%
Non-controlling interest	3	(199)	202	102%
	1,190	1,069	121	11%

Revenue for this quarter increased by approximately RM9.721 million (40%), while profit from the operation and profit before taxation increased by 11% and 12% respectively in the current quarter as compared to preceding quarter. This is mainly due to the Hari Raya festival sales which was captured in the months of April and May 2021.

3. COMMENTARY ON PROSPECTS

Retail business in general, is impacted by the outbreak of Covid-19 pandemic to varying degree, both in terms of sales as well as profitability and the outlook is still unpredictable as the full impact of the Covid-19 pandemic cannot be ascertained pending the successful implementation of the vaccination programs. Management will continue implementing measures to control costs, optimising working capital, preserving cash and streamline its operations to minimise the impact.

4. VARIANCE FROM PROFIT FORECASTS

Not applicable as the Group did not publish any profit forecast.

[The rest of the page is intentionally left blank]

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2021 (cont'd)**

5. TAXATION

	Year to date ended	
	30 June 2021 RM'000	30 June 2020 RM'000
Tax (assets)/liabilities at 1 July 2020/2019	(240)	603
Current period's provision	2,152	525
Net payment made during the year	(1,472)	(1,368)
	440	(240)
Disclosed as:		
Tax assets	(38)	(348)
Tax liabilities	478	108
	440	(240)
Taxation expense for the period:-		
- Malaysian taxation	2,152	525
- Deferred taxation	(8)	(67)
	2,144	458

The effective tax rate for the period ended 30th June 2021 was approximately 26.20% due to certain expenses that are disallowed for tax deduction.

6. CORPORATE PROPOSAL

On 23 April 2021, Affin Hwang Investment Bank Berhad had, on behalf of the Board announced that the Company proposes to undertake the following:

- (i) proposed bonus issue of 40,742,200 new ordinary shares in the Company ("TGL Share(s)") ("Bonus Share(s)") on the basis of 1 Bonus Share for every 1 existing TGL Share held by the shareholders whose names appear in the Record of Depositors as at the close of business on an entitlement date to be determined and announced later ("Entitlement Date") ("Proposed Bonus Issue"); and
- (ii) proposed establishment of a long-term incentive plan of up to 10% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time during the duration of the scheme for the eligible executive directors and employees of the Company and its subsidiary companies ("TGL Group" or "Group") (excluding subsidiary companies which are dormant) ("Proposed LTIP" or "Scheme"). The Proposed LTIP comprises a share grant plan ("Proposed SGP") and a share option plan ("Proposed SOP").

The above proposals had been submitted to Bursa Securities on 27th April 2021 and approved by shareholders in Extraordinary General Meeting on 6th July 2021.

40,742,200 Bonus Shares were subsequently listed on the Main Market of Bursa Securities on 26th July 2021.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2021 (cont'd)**

7. GROUP BORROWINGS AND DEBT SECURITIES

	As at 30 June 2021 RM'000	As at 30 June 2020 RM'000
Unsecured short term borrowings		
Bank overdrafts	-	185
Bankers' acceptance and invoice financing	4,710	11,490
	4,710	11,675
Secured hire purchase payables	321	156
	5,031	11,831
Long term liabilities		
Secured hire purchase payables	441	344
Term loans	3,364	1,740
	3,805	2,084

The above borrowings are all denominated in Ringgit Malaysia.

8. FINANCIAL INSTRUMENTS - DERIVATIVE

The Group has not entered into any derivative financial instruments during the quarter under review.

9. MATERIAL LITIGATION

There was no material litigation pending the date of this announcement.

10. DIVIDEND PAYABLE

The Directors proposed a final single tier dividend of 3 sen per share amounting to RM2,444,532 in respect of the financial year ended 30th June 2021. The proposed final dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting and has not been included as liability in the financial statements.

11. QUALIFICATION OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report of the most recent annual financial statements for the financial year ended 30th June 2021 was not qualified.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2021 (cont'd)**

12. EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share of the Group is calculated based on the net profit attributable to shareholders divided by weighted average number of ordinary shares in issue as follow:

	Individual quarter ended		Year to date ended	
	30 June		30 June	
	2021	2020	2021	2020
Net profit attributable to shareholders (RM'000)	1,189	(187)	6,346	2,095
Weighted average number of ordinary shares in issue ('000)	40,742	40,742	40,742	40,742
Basic earnings per share (sen)	2.92	(0.46)	15.58	5.14

(b) Diluted earnings per share

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the current financial period ended 30th June 2021.

13. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter ended	Year to date ended
	30 June 2021	30 June 2021
	RM'000	RM'000
Profit from operations for the period is arrived		
After charging:		
Depreciation of investment properties	210	683
Depreciation of property, plant and equipment	164	655
Depreciation of right-of-use assets	258	1,105
Deposit written off	-	3
Fair value change on other investments	89	100
And after crediting:		
Distribution from investment management funds	138	804
Dividend income	16	82
Interest income	3	9
Profit from disposal of property, plant and equipment	48	137

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of the Bursa Malaysia Securities Berhad are not applicable.

**B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2021 (cont'd)**

14. AUTHORISED FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with the resolution of the directors on 23rd September 2021.

For and on behalf of the Board,
Teo Guan Lee Corporation Berhad

Chew Siew Cheng (MAICSA 7019191)
Lim Choo Tan (LS 0008888)
Company Secretaries

Date: 23rd September 2021