

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 September 2021**

* Quarter : **1st Quarter**

* Financial Year End : **30th June 2022**

* 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 SEPTEMBER 2021 (UNAUDITED)**

	INDIVIDUAL PERIOD (1ST QUARTER)				CUMULATIVE PERIOD			
	Current Year Quarter 30/9/2021	Preceding Year Corresponding Quarter 30/9/2020	Changes	Changes	Current Year To-date 30/9/2021	Preceding Year Corresponding Period 30/9/2020	Changes	Changes
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	8,588	24,006	(15,418)	-64.23%	8,588	24,006	(15,418)	-64.23%
Gross profit	4,444 52%	8,626 36%	(4,182)	-48.48% 16.00%	4,444 52%	8,626 36%	(4,182)	-48.48% 16.00%
Other operating income	1,283	1,139	144	12.64%	1,283	1,139	144	12.64%
Operating expenses	(5,271)	(6,198)	927	-14.96%	(5,271)	(6,198)	927	-14.96%
Profit from the operation	456	3,567	(3,111)	-87.22%	456	3,567	(3,111)	-87.22%
Finance costs	(147)	(168)	21	-12.50%	(147)	(168)	21	-12.50%
Profit before taxation	309	3,399	(3,090)	-90.91%	309	3,399	(3,090)	-90.91%
Taxation	(132)	(877)	745	-84.95%	(132)	(877)	745	-84.95%
Profit for the period representing total comprehensive income for the period, net of tax	177	2,522	(2,345)	-92.98%	177	2,522	(2,345)	-92.98%
Profit attributable to :								
Equity holders of the parent	178	2,517	(2,339)	-92.93%	178	2,517	(2,339)	-92.93%
Non-controlling interest	(1)	5	(6)	120.00%	(1)	5	(6)	120.00%
	177	2,522	(2,345)	-92.98%	177	2,522	(2,345)	-92.98%
Earnings per share	Sen	Sen			Sen	Sen		
-Basic	0.22	3.09			0.22	3.09		
-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 SEPTEMBER 2021**

	Unaudited as at 30.09.2021 RM'000	Audited as at 30.06.2021 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,612	1,719
Right-of-use assets	4,087	4,345
Investment properties	23,990	24,026
Investment in quoted shares	1,739	1,894
Deferred tax assets	222	130
	<hr/> 31,650	<hr/> 32,114
CURRENT ASSETS		
Inventories	24,493	23,132
Receivables	22,544	31,777
Tax assets	10	38
Investment management funds	36,784	34,037
Deposits, cash and bank balances	2,576	1,350
	<hr/> 86,407	<hr/> 90,334
Assets held for sale	631	631
	<hr/> 87,038	<hr/> 90,965
TOTAL CURRENT ASSETS	<hr/>	<hr/>
TOTAL ASSETS	<hr/> 118,688	<hr/> 123,079
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital	40,742	40,742
Reserves	53,008	52,830
	<hr/> 93,750	<hr/> 93,572
Non-controlling interest	402	403
	<hr/> 94,152	<hr/> 93,975
TOTAL EQUITY	<hr/>	<hr/>
NON-CURRENT LIABILITIES		
Borrowings	3,608	3,479
Lease liabilities	3,424	3,552
Deferred taxation	1,614	1,614
	<hr/> 8,646	<hr/> 8,645
CURRENT LIABILITIES		
Payables	6,639	13,624
Tax liabilities	298	478
Lease liabilities	883	1,000
Borrowings	8,070	5,357
	<hr/> 15,890	<hr/> 20,459
TOTAL LIABILITIES	<hr/> 24,536	<hr/> 29,104

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.

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

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

	Unaudited 30/9/2021 RM'000	Unaudited 30/9/2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	309	3,399
Adjustments for:		
Non-cash items		
Depreciation of investment properties	184	158
Depreciation of property, plant and equipment	141	169
Depreciation of right-of-use assets	258	284
Distribution from investment management funds	(330)	(366)
Dividend income	(44)	(60)
Fair value change in quoted shares	155	325
Fair value change in investment management funds	160	(16)
Gain on disposal of property, plant and equipment	-	(4)
Interest expenses	147	168
Interest income	(2)	(3)
Operating profit before working capital changes	978	4,054
Changes in inventories	(1,361)	5,993
Changes in receivables	9,233	1,364
Changes in payables	(6,985)	(6,402)
Cash generated from operations	1,865	5,009
Interest received	2	3
Interest paid	(147)	(168)
Tax paid	(385)	(122)
Tax refunded	9	27
Net cash from operating activities	1,344	4,749
CASH FLOWS FROM INVESTING ACTIVITIES		
Net movement in investment management funds	(2,907)	(5,534)
Dividend received	44	60
Proceeds from disposal of property, plant and equipment	-	4
Proceeds from distribution from investment management funds	330	366
Purchase of investment properties	(148)	(305)
Purchase of property, plant and equipment	(34)	(82)
Net cash used in investing activities	(2,715)	(5,491)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payables and lease liabilities	(325)	(308)
Proceeds from drawn down of term loans	110	285
Movement in short term borrowings	2,812	(1,751)
Net cash from/(used in) financing activities	2,597	(1,774)
Net changes in cash and cash equivalents	1,226	(2,516)
Cash and cash equivalent at beginning of period	1,350	2,285
Cash and cash equivalent at end of period	2,576	(231)
Represented by:		
Cash and bank balances	2,576	120
Bank overdrafts	-	(351)
	2,576	(231)

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 SEPTEMBER 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 2021 and which were adopted by the Group on 1st July 2021.

Amendments to MFRS 9, MFRS 139, MFRS 7, Interest Rate Benchmark Reform - Phase 2
MFRS 4 and MFRS 16

Amendments to MFRS 16 Leases (Covid-19: Related Rent Concessions
beyond 30 June 2021)

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 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 SEPTEMBER 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 September 2021

	Apparels RM'000	Investment holding RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External revenue	8,214	374	-	8,588
Inter-segment revenue	19	9	(28)	-
Total segment revenue	8,233	383	(28)	8,588
Results				
Segment profit from operations	159	(46)	11	124
Interest income	2	-	-	2
Distribution from management investment funds	330	-	-	330
Interest expenses	(120)	(27)	-	(147)
Profit/(Loss) before tax	371	(73)	11	309
Tax expenses	(71)	(61)	-	(132)
Profit for the financial period	300	(134)	11	177
Attributable to:				
Owners of the Company				178
Non-controlling interest				(1)
				177
Segment assets	94,985	26,596	(2,893)	118,688
Segment liabilities	18,430	8,999	(2,893)	24,536

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 2021.

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

10. MATERIAL SUBSEQUENT EVENTS

There were no other material events subsequent to the end of the current quarter.

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 September 2021 is as follows:

	RM'000
Approved but not contracted	
Tender for trademarks	3,150
	<hr/>

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 September 2021:

	RM'000
Rental paid to	
- TGL Packaging Sdn. Bhd.	150
- TGL Industries Sdn. Bhd.	150
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**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2021 (cont'd)**

1. REVIEW OF PERFORMANCE

	INDIVIDUAL PERIOD (1ST QUARTER)				CUMULATIVE PERIOD			
	Current Year	Preceding Year	Corresponding Quarter		Current Year	Preceding Year	Corresponding Period	
	Quarter 30/9/2021	Quarter 30/9/2020	Changes	Changes	To-date 30/9/2021	Period 30/9/2020	Changes	Changes
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	8,588	24,006	(15,418)	-64.23%	8,588	24,006	(15,418)	-64.23%
Profit from the operation	456	3,567	(3,111)	87.22%	456	3,567	(3,111)	-87.22%
Profit before taxation	309	3,399	(3,090)	90.91%	309	3,399	(3,090)	-90.91%
Profit after tax	177	2,522	(2,345)	92.98%	177	2,522	(2,345)	-92.98%
Profit attributable to : Equity holders of the parent	178	2,517	(2,339)	92.93%	178	2,517	(2,339)	-92.93%

Revenue had decreased by RM15.418 million (64.23%) compared to the same quarter in previous year. This is due to the enforcement of Full Movement Control Order (“FMCO”), the Group was disallowed to operate expect for in late August 2021 to September 2021, baby segment market and e-commerce activities that were allowed to operate compared to same quarter in previous year, almost all businesses are allowed to resume business during Recovery Movement Control Order (“RMCO”).

Profit before tax had decreased by RM3.090 million (90.91%) compared to the same quarter in previous year. The decreased in profit before tax mainly due to lower revenue.

Gross profit margin for the quarter is higher due to no make down of inventories to net realisable value during the quarter and as retail stores were only reopened in late August 2021, most revenue were generated from normal sales instead of promotion and offer sales. Operating expenses was lower due to lower variable cost related to sales.

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

2. COMPARISON WITH PRECEDING QUARTER'S REPORT

	Current Year Quarter 30 Septmeber 2021 RM'000	Immediate Preceding Quarter 30 June 2021 RM'000	Changes RM'000	Changes %
Revenue	8,588	34,129	(25,541)	-75%
Profit from the operation	456	1,766	(1,310)	-74%
Profit before taxation	309	1,650	(1,341)	-81%
Profit after tax	177	1,190	(1,013)	-85%
Profit/(loss) attributable to :				
Equity holders of the parent	178	1,187	(1,009)	-85%
Non-controlling interest	(1)	3	(4)	133%
	177	1,190	(1,013)	85%

As compared to the previous quarter, revenue for the quarter under review had decreased by RM25,541 million or 75%, while profit from the operation and profit before taxation decreased by 74% and 81% respectively in the current quarter as compared to preceding quarter. This was mainly due to the Group managed to capture Hari Raya festival sales in the months of April and May 2021 prior to implementation of FMCO effective from 1st June 2021. The Group was disallowed to operate during FMCO. Revenue for the current quarter mainly generated during late August 2021 to September 2021 from baby segment market and e-commerce activities that were allowed to operate.

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.

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

5. TAXATION

	Year to date ended	
	30 September 2021	30 June 2021
	RM'000	RM'000
Tax liabilities/(assets) at 1 July 2021/2020	440	(240)
Current period's provision	224	2,152
Net payment made during the year	(376)	(1,472)
	288	440
Disclosed as:		
Tax assets	(10)	(38)
Tax liabilities	298	478
	288	440
Taxation expense for the period:-		
- Malaysian taxation	224	2,179
- Deferred taxation	(92)	(27)
	132	2,152

The effective tax rate for the period ended 30th September 2021 was approximately 42.72% 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 listed on the Main Market of Bursa Securities on 26th July 2021.

The effective date for implementation of the LTIP is 15 October 2021, being the date on which the Company is in full compliance with Chapter 6 and in particular Paragraph 6.43(1) of the Listing Requirements.

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

7. GROUP BORROWINGS AND DEBT SECURITIES

	As at 30 September 2021 RM'000	As at 30 June 2021 RM'000
Unsecured short term borrowings		
Bankers' acceptance and invoice financing	7,522	4,710
Secured		
Hire purchase payables	268	322
Term loans	280	325
	8,070	5,357
Long term liabilities		
Secured		
Hire purchase payables	415	441
Term loans	3,193	3,038
	3,608	3,479
Total borrowings	11,678	8,836

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

Special and final dividend which has been declared for the financial year ending 30th June 2021 is as follows:

Rate	:	3 sen per share (single tier)
Announced	:	27 th October 2021
Book Closure	:	8 th December 2021
Payment Date	:	22 nd December 2021

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 SEPTEMBER 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 September		30 September	
	2021	2020	2021	2020
Net profit attributable to shareholders (RM'000)	178	2,517	178	2,517
Weighted average number of ordinary shares				
Shares in issue ('000)	40,742	40,742	40,742	40,742
Bonus issue ('000)	40,742	40,742	40,742	40,742
	81,484	81,484	81,484	81,484
Basic earnings per share (sen)	0.22	3.09	0.22	3.09

(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 September 2021.

13. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter ended	Year to date ended
	30 September 2021	30 September 2021
	RM'000	RM'000
Profit from operations for the period is arrived		
After charging:		
Depreciation of investment properties	184	184
Depreciation of property, plant and equipment	141	142
Depreciation of right-of-use assets	258	258
Fair value change in investment in quoted shares	155	160
Fair value change on investment management funds	160	2,577
And after crediting:		
Distribution from investment management funds	330	330
Dividend income	44	44
Interest income	2	2

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 SEPTEMBER 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 29th November 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: 29th November 2021