

FINANCIAL RESULTS

* New Announcement

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

* Company name : **TEO GUAN LEE CORPORATION BHD**
Registration No. 199301028971 (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 : **31st December 2021**

* Quarter : **2nd Quarter**

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

* The figures : Have not been audited

TEO GUAN LEE CORPORATION BHD (Registration No. 199301028971 (283710-A))

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2021 (UNAUDITED)**

	INDIVIDUAL PERIOD (2ND QUARTER)				CUMULATIVE PERIOD			
	Current Year Quarter 31/12/2021	Preceding Year Corresponding Quarter 31/12/2020	Changes	Changes	Current Year To-date 31/12/2021	Preceding Year Corresponding Period 31/12/2020	Changes	Changes
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	37,429	22,919	14,510	63.31%	46,017	46,925	(908)	-1.94%
Gross profit	11,639 31%	7,538 33%	4,101	54.40% -2.00%	16,083 35%	16,164 34%	(81)	-0.50% 1.00%
Other operating income	629	1,041	(412)	-39.58%	1,912	2,180	(268)	-12.29%
Operating expenses	(7,281)	(6,766)	(515)	7.61%	(12,552)	(12,964)	412	-3.18%
Profit from the operation	4,987	1,813	3,174	175.07%	5,443	5,380	63	1.17%
Finance costs	(138)	(154)	16	-10.39%	(285)	(322)	37	-11.49%
Profit before taxation	4,849	1,659	3,190	192.28%	5,158	5,058	100	1.98%
Taxation	(1,379)	(402)	(977)	243.03%	(1,511)	(1,279)	(232)	18.14%
Profit for the period representing total comprehensive income for the period, net of tax	3,470	1,257	2,213	176.05%	3,647	3,779	(132)	-3.49%
Profit attributable to :								
Equity holders of the parent	3,456	1,374	2,082	151.53%	3,634	3,891	(257)	-6.60%
Non-controlling interest	14	(117)	131	111.97%	13	(112)	125	111.61%
	3,470	1,257	2,213	176.05%	3,647	3,779	(132)	-3.49%
Earnings per share	Sen	Sen			Sen	Sen		
-Basic	4.24	1.69			4.46	4.78		
-Diluted	4.23	N/A			4.45	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.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Unaudited as at 31.12.2021 RM'000	Audited as at 30.06.2021 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,826	1,719
Right-of-use assets	3,829	4,345
Investment properties	23,805	24,026
Investment in quoted shares	1,760	1,894
Deferred tax assets	130	130
	31,350	32,114
CURRENT ASSETS		
Inventories	20,759	23,132
Receivables	28,089	31,777
Tax assets	1	38
Investment management funds	42,753	34,037
Deposits, cash and bank balances	1,945	1,350
	93,547	90,334
Assets held for sale	631	631
	94,178	90,965
TOTAL CURRENT ASSETS	94,178	90,965
TOTAL ASSETS	125,528	123,079
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital	40,742	40,742
Reserves	54,967	52,830
	95,709	93,572
Non-controlling interest	416	403
TOTAL EQUITY	96,125	93,975
NON-CURRENT LIABILITIES		
Borrowings	3,542	3,479
Lease liabilities	3,338	3,552
Deferred taxation	1,614	1,614
	8,494	8,645
CURRENT LIABILITIES		
Payables	9,656	13,624
Tax liabilities	1,363	478
Lease liabilities	721	1,000
Borrowings	9,169	5,357
	20,909	20,459
TOTAL LIABILITIES	29,403	29,104
TOTAL EQUITY AND LIABILITIES	125,528	123,079

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 31 DECEMBER 2021 (UNAUDITED)**

	Attributable to equity holders of the Company					Total Equity RM'000
	Non-distributable		Distributable		Non- Controlling Interest RM'000	
	Share Capital RM'000	Share Based Reserve RM'000	Retained Earnings RM'000	Total RM'000		
Balance at 1 July 2020	40,742	-	47,705	88,447	711	89,158
Total comprehensive income for the year	-	-	6,347	6,347	(308)	6,039
Dividend paid	-	-	(1,222)	(1,222)	-	(1,222)
Balance at 30 June 2021/1 July 2021	40,742	-	52,830	93,572	403	93,975
Total comprehensive income for the period	-	-	3,634	3,634	13	3,647
Shares awarded and share options vested under Long Term Incentive Plan	-	948	-	948	-	948
Dividend paid	-	-	(2,445)	(2,445)	-	(2,445)
Balance at 31 December 2021	40,742	948	54,019	95,709	416	96,125

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.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 31 DECEMBER 2021 (UNAUDITED)**

	Unaudited 31/12/2021 RM'000	Unaudited 31/12/2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	5,158	5,058
Adjustments for:		
Non-cash items		
Depreciation of investment properties	368	315
Depreciation of property, plant and equipment	282	335
Depreciation of right-of-use assets	516	567
Distribution from investment management funds	(487)	(520)
Dividend income	(71)	(66)
Fair value change in quoted shares	134	117
Fair value change in investment management funds	101	(6)
Gain on disposal of property, plant and equipment	(69)	(7)
Interest expenses	285	322
Interest income	(6)	(4)
Share based expenses	948	-
Operating profit before working capital changes	7,159	6,111
Changes in inventories	2,373	7,232
Changes in receivables	3,688	2,133
Changes in payables	(3,968)	(3,825)
Cash generated from operations	9,252	11,651
Dividend paid	(2,445)	(1,222)
Interest received	6	4
Interest paid	(285)	(322)
Tax paid	(598)	(351)
Tax refunded	9	80
Net cash from operating activities	5,939	9,840
CASH FLOWS FROM INVESTING ACTIVITIES		
Net movement in investment management funds	(8,817)	(4,960)
Dividend received	71	66
Proceeds from disposal of property, plant and equipment	69	7
Proceeds from distribution from investment management funds	487	520
Purchase of investment properties	(147)	(320)
Purchase of property, plant and equipment	(239)	(106)
Net cash used in investing activities	(8,576)	(4,793)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payables and lease liabilities	(652)	(636)
Proceeds from drawn down of term loans	145	301
Repayment of term loans	(117)	-
Movement in short term borrowings	3,856	(6,612)
Net cash from/(used in) financing activities	3,232	(6,947)
Net changes in cash and cash equivalents	595	(1,900)
Cash and cash equivalent at beginning of period	1,350	2,285
Cash and cash equivalent at end of period	1,945	385
Represented by:		
Cash and bank balances	1,945	750
Bank overdrafts	-	(365)
	1,945	385

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 31 DECEMBER 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 31 DECEMBER 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

During the quarter under review, 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 was paid on 22nd December 2021.

8. SEGMENTAL REPORTING

Quarter ended 31st December 2021

	Apparels RM'000	Investment holding RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External revenue	45,174	843	-	46,017
Inter-segment revenue	64	18	(82)	-
Total segment revenue	45,238	861	(82)	46,017
Results				
Segment profit from operations	4,865	85	-	4,950
Interest income	6	-	-	6
Distribution from management investment funds	487	-	-	487
Interest expenses	(231)	(54)	-	(285)
Profit before tax	5,127	31	-	5,158
Tax expenses	(1,390)	(121)	-	(1,511)
Profit for the financial period	3,737	(90)	-	3,647
Attributable to:				
Owners of the Company				3,634
Non-controlling interest				13
				3,647
Segment assets	101,919	26,476	(2,867)	125,528
Segment liabilities	23,473	8,797	(2,867)	29,403

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

**(A) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2021 (cont'd)**

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.

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 31st December 2021 is as follows:

	RM'000
Approved but not contracted	
Tender for trademarks	3,150
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14. SIGNIFICANT RELATED PARTY TRANSACTIONS

The Group undertakes at agreed terms and prices, the following significant related party transactions for the financial period ended 31st December 2021:

	RM'000
Rental paid to	
- TGL Packaging Sdn. Bhd.	300
- TGL Industries Sdn. Bhd.	300
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**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2021 (cont'd)**

1. REVIEW OF PERFORMANCE

	INDIVIDUAL PERIOD (2ND QUARTER)				CUMULATIVE PERIOD			
	Current Year	Preceding Year	Corresponding Quarter		Current Year	Preceding Year	Corresponding Period	
	Quarter	Quarter	Changes	Changes	To-date	Period	Changes	Changes
	31/12/2021	31/12/2020	RM'000	%	31/12/2021	31/12/2020	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	37,429	22,919	14,510	63.31%	46,017	46,925	(908)	-1.94%
Profit from the operation	4,987	1,813	3,174	175.07%	5,443	5,380	63	1.17%
Profit before taxation	4,849	1,659	3,190	192.28%	5,158	5,058	100	1.98%
Profit after tax	3,470	1,257	2,213	176.05%	3,647	3,779	(132)	-3.49%
Profit attributable to : Equity holders of the parent	3,456	1,374	2,082	151.53%	3,634	3,891	(257)	-6.60%

Revenue for the current quarter under review was RM37.429 million as compared to RM22.919 million recorded in the same quarter in previous year, an increase of 63.31% or RM14.510 million mainly due to reopening of business in 2nd quarter, better year end school holiday and Christmas sales and general improvement in market sentiment.

Revenue for cumulative period decreased slightly by RM0.908 million (1.94%) compared to cumulative period last year. The Group recorded profit before tax of RM5.158 million which is fairly consistent if compared to the corresponding period of the preceding year of RM5.058 million.

2. COMPARISON WITH PRECEDING QUARTER'S REPORT

	Current Year Quarter 31 December 2021 RM'000	Immediate Preceding Quarter 30 September 2021 RM'000	Changes RM'000	Changes %
Revenue	37,429	8,588	28,841	336%
Profit from the operation	4,987	456	4,531	994%
Profit before taxation	4,849	309	4,540	1469%
Profit after tax	3,470	177	3,293	1860%
Profit attributable to : Equity holders of the parent	3,456	178	3,278	1842%

As compared to the previous quarter, revenue for the quarter under review had increased by RM28.841 million or 336%, while profit from the operation and profit before taxation increased by 994% and 1,469% respectively in the current quarter as compared to preceding quarter. This was mainly due to all consignment counters have resumed business and also the Group managed to capture Christmas festival sales and year end holiday sales as compared to previous quarter the Group only allowed to resumed business during late August 2021 and many of the outlets delayed resuming business till September 2021 resulting in poor sales generated.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2021 (cont'd)**

3. COMMENTARY ON PROSPECTS

Retail business in general, is impacted by the outbreak of Covid-19 pandemic and potential supply chain disruption, increase in material cost, freight charges and other related inflation. With the successful implementation of the vaccination program in Malaysia and barring any major outbreaks due to evolving Covid-19 variants, 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.

5. TAXATION

	Year to date ended	
	31 December 2021 RM'000	30 June 2021 RM'000
Tax liabilities/(assets) at 1 July 2021/2020	440	(240)
Current period's provision	1,511	2,152
Net payment made during the period/year	(589)	(1,472)
	1,362	440
Disclosed as:		
Tax assets	(1)	(38)
Tax liabilities	1,363	478
	1,362	440
Taxation expense for the period:-		
- Malaysian taxation	1,511	2,152
- Deferred taxation	-	(8)
	1,511	2,144

The effective tax rate for the period ended 31st December 2021 was approximately 29.29% due to certain expenses that are disallowed for tax deduction.

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**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2021 (cont'd)**

6. CORPORATE PROPOSAL

On 28th October 2021, the Board of Directors announced that the Group:

- (a) offered 233,000 options under Long Term Incentive Plan 2021 (“LTIP”) to the Directors and eligible employees at an exercise price of RM0.94 per share; and
- (b) awarded 758,000 ordinary shares of the Company under LTIP 2021.

The vesting period of the share options offered and shares awarded is from 28th October 2021 to 10th January 2022.

7. GROUP BORROWINGS AND DEBT SECURITIES

	As at 31 December 2021 RM'000	As at 30 June 2021 RM'000
Unsecured short term borrowings		
Bankers' acceptance and invoice financing	8,566	4,710
Secured		
Hire purchase payables	319	322
Term loans	284	325
	9,169	5,357
Long term liabilities		
Secured		
Hire purchase payables	435	441
Term loans	3,107	3,038
	3,542	3,479
Total borrowings	12,711	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

At the date of this report, there are no dividend declared that remained unpaid

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2021 (cont'd)**

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.

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	
	31 December 2021	2020	31 December 2021	2020
Net profit attributable to shareholders (RM'000)	3,456	1,374	3,634	3,891
Weighted average number of ordinary shares Shares in issue ('000)	81,484	81,484	81,484	81,484
Basic earnings per share (sen)	4.24	1.69	4.46	4.78

(b) Diluted earnings per share

	Individual quarter ended		Year to date ended	
	31 December 2021	2020	31 December 2021	2020
Net profit attributable to shareholders (RM'000)	3,456	1,374	3,634	3,891
Weighted average number of ordinary shares Shares in issue ('000)	81,484	81,484	81,484	81,484
Share grant ('000)	279	-	139	-
Effect of share options ('000)	28	-	28	-
	81,791	81,484	81,651	81,484
Diluted earnings per share (sen)	4.23	1.69	4.45	4.78

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2021 (cont'd)**

13. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter ended 31 December 2021 RM'000	Year to date ended 31 December 2021 RM'000
Profit from operations for the period is arrived		
After charging:		
Depreciation of investment properties	184	368
Depreciation of property, plant and equipment	141	282
Depreciation of right-of-use assets	258	516
Fair value change in investment in quoted shares	(21)	134
Fair value change on investment management funds	(59)	101
And after crediting:		
Distribution from investment management funds	157	487
Dividend income	27	71
Interest income	4	6
	<u> </u>	<u> </u>

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

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 25th February 2022.

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: 25th February 2022