

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 : **30th June 2022**

* Quarter : **4th 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 30 JUNE 2022 (UNAUDITED)

	INDIVIDUAL PERIOD (4TH QUARTER)				CUMULATIVE PERIOD			
	Current Year Quarter 30/6/2022	Preceding Year Corresponding Quarter 30/6/2021	Changes	Changes	Current Year To-date 30/6/2022	Audited Preceding Year Corresponding Period 30/6/2021	Changes	Changes
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	54,084	34,129	19,955	58.47%	129,650	105,488	24,162	22.90%
Gross profit	23,490 43%	7,318 21%	16,172	220.99% 22.00%	48,067 37%	30,231 29%	17,836	59.00% 8.00%
Other operating income	1,668	1,929	(261)	-13.53%	5,662	5,244	418	7.97%
Operating expenses	(12,425)	(7,490)	(4,935)	65.89%	(31,382)	(26,750)	(4,632)	17.32%
Profit from the operation	12,733	1,757	10,976	624.70%	22,347	8,725	13,622	156.13%
Finance costs	(156)	(107)	(49)	45.79%	(558)	(543)	(15)	2.76%
Profit before taxation	12,577	1,650	10,927	662.24%	21,789	8,182	13,607	166.30%
Taxation	(2,544)	(460)	(2,084)	453.04%	(4,813)	(2,144)	(2,669)	124.49%
Profit for the period representing total comprehensive income for the period, net of tax	10,033	1,190	8,843	743.11%	16,976	6,038	10,938	181.15%
Profit attributable to :								
Equity holders of the parent	9,021	1,187	7,834	659.98%	15,935	6,346	9,589	151.10%
Non-controlling interest	1,012	3	1,009	33633.33%	1,041	(308)	1,349	437.99%
	10,033	1,190	8,843	743.11%	16,976	6,038	10,938	181.15%
Earnings per share	Sen	Sen			Sen	Sen		
-Basic	11.01	1.46			19.49	7.79		
-Diluted	11.01	N/A			19.48	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 30 JUNE 2022

	Unaudited as at 30.06.2022 RM'000	Audited as at 30.06.2021 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	2,082	1,719
Right-of-use assets	4,512	4,345
Investment properties	23,436	24,026
Investment in quoted shares	1,900	1,894
Deferred tax assets	99	130
	32,029	32,114
CURRENT ASSETS		
Inventories	12,695	23,132
Receivables	32,743	31,777
Tax assets	11	38
Investment management funds	61,777	34,037
Deposits, cash and bank balances	3,880	1,350
	111,106	90,334
Assets held for sale	-	631
	111,106	90,965
TOTAL CURRENT ASSETS	111,106	90,965
TOTAL ASSETS	143,135	123,079
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital	41,539	40,742
Reserves	66,469	52,830
	108,008	93,572
Non-controlling interest	1,444	403
TOTAL EQUITY	109,452	93,975
NON-CURRENT LIABILITIES		
Borrowings	3,128	3,479
Lease liabilities	3,930	3,552
Deferred taxation	1,575	1,614
	8,633	8,645
CURRENT LIABILITIES		
Payables	13,192	13,624
Tax liabilities	2,447	478
Lease liabilities	820	1,000
Borrowings	8,591	5,357
	25,050	20,459
TOTAL LIABILITIES	33,683	29,104
TOTAL EQUITY AND LIABILITIES	143,135	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 30 JUNE 2022 (UNAUDITED)**

	Attributable to equity holders of the Company					
	Non-distributable		Distributable		Non-Controlling Interest	Total Equity
	Share Capital	Share Based Reserve	Retained Earnings	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	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
Transactions with owner						
- 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	-	-	15,935	15,935	1,041	16,976
Transactions with owners						
Shares awarded and share options vested under Long Term Incentive Plan ("LTIP")	-	946	-	946	-	946
Issuance of shares pursuant to LTIP	797	(797)	-	-	-	-
Dividend paid	-	-	(2,445)	(2,445)	-	(2,445)
	797	149	(2,445)	(1,499)	-	(1,499)
Balance at 30 June 2022	41,539	149	66,320	108,008	1,444	109,452

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 30 JUNE 2022 (UNAUDITED)**

	Unaudited 30/6/2022 RM'000	Audited 30/6/2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	21,789	8,183
Adjustments for:		
Non-cash items		
Depreciation of investment properties	737	682
Depreciation of property, plant and equipment	602	655
Depreciation of right-of-use assets	1,031	1,105
Deposits forfeited	-	(71)
Distribution from investment management funds	(487)	(815)
Dividend income	(84)	(82)
Expenses related to short-term lease	-	14
Fair value change in other investments	(6)	74
Fair value change in investment management funds	(339)	
Gain on derecognition and remeasurement of leases	-	(6)
Gain on disposal of property, plant and equipment and assets held for sale	(2,213)	(132)
Interest expenses	559	543
Interest income	(18)	(9)
Inventories written down to net realisable value/Inventories written off	4,116	3,867
Property, plant and equipment written off	-	22
Share based expenses	946	-
Sundry deposits written off	-	3
Operating profit before working capital changes	26,633	14,033
Changes in inventories	6,321	9,331
Changes in receivables	(963)	(10,290)
Changes in payables	(432)	(484)
Cash generated from operations	31,559	12,590
Dividend paid	(2,445)	(1,222)
Interest received	18	9
Interest paid	(559)	(543)
Short-term lease payment	-	(14)
Tax paid	(2,863)	(1,493)
Tax refunded	34	21
Net cash from operating activities	25,744	9,348
CASH FLOWS FROM INVESTING ACTIVITIES		
Net movement in investment management funds	(27,400)	(1,977)
Dividend received	84	82
Proceeds from disposal of property, plant and equipment and assets held for sale	2,844	178
Proceeds from distribution from investment management funds	487	-
Payment for investment properties	(147)	(1,815)
Purchase of property, plant and equipment	(815)	(322)
Net cash from/(used in) investing activities	(24,947)	(3,854)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payables and lease liabilities	(1,345)	(1,273)
Proceeds from drawn down of term loans	144	1,624
Repayment of term loans	(279)	-
Movement in short term borrowings	3,213	(6,780)
Net cash used in financing activities	1,733	(6,429)
Net changes in cash and cash equivalents	2,530	(935)
Cash and cash equivalent at beginning of period	1,350	2,285
Cash and cash equivalent at end of period	3,880	1,350
Represented by:		
Cash and bank balances	3,880	1,350

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 2022**

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 JUNE 2022 (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 2022

	Apparels RM'000	Investment holding RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External revenue	127,994	1,656	-	129,650
Inter-segment revenue	10,914	36	(10,950)	-
Total segment revenue	138,908	1,692	(10,950)	129,650
Results				
Segment profit from operations	21,330	512	-	21,842
Interest income	18	-	-	18
Distribution from management investment funds	487	-	-	487
Interest expenses	(452)	(106)	-	(558)
Profit before tax	21,383	406	-	21,789
Tax expenses	(4,672)	(141)	-	(4,813)
Profit for the financial period	16,711	265	-	16,976
Attributable to:				
Owners of the Company				15,935
Non-controlling interest				1,041
				16,976
Segment assets	119,352	26,424	(2,641)	143,135
Segment liabilities	27,876	8,448	(2,641)	33,683

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

**(A) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2022 (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 30th June 2022 is as follows:

	RM'000
Authorised but not provided for	
Purchase of property, plant and equipment	374
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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 30th June 2022:

	RM'000
Rental paid to	
- TGL Packaging Sdn. Bhd.	600
- TGL Industries Sdn. Bhd.	600
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**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2022 (cont'd)**

1. REVIEW OF PERFORMANCE

	INDIVIDUAL PERIOD (4TH QUARTER)				CUMULATIVE PERIOD			
	Current Year	Preceding Year	Corresponding		Current Year	Preceding Year	Corresponding	
	Quarter	Quarter	Changes	Changes	To-date	Period	Changes	Changes
	30/6/2022	30/6/2021	RM'000	%	30/6/2022	30/6/2021	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	54,084	34,129	19,955	58.47%	129,650	105,488	24,162	22.90%
Profit from the operation	12,733	1,757	10,976	624.70%	22,347	8,725	13,622	156.13%
Profit before taxation	12,577	1,650	10,927	662.24%	21,789	8,182	13,607	166.30%
Profit after tax	10,033	1,190	8,843	743.11%	16,976	6,038	10,938	181.15%
Profit attributable to : Equity holders of the parent	9,021	1,187	7,834	659.98%	15,935	6,346	9,589	151.10%

Revenue for the current quarter under review was RM54.084 million as compared to RM34.129 million recorded in the same quarter in previous year, an increase of 58.47% or RM19.955 million mainly due to Hari Raya festival sales.

Revenue for cumulative period increased by RM24.162 million (22.90%) compared to cumulative period last year mainly due to improvement in retail environment with less stringent restriction in the shopping malls with the transition of Covid-19 pandemic to endemic. The Government's move to allow another withdrawal in April 2022 from the Employees Provident Fund ("EPF") provided for more liquidity in the market and improved domestic spending.

The Group recorded profit before tax of RM12.577 million for the current quarter, an increase of 662.24% or RM10.927 million as compared to profit before tax of RM1.650 million in the previous year corresponding quarter. The increased in profit before taxation was mainly due to higher sales turnover, a much-improved gross margin as a result of better product mix, improved sourcing and efficient cost management and profit from disposal of assets held for sale.

2. COMPARISON WITH PRECEDING QUARTER'S REPORT

	Current Year Quarter 30 June 2022 RM'000	Immediate Preceding Quarter 31 March 2022 RM'000	Changes RM'000	Changes %
Revenue	54,084	29,549	24,535	83%
Profit from the operation	12,733	4,171	8,562	205%
Profit before taxation	12,577	4,054	8,523	210%
Profit after tax	10,033	3,296	6,737	204%
Profit attributable to : Equity holders of the parent	9,021	3,297	5,724	174%

As compared to the previous quarter, revenue and profit before taxation for the quarter under review had increased by RM24.535 million or 83% and RM8.523 million or 210% respectively, as compared to preceding quarter. Revenue for the current quarter was higher due Hari Raya festival sales.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2022 (cont'd)**

3. COMMENTARY ON PROSPECTS

For the financial year recently concluded, profit after taxation increase by approximately RM10.938 million or 181.15% from RM6.038 million to RM16.976 million when compared to that of the previous financial year.

As a result of the uncertain economic conditions ahead, geopolitical tensions since February 2022, potential supply chain disruption, fluctuation in foreign exchange, increase in material cost, freight charges and other related inflation, the retail environment remains challenging. Nevertheless, the Management remains cautiously optimistic of the Group's performance and 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	
	30 June 2022	30 June 2021
	RM'000	RM'000
Tax liabilities/(assets) at 1 July 2021/2020	440	(240)
Current period's provision	4,825	2,152
Net payment made during the period/year	(2,829)	(1,472)
	2,436	440
Disclosed as:		
Tax assets	(11)	(38)
Tax liabilities	2,447	478
	2,436	440
Taxation expense for the period:-		
- Malaysian taxation	4,825	2,152
- Deferred taxation	(12)	(8)
	4,813	2,144

The effective tax rate for the period ended 30th June 2022 was approximately 22.09% due to certain income is not taxable and gain on disposal of assets held for sales is subject to Real Property Gains Tax.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2022 (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 30 June 2022 RM'000	As at 30 June 2021 RM'000
Unsecured short term borrowings		
Bankers' acceptance and invoice financing	7,923	4,710
Secured		
Hire purchase payables	382	322
Term loans	286	325
	<hr/> 8,591 <hr/>	<hr/> 5,357 <hr/>
Long term liabilities		
Secured		
Hire purchase payables	186	441
Term loans	2,942	3,038
	<hr/> 3,128 <hr/>	<hr/> 3,479 <hr/>
Total borrowings	<hr/> 11,719 <hr/>	<hr/> 8,836 <hr/>

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.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2022 (cont'd)**

10. DIVIDEND PAYABLE

Details of dividends proposed by the Board of Directors in respect of financial year ended 30th June 2022 are as follows:

	RM'000
Proposed final single tier dividend of 5 sen per ordinary share	4,112
Proposed special single tier dividend of 3 sen per ordinary share	2,467
	<u>6,579</u>

The proposed final and special dividends are 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.

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	
	2022	2021	2022	2021
Net profit attributable to shareholders (RM'000)	9,021	1,187	15,935	6,346
Weighted average number of ordinary shares Shares in issue ('000)	81,928	81,484	81,773	81,484
Basic earnings per share (sen)	11.01	1.46	19.49	7.79

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**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2022 (cont'd)**

12. EARNINGS PER SHARE

(b) Diluted earnings per share

	Individual quarter ended		Year to date ended	
	30 June		30 June	
	2022	2021	2022	2021
Net profit attributable to shareholders (RM'000)	9,021	1,187	15,935	6,346
Weighted average number of ordinary shares Shares in issue ('000)	81,928	81,484	81,773	81,484
Effect of dilution of share options ('000)	25	-	25	-
	81,953	81,484	81,798	81,484
Diluted earnings per share (sen)	11.01	1.46	19.48	7.79

13. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter ended	Year to date ended
	30 June 2022	30 June 2022
	RM'000	RM'000
Profit from operations for the period is arrived		
After charging:		
Depreciation of investment properties	185	737
Depreciation of property, plant and equipment	167	602
Depreciation of right-of-use assets	258	1,031
Fair value change in investment in quoted shares	(38)	6
Inventories written off/written down		
And after crediting:		
Distribution from investment management funds	-	487
Dividend income	9	84
Gain on disposal of property, plant and equipment and assets held for sale	1,096	2,213
Fair value change on investment management funds	226	339
Foreign exchange gain	9	9
Interest income	6	18

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 26th August 2022.