

## **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 Chairman

### **PART A1: QUARTERLY REPORT**

\* Quarterly report for financial period ended : **31<sup>st</sup> December 2022**

\* Quarter : **2<sup>nd</sup> Quarter**

\* Financial Year End : **30<sup>th</sup> June 2023**

\* 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 2022 (UNAUDITED)**

	INDIVIDUAL PERIOD (2 <sup>ND</sup> QUARTER)				CUMULATIVE PERIOD			
	Current Year Quarter 31/12/2022	Preceding Year Corresponding Quarter 31/12/2021	Changes	Changes	Current Year To-date 31/12/2022	Preceding Year Corresponding Period 31/12/2021	Changes	Changes
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	<b>30,659</b>	37,429	(6,770)	-18.09%	<b>51,025</b>	46,017	5,008	10.88%
Gross profit	<b>10,397</b>	11,639	(1,242)	-10.67%	<b>20,715</b>	16,083	4,632	28.80%
	<b>51%</b>	31%		20.00%	<b>41%</b>	35%		6.00%
Other operating income	<b>648</b>	629	19	3.02%	<b>1,032</b>	1,912	(880)	-46.03%
Operating expenses	<b>(6,979)</b>	(7,281)	302	-4.15%	<b>(14,830)</b>	(12,552)	(2,278)	18.15%
Profit from the operation	<b>4,066</b>	4,987	(921)	-18.47%	<b>6,917</b>	5,443	1,474	27.08%
Finance costs	<b>(160)</b>	(138)	(22)	15.94%	<b>(310)</b>	(285)	(25)	8.77%
Profit before taxation	<b>3,906</b>	4,849	(943)	-19.45%	<b>6,607</b>	5,158	1,449	28.09%
Taxation	<b>(1,082)</b>	(1,379)	297	-21.54%	<b>(2,087)</b>	(1,511)	(576)	38.12%
Profit for the period representing total comprehensive income for the period, net of tax	<b>2,824</b>	3,470	(646)	-18.62%	<b>4,520</b>	3,647	873	23.94%
Profit attributable to :								
Equity holders of the parent	<b>2,824</b>	3,456	(632)	-18.29%	<b>4,516</b>	3,634	882	24.27%
Non-controlling interest	<b>-</b>	14	(14)	-100.00%	<b>4</b>	13	(9)	69.23%
	<b>2,824</b>	3,470	(646)	-18.62%	<b>4,520</b>	3,647	873	23.94%
Earnings per share	<b>Sen</b>	<b>Sen</b>			<b>Sen</b>	<b>Sen</b>		
-Basic	<b>3.40</b>	4.24			<b>5.46</b>	4.46		
-Diluted	<b>3.40</b>	4.23			<b>5.46</b>	4.45		

The condensed consolidated statements of comprehensive income statements should be read in conjunction with the audited financial statements for the year ended 30<sup>th</sup> June 2022 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2022**

	<b>Unaudited as at 31/12/2022 RM'000</b>	<b>Audited as at 30/6/2022 RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	2,147	2,082
Investment properties	23,068	23,436
Right-of-use assets	4,075	4,512
Investment in quoted shares	1,782	1,900
Goodwill	3,587	-
Deferred tax assets	99	99
	34,758	32,029
<b>CURRENT ASSETS</b>		
Inventories	35,384	12,695
Receivables	20,470	32,743
Tax assets	1	11
Investment management funds	51,623	61,777
Deposits, cash and bank balances	2,807	3,880
	110,285	111,106
<b>TOTAL ASSETS</b>	145,043	143,135
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>		
Share capital	42,784	41,539
Reserves	64,346	66,465
	107,130	108,004
Non-controlling interest	273	1,444
<b>TOTAL EQUITY</b>	107,403	109,448
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	2,825	3,127
Lease liabilities	3,506	3,930
Deferred taxation	1,575	1,575
	7,906	8,632
<b>CURRENT LIABILITIES</b>		
Payables	18,286	13,192
Tax liabilities	3,047	2,452
Lease liabilities	838	820
Borrowings	7,562	8,591
	29,733	25,055
<b>TOTAL LIABILITIES</b>	37,639	33,687
<b>TOTAL EQUITY AND LIABILITIES</b>	145,042	143,135

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30th June 2022 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY  
FOR THE QUARTER ENDED 31 DECEMBER 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 2021	40,742	-	52,830	93,572	403	93,975
Total comprehensive income for the year	-	-	15,931	15,931	1,041	16,972
Transactions with owner						
Shares awarded and share options vested under Long Term Incentive Plan ("LTIP")	-	946	-	946	-	946
Issuance of shares pursuant to LTIP						
- Shares awarded	797	(797)	-	-	-	-
Dividend paid	-	-	(2,445)	(2,445)	-	(2,445)
	797	149	(2,445)	(1,499)	-	(1,499)
Balance at 30 June 2022/1 July 2022	41,539	149	66,316	108,004	1,444	109,448
Total comprehensive income for the period	-	-	4,516	4,516	4	4,520
Transitions with owners						
Shares awarded and share options vested under Long Term Incentive Plan ("LTIP")	-	884	-	884	-	884
Issuance of shares pursuant to LTIP						
- Shares awarded	622	(622)	-	-	-	-
- Share option	623	(239)	-	384	-	384
Dividend paid	-	-	(6,658)	(6,658)	(1,175)	(7,833)
	1,245	23	(6,658)	(5,390)	(1,175)	(6,565)
Balance at 31 December 2022	42,784	172	64,174	107,130	273	107,403

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30<sup>th</sup> June 2022 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE QUARTER ENDED 31 DECEMBER 2022 (UNAUDITED)

	Unaudited 31/12/2022 RM'000	Unaudited 31/12/2021 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	<b>6,607</b>	5,158
Adjustments for:		
Non-cash items		
Depreciation of investment properties	368	368
Depreciation of property, plant and equipment	368	282
Depreciation of right-of-use assets	437	516
Distribution from investment management funds	(90)	(487)
Dividend income	(82)	(71)
Fair value change in quoted shares	118	134
Fair value change in investment management funds	(900)	101
Gain on disposal of property, plant and equipment	-	(69)
Interest expenses	310	285
Interest income	(27)	(6)
Share based expenses	884	948
Operating profit before working capital changes	<b>7,993</b>	7,159
Changes in inventories	(22,689)	2,373
Changes in receivables	12,274	3,688
Changes in payables	5,094	(3,968)
<b>Cash generated from operations</b>	<b>2,672</b>	9,252
Dividend paid to equity holders of the Company	(6,658)	(2,445)
Dividend paid to non-controlling interest	(1,175)	-
Interest received	27	6
Interest paid	(310)	(285)
Tax paid	(1,472)	(598)
Tax refunded	2	9
<b>Net cash (used in)/from operating activities</b>	<b>(6,914)</b>	5,939
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net movement in investment management funds	11,054	(8,817)
Acquisition of a subsidiary, net of cash acquired	(3,599)	-
Dividend received	82	71
Proceeds from disposal of property, plant and equipment	-	69
Proceeds from distribution from investment management funds	90	487
Payment for investment properties	-	(147)
Purchase of property, plant and equipment	(433)	(239)
<b>Net cash from/(used in) investing activities</b>	<b>7,194</b>	(8,576)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE QUARTER ENDED 31 DECEMBER 2022 (UNAUDITED) (cont'd)**

	<b>Unaudited 31/12/2022 RM'000</b>	<b>Unaudited 31/12/2021 RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of hire purchase payables and lease liabilities	(721)	(652)
Proceeds from drawn down of term loans	-	145
Proceeds from issuance of shares under LTIP	384	-
Repayment of term loans	(155)	(117)
Movement in short term borrowings	(861)	3,856
<b>Net cash (used in)/from financing activities</b>	<b>(1,353)</b>	<b>3,232</b>
Net changes in cash and cash equivalents	(1,073)	595
Cash and cash equivalent at beginning of period	3,880	1,350
Cash and cash equivalent at end of period	2,807	1,945
Represented by:		
Cash and bank balances	2,807	2,576
Bank overdrafts	-	-
	<b>2,807</b>	<b>2,576</b>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statement for the year ended 30<sup>th</sup> June 2022 and the accompanying explanatory notes attached to the interim financial statements.

**(A) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 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 30<sup>th</sup> June 2022. 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 30<sup>th</sup> June 2022.

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 2022 and which were adopted by the Group on 1<sup>st</sup> July 2022.

Amendments to MFRS 3 - Reference to the Conceptual Framework  
Amendments to MFRS 116 - Proceeds before intended use  
Amendments to MFRS 137 - Onerous contracts - cost of fulfilling a contract  
Annual improvements of MFRSs 2018 - 2020:  
MFRS 1 - Subsidiary as First-time Adopter  
MFRS 9 - fees in the 10% test for derecognition of financial liabilities  
MFRS 140 - Taxation in fair value measurements  
Illustrative Example accompanying MFRS 16 on lease incentives

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.

**(A) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2022 (cont'd)**

**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.

**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, except for the following:

Issuance of 984,000 ordinary shares under LTIP as follows:

- (i) 592,000 ordinary shares at RM1.05 each granted to eligible employees; and
- (ii) 201,000 ordinary shares at RM0.974 each and 191,000 ordinary shares at RM1.008 each respectively exercised by the eligible employees under share option.

**7. DIVIDEND PAID**

During the quarter under review, the final and special single tier dividend of 5 sen and 3 sen per share amounting to RM6,657,632 in respect of the financial year ended 30<sup>th</sup> June 2022 was paid on 21<sup>st</sup> December 2022.

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## 8. SEGMENTAL REPORTING

Quarter ended 31<sup>st</sup> December 2022

	Apparels RM'000	Investment holding RM'000	Eliminations RM'000	Consolidated RM'000
<b>Revenue</b>				
External revenue	50,055	970	-	51,025
Inter-segment revenue	4,548	18	(4,566)	-
Total segment revenue	54,603	988	(4,566)	51,025
<b>Results</b>				
Segment profit from operations	6,504	296	-	6,800
Interest income	27	-	-	27
Distribution from management investment funds	90	-	-	90
Interest expenses	(248)	(62)	-	(310)
Profit before tax	6,373	234	-	6,607
Tax expenses	(1,920)	(167)	-	(2,087)
Profit for the financial period	4,453	67	-	4,520
<b>Attributable to:</b>				
Owners of the Company				4,516
Non-controlling interest				4
				4,520
Segment assets	121,233	26,247	(2,437)	145,043
Segment liabilities	32,062	8,014	(2,437)	37,639

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 30<sup>th</sup> June 2022.

## 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 other than acquisition of 100% equity interest of Kiko Garments Sdn. Bhd. as disclosed in Note 6, Part B of this announcement.

**(A) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2022 (cont'd)**

**12. CONTINGENT LIABILITIES**

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

**13. CAPITAL COMMITMENTS**

There are no material commitments which require disclosure during the quarter.

**14. SIGNIFICANT RELATED PARTY TRANSACTIONS**

The Group undertakes at agreed terms and prices, the following significant related party transactions for the financial period ended 31<sup>st</sup> December 2022:

	<b>RM'000</b>
Rental paid to	
- TGL Packaging Sdn. Bhd.	210
- TGL Industries Sdn. Bhd.	300
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**(B) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2022 (cont'd)**

**1. REVIEW OF PERFORMANCE**

	INDIVIDUAL PERIOD (2 <sup>ND</sup> QUARTER)				CUMULATIVE PERIOD			
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes		Current Year To-date	Preceding Year Corresponding Period	Changes	
	31/12/2022	31/12/2021	RM'000	%	31/12/2022	31/12/2021	RM'000	%
Revenue	30,659	37,429	(6,770)	-18.09%	51,025	46,017	5,008	10.88%
Profit from the operation	4,066	4,987	(921)	-18.47%	6,917	5,443	1,474	27.08%
Profit before taxation	3,906	4,849	(943)	-19.45%	6,607	5,158	1,449	28.09%
Profit after tax	2,824	3,470	(646)	-18.62%	4,520	3,647	873	23.94%
Profit attributable to : Equity holders of the parent	2,824	3,456	(632)	-18.29%	4,516	3,634	882	24.27%

Revenue for the current quarter under review was RM30.659 million as compared to RM37.429 million recorded in the same quarter in previous year, a decrease of 18.09% or RM6.770 million. The high revenue reported in same quarter in previous year was due to better year end school holidays and Christmas sales and general improvement in market sentiment after the end of various movement control orders implemented by government since Covid-19 pandemic.

Profit before tax had decreased by RM0.943 million (19.45%) compared to the same quarter in previous year. The decreased in profit before tax was mainly due to lower sales turnover.

**2. COMPARISON WITH PRECEDING QUARTER'S REPORT**

	Current Year Quarter 31 December 2022 RM'000	Immediate Preceding Quarter 30 September 2022 RM'000	Changes RM'000	Changes %
Revenue	30,659	20,366	10,293	51%
Profit from the operation	4,066	2,851	1,215	43%
Profit before taxation	3,906	2,701	1,205	45%
Profit after tax	2,824	1,696	1,128	67%
Profit attributable to : Equity holders of the parent	2,824	1,692	1,132	67%

As compared to the previous quarter, revenue and profit before taxation for the quarter under review had increased by RM10.239 million or 51% and RM1.215 million or 43% respectively, as compared to preceding quarter. The higher revenue recorded in quarter was mainly due to higher sales recorded during year end school holidays and Christmas sales.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2022 (cont'd)**

**3. COMMENTARY ON PROSPECTS**

As a result of the uncertain economic conditions ahead, geopolitical tensions since February 2022, potential supply chain disruptions, fluctuations in foreign exchange rates, increase in material costs, 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**

	<b>Year to date ended</b>	
	<b>31 December 2022</b>	<b>30 June 2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Tax liabilities/(assets) at 1 July 2022/2021	<b>2,440</b>	440
Current period's provision	<b>2,087</b>	4,609
Real Property Gains Tax	-	216
Acquisition of subsidiary	<b>(11)</b>	
Net payment made during the period/year	<b>(1,470)</b>	(2,825)
	<hr/> <b>3,046</b>	<hr/> 2,440
Disclosed as:		
Tax assets	<b>(1)</b>	(11)
Tax liabilities	<b>3,047</b>	2,447
	<hr/> <b>3,046</b>	<hr/> 2,436
Taxation expense for the period:-		
- Malaysian taxation	<b>2,087</b>	4,609
- Real Property Gains Tax	-	216
- Deferred taxation	-	(8)
	<hr/> <b>2,087</b>	<hr/> 4,817

The effective tax rate for the period ended 31<sup>st</sup> December 2022 was approximately 31.59% due to certain items of expenses not deductible for income tax purposes.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2022 (cont'd)**

**6. CORPORATE PROPOSAL**

On 1<sup>st</sup> December 2022, the Board of Directors announced that the Company proposed to acquire 100% equity interest in Kiko Garments Sdn. Bhd. for a total purchase consideration of RM5,486,071 from Cetrac International Co. Ltd. for cash.

The above proposed acquisition had been completed on 29<sup>th</sup> December 2022.

**7. GROUP BORROWINGS AND DEBT SECURITIES**

	<b>As at 31 December 2022 RM'000</b>	<b>As at 30 June 2022 RM'000</b>
<b>Unsecured short term borrowings</b>		
Bankers' acceptance	7,062	7,923
<b>Secured</b>		
<b>Hire purchase payables</b>	201	382
<b>Term loans</b>	299	286
	<b>7,562</b>	<b>8,591</b>
<b>Long term liabilities</b>		
<b>Secured</b>		
<b>Hire purchase payables</b>	52	186
<b>Term loans</b>	2,773	2,941
	<b>2,825</b>	<b>3,127</b>
<b>Total borrowings</b>	<b>10,387</b>	<b>11,718</b>

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 2022 (cont'd)**

**11. QUALIFICATION OF PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report of the most recent annual financial statements for the financial year ended 30<sup>th</sup> June 2022 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 2022	2021	31 December 2022	2021
Net profit attributable to shareholders (RM'000)	<b>2,824</b>	3,456	<b>4,516</b>	3,634
Weighted average number of ordinary shares Shares in issue ('000)	<b>83,056</b>	81,484	<b>82,646</b>	81,484
Basic earnings per share (sen)	<b>3.40</b>	4.24	<b>5.46</b>	4.46

**(b) Diluted earnings per share**

	Individual quarter ended		Year to date ended	
	31 December 2022	2021	31 December 2022	2021
Net profit attributable to shareholders (RM'000)	<b>2,824</b>	3,456	<b>4,516</b>	3,634
Weighted average number of ordinary shares Shares in issue ('000)	<b>83,056</b>	81,484	<b>82,646</b>	81,484
Share grant ('000)	-	279	-	139
Effect of dilution of share options ('000)	<b>32</b>	-	<b>32</b>	-
	<b>83,088</b>	81,763	<b>82,678</b>	81,623
Diluted earnings per share (sen)	<b>3.40</b>	4.23	<b>5.46</b>	4.45

**(B) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2022 (cont'd)**

**13. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME**

	<b>Individual quarter ended 31 December 2022 RM'000</b>	<b>Year to date ended 31 December 2022 RM'000</b>
<b>Profit from operations for the period is arrived</b>		
<b>After charging:</b>		
Depreciation of investment properties	184	368
Depreciation of property, plant and equipment	186	368
Depreciation of right-of-use assets	218	437
Fair value change in investment in quoted shares	(107)	118
<b>And after crediting:</b>		
Distribution from investment management funds	25	90
Dividend income	12	82
Fair value change on investment management funds	569	900
Interest income	9	27
	<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 27<sup>th</sup> February 2023.