

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 : **30th September 2023**

* Quarter : **1st Quarter**

* Financial Year End : **30th June 2024**

* 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 SEPTEMBER 2023 (UNAUDITED)**

	INDIVIDUAL PERIOD (1ST QUARTER)				CUMULATIVE PERIOD			
	Current Year Quarter 30/09/2023	Preceding Year Corresponding Quarter 30/09/2022	Changes	Changes	Current Year To-date 30/09/2023	Preceding Year Corresponding Period 30/09/2022	Changes	Changes
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	20,643	20,366	277	1.36%	20,643	20,366	277	1.36%
Gross profit	10,494 51%	10,318 51%	176	1.71% 0.00%	10,494 51%	10,318 51%	176	1.71% 0.00%
Other operating income	427	384	43	11.20%	427	384	43	11.20%
Operating expenses	(7,740)	(7,851)	111	-1.41%	(7,740)	(7,851)	111	-1.41%
Profit from the operation	3,181	2,851	330	11.57%	3,181	2,851	330	11.57%
Finance costs	(125)	(150)	25	-16.67%	(125)	(150)	25	-16.67%
Profit before taxation	3,056	2,701	355	13.14%	3,056	2,701	355	13.14%
Taxation	(780)	(1,005)	225	-22.39%	(780)	(1,005)	225	-22.39%
Profit for the period representing total comprehensive income for the period, net of tax	2,276	1,696	580	34.20%	2,276	1,696	580	34.20%
Profit attributable to :								
Equity holders of the parent	2,276	1,692	584	34.52%	2,276	1,692	584	34.52%
Non-controlling interest	-	4	(4)	-100.00%	-	4	(4)	100.00%
	2,276	1,696	580	34.20%	2,276	1,696	580	34.20%
Earnings per share	Sen	Sen			Sen	Sen		
-Basic	2.73	2.06			2.73	2.06		
-Diluted	2.73	2.05			2.73	2.05		

The condensed consolidated statements of comprehensive income statements should be read in conjunction with the audited financial statements for the year ended 30th June 2023 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

	Unaudited 30/09/2023 RM'000	Restated Audited 30/06/2023 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	2,123	2,238
Investment properties	26,251	26,453
Right-of-use assets	3,420	3,639
Investment in quoted shares	1,826	2,003
Intangible asset	3,063	3,150
Deferred tax assets	988	917
	37,671	38,400
CURRENT ASSETS		
Inventories	48,037	34,124
Receivables	15,705	22,609
Tax assets	101	45
Investment management funds	45,273	42,480
Deposits, cash and bank balances	996	2,631
Investment in subsidiary, held for distribution	305	305
	110,417	102,194
TOTAL ASSETS	148,088	140,594
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital	43,219	43,219
Reserves	73,325	71,049
TOTAL EQUITY	116,544	114,268
NON-CURRENT LIABILITIES		
Borrowings	2,717	2,825
Lease liabilities	2,854	3,074
Deferred taxation	2,410	2,374
	7,981	8,273
CURRENT LIABILITIES		
Payables	19,913	9,404
Tax liabilities	741	752
Lease liabilities	865	856
Borrowings	2,044	7,041
	23,563	18,053
TOTAL LIABILITIES	31,544	26,326
TOTAL EQUITY AND LIABILITIES	148,088	140,594

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30th June 2023 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2023 (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 2022	41,539	149	66,316	108,004	1,444	109,448
Total comprehensive income for the year	-	-	11,374	11,374	1	11,375
Transactions with owner						
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	1,058	(394)	-	664	-	664
- Share option				-		-
Dividend paid	-	-	(6,658)	(6,658)	(1,175)	(7,833)
Winding up of a subsidiary	-	-	-	-	(270)	(270)
	1,680	(132)	(6,658)	(5,110)	(1,445)	(6,555)
Balance at 30 June 2023/1 July 2023	43,219	17	71,032	114,268	-	114,268
Total comprehensive income for the period	-	-	2,276	2,276		2,276
Balance at 30 September 2023	43,219	17	73,308	116,544	-	116,544

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30th June 2023 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2023 (UNAUDITED)**

	Unaudited 30/09/2023 RM'000	Unaudited 30/09/2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,056	2,701
Adjustments for:		
Non-cash items		
Amortisation of intangible asset	87	-
Depreciation of investment properties	202	184
Depreciation of property, plant and equipment	212	182
Depreciation of right-of-use assets	219	219
Distribution from investment management funds	(79)	(65)
Dividend income	(76)	(70)
Fair value change in quoted shares	177	225
Fair value change in investment management funds	(254)	(331)
Interest expenses	125	150
Interest income	(6)	(18)
Share based expenses	-	884
Operating profit before working capital changes	3,663	4,061
Changes in inventories	(13,913)	(16,996)
Changes in receivables	6,904	14,308
Changes in payables	10,509	4,493
Cash generated from operations	7,163	5,866
Interest received	6	18
Interest paid	(125)	(150)
Tax paid	(882)	(881)
Net cash from operating activities	6,162	4,853
CASH FLOWS FROM INVESTING ACTIVITIES		
Net movement in investment management funds	(2,539)	(6,435)
Dividend received	76	70
Proceeds from distribution from investment management funds	79	65
Purchase of property, plant and equipment	(97)	(216)
Net cash used in investing activities	(2,481)	(6,516)

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statement for the year ended 30th June 2023 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 JUNE 2023 (UNAUDITED) (cont'd)**

	Unaudited 30/09/2023 RM'000	Unaudited 30/09/2022 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to non-controlling interest	-	(1,175)
Repayment of hire purchase payables and lease liabilities	(279)	(473)
Repayment of term loans	(77)	(80)
Movement in short term borrowings	(4,980)	957
Net cash used in financing activities	(5,336)	(771)
Net changes in cash and cash equivalents	(1,655)	(2,434)
Cash and cash equivalent at beginning of period	2,633	3,880
Cash and cash equivalent at end of period	978	1,446
Represented by:		
Deposits, cash and bank balances	996	1,446
Bank overdrafts	(18)	-
	978	1,446

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statement for the year ended 30th June 2023 and the accompanying explanatory notes attached to the interim financial statements.

**(A) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2023**

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 2023. 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 2023.

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 2023 and which were adopted by the Group on 1st July 2023.

Amendments to MFRS 101 and MFRS Practice Statement 2) - Disclosure of Accounting Policies
Amendments to MFRS 108 - Definition of Accounting Estimate
Amendments to MFRS 112 - Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

The adoption of the above Amendments and Annual improvements to Standards did not have any material financial impact to the Group except for the recognition of additional deferred tax assets and liabilities of RM837,000 respectively arising from right-of-use assets and lease liabilities with adoption of Amendments to MFRS 112. The comparative information had been restated retrospectively.

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 2023 (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 current quarter under review.

7. DIVIDEND PAID

No dividends were paid during the quarter under review.

8. SEGMENTAL REPORTING

Quarter ended 30th September 2023

	Apparels RM'000	Investment holding RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External revenue	20,065	578	-	20,643
Inter-segment revenue	18	9	(27)	-
Total segment revenue	20,083	587	(27)	20,643
Results				
Segment profit from operations	2,999	97	-	3,096
Interest income	6	-	-	6
Distribution from management investment funds	79	-	-	79
Interest expenses	(93)	(32)	-	(125)
Profit before tax	2,991	65	-	3,056
Tax expenses	(688)	(92)	-	(780)
Profit for the financial period attribute to Owners of the Company	2,303	(27)	-	2,276
Segment assets	124,034	28,729	(4,675)	148,088
Segment liabilities	26,144	10,075	(4,675)	31,544

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 2023.

**(A) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2023 (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 were no changes in composition of the Group during the financial period under review other than on 20th March 2023, Syarikat Perniagaan Bingel (M) Sdn. Berhad (“SPB”), a dormant subsidiary of the Company, has been placed under members’ voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016.

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 30th September 2023:

	RM'000
Rental paid to	
- TGL Packaging Sdn. Bhd.	105
- TGL Industries Sdn. Bhd.	150
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**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2023**

1. REVIEW OF PERFORMANCE

	INDIVIDUAL PERIOD (1 ST QUARTER)				CUMULATIVE PERIOD			
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes		Current Year To-date	Preceding Year Corresponding Period	Changes	
	30/09/2023	30/09/2022	RM'000	%	30/09/2023	30/09/2022	RM'000	%
Revenue	20,643	20,366	277	1.36%	20,643	20,366	277	1.36%
Profit from the operation	3,181	2,851	330	11.57%	3,181	2,851	330	11.57%
Profit before taxation	3,056	2,701	355	13.14%	3,056	2,701	355	13.14%
Profit after taxation	2,276	1,696	580	34.20%	2,276	1,696	580	34.20%
Profit attributable to : Equity holders of the parent	2,276	1,692	584	34.52%	2,276	1,692	584	34.52%

Revenue for the current quarter under review of RM20.643 million as compared to RM20.366 million recorded in the same quarter in previous year, an increase of 1.36% or RM0.277 million.

Profit before tax had increased by RM0.330 million (11.57%) compared to the same quarter in previous year. The increased in profit before tax was mainly due to higher sales turnover and lower operating expenses.

2. COMPARISON WITH PRECEDING QUARTER'S REPORT

	Current Year Quarter 30 September 2023 RM'000	Immediate Preceding Quarter 30 June 2023 RM'000	Changes RM'000	Changes %
Revenue	20,643	41,713	(21,070)	-51%
Profit from the operation	3,181	3,970	(789)	-20%
Profit before taxation	3,056	3,797	(741)	-20%
Profit after tax	2,276	3,304	(1,028)	-31%
Profit attributable to : Equity holders of the parent	2,276	3,308	(1,032)	-31%

As compared to the previous quarter, revenue for the quarter under review had decreased by RM21.070 million or 51%. The higher revenue recorded in previous quarter was mainly due to higher sales recorded during Hari Raya festival sales.

However, profit before tax for the quarter under review only decreased by RM0.741 million or 20% as compared to the previous quarter mainly due to better gross profit margin. The gross profit margin for the quarter under review is 51% as compared to 38% recorded in previous quarter. The lower gross profit margin reported in previous quarter mainly due to stock clearance and inventories written down to net realisable value.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2023 (cont'd)**

3. COMMENTARY ON PROSPECTS

Despite of the resilient domestic economy, on-going geopolitical tensions and conflicts, potential supply chain disruption, fluctuation in foreign exchange, increase in material cost and other related inflation together with the increase in Sales and Services Tax scope and rate recently announced during 2024 National Budget, which may have an impact on the disposable income of Malaysian consumers, retail business outlook in general 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 September 2023 RM'000	30 June 2023 RM'000
Tax liabilities/(assets) at 1 July 2023/2022	707	2,440
Current period's provision	815	3,701
Acquisition of a subsidiary	-	(11)
Net payment made during the period/year	(882)	(5,423)
	640	707
Disclosed as:		
Tax assets	(101)	(45)
Tax liabilities	741	752
	640	707
Taxation expense for the period:-		
- Malaysian taxation	815	3,701
- Deferred taxation	(35)	-
	780	3,701

The effective tax rate for the period ended 30th September 2023 was approximately 25.53% due to certain items of expenses not deductible for income tax purposes.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2023 (cont'd)**

6. CORPORATE PROPOSAL

At the date of this report, there are no corporate proposals which have been announced that remain uncompleted.

7. GROUP BORROWINGS AND DEBT SECURITIES

	As at 30 September 2023 RM'000	As at 30 June 2023 RM'000
Unsecured short term borrowings		
Bank overdrafts	18	-
Bankers' acceptance	1,527	6,507
	1,545	6,507
Secured		
Hire purchase payables	189	236
Term loans	310	298
	2,044	7,041
Long term liabilities		
Secured		
Hire purchase payables	185	206
Term loans	2,532	2,619
	2,717	2,825
Total borrowings	4,761	9,866

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 SEPTEMBER 2023 (cont'd)**

10. DIVIDEND PAYABLE

The final and special single tier dividend which had been declared for the financial year ended 30th June 2023 are as follows:

Rate	:	5 sen and 3sen per share respectively
Announced	:	25 th October 2023
Book Closure	:	30 th November 2023
Payment Date	:	13 th December 2023

11. QUALIFICATION OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report of the most recent annual financial statements for the financial year ended 30th June 2023 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 September		30 September	
	2023	2022	2023	2022
Net profit attributable to shareholders (RM'000)	2,276	1,692	2,276	1,692
Weighted average number of ordinary shares Shares in issue ('000)	83,498	82,236	83,498	82,236
Basic earnings per share (sen)	2.73	2.06	2.73	2.06

(b) Diluted earnings per share

	Individual quarter ended		Year to date ended	
	30 September		30 September	
	2023	2022	2023	2022
Net profit attributable to shareholders (RM'000)	2,276	1,692	2,276	1,692
Weighted average number of ordinary shares Shares in issue ('000)	83,498	82,236	83,498	82,236
Share grant ('000)	-	212	-	212
Effect of dilution of share options ('000)	-	60	-	60
	83,498	82,508	83,498	82,508
Diluted earnings per share (sen)	2.73	2.05	2.73	2.05

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2023 (cont'd)**

13. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter ended 30 September 2023 RM'000	Year to date ended 30 September 2023 RM'000
Profit from operations for the period is arrived		
After charging:		
Amortisation of intangible asset	87	87
Depreciation of investment properties	202	202
Depreciation of property, plant and equipment	212	212
Depreciation of right-of-use assets	219	219
Fair value change in investment in quoted shares	177	177
And after crediting:		
Distribution from investment management funds	79	79
Dividend income	76	76
Fair value change on investment management funds	254	254
Interest income	6	6

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 24th November 2023.