

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 June 2014**

* Quarter : **4th Quarter**

* Financial Year End : **30th June 2014**

* The figures : Have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2014 (UNAUDITED)**

	3-MONTH ENDED		YEAR TO DATE ENDED	
	30.06.2014	30.06.2013	30.06.2014	Audited 30.06.2013
	RM'000	RM'000	RM'000	RM'000
Revenue	24,471	23,026	104,893	110,048
Gross profit	7,415 30%	6,834 30%	40,837 39%	41,737 38%
Other operating income	158	297	798	807
Operating expenses	(7,503)	(7,745)	(30,594)	(30,902)
Profit/(Loss) from the operation	70	(614)	11,041	11,642
Finance costs	(48)	(76)	(151)	(486)
Profit/(Loss) before taxation	22	(690)	10,890	11,156
Taxation	(116)	90	(2,878)	(3,004)
(Loss)/Profit for the period	(94)	(600)	8,012	8,152
Other comprehensive (loss)/income for the period, net of tax	(43)	48	242	295
Total comprehensive (loss)/income for the period	(137)	(552)	8,254	8,447
(Loss)/Profit attributable to :				
Equity holders of the parent	(63)	(561)	7,947	8,115
Non-controlling interest	(31)	(39)	65	37
	(94)	(600)	8,012	8,152
Total comprehensive (loss)/income attributable to:				
Equity holders of the parent	(106)	(513)	8,189	8,410
Non-controlling interest	(31)	(39)	65	37
	(137)	(552)	8,254	8,447
(Loss)/Earnings per share				
-Basic	(0.15)	(1.38)	19.51	19.92
-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 2013 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 JUNE 2014

	Unaudited as at 30.06.2014 RM'000	Audited as at as at 30.6.2013 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	4,854	4,919
Investment properties	22,481	22,978
Investment in subsidiary companies	-	102
Available for sale investments	1,965	1,569
Deferred tax assets	37	37
	29,337	29,605
CURRENT ASSETS		
Non-current asset held for sale	-	70
Inventories	61,923	55,989
Receivables	25,822	25,603
Tax assets	123	43
Financial assets at fair value through profit or loss	1,815	-
Cash and bank balances	2,397	3,577
	92,080	85,282
TOTAL ASSETS	121,417	114,887
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital	40,742	40,742
Reserves	36,418	31,284
	77,160	72,026
Non-controlling interest	1,152	1,087
TOTAL EQUITY	78,312	73,113
NON-CURRENT LIABILITIES		
Borrowings	-	210
Deferred tax liabilities	2,174	2,174
	2,174	2,384
CURRENT LIABILITIES		
Payables	34,727	37,045
Tax liabilities	677	1,126
Borrowings	5,527	1,219
	40,931	39,390
TOTAL LIABILITIES	43,105	41,774
TOTAL EQUITY AND LIABILITIES	121,417	114,887

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30th June 2013 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2014 (UNAUDITED)**

	Attributable to equity holders of the parent					
	Non-distributable		Distributable		Non-Controlling Interest	Total Equity
	Share Capital	Fair value Reserve	Retained Profits	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance at 1 July 2012	40,742	(248)	26,177	66,671	1,050	67,721
Total comprehensive income for the period	-	295	8,115	8,410	37	8,447
Dividend paid	-	-	(3,055)	(3,055)	-	(3,055)
Balance at 30 June 2013/1 July 2013	40,742	47	31,237	72,026	1,087	73,113
Total comprehensive income for the period	-	242	7,947	8,189	65	8,254
Dividend paid	-	-	(3,055)	(3,055)	-	(3,055)
Balance at 30 June 2014	40,742	289	36,129	77,160	1,152	78,312

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30th June 2013 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 JUNE 2014 (UNAUDITED)**

	Unaudited	Audited
	30.06.2014	30.06.2013
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	10,890	11,156
Adjustments for:		
Allowances for doubtful debts/bad debts written off	-	14
Depreciation and amortisation	1,939	2,002
Inventories written off/written down	1,833	1,847
Impairment loss on disposal of available-for-sale financial assets	-	304
Profit on winding up subsidiary companies	(22)	-
Profit on disposal of property, plant and equipment	(149)	(158)
Profit on disposal of asset held for sales	(20)	-
Profit on disposal of available-for-sale financial assets	(29)	(222)
	14,442	14,943
Dividend income	(49)	(49)
Interest expenses	151	432
Interest income	(119)	(85)
Operating profit before working capital changes	14,425	15,241
Changes in inventories	(7,766)	(3,274)
Changes in receivables	(220)	(2,233)
Changes in payables	(2,317)	13,971
Cash generated from operations	4,122	23,705
Dividend paid	(3,055)	(3,055)
Interest received	119	85
Interest paid	(151)	(326)
Tax paid	(3,408)	(2,973)
Net cash (used in)/generated from operating activities	(2,373)	17,436
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,439)	(1,395)
Purchase of available for sale investment	(258)	(324)
Proceeds from disposal of property, plant and equipment	212	187
Proceeds from disposal of asset held for sales	90	323
Proceeds from disposal of available-for-sale financial assets	133	-
Net cash inflow from winding up a subsidiary company	124	(15)
Dividend received	49	49
Net cash used in investing activities	(1,089)	(1,175)
CASH FLOWS FROM FINANCING ACTIVITY		
Bank borrowings	4,087	(11,307)
Net cash generated from/(used in) financing activity	4,087	(11,307)
Net changes in cash and cash equivalents	625	4,954
Cash and cash equivalent at beginning of period	3,577	(1,377)
Cash and cash equivalent at end of period	4,202	3,577
Represented by:		
Cash and bank balances	2,397	3,577
Financial assets at fair value through profit or loss	1,815	-
Bank overdrafts	(10)	-
	4,202	3,577

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 30th June 2013 and the accompanying explanatory notes attached to the interim financial statements.

**(A) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2014**

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 2013. 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 2013.

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 significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30th June 2013.

3. SEASONAL OR CYCLICAL FACTORS

The Group is principally involved in the manufacture, 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

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows for 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.

7. DIVIDEND PAID

No dividends were paid during the quarter under review.

**(A) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2014 (cont'd)**

8. SEGMENTAL REPORTING

Period ended 30th June 2014

	Apparels RM'000	Investment properties RM'000	Total RM'000
Revenue	102,972	1,921	104,893
Profit before interest, taxes, depreciation and amortisation	11,820	1,041	12,861
Depreciation and amortisation			(1,939)
Interest expenses			(151)
Interest income			119
Profit before taxation			10,890
Tax expenses			(2,878)
Profit for the period			8,012

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 2013.

10. MATERIAL SUBSEQUENT EVENTS

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

11. CHANGES IN COMPOSITION OF GROUP

On 28 June 2013, two dormant wholly-owned subsidiary companies namely, Electra Impressions Sdn. Bhd. ("EISB") and Mode Fashion Marketing Sdn. Bhd. ("MFM") have been placed under members' voluntary winding-up ("winding-up") pursuant to Section 254(1)(b) of the Companies Act, 1965.

EISB had been dissolved on the expiration of three (3) months after the lodgement of the Final Meeting pursuant to Section 272(5) of the Companies Act, 1965.

The winding up of MFM has yet to be completed during the current quarter under review.

There were no changes in composition of the Group during the quarter under review.

**(A) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2014 (cont'd)**

12. CONTINGENT LIABILITIES

As at the date of this report, the Group has contingent liabilities as follows:-

Unsecured	
Corporate guarantees for credit facilities granted to subsidiary companies	RM'000 30,428

13. CAPITAL COMMITMENTS

Capital commitment as at 30th June 2014 is as follows:

Contracted	
Non-cancellable operating lease commitment	RM'000
- Not later than 1 year	692
- Later than 1 year and not later than 5 years	301
	<hr/> 993

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 2014:

	RM'000
Purchase of goods from	
- Perniagaan Sulam Kim Bin (M) Sdn. Bhd.	178
- TGL Packaging Sdn. Bhd.	7
Rental paid to	
- TGL Packaging Sdn. Bhd.	605
- TGL Industries Sdn. Bhd.	600
- Bidang Cendana Sdn. Bhd.	282

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**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2014**

1. REVIEW OF PERFORMANCE

Revenue for the fourth quarter and cumulative 12-month period ended 30th June 2014 is RM24.47 million and RM104.89 million as compared to RM23.03 million and RM110.05 million respectively recorded in previous year.

For the current quarter under review, the Group's revenue increased by 6.25% or RM1.44 million compared to the revenue recorded in the previous year corresponding quarter. The improvement is due to aggressive mid-year sales promotional activities.

Profit before taxation of RM0.02 million, improved by RM0.71 million when compared with loss before taxation of RM0.69 million recorded in the same quarter in previous year. The improvement is due to increase in revenue resulting in higher gross profit, savings in borrowing cost and reduction in operating expenses.

Revenue for the 12 month period ended 30th June 2014 registered a slight decline of RM5.16 million as compared to the 12 months period the year before. The drop in sales was mainly due to the soft retail market and stiff competition among competitors.

However, profit before taxation only decreased by RM0.27 million or 2.38% from RM11.15 million to RM10.89 million due to better gross profit margin, decrease in operating expenses and reduction in borrowing cost.

2. COMPARISON WITH PRECEDING QUARTER'S REPORT

	Quarter ended 30 June 2014 RM'000	Quarter ended 31 March 2014 RM'000
Revenue	24,471	17,783
Profit/(Loss) before taxation	22	(58)

As compared to the previous quarter, revenue for the quarter under review had improved by RM6.69 million or 37.61%.

The higher revenue achieved in current quarter under review was mainly due to mid-year sales and early buying from customers for the Hari Raya Festival.

Although the Group recorded a higher revenue in current quarter under review, there is no significant improvement in profit before tax due to lower gross profit margin for the current quarter of 30% against 39% compared to the previous quarter as a result of additional inventories written off/written down amounting to about RM0.33 million and aggressive promotional and clearance sales activities.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2014 (cont'd)**

3. COMMENTARY ON PROSPECTS

For the financial year recently concluded, profit after taxation drop slightly by approximately 1.72% (RM0.14 million) from RM8.15 million to RM8.01 million when compared to that of the previous financial year.

The local retail market continues to be affected by the increase in prices and inflation, and further subsidy cuts undertaken by the Government. These actions have a direct influence over the disposable income and consumers' sentiment. The present competitive trend of the apparels market is expected to continue as rising cost of living will result in cautious spending. The implementation of the Goods and Services Tax on 1st April 2015 is expected to affect disposable income of consumers. Nevertheless, the Group will consolidate and implement strategies and measures to meet the obstacles ahead and remain positive with overall Malaysian economy.

4. VARIANCE FROM PROFIT FORECASTS

Not applicable as the Group did not publish any profit forecast.

5. TAXATION

	Year to date ended 30 June	
	2014	2013
	RM'000	RM'000
Tax liabilities at 1 July	1,083	867
Current period's provision	2,878	3,157
Net payment made during the period	(3,408)	(2,941)
	553	1,083
Disclosed as:		
Tax assets	(123)	(43)
Tax liabilities	676	1,126
	553	1,083
Taxation expense for the period:-		
Malaysian taxation	2,878	3,157

The effective tax rate for the period ended 30th June 2014 was approximately 26.43% due to some expenses that are disallowed for tax deduction.

6. CORPORATE PROPOSAL

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

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2014 (cont'd)**

7. GROUP BORROWINGS AND DEBT SECURITIES

	As at 30 June 2014 RM'000	As at 30 June 2013 RM'000
(a) Short term borrowings		
- Unsecured	5,452	1,092
- Secured	75	127
	<hr/> 5,527 <hr/>	<hr/> 1,219 <hr/>
(b) Long term borrowings		
- Secured	-	210
	<hr/> - <hr/>	<hr/> 210 <hr/>
Total	<hr/> 5,527 <hr/>	<hr/> 1,429 <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.

10. DIVIDEND PAYABLE

The Board of Directors has recommended a final single tier dividend of 7.5 sen amounting RM3,055,665, subject to shareholders' approval for the current financial year ended 30th June 2014. The proposed dividend if approved will be paid on 17th December 2014 to depositors registered in the record of depositors at the close of business on 3rd December 2014.

11. QUALIFICATION OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report of the most recent annual financial statements for the financial year ended 30th June 2013 was not qualified.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2014 (cont'd)**

12. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss) earnings per share

The basic (loss)/earnings per share of the Group is calculated based on the net (loss)/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	
	2014	2013	2014	2013
Net (loss)/profit attributable to shareholders (RM'000)	(63)	(561)	7,947	8,115
Weighted average number of ordinary shares in issue ('000)	40,742	40,742	40,742	40,742
Basic (loss)/earnings per share (sen)	(0.15)	(1.38)	19.51	19.92

(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 June 2014.

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**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2014 (cont'd)**

13. REALISED AND UNREALISED PROFIT

The determination of realised and unrealised profits or losses is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysia Institute of Accountants on 20th December 2010.

The disclosure of realised and unrealised profits or losses is made solely for complying with the disclosure requirements as stipulated in the directive of Bursa Malaysia Securities Berhad and is not made for any other purposes.

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits or losses, pursuant to the directive, is as follows:

	30 June 2014 RM'000	30 June 2013 RM'000
Total retained profits of the Group		
- Realised	36,443	31,551
- Unrealised	4,925	4,925
	<hr/>	<hr/>
	41,368	36,476
Consolidation adjustments	(5,239)	(5,239)
	<hr/>	<hr/>
	36,129	31,237
	<hr/>	<hr/>

14. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter ended 30 June 2014 RM'000	Year to date ended 30 June 2014 RM'000
Profit from operations for the period is arrived after charging:		
Depreciation of investment properties	140	560
Depreciation of property, plant and equipment	367	1,379
Inventories written off/written down	333	1,833
And after crediting:		
Interest income	26	119
Profit on disposal of property, plant and equipment and investment property/asset held for sales	28	169
Profit on disposal of available-for-sale financial assets	-	29

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 JUNE 2014 (cont'd)**

15. 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 28th August 2014.

For and on behalf of the Board,
Teo Guan Lee Corporation Berhad

Gunn Chit Geok (MAICSA 0673097)
Chew Siew Cheng (MAICSA 7019191)
Company Secretaries

Date: 28th August 2014