

## **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 : **30<sup>th</sup> June 2015**

\* Quarter : **4<sup>th</sup> Quarter**

\* Financial Year End : **30<sup>th</sup> June 2015**

\* The figures : Have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 JUNE 2015 (UNAUDITED)**

	<b>3-MONTH ENDED</b>		<b>YEAR TO DATE ENDED</b>	
	<b>30.6.2015</b>	30.06.2014	<b>30.6.2015</b>	Audited 30.06.2014
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Revenue	<b>27,796</b>	24,521	<b>101,671</b>	104,943
Gross profit	<b>8,111</b>	7,438	<b>38,704</b>	40,860
	<b>29%</b>	30%	<b>38%</b>	39%
Other operating income	<b>93</b>	133	<b>534</b>	773
Operating expenses	<b>(8,551)</b>	(7,544)	<b>(32,668)</b>	(30,635)
(Loss)/Profit from the operation	<b>(347)</b>	27	<b>6,570</b>	10,998
Finance costs	<b>(20)</b>	(81)	<b>(220)</b>	(184)
(Loss)/Profit before taxation	<b>(367)</b>	(54)	<b>6,350</b>	10,814
Taxation	<b>(43)</b>	(210)	<b>(1,832)</b>	(2,972)
(Loss)/Profit for the period	<b>(410)</b>	(264)	<b>4,518</b>	7,842
Other comprehensive income for the period, net of tax	<b>162</b>	(43)	<b>515</b>	242
Total comprehensive (loss)/income for the period	<b>(248)</b>	(307)	<b>5,033</b>	8,084
(Loss)/Profit attributable to :				
Equity holders of the parent	<b>(384)</b>	(212)	<b>4,560</b>	7,798
Non-controlling interest	<b>(26)</b>	(52)	<b>(42)</b>	44
	<b>(410)</b>	(264)	<b>4,518</b>	7,842
Total comprehensive (loss)/income attributable to:				
Equity holders of the parent	<b>(222)</b>	(255)	<b>5,075</b>	8,040
Non-controlling interest	<b>(26)</b>	(52)	<b>(42)</b>	44
	<b>(248)</b>	(307)	<b>5,033</b>	8,084
Earnings per share				
-Basic	<b>(0.94)</b>	(0.52)	<b>11.19</b>	19.14
-Diluted	<b>N/A</b>	N/A	<b>N/A</b>	N/A

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 2014 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 2015**

	Unaudited as at 30.06.2015 RM'000	Audited as at as at 30.6.2014 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	2,616	4,838
Investment properties	23,747	22,470
Available for sale investments	2,453	1,965
Deferred tax assets	205	45
	29,021	29,318
<b>CURRENT ASSETS</b>		
Inventories	47,717	61,923
Receivables	30,429	25,855
Tax assets	164	88
Financial assets at fair value through profit or loss	2,663	1,815
Deposits, cash and bank balances	2,400	2,397
	83,373	92,078
<b>TOTAL ASSETS</b>	<b>112,394</b>	<b>121,396</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>		
Share capital	40,742	40,742
Reserves	38,289	36,269
	79,031	77,011
Non-controlling interest	1,090	1,132
<b>TOTAL EQUITY</b>	<b>80,121</b>	<b>78,143</b>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	-	17
Deferred tax liabilities	2,101	2,101
	2,101	2,118
<b>CURRENT LIABILITIES</b>		
Payables	27,672	34,810
Borrowings	2,125	5,509
Tax liabilities	375	816
	30,172	41,135
<b>TOTAL LIABILITIES</b>	<b>32,273</b>	<b>43,253</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>112,394</b>	<b>121,396</b>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30<sup>th</sup> June 2014 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY  
FOR THE QUARTER ENDED 30 JUNE 2015 (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 2014	40,742	47	31,237	72,026	1,088	73,114
Total comprehensive income for the period	-	242	7,798	8,040	44	8,084
Dividend paid	-	-	(3,055)	(3,055)	-	(3,055)
Balance at 30 June 2014/1 July 2014	40,742	289	35,980	77,011	1,132	78,143
Total comprehensive income for the period	-	515	4,560	5,075	(42)	5,033
Dividend paid	-	-	(3,055)	(3,055)	-	(3,055)
Balance at 30 June 2015	40,742	804	37,485	79,031	1,090	80,121

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 2014 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 2015 (UNAUDITED)**

	<b>Unaudited 30/6/2015 RM'000</b>	Audited 30/6/2014 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	<b>6,349</b>	10,814
Adjustments for:		
Non-cash items		
Bad debts written off	<b>1</b>	7
Depreciation of property, plant and equipment	<b>1,482</b>	1,448
Depreciation of investment properties	<b>722</b>	508
Inventories written off/written down	<b>2,593</b>	2,472
Impairment on receivables no longer required	<b>-</b>	(71)
Property, plant and equipment written off	<b>6</b>	1
Profit on disposal of property, plant and equipment	<b>(46)</b>	(101)
Profit on disposal of non-current asset held for sales	<b>-</b>	(20)
Loss/(Profit) on disposal of available-for-sale financial assets	<b>3</b>	(28)
Profit from winding up of subsidiary companies	<b>-</b>	(22)
	<b>11,110</b>	15,008
Dividend income	<b>(72)</b>	(53)
Interest expenses	<b>220</b>	151
Interest income	<b>(120)</b>	(119)
Operating profit before working capital changes	<b>11,138</b>	14,987
Changes in inventories	<b>11,613</b>	(8,406)
Changes in receivables	<b>(4,575)</b>	(187)
Changes in payables	<b>(7,138)</b>	(2,235)
<b>Cash used in operations</b>	<b>11,038</b>	4,159
Dividend paid	<b>(3,055)</b>	(3,055)
Interest received	<b>120</b>	48
Interest paid	<b>(220)</b>	(151)
Tax refund	<b>-</b>	18
Tax paid	<b>(2,509)</b>	(3,426)
<b>Net cash from/(used in) operating activities</b>	<b>5,374</b>	(2,407)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	<b>(1,398)</b>	(1,390)
Purchase of financial asset through profit or loss	<b>(2,663)</b>	-
Purchase of of available-for-sale financial assets	<b>-</b>	(258)
Purchase of investment management fund	<b>-</b>	(1,745)
Proceeds from disposal of property, plant and equipment	<b>180</b>	173
Proceeds from disposal of asset held for sales	<b>-</b>	90
Proceeds from disposal of financial assets through profit or loss	<b>1,815</b>	-
Proceeds from disposal of available-for-sale financial assets	<b>-</b>	133
Proceeds from disposal of quoted investment	<b>24</b>	-
Net cash inflow from winding up a subsidiary company	<b>-</b>	124
Dividend received	<b>72</b>	53
<b>Net cash used in investing activities</b>	<b>(1,970)</b>	(2,820)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank borrowings	<b>(3,833)</b>	4,348
Repayment of hire purchase obligation	<b>-</b>	(312)
<b>Net cash (used in)/from financing activities</b>	<b>(3,833)</b>	4,036
Net changes in cash and cash equivalents	<b>(429)</b>	(1,191)
Cash and cash equivalent at beginning of period	<b>2,386</b>	3,577
Cash and cash equivalent at end of period	<b>1,957</b>	2,386
Represented by:		
Cash and bank balances	<b>2,400</b>	2,397
Bank overdrafts	<b>(443)</b>	(11)
	<b>1,957</b>	2,386

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 30<sup>th</sup> June 2014 and the accompanying explanatory notes attached to the interim financial statements.

**(A) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2015**

**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 2014. 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 2014.

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 30<sup>th</sup> June 2014.

**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 2015 (cont'd)**

**8. SEGMENTAL REPORTING**

Quarter ended 30<sup>th</sup> June 2015

	Apparels RM'000	Investment properties RM'000	Total RM'000
Revenue	99,728	1,943	101,671
Profit before interest, taxes, depreciation and amortisation	7,861	793	8,654
Depreciation and amortisation			(2,204)
Interest expenses			(220)
Interest income			120
Profit before taxation			6,350
Tax expenses			(1,832)
Profit for the period			4,518

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 2014.

**10. MATERIAL SUBSEQUENT EVENTS**

There were no 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 quarter under review.

**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	<b>RM'000</b> 30,428
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**(A) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2015 (cont'd)**

**13. CAPITAL COMMITMENTS**

Capital commitment as at 30<sup>th</sup> June 2015 is as follows:

Contracted	
Non-cancellable operating lease commitment	<b>RM'000</b>
- Not later than 1 year	782
- Later than 1 year and not later than 5 years	552
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	1,334
	<hr/>

**14. SIGNIFICANT RELATED PARTY TRANSACTIONS**

The Group undertakes at agreed terms and prices, the following significant related party transactions for the financial period ended 30<sup>th</sup> June 2015:

	<b>RM'000</b>
Purchase of goods from	
- Perniagaan Sulam Kim Bin (M) Sdn. Bhd.	132
- TGL Packaging Sdn. Bhd.	4
Rental paid to	
- TGL Packaging Sdn. Bhd.	605
- TGL Industries Sdn. Bhd.	600
- Bidang Cendana Sdn. Bhd.	87
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**(B) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 3 JUNE 2015**

**1. REVIEW OF PERFORMANCE**

Revenue for the fourth quarter and cumulative 12-month period ended 30<sup>th</sup> June 2015 is RM27.80 million and RM101.67 million as compared to RM24.52 million and RM104.94 million respectively recorded in previous year.

For the current quarter under review, the Group's revenue increased by 13.38% or RM3.28 million compared to the revenue recorded in the previous year corresponding quarter. The improvement is due to aggressive mid-year sales promotional activities and early buying from customer for Hari Raya Festival.

Loss before taxation of the Group was RM0.37 million as compared to RM0.05 million in the same quarter in previous year, an increase of 581.48%. The increase was mainly due to increase in operation costs.

Revenue for the 12 month period ended 30<sup>th</sup> June 2015 registered a slight decline of RM3.27 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.

Profit before taxation decreased by RM4.47 million or 41.29% from RM10.81 million to RM6.35 million mainly due drop in sales and increased in operating expenses.

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

	Quarter ended 30 June 2015 RM'000	Quarter ended 31 March 2015 RM'000
Revenue	27,796	20,457
(Loss)/Profit before taxation	(367)	184

As compared to the previous quarter, revenue for the quarter under review had improved by RM7.34 million or 35.88%.

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 higher revenue in current quarter under review, profit before taxation dropped by RM0.55 million from profit of RM0.18 million to loss before taxation of RM0.37 million compared to previous quarter. This was mainly due to a lower gross profit margin as post implementation of Goods and Services Tax ("GST"), the Group have to absorb the GST and an increase in operating expenses of approximately RM0.88 million compared to preceding quarter.

### 3. COMMENTARY ON PROSPECTS

For the financial year recently concluded, profit before taxation drop by approximately RM4.47 million or 41.29% from RM10.81 million to RM6.35 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 exacerbated by the weakening of Ringgit against US Dollar and rising operating costs. The impact of implementation of the GST in Malaysia also have a direct influence over the disposable income and consumers' sentiment. 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	
	2015	2014
	RM'000	RM'000
Tax liabilities at 1 July	728	1,083
Current period's provision	1,992	3,052
Net payment made during the period	(2,509)	(3,407)
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Tax liabilities at 30 June	211	728
	<hr/>	<hr/>
Disclosed as:		
Tax assets	(164)	(88)
Tax liabilities	375	816
	<hr/>	<hr/>
	211	728
	<hr/>	<hr/>
Taxation expense for the period:-		
Malaysian taxation	1,992	3,052
Deferred taxation	(160)	(80)
	<hr/>	<hr/>
	1,832	2,972
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The effective tax rate for the period ended 30<sup>th</sup> June 2015 was approximately 28.85% 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 2015 (cont'd)**

**7. GROUP BORROWINGS AND DEBT SECURITIES**

	<b>As at 30 June 2015 RM'000</b>	<b>As at 30 June 2014 RM'000</b>
(a) Short term borrowings		
- Unsecured	<b>2,108</b>	5,452
- Secured	<b>17</b>	57
	<b>2,125</b>	5,509
(b) Long term borrowings		
- Secured	-	17
<b>Total</b>	<b>2,125</b>	5,526

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 30<sup>th</sup> June 2015. The proposed dividend if approved will be paid on 16<sup>th</sup> December 2015 to depositors registered in the record of depositors at the close of business on 3<sup>rd</sup> December 2015.

**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 2014 was not qualified.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2015 (cont'd)**

**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:

	<b>Individual quarter ended</b>		<b>Year to date ended</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2015</b>	2014	<b>2015</b>	2014
Net (loss)/profit attributable to shareholders (RM'000)	<b>(384)</b>	(212)	<b>4,560</b>	7,798
Weighted average number of ordinary shares in issue ('000)	<b>40,742</b>	40,742	<b>40,742</b>	40,742
Basic (loss)/earnings per share (sen)	<b>(0.94)</b>	(0.52)	<b>11.19</b>	19.14

**(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 30<sup>th</sup> June 2015.

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**(B) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 June 2015 (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 20<sup>th</sup> 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 2015 RM'000	30 June 2014 RM'000
Total retained profits of the Group		
- Realised	37,913	36,408
- Unrealised	4,915	4,915
	<hr/>	<hr/>
	42,828	41,323
Consolidation adjustments	(5,343)	(5,343)
	<hr/>	<hr/>
	37,485	35,980
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**14. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME**

	Individual quarter ended 30 June 2015 RM'000	Year to date ended 30 June 2015 RM'000
Profit from operations for the period is arrived after charging:		
Depreciation of investment properties	302	722
Depreciation of property, plant and equipment	211	1,482
Property, plant and equipment written off	-	6
Loss on disposal of investment	-	3
And after crediting:		
Bad debts recovered	1	1
Interest income	41	120
Profit on disposal of property, plant and equipment	46	46

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 2015 (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 26<sup>th</sup> August 2015.

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

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

Date: 26<sup>th</sup> August 2015