

## **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 2017**

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

\* Financial Year End : **30<sup>th</sup> June 2017**

\* The figures : Have not been audited

**TEO GUAN LEE CORPORATION BHD (COMPANY NUMBER 283710-A)**
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 JUNE 2017 (UNAUDITED)**

|   | INDIVIDUAL PERIOD<br>(4TH QUARTER)       |  |         |                  | CUMULATIVE PERIOD                        |  |         |          |
|---|--|--|---------|------------------|--|--|---------|----------|
|   | Current<br>Year<br>Quarter<br>30.06.2017 | Preceding Year<br>Corresponding<br>Quarter<br>30.06.2016 | Changes | Changes          | Current<br>Year<br>To-date<br>30.06.2017 | Audited<br>Preceding Year<br>Corresponding<br>Period<br>30.06.2016 | Changes | Changes  |
|   | RM'000                                   | RM'000   | RM'000  | %                | RM'000                                   | RM'000   | RM'000  | %        |
| Revenue   | 37,643                                   | 36,164   | 1,479   | 4.09%            | 92,656                                   | 100,309  | (7,653) | -7.63%   |
| Gross profit  | 13,218<br>35%                            | 13,274<br>37%  | (56)    | -0.42%<br>-1.59% | 37,525<br>40%                            | 40,744<br>41%  | (3,219) | -7.90%   |
| Other operating income  | 679                                      | 201  | 478     | 237.81%          | 1,136                                    | 655  | 481     | 73.44%   |
| Operating expenses  | (9,084)                                  | (10,580)   | 1,496   | -14.14%          | (32,559)                                 | (34,095)   | 1,536   | -4.51%   |
| Profit from the operation                                       | 4,813                                    | 2,895  | 1,918   | 66.25%           | 6,102                                    | 7,304  | (1,202) | -16.46%  |
| Finance costs   | (29)                                     | (43)   | 14      | -32.56%          | (80)                                     | (196)  | 116     | -59.18%  |
| Profit before taxation  | 4,784                                    | 2,852  | 1,932   | 67.74%           | 6,022                                    | 7,108  | (1,086) | -15.28%  |
| Taxation  | (1,092)                                  | (577)  | (515)   | 89.25%           | (1,492)                                  | (1,748)  | 256     | -14.65%  |
| Profit for the period   | 3,692                                    | 2,275  | 1,417   | 62.29%           | 4,530                                    | 5,360  | (830)   | -15.49%  |
| Other comprehensive income/(loss)<br>for the period, net of tax | 46                                       | (22)   | 68      | -309.09%         | 619                                      | (472)  | 1,091   | -231.14% |
| Total comprehensive income<br>for the period                    | 3,738                                    | 2,253  | 1,485   | 65.91%           | 5,149                                    | 4,888  | 261     | 5.34%    |
| Profit attributable to :  |  |  |         |                  |  |  |         |          |
| Equity holders of the parent                                    | 3,722                                    | 2,257  | 1,465   | 64.91%           | 4,511                                    | 5,455  | (944)   | -17.31%  |
| Non-controlling interest  | (30)                                     | 18   | (48)    | -266.67%         | 19                                       | (95)   | 114     | -120.00% |
|   | 3,692                                    | 2,275  | 1,417   | 62.29%           | 4,530                                    | 5,360  | (830)   | -15.49%  |
| Total comprehensive income<br>attributable to:                  |  |  |         |                  |  |  |         |          |
| Equity holders of the parent                                    | 3,768                                    | 2,235  | 1,533   | 68.59%           | 5,130                                    | 4,983  | 147     | 2.95%    |
| Non-controlling interest  | (30)                                     | 18   | (48)    | -266.67%         | 19                                       | (95)   | 114     | -120.00% |
|   | 3,738                                    | 2,253  | 1,438   | 63.21%           | 5,149                                    | 4,888  | 261     | 5.34%    |
| Earnings per share  |  |  |         |                  |  |  |         |          |
| -Basic  | 9.14                                     | 5.54   |         |                  | 11.07                                    | 13.39  |         |          |
| -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 30<sup>th</sup> June 2016 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 2017**

|  | Unaudited<br>as at<br>30.06.2017<br>RM'000 | Audited<br>as at<br>30.06.2016<br>RM'000 |
|--|--|--|
| <b>ASSETS</b>  |  |  |
| <b>NON-CURRENT ASSETS</b>                                      |  |  |
| Property, plant and equipment                                  | 2,351                                      | 3,260                                    |
| Investment properties  | 21,303                                     | 21,964                                   |
| Available for sale investments                                 | 2,600                                      | 1,981                                    |
| Deferred tax assets  | 172  | 133                                      |
|  | <u>26,426</u>                              | <u>27,338</u>                            |
| <b>CURRENT ASSETS</b>  |  |  |
| Inventories  | 30,216                                     | 33,430                                   |
| Receivables  | 39,990                                     | 36,939                                   |
| Tax assets   | 225  | 245                                      |
| Financial assets at fair value through profit or loss          | 14,783                                     | 8,601                                    |
| Deposits, cash and bank balances                               | 1,487                                      | 1,903                                    |
|  | <u>86,701</u>                              | <u>81,118</u>                            |
| Investment in subsidiary company, held for distribution        | -  | 2,006                                    |
|  | <u>86,701</u>                              | <u>83,124</u>                            |
| <b>TOTAL ASSETS</b>  | <u>113,127</u>                             | <u>110,462</u>                           |
| <b>EQUITY AND LIABILITIES</b>                                  |  |  |
| <b>EQUITY ATTRIBUTABLE TO EQUITY<br/>HOLDERS OF THE PARENT</b> |  |  |
| Share capital  | 40,742                                     | 40,742                                   |
| Reserves   | 42,233                                     | 40,158                                   |
|  | <u>82,975</u>                              | <u>80,900</u>                            |
| Non-controlling interest                                       | 998  | 979                                      |
| <b>TOTAL EQUITY</b>  | <u>83,973</u>                              | <u>81,879</u>                            |
| <b>NON-CURRENT LIABILITY</b>                                   |  |  |
| Deferred taxation  | 1,871                                      | 1,892                                    |
| <b>CURRENT LIABILITIES</b>                                     |  |  |
| Payables   | 22,297                                     | 25,434                                   |
| Tax liabilities  | 272  | 428                                      |
| Derivative financial instruments                               | -  | 29                                       |
| Borrowings   | 4,714                                      | 800                                      |
|  | <u>27,283</u>                              | <u>26,691</u>                            |
| <b>TOTAL LIABILITIES</b>                                       | <u>29,154</u>                              | <u>28,583</u>                            |
| <b>TOTAL EQUITY AND LIABILITIES</b>                            | <u>113,127</u>                             | <u>110,462</u>                           |

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 2016 and the accompanying explanatory notes attached to the interim financial statements.

**TEO GUAN LEE CORPORATION BHD** (COMPANY NUMBER 283710-A)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY  
FOR THE QUARTER ENDED 30 JUNE 2017 (UNAUDITED)**

**Attributable to equity holders of the parent**

|   | <u>Non-distributable</u> |                              | <u>Distributable</u>       |                 | Non-Controlling Interest<br>RM'000 | Total Equity<br>RM'000 |
|---|--------------------------|------------------------------|----------------------------|-----------------|------------------------------------|------------------------|
|   | Share Capital<br>RM'000  | Fair value Reserve<br>RM'000 | Retained Profits<br>RM'000 | Total<br>RM'000 |                                    |                        |
| Balance at 1 July 2015                  | 40,742                   | 795                          | 37,435                     | 78,972          | 1,074                              | 80,046                 |
| Total comprehensive income for the year | -                        | (472)                        | 5,455                      | 4,983           | (95)                               | 4,888                  |
| Dividend paid                           | -                        | -                            | (3,055)                    | (3,055)         | -                                  | (3,055)                |
| Balance at 30 June 2016/1 July 2016     | 40,742                   | 323                          | 39,835                     | 80,900          | 979                                | 81,879                 |
| Total comprehensive income for the year | -                        | 619                          | 4,511                      | 5,130           | 19                                 | 5,149                  |
| Dividend paid                           | -                        | -                            | (3,055)                    | (3,055)         | -                                  | (3,055)                |
| Balance at 30 June 2017                 | 40,742                   | 942                          | 41,291                     | 82,975          | 998                                | 83,973                 |

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 2016 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 2017 (UNAUDITED)**

|   | <b>Unaudited<br/>30/6/2017<br/>RM'000</b> | <b>Audited<br/>30/6/2016<br/>RM'000</b> |
|---|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                       |   |   |
| <b>Profit before taxation</b>                                     | <b>6,022</b>                              | 7,108                                   |
| Adjustments for:  |   |   |
| Non-cash items  |   |   |
| Depreciation of property, plant and equipment                     | <b>1,323</b>                              | 1,440                                   |
| Depreciation of investment properties                             | <b>661</b>                                | 629                                     |
| Distribution from investment management funds                     | -   | (302)                                   |
| Gain on disposal of property, plant and equipment                 | -   | (94)                                    |
| Impairment on debts   | -   | 1                                       |
| Inventories written off/written down                              | <b>2,272</b>                              | 1,600                                   |
| Unrealised (gain)/loss on foreign exchange                        | <b>(228)</b>                              | 73                                      |
| Unrealised loss on derivative financial instruments               | -   | 30                                      |
|   | <b>10,050</b>                             | 10,485                                  |
| Dividend income   | <b>(83)</b>                               | (85)                                    |
| Interest expenses   | <b>80</b>                                 | 167                                     |
| Interest income   | <b>(619)</b>                              | (137)                                   |
| Operating profit before working capital changes                   | <b>9,428</b>                              | 10,430                                  |
| Changes in inventories  | <b>942</b>                                | 12,685                                  |
| Changes in receivables  | <b>(1,046)</b>                            | (8,195)                                 |
| Changes in payables   | <b>(2,938)</b>                            | (2,638)                                 |
| <b>Cash generated from operations</b>                             | <b>6,386</b>                              | 12,282                                  |
| Dividend paid   | <b>(3,055)</b>                            | (3,055)                                 |
| Interest received   | <b>619</b>                                | 19                                      |
| Interest paid   | <b>(80)</b>                               | (167)                                   |
| Tax refunded  | -   | 250                                     |
| Tax paid  | <b>(1,688)</b>                            | (2,167)                                 |
| <b>Net cash from operating activities</b>                         | <b>2,182</b>                              | 7,162                                   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                       |   |   |
| Distribution from investment management funds                     | -   | 302                                     |
| Dividend received   | <b>83</b>                                 | 85                                      |
| Placement for investment management fund                          | -   | (5,820)                                 |
| Purchase of property, plant and equipment                         | <b>(414)</b>                              | (953)                                   |
| Purchase of financial assets through profit or loss               | <b>(17,085)</b>                           | -                                       |
| Proceeds from disposal of financial assets through profit or loss | <b>10,903</b>                             | -                                       |
| Proceeds from disposal of property, plant and equipment           | -   | 102                                     |
| <b>Net cash used in investing activities</b>                      | <b>(6,513)</b>                            | (6,284)                                 |
| <b>CASH FLOWS FROM FINANCING ACTIVITY</b>                         |   |   |
| Bank borrowings   | <b>3,463</b>                              | (932)                                   |
| <b>Net cash from/(used in) financing activity</b>                 | <b>3,463</b>                              | (932)                                   |
| Net changes in cash and cash equivalents                          | <b>(868)</b>                              | (54)                                    |
| Cash and cash equivalent at beginning of period                   | <b>1,904</b>                              | 1,958                                   |
| Cash and cash equivalent at end of year                           | <b>1,036</b>                              | 1,904                                   |
| Represented by:   |   |   |
| Cash and bank balances  | <b>1,487</b>                              | 1,904                                   |
| Bank overdrafts   | <b>(451)</b>                              | -                                       |
|   | <b>1,036</b>                              | 1,904                                   |

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 2016 and the accompanying explanatory notes attached to the interim financial statements.

**(A) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2017**

**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 2016. 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 2016.

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 2016.

**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 2017 (cont'd)

8. SEGMENTAL REPORTING

Quarter ended 30<sup>th</sup> June 2017

|                                | Apparels<br>RM'000 | Investment<br>holding<br>RM'000 | Eliminations<br>RM'000 | Consolidated<br>RM'000 |
|--------------------------------|--------------------|---------------------------------|------------------------|------------------------|
| <b>Revenue</b>                 |                    |                                 |                        |                        |
| External revenue               | 90,643             | 2,013                           | -                      | 92,656                 |
| Inter-segment revenue          | 8,612              | 36                              | (8,648)                | -                      |
| Total segment revenue          | 99,255             | 2,049                           | (8,648)                | 92,656                 |
| <b>Results</b>                 |                    |                                 |                        |                        |
| Segment profit from operations | 9,275              | 1,063                           | (4,855)                | 5,483                  |
| Interest income                | 619                | -                               | -                      | 619                    |
| Interest expenses              | (80)               | -                               | -                      | (80)                   |
| Profit before tax              | 9,814              | 1,063                           | (4,855)                | 6,022                  |
| Tax expenses                   | (1,131)            | (384)                           | 23                     | (1,492)                |
| Profit for the financial year  | 8,683              | 679                             | (4,832)                | 4,530                  |
| <b>Attributable to:</b>        |                    |                                 |                        |                        |
| Owners of the Company          |                    |                                 |                        | 4,511                  |
| Non-controlling interest       |                    |                                 |                        | 19                     |
|                                |                    |                                 |                        | 4,530                  |
| Segment assets                 | 151,865            | 24,980                          | (63,718)               | 113,127                |
| Segment liabilities            | 54,701             | 7,680                           | (33,227)               | 29,154                 |

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 2016.

10. MATERIAL SUBSEQUENT EVENTS

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

**(A) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2017 (cont'd)**

**11. CHANGES IN COMPOSITION OF GROUP**

The wholly-owned subsidiary company, JC Garments (M) Sdn. Bhd. (“JCG”) have been placed under members’ voluntary winding-up (“winding-up”) pursuant to Section 254(1)(b) of the Companies Act, 1965 on 1<sup>st</sup> February 2016.

JCG 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.

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

**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 30<sup>th</sup> June 2017 is as follows:

|  |               |
|--|---------------|
| Contracted                                     |               |
| Non-cancellable operating lease commitment     | <b>RM'000</b> |
| - Not later than 1 year                        | 504           |
| - Later than 1 year and not later than 5 years | 43            |
|  | <hr/>         |
|  | 547           |
|  | <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 2017:

|  |               |
|--|---------------|
|  | <b>RM'000</b> |
| Purchase of goods from                   |               |
| - Perniagaan Sulam Kim Bin (M) Sdn. Bhd. | 66            |
| - TGL Packaging Sdn. Bhd.                | 4             |
| Rental paid to                           |               |
| - TGL Packaging Sdn. Bhd.                | 605           |
| - TGL Industries Sdn. Bhd.               | 600           |
| - Bidang Cendana Sdn. Bhd.               | 131           |
|  | <hr/>         |

**(B) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2017**

**1. REVIEW OF PERFORMANCE**

Revenue for the current quarter under review was RM37.64 million as compared to RM36.16 million recorded in the same quarter in previous year, an increase of 4.09% or RM1.48 million. The increased in sales of baby and children apparels and footwear was mainly due to higher sales recorded during Hari Raya festive season.

As Hari Raya Festival for 2017 has moved forward to 25<sup>th</sup> June 2017, the quarter under review managed to capture a full Hari Raya sales period. The Group recorded a profit before tax of RM4.78 million for the current quarter, an increase of 67.74% or RM1.93 million as compared to profit before tax of RM2.85 million in the previous year corresponding quarter. For the quarter under review, gross margin was slightly lower at 35% as compared to 37% in the corresponding quarter due to more aggressive sales and pricing strategies in order to drive sales.

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

|                              | Current<br>Year<br>Quarter<br>30 June 2017<br><br>RM'000 | Immediate<br>Preceding<br>Quarter<br>31 March 2017<br><br>RM'000 | Changes<br><br>RM'000 | Changes<br><br>% |
|------------------------------|--|--|-----------------------|------------------|
| Revenue                      | 37,643   | 16,971   | 20,672                | 122%             |
| Profit from the operation    | 4,813  | 132  | 4,681                 | 3546%            |
| Profit before taxation       | 4,784  | 110  | 4,674                 | 4249%            |
| Profit after tax             | 3,692  | 45   | 3,647                 | 8104%            |
| Profit attributable to :     |  |  |                       |                  |
| Equity holders of the parent | 3,722  | 36   | 3,686                 | 10239%           |
| Non-controlling interest     | (30)   | 9  | (39)                  | -433%            |
|                              | 3,692  | 45   | 3,647                 | 8104%            |

As compared to the previous quarter, revenue for the quarter under review had increased by RM20.67 million or 122%. The substantial increase in revenue in the current quarter is due to the Hari Raya festival sales.

The profit before tax of RM4.78 million for the current quarter was higher than the preceding quarter of RM0.11 million. The improvement in profit before tax was due to higher sales generated in the current quarter due to the Hari Raya festival sales.

**3. COMMENTARY ON PROSPECTS**

For the financial year recently concluded, profit after taxation decrease by approximately RM0.83 million or 15.49% from RM5.36 million to RM4.53 million when compared to that of the previous financial year.

Since the implementation of the Goods and Services Tax and continued weakening of the Ringgit, the retail environment remains soft and challenging. The Group will continue to implement aggressive sales strategies to drive sales and strengthen our sourcing in order to improve our margin in the current competitive environment. The Group will also ensure efficient use of resources and control operating costs to remain profitable.

**B) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2017 (cont'd)**

**4. VARIANCE FROM PROFIT FORECASTS**

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

**5. TAXATION**

|                                       | <b>Year to date ended<br/>30 June</b> |                |
|---------------------------------------|---------------------------------------|----------------|
|                                       | <b>2017</b>                           | <b>2016</b>    |
|                                       | <b>RM'000</b>                         | <b>RM'000</b>  |
| Tax liabilities at 1 July             | 183                                   | 248            |
| Current period's provision            | 1,552                                 | 1,848          |
| Loss on control of subsidiary company | -                                     | 4              |
| Net payment made during the period    | <b>(1,688)</b>                        | <b>(1,917)</b> |
|                                       | <hr/>                                 | <hr/>          |
| Tax (assets)/liabilities at 30 June   | <b>47</b>                             | 183            |
|                                       | <hr/>                                 | <hr/>          |
| Disclosed as:                         |                                       |                |
| Tax assets                            | <b>(225)</b>                          | (245)          |
| Tax liabilities                       | <b>272</b>                            | 428            |
|                                       | <hr/>                                 | <hr/>          |
|                                       | <b>47</b>                             | 183            |
|                                       | <hr/>                                 | <hr/>          |
| Taxation expense for the period:-     |                                       |                |
| - Malaysian taxation                  | <b>1,552</b>                          | 1,848          |
| - Deferred taxation                   | <b>(60)</b>                           | (100)          |
|                                       | <hr/>                                 | <hr/>          |
|                                       | <b>1,492</b>                          | 1,748          |
|                                       | <hr/>                                 | <hr/>          |

The effective tax rate for the year ended 30<sup>th</sup> June 2017 was approximately 24.78% 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.

**7. GROUP BORROWINGS AND DEBT SECURITIES**

|                                       | <b>As at<br/>30 June<br/>2017</b> | <b>As at<br/>30 June<br/>2016</b> |
|---------------------------------------|-----------------------------------|-----------------------------------|
|                                       | <b>RM'000</b>                     | <b>RM'000</b>                     |
| <b>Unsecured short borrowings</b>     |                                   |                                   |
| Bank overdrafts                       | <b>451</b>                        | -                                 |
| Bill payables and bankers' acceptance | <b>4,263</b>                      | 800                               |
|                                       | <hr/>                             | <hr/>                             |
|                                       | <b>4,714</b>                      | 800                               |
|                                       | <hr/>                             | <hr/>                             |

The above borrowings are all denominated in Ringgit Malaysia.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2017 (cont'd)**

**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 Directors proposed a final single tier dividend of 5 sen per share amounting to RM2,037,100 in respect of the financial year ended 30<sup>th</sup> June 2017. The proposed final dividend is 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 30<sup>th</sup> June 2016 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            |        |
|   | 2017                     | 2016   | 2017               | 2016   |
| Net profit attributable to shareholders<br>(RM'000)           | <b>3,722</b>             | 2,257  | <b>4,511</b>       | 5,455  |
| Weighted average number of ordinary shares<br>in issue ('000) | <b>40,742</b>            | 40,742 | <b>40,742</b>      | 40,742 |
| Basic earnings per share (sen)                                | <b>9.14</b>              | 5.54   | <b>11.07</b>       | 13.39  |

**(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 2017.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2017 (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 2017<br>RM'000 | 30 June 2016<br>RM'000 |
|-------------------------------------|------------------------|------------------------|
| Total retained profits of the Group |                        |                        |
| - Realised                          | 40,111                 | 38,883                 |
| - Unrealised                        | 4,891                  | 4,663                  |
|                                     | <hr/>                  | <hr/>                  |
|                                     | 45,002                 | 43,546                 |
| Consolidation adjustments           | (3,711)                | (3,711)                |
|                                     | <hr/>                  | <hr/>                  |
|                                     | 41,291                 | 39,835                 |
|                                     | <hr/>                  | <hr/>                  |

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

|  | Individual quarter ended<br>30 June 2017<br>RM'000 | Year to date ended<br>30 June 2017<br>RM'000 |
|--|--|--|
| Profit from operations for the period is arrived after charging: |  |  |
| Depreciation of investment properties                            | 167  | 661  |
| Depreciation of property, plant and equipment                    | 303  | 1,323  |
| Inventories written off/written down                             | 2,272  | 2,272  |
| Unrealised foreign exchange gain                                 | 175  | 228  |
| And after crediting:   |  |  |
| Interest income  | 312  | 619  |

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 2017 (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 28<sup>th</sup> August 2017.

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: 28<sup>th</sup> August 2017