

## **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> September 2018**

\* Quarter : **1<sup>st</sup> Quarter**

\* Financial Year End : **30<sup>th</sup> June 2019**

\* 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 SEPTEMBER 2018 (UNAUDITED)**

	INDIVIDUAL PERIOD (1ST QUARTER)				CUMULATIVE PERIOD			
	Current Year Quarter 30.09.2018	As restated Preceding Year Corresponding Quarter 30.09.2017	Changes	Changes	Current Year To-date 30.09.2018	As restated Unaudited Preceding Year Corresponding Period 30.09.2017	Changes	Changes
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	12,073	12,508	(435)	-3.48%	12,073	12,508	(435)	-3.48%
Gross profit	6,008 50%	6,157 49%	(149)	-2.42% 0.54%	6,008 50%	6,157 49%	(149)	-2.42%
Other operating income	521	245	276	112.65%	521	245	276	112.65%
Operating expenses	<u>(5,644)</u>	<u>(6,967)</u>	<u>1,323</u>	<u>-18.99%</u>	<u>(5,644)</u>	<u>(6,967)</u>	<u>1,323</u>	<u>-18.99%</u>
Profit/(loss) from the operation	885	(565)	1,450	256.64%	885	(565)	1,450	256.64%
Finance costs	<u>(94)</u>	<u>(58)</u>	<u>(36)</u>	<u>62.07%</u>	<u>(94)</u>	<u>(58)</u>	<u>(36)</u>	<u>62.07%</u>
Profit/(loss) before taxation	791	(623)	1,414	226.97%	791	(623)	1,414	226.97%
Taxation	<u>(118)</u>	<u>153</u>	<u>(271)</u>	<u>177.12%</u>	<u>(118)</u>	<u>153</u>	<u>(271)</u>	<u>177.12%</u>
Profit/(loss) for the period representing total comprehensive income/(loss for the period, net of tax	<u>673</u>	<u>(470)</u>	<u>1,143</u>	<u>243.19%</u>	<u>673</u>	<u>(470)</u>	<u>1,143</u>	<u>243.19%</u>
Profit attributable to :								
Equity holders of the parent	719	(504)	1,223	242.66%	719	(504)	1,223	242.66%
Non-controlling interest	<u>(46)</u>	<u>34</u>	<u>(80)</u>	<u>-235.29%</u>	<u>(46)</u>	<u>34</u>	<u>(80)</u>	<u>-235.29%</u>
	<u>673</u>	<u>(470)</u>	<u>1,143</u>	<u>-243.19%</u>	<u>673</u>	<u>(470)</u>	<u>1,143</u>	<u>-243.19%</u>
Earnings per share								
-Basic	1.76	(1.24)			1.76	(1.24)		
-Diluted	<u>N/A</u>	<u>N/A</u>			<u>N/A</u>	<u>N/A</u>		

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 2018 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 SEPTEMBER 2018**

	<b>Unaudited as at 30.09.2018 RM'000</b>	<b>Audited as at 30.06.2018 RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	1,964	1,814
Investment properties	21,069	21,226
Investment in quoted shares	2,442	2,429
Deferred tax assets	383	253
	25,858	25,722
<b>CURRENT ASSETS</b>		
Inventories	28,400	25,531
Receivables	16,931	40,770
Tax assets	42	36
Investment management funds	33,089	20,839
Deposits, cash and bank balances	1,872	1,354
	80,334	88,530
<b>TOTAL ASSETS</b>	106,192	114,252
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>		
Share capital	40,742	40,742
Reserves	45,554	44,835
	86,296	85,577
Non-controlling interest	961	1,007
<b>TOTAL EQUITY</b>	87,257	86,584
<b>NON-CURRENT LIABILITY</b>		
Deferred taxation	1,768	1,768
<b>CURRENT LIABILITIES</b>		
Payables	12,018	16,733
Tax liabilities	418	455
Borrowings	4,731	8,712
	17,167	25,900
<b>TOTAL LIABILITIES</b>	18,935	27,668
<b>TOTAL EQUITY AND LIABILITIES</b>	106,192	114,252

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 2018 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 SEPTEMBER 2018 (UNAUDITED)**

**Attributable to equity holders of the parent**

	<u>Non-distributable</u>		<u>Distributable</u>		Non- Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Fair value Reserve RM'000	Retained Earnings RM'000	Total RM'000		
Balance at 1 July 2017	40,742	942	41,319	83,003	990	83,993
Effect of adoption of MFRS 9	-	(942)	942	-	-	-
Balance at 1 July 2017 (restated)	40,742	-	42,261	83,003	990	83,993
Total comprehensive income for the year	-	-	4,611	4,611	17	4,628
Dividend paid	-	-	(2,037)	(2,037)	-	(2,037)
Balance at 30 June 2018	40,742	-	44,835	85,577	1,007	86,584
Balance at 1 July 2018	40,742	789	44,046	85,577	1,007	86,584
Effect of adoption of MFRS 9	-	(789)	789	-	-	-
Balance at 1 July 2018 (restated)	40,742	-	44,835	85,577	1,007	86,584
Total comprehensive income for the period	-	-	719	719	(46)	673
Balance at 30 September 2019	40,742	-	45,554	86,296	961	87,257

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 2018 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE QUARTER ENDED 30 SEPTEMBER 2018 (UNAUDITED)**

	<b>Unaudited 30.09.2018 RM'000</b>	As restated Unaudited 30.09.2017 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit/(Loss) before taxation</b>	<b>791</b>	(623)
Adjustments for:		
Non-cash items		
Depreciation of property, plant and equipment	<b>101</b>	258
Depreciation of investment properties	<b>157</b>	165
Fair value change in investment quoted shares	<b>(13)</b>	(4)
Gain on disposal of available-for-sale financial assets	<b>-</b>	(41)
	<b>1,036</b>	(245)
Distribution from investment management funds	<b>(596)</b>	(157)
Interest expenses	<b>94</b>	58
Interest income	<b>(7)</b>	(2)
Operating profit/(loss) before working capital changes	<b>527</b>	(346)
Changes in inventories	<b>(2,869)</b>	(1,326)
Changes in receivables	<b>23,839</b>	23,756
Changes in payables	<b>(4,715)</b>	(9,705)
<b>Cash generated from operations</b>	<b>16,782</b>	12,379
Interest received	<b>7</b>	2
Interest paid	<b>(94)</b>	(58)
Tax refunded	<b>20</b>	-
Tax paid	<b>(311)</b>	(159)
<b>Net cash from operating activities</b>	<b>16,404</b>	12,164
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	<b>(251)</b>	(58)
Purchase of available for sale investments	<b>-</b>	(60)
Placement for investment management fund	<b>(12,250)</b>	(12,814)
Proceeds from distribution from investment management funds	<b>596</b>	157
Proceeds from disposal of available-for-sale financial assets	<b>-</b>	102
<b>Net cash used in investing activities</b>	<b>(11,905)</b>	(12,673)
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Movement in short term borrowings	<b>(3,863)</b>	(131)
<b>Net cash from financing activity</b>	<b>(3,863)</b>	(131)
Net changes in cash and cash equivalents	<b>636</b>	(640)
Cash and cash equivalent at beginning of period	<b>1,236</b>	1,036
Cash and cash equivalent at end of period	<b>1,872</b>	396
Represented by:		
Cash and bank balances	<b>1,872</b>	984
Bank overdrafts	<b>-</b>	(588)
	<b>1,872</b>	396

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 2018 and the accompanying explanatory notes attached to the interim financial statements.

**(A) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPTEMBER 2018**

**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 2018. 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 2018.

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 2018 and which were adopted by the Group on 1<sup>st</sup> July 2018.

*Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards  
(Annual Improvements to MFRS Standards 2014 - 2016 Cycle)*

*Amendments to MFRS 2 Classification and Measurement of Share-based Payment Transactions*

*MFRS 9 Financial Instruments*

*MFRS 15 Revenue from Contracts with Customers*

*Amendments to MFRS 140 Transfers of Investment Property*

*IC Interpretation 22 Foreign Currency Transactions and Advance Consideration*

The adoption of the above pronouncements did not have any material impact to the current and prior period financial statements of the Group except as discussed below:

***MFRS 9 Financial Instruments***

**Classification and measurement**

The classification and measurement of financial assets is determined on the basis of the contractual cash flow characteristics and the objective of the business model associated with holding the assets. Key changes include the following:

- Three (3) principal classifications categories for financial assets are introduced:
  - Amortised Cost (“AC”)
  - Fair Value through Other Comprehensive Income (“FVOCI”); and
  - Fair Value through Profit or Loss (“FVTPL”)
- The held-to-maturity (“HTM”), available-for-sale (“AFS”) and loans and receivables “LAR”) asset categories will be removed;

(A) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPTEMBER 2018

2. CHANGES IN ACCOUNTING POLICIES (cont'd)

**MFRS 9 *Financial Instruments* (cont'd)**

**Classification and measurement (cont'd)**

- A new asset category measured at FVOCI introduced applies to debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a model whose objective is achieved by both collecting contractual cash flows and selling financial assets;
- A new asset category for non-traded equity investments measured at FVOCI is introduced;
- Classification of financial liabilities will remain largely unchanged, other than the fair value gains and losses attributable to changes in 'own credit risk' for financial liabilities designated and measured at fair value through profit or loss to be presented in other comprehensive income.

The adoption of MFRS 9 had an effect on the classification and measurement of the Group's financial assets, and had no impact on the classification and measurement of the Group's financial liabilities.

The following table shows the original measurement categories in accordance with MFRS 139 and the new measurement categories under MFRS 9 for the Group's financial assets as at 1<sup>st</sup> July 2018.

	Original classification under MFRS 139	Original carrying amount RM'000	New classification under MFRS 9	New carrying amount RM'000
Financial assets				
Investments	AFS	2,429	FVTPL	2,429
Investment management funds	FVTPL	20,839	FVTPL	20,839
Receivables	LAR	40,770	AC	40,770
Deposit, cash and bank balances	LAR	1,354	AC	1,354

The Group had investments in quoted shares classified as available for sale with a fair value of RM2,428,716. Under MFRS 9, the Group has elected to designate these investments to be measured at FVTPL. Other than the above, there were no change to the investments classification which will continue to be carried at FVTPL or AC.

Following the reclassification of all AFS financial assets to FVTPL, all AFS reserves as at 30 June 2018 of RM789,373 have been reclassified to the opening balance of retained earnings on 1 July 2018.

(A) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPTEMBER 2018

2. CHANGES IN ACCOUNTING POLICIES (cont'd)

**MFRS 9 *Financial Instruments* (cont'd)**

**Impairment**

The MFRS 9 impairment requirements are based on an expected credit loss model (“ECL”) that replaces the incurred loss model under the current accounting standard. The Group is required to recognise either a 12-month or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition. The ECL model will apply to financial assets measured at amortised cost or at FVOCI, which will include receivables, loans, advances and financing and debt instruments held by the Group. MFRS 9 has changed the Group’s current methodology for calculating allowances for impairment, in particular the requirements for individual and collective assessment and provisioning.

There is no material impact of the adoption MFRS 9 on the trade receivables of the Group.

**MFRS 15 *Revenue from Contracts with Customers***

MFRS 15 is effective for annual periods beginning on or after 1 January 2018. MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers.

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

There is no material impact of the adoption MFRS 15 on the net profit of the Group. Presentation of the financial statements was affected by the reclassification of affected items from expenses to revenue or vice versa.

**Impact of the adoption of MFRS 9 and MFRS 15**

The following disclosure summarises the impact, net of tax, of transition to MFRS 9 on the opening AFS reserve and retained earnings on 1 July 2018. There was no impact on other components of equity.

<b>Statement of financial position</b>	<b>As at 30.6.2017 RM'000</b>	<b>Adjustments due to adoption of MFRS 9</b>	<b>As restated as at 1.7.2017 RM'000</b>
<b>Equity</b>			
Fair value reserve	942	(942)	-
Retained earnings	41,319	942	42,261
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(A) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPTEMBER 2018

2. CHANGES IN ACCOUNTING POLICIES (cont'd)

**MFRS 9 Financial Instruments (cont'd)**

**Impact of the adoption of MFRS 9 and MFRS 15 (cont'd)**

**Statement of financial position**

	As at 30.6.2018 RM'000	Adjustments due to adoption of MFRS 9	As restated as at 1.7.2018 RM'000
<b>Equity</b>			
Fair value reserve	789	(789)	-
Retained earnings	44,046	789	44,835

A reclassification of RM789,373 (2017:941,949) from fair value reserve to retained earnings arising from the classification of the financial assets from AFS to FVTPL.

**Statement of profit or loss and other comprehensive**

**Profit or loss for 30 September 2017**

	Pre-MFRS 9 and MFRS 15 RM'000	Adjustments due to adoption of MFRS 9	Adjustments due to adoption of MFRS 15	As reported under MFRS 15 RM'000
Revenue	12,737	-	(229)	12,508
Cost of sales	(6,351)	-	-	(6,351)
Gross profit	6,386	-	(229)	6,157
Other operating income	223	22	-	245
Operating expenses	(7,178)	(18)	229	(6,967)
Loss from operation	(569)	4	-	(565)
Finance costs	(58)	-	-	(58)
Loss before taxation	(627)	4	-	(623)
Taxation	153	-	-	153
	(474)	4	-	(470)
Other comprehensive income for the period net of tax	4	(4)	-	-
Total comprehensive income	(623)	-	-	(623)

The impact arising from the adoption of MFRS 9 and MFRS 15 are applied retrospectively.

(A) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPTEMBER 2018

2. CHANGES IN ACCOUNTING POLICIES (cont'd)

**MFRS 9 Financial Instruments (cont'd)**

**Impact of the adoption of MFRS 9 and MFRS 15 (cont'd)**

**Statement of profit or loss and other comprehensive  
Profit or loss for 30 September 2017**

	Pre-MFRS 9 and MFRS 15 RM'000	Adjustments due to adoption of MFRS 9	Adjustments due to adoption of MFRS 15	As reported under MFRS 15 RM'000
Loss before taxation	(627)	4	-	(623)
Adjustments for:				
Non-cash items				
Depreciation of:				
- property, plant and equipment	258	-	-	258
- investment properties	165	-	-	165
Fair value changes in investment in quoted shares	-	(4)	-	(4)
Gain on disposal of investment in shares	(41)	-	-	(41)
	(245)	-	-	(245)
Distribution from investment management funds	(157)	-	-	(157)
Interest expenses	58	-	-	58
Interest paid	(2)	-	-	(2)
Operating loss before working capital change	(346)	-	-	(346)
Changes in inventories	(1,326)	-	-	(1,326)
Changes in receivables	23,756	-	-	23,756
Changes in payables	(9,705)	-	-	(9,705)
Cash generated from operations	12,379	-	-	12,379
Interest received	2	-	-	2
Interest paid	(58)	-	-	(58)
Tax paid	(159)	-	-	(159)
Net cash from operating activities	12,164	-	-	12,164

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.

(A) **NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPTEMBER 2018**

**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.

**8. SEGMENTAL REPORTING**

Quarter ended 30<sup>th</sup> September 2018

	Apparels RM'000	Investment holding RM'000	Eliminations RM'000	Consolidated RM'000
<b>Revenue</b>				
External revenue	11,598	475	-	12,073
Inter-segment revenue	826	36	(862)	-
Total segment revenue	12,424	511	(862)	12,073
<b>Results</b>				
Segment profit from operations	805	266	(789)	282
Interest income	7	-	-	7
Distribution from management investment funds	596	-	-	596
Interest expenses	(94)	-	-	(94)
Profit before tax	1,314	266	(789)	791
Tax expenses	(28)	(90)	-	(118)
Profit for the financial period	1,286	176	(789)	673
<b>Attributable to:</b>				
Owners of the Company				719
Non-controlling interest				(46)
				673
Segment assets	136,183	27,134	(57,125)	106,192
Segment liabilities	37,092	7,624	(25,781)	18,935

The Group's business activities were predominantly carried out in Malaysia.

**(A) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPTEMBER 2018 (cont'd)**

**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 2018.

**10. MATERIAL SUBSEQUENT EVENTS**

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

**11. CHANGES IN COMPOSITION OF GROUP**

There was no change in composition of the Group during the quarter under review.

**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> September 2018 is as follows:

Contracted	<b>RM'000</b>
Non-cancellable operating lease commitment	
- Not later than 1 year	10
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Investment properties	5,266
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**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> September 2018:

	<b>RM'000</b>
Purchase of goods from	
- Perniagaan Sulam Kim Bin (M) Sdn. Bhd.	6
Rental paid to	
- TGL Packaging Sdn. Bhd.	150
- TGL Industries Sdn. Bhd.	150
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**(B) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPTEMBER 2018**

**1. REVIEW OF PERFORMANCE**

Revenue for the current quarter under review was RM12,073 million as compared to RM12.508 million recorded in the same quarter in previous year, a decrease of 3.47% or RM0.434 million. The decrease was due to competition remain stiff as retail market remain soft after festive period.

The Group recorded a profit before tax of RM0.791 million for the current quarter, an increase of 226.97% or RM1.414 million as compared to loss before tax of RM0.623 million in the previous year corresponding quarter. The increase in profit before taxation mainly due to reduction in operating expenses and increase in other income from distribution from investment management funds.

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

	Current Year Quarter 30 September 2018  RM'000	Immediate Preceding Quarter 30 June 2018  RM'000 Restated	Changes  RM'000	Changes  %
Revenue	12,073	37,988	(25,915)	-68%
Profit from the operation	885	5,117	(4,232)	-83%
Profit before taxation	791	5,040	(4,249)	-84%
Profit after tax	673	3,871	(3,198)	-83%
Profit attributable to :				
Equity holders of the parent	719	3,955	(3,236)	-82%
Non-controlling interest	(46)	(84)	38	-45%
	673	3,871	(3,198)	-83%

As compared to the previous quarter, revenue for the quarter under review had decreased by RM25,915 million or 68%. The lower revenue achieved in current quarter under review was mainly due to the preceding quarter comprised Hari Raya festive season which formed a substantial portion of the Group's sales.

The profit before tax of RM0.791 million for the current quarter was lower than the preceding quarter of RM5.040 million in the preceding quarter due to substantial drop in sales in current quarter.

**3. COMMENTARY ON PROSPECTS**

Due to the uncertain economic conditions ahead and fluctuation in foreign exchange, 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 gross margins in the current competitive environment. The Group will also ensure efficient use of resources and control operating costs to remain profitable.

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

Barring any unforeseen circumstances, the Directors are cautiously optimistic that the Group will continue to stay competitive and maintain the view that long term prospect of the apparel industry remain good.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPTEMBER 2018 (cont'd)**

**4. VARIANCE FROM PROFIT FORECASTS**

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

**5. TAXATION**

	Year to date ended 30 September	
	2018	2017
	RM'000	RM'000
Tax liabilities at 1 July	419	48
Current period's provision	248	230
Net payment made during the year	(291)	(159)
Tax liabilities at 30 September	<u>376</u>	<u>119</u>
Disclosed as:		
Tax assets	(42)	(64)
Tax liabilities	418	183
	<u>376</u>	<u>119</u>
Taxation expense for the year:-		
- Malaysian taxation	248	230
- Deferred taxation	(130)	(383)
	<u>118</u>	<u>(153)</u>

The effective tax rate for the period ended 30<sup>th</sup> June 2018 was approximately 14.93% due to income from distribution from investment management funds is not taxable.

**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 30 September 2018 RM'000</b>	<b>As at 30 June 2018 RM'000</b>
<b>Unsecured short borrowings</b>		
Bank overdrafts	-	118
Bill payables and bankers' acceptance	<b>4,731</b>	8,594
	<b>4,731</b>	8,712

The above borrowings are all denominated in Ringgit Malaysia.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPTEMBER 2018 (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 final dividend which has been declared for the financial year ended 30<sup>th</sup> June 2018 is as follows:

Rate	:	5 sen per share (single tier)
Announced	:	30 <sup>th</sup> October 2018
Book Closure	:	30 <sup>th</sup> November 2018
Payment Date	:	20 <sup>th</sup> December 2018

**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 2018 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 2018	2017	30 September 2018	2017
Net profit/(loss) attributable to shareholders (RM'000)	719	(504)	719	(504)
Weighted average number of ordinary shares in issue ('000)	40,742	40,742	40,742	40,742
Basic earnings per share (sen)	1.76	(1.24)	1.76	(1.24)

**(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 2018.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2018 (cont'd)**

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

	Individual quarter ended	Year to date ended
	30 September 2018 RM'000	30 September 2018 RM'000
Profit from operations for the period is arrived after charging:		
Depreciation of investment properties	101	101
Depreciation of property, plant and equipment	157	157
Realised foreign exchange loss	38	38
And after crediting:		
Fair value change in investment in quoted shares	18	18
Distribution from investment management funds	596	596
Interest income	7	7
Realised foreign exchange gain	25	25

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 28<sup>th</sup> November 2018.

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



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Chew Siew Cheng (MAICSA 7019191)  
Lim Choo Tan (LS 0008888)  
Company Secretaries

Date: 28<sup>th</sup> November 2018