

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 : **31st December 2018**

* Quarter : **2nd Quarter**

* Financial Year End : **30th 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 31 DECEMBER 2018 (UNAUDITED)**

	INDIVIDUAL PERIOD (2ND QUARTER)				CUMULATIVE PERIOD			
	Current Year Quarter 31/12/2018	As restated Preceding Year Corresponding Quarter 31/12/2017	Changes	Changes	Current Year To-date 31/12/2018	As restated Unaudited Preceding Year Corresponding Period 31/12/2017	Changes	Changes
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	21,068	19,594	1,474	7.52%	33,141	32,102	1,039	3.24%
Gross profit	8,833 42%	8,632 44%	201	2.33%	14,841 45%	14,789 46%	52	0.35%
Other operating income	345	402	(57)	-14.18%	866	647	219	33.85%
Operating expenses	(7,524)	(7,652)	128	-1.67%	(13,168)	(14,620)	1,452	-9.93%
Profit from the operation	1,654	1,382	272	19.68%	2,539	816	1,723	211.15%
Finance costs	(62)	(68)	6	-8.82%	(156)	(126)	(30)	23.81%
Profit before taxation	1,592	1,314	278	21.16%	2,383	690	1,693	245.36%
Taxation	(398)	(364)	(34)	9.34%	(516)	(211)	(305)	144.55%
Profit for the period representing total comprehensive income for the period, net of tax	1,194	950	244	25.68%	1,867	479	1,388	289.77%
Profit attributable to :								
Equity holders of the parent	1,224	919	305	33.19%	1,943	414	1,529	369.32%
Non-controlling interest	(30)	31	(61)	-196.77%	(76)	65	(141)	-216.92%
	1,194	950	244	25.68%	1,867	479	1,388	289.77%
Earnings per share								
-Basic	3.00	2.26			4.77	1.02		
-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 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 31 DECEMBER 2018

	Unaudited as at 31.12.2018 RM'000	Audited as at 30.06.2018 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	2,008	1,814
Investment properties	20,911	21,226
Investment in quoted shares	2,303	2,429
Deferred tax assets	304	253
	25,526	25,722
CURRENT ASSETS		
Inventories	27,899	25,531
Receivables	22,719	40,770
Tax assets	52	36
Investment management funds	28,350	20,839
Deposits, cash and bank balances	1,008	1,354
	80,028	88,530
TOTAL ASSETS	105,554	114,252
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital	40,742	40,742
Reserves	44,741	44,835
	85,483	85,577
Non-controlling interest	931	1,007
TOTAL EQUITY	86,414	86,584
NON-CURRENT LIABILITIES		
Borrowings	14	-
Deferred taxation	1,768	1,768
	1,782	1,768
CURRENT LIABILITIES		
Payables	11,754	16,733
Tax liabilities	469	455
Borrowings	5,135	8,712
	17,358	25,900
TOTAL LIABILITIES	19,140	27,668
TOTAL EQUITY AND LIABILITIES	105,554	114,252

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30th 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 31 DECEMBER 2018 (UNAUDITED)**

	Attributable to equity holders of the parent					
	Non-distributable		Distributable		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	-	-	1,943	1,943	(76)	1,867
Dividend paid	-	-	(2,037)	(2,037)	-	(2,037)
Balance at 31 December 2018	40,742	-	44,741	85,483	931	86,414

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30th June 2018 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 31 DECEMBER 2018 (UNAUDITED)**

	Unaudited 31.12.2018 RM'000	As restated Unaudited 31.12.2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,383	690
Adjustments for:		
Non-cash items		
Depreciation of property, plant and equipment	263	541
Depreciation of investment properties	315	331
Fair value change in investment quoted shares	126	47
Gain on disposal of available-for-sale financial assets	-	(41)
Gain on disposal of property, plant and equipment	(53)	-
	3,034	1,568
Distribution from investment management funds	(751)	(405)
Interest expenses	156	126
Interest income	(15)	(10)
	2,424	1,279
Operating profit before working capital changes	2,424	1,279
Changes in inventories	(2,368)	(749)
Changes in receivables	18,051	17,879
Changes in payables	(4,979)	(10,180)
	13,128	8,229
Cash generated from operations	13,128	8,229
Dividend paid	(2,037)	(2,037)
Interest received	15	10
Interest paid	(156)	(126)
Tax refunded	27	-
Tax paid	(596)	(479)
	10,381	5,597
Net cash from operating activities	10,381	5,597
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(427)	(169)
Purchase of investment properties	-	(521)
Purchase of available for sale investments	-	(60)
Placement for investment management fund	(14,726)	(12,886)
Proceeds from distribution from investment management funds	751	405
Proceeds from disposal of investment management funds	7,215	6,221
Proceeds from disposal of available-for-sale financial assets	-	102
Proceeds from disposal of property, plant and equipment	53	-
	(7,134)	(6,908)
Net cash used in investing activities	(7,134)	(6,908)
CASH FLOWS FROM FINANCING ACTIVITY		
Repayment of hire purchase payable	(1)	-
Movement in short term borrowings	(3,474)	345
	(3,475)	345
Net cash from financing activity	(3,475)	345
Net changes in cash and cash equivalents	(228)	(966)
Cash and cash equivalent at beginning of period	1,236	1,036
Cash and cash equivalent at end of period	1,008	70
Represented by:		
Cash and bank balances	1,008	686
Bank overdrafts	-	(616)
	1,008	70

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statement for the year ended 30th June 2018 and the accompanying explanatory notes attached to the interim financial statements.

**(A) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 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 30th 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 30th 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 1st 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 31 DECEMBER 2018 (cont'd)**

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 1st 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 31 DECEMBER 2018 (cont'd)**

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 and comparatives will not be restated.

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.

Statement of financial position	As at 30.6.2017 RM'000	Adjustments due to adoption of MFRS 9	As restated as at 1.7.2017 RM'000
Equity			
Fair value reserve	942	(942)	-
Retained earnings	41,319	942	42,261
	<hr/>	<hr/>	<hr/>

(A) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2018 (cont'd)

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
Equity			
Fair value reserve	789	(789)	-
Retained earnings	44,046	789	44,835

A reclassification of RM789,373 (2017: RM941,949) 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 31 December 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	32,656	-	(554)	32,102
Cost of sales	(17,313)	-	-	(17,313)
Gross profit	15,343	-	(554)	14,789
Other operating income	637	10	-	647
Operating expenses	(15,117)	(57)	554	(14,620)
Profit from operation	863	(47)	-	816
Finance costs	(126)	-	-	(126)
Profit before taxation	737	(47)	-	690
Taxation	(211)	-	-	(211)
	526	(47)	-	479
Other comprehensive loss for the period net of tax	(47)	47	-	-
Total comprehensive income for the period net of tax	479	-	-	479

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 31 DECEMBER 2018 (cont'd)

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 cash flows

For the period ended 31 December 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
Profit before taxation	737	(47)	-	690
Adjustments for:				
Non-cash items				
Depreciation of:				
- property, plant and equipment	541	-	-	541
- investment properties	331	-	-	331
Fair value changes in investment in quoted shares	-	47	-	47
Gain on disposal of investment in shares	(41)	-	-	(41)
	1,568	-	-	1,568
Distribution from investment management funds	(405)	-	-	(405)
Interest expenses	126	-	-	126
Interest income	(10)	-	-	(10)
Operating profit before working capital changes	1,279	-	-	1,279
Changes in inventories	(749)	-	-	(749)
Changes in receivables	17,879	-	-	17,879
Changes in payables	(10,180)	-	-	(10,180)
Cash generated from operations	8,229	-	-	8,229
Dividend paid	(2,037)	-	-	(2,037)
Interest received	10	-	-	10
Interest paid	(126)	-	-	(126)
Tax paid	(479)	-	-	(479)
Net cash from operating activities	5,597	-	-	5,597

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 31 DECEMBER 2018 (cont'd)**

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

During the quarter under review, the final dividend amounting to RM2,037,110 (5 sen per share) in respect of financial year ended 30th June 2018 was paid on 20th December 2018.

8. SEGMENTAL REPORTING

Quarter ended 31st December 2018

	Apparels RM'000	Investment holding RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External revenue	32,194	947	-	33,141
Inter-segment revenue	1,567	18	(1,585)	-
Total segment revenue	33,761	965	(1,585)	33,141
Results				
Segment profit from operations	4,919	333	(3,479)	1,773
Interest income	15	-	-	15
Distribution from management investment funds	751	-	-	751
Interest expenses	(156)	-	-	(156)
Profit before tax	5,529	333	(3,479)	2,383
Tax expenses	(340)	(176)	-	(516)
Profit for the financial period	5,189	157	(3,479)	1,867
Attributable to:				
Owners of the Company				1,943
Non-controlling interest				(76)
				1,867
Segment assets	135,315	27,013	(56,774)	105,554
Segment liabilities	34,509	7,541	(22,910)	19,140

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

**(A) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 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 30th 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 31st December 2018 is as follows:

Contracted	RM'000
Investment properties	5,266

14. SIGNIFICANT RELATED PARTY TRANSACTIONS

The Group undertakes at agreed terms and prices, the following significant related party transactions for the financial period ended 31st December 2018:

	RM'000
Purchase of goods from	
- Perniagaan Sulam Kim Bin (M) Sdn. Bhd.	8
- TGL Packaging Sdn. Bhd.	1
Rental paid to	
- TGL Packaging Sdn. Bhd.	301
- TGL Industries Sdn. Bhd.	300

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**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2018 (cont'd)**

1. REVIEW OF PERFORMANCE

Revenue for the current quarter under review was RM21.068 million as compared to RM19.594 million recorded in the same quarter in previous year, an increase of 7.52% or RM1.474 million. The increase was due to higher sales generated in the current quarter which comprises of Christmas season and year end school holidays.

The Group recorded a profit before tax of RM1.592 million for the current quarter, an increase of 21.16% or RM0.278 million as compared to profit before tax of RM1.314 million in the previous year corresponding quarter. The increase in profit before taxation mainly due to higher sales generated in the current quarter.

2. COMPARISON WITH PRECEDING QUARTER'S REPORT

	Current Year Quarter 31 December 2018 RM'000	Immediate Preceding Quarter 30 September 2018 RM'000 Restated	Changes RM'000	Changes %
Revenue	21,068	12,073	8,995	75%
Profit from the operation	1,654	885	769	87%
Profit before taxation	1,592	791	801	101%
Profit after tax	1,194	673	521	77%
Profit attributable to :				
Equity holders of the parent	1,224	719	505	70%
Non-controlling interest	(30)	(46)	16	-35%
	1,194	673	521	77%

As compared to the previous quarter, revenue for the quarter under review had increased by RM8.995 million or 75%.

The current quarter achieved a profit before tax of RM1.592 million as compared to a profit before tax of RM0.791 million in the preceding quarter due to higher sales generated in the current quarter. The current quarter consists mainly of year end and school holiday sales.

3. COMMENTARY ON PROSPECTS

Despite 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.

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 31 DECEMBER 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 31 December	
	2018 RM'000	2017 RM'000
Tax liabilities at 1 July	419	48
Current period's provision	567	353
Net payment made during the year	(569)	(479)
	<hr/>	<hr/>
Tax liabilities/(assets) at 31 December	417	(78)
	<hr/>	<hr/>
Disclosed as:		
Tax assets	(52)	(280)
Tax liabilities	469	202
	<hr/>	<hr/>
	417	(78)
	<hr/>	<hr/>
Taxation expense for the year:-		
- Malaysian taxation	567	353
- Deferred taxation	(51)	(142)
	<hr/>	<hr/>
	516	211
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The effective tax rate for the period ended 31st December 2018 was approximately 21.65% 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

	As at 31 December 2018 RM'000	As at 30 June 2018 RM'000
Unsecured short borrowings		
Bank overdrafts	-	118
Bill payables and bankers' acceptance	5,120	8,594
	<hr/>	<hr/>
	5,120	8,712
Secured hire purchase payable	15	-
	<hr/>	<hr/>
	5,135	8,712
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**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2018 (cont'd)**

7. GROUP BORROWINGS AND DEBT SECURITIES (cont'd)

	As at	As at
	31 December	30 June
	2018	2018
Long term liability	RM'000	RM'000
Secured hire purchase payable	14	-
	14	-
Total liabilities	5,149	8,712

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

At the date of this report, there are no dividend declared that remained unpaid.

11. QUALIFICATION OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report of the most recent annual financial statements for the financial year ended 30th 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	
	31 December		31 December	
	2018	2017	2018	2017
Net profit attributable to shareholders (RM'000)	1,224	919	1,943	414
Weighted average number of ordinary shares in issue ('000)	40,742	40,742	40,742	40,742
Basic earnings per share (sen)	3.00	2.26	4.77	1.02

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2018 (cont'd)**

12. EARNINGS PER SHARE (cont'd)

(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 31st December 2018.

13. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter ended 31 December 2018 RM'000	Year to date ended 31 December 2018 RM'000
Profit from operations for the period is arrived after charging:		
Depreciation of investment properties	162	263
Depreciation of property, plant and equipment	158	315
Realised foreign exchange loss	10	48
Fair value change in investment in quoted shares	139	126
And after crediting:		
Distribution from investment management funds	155	751
Interest income	8	15
Realised foreign exchange gain	-	25
	<u> </u>	<u> </u>

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 26th February 2019.

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

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

Date: 26th February 2019