

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 March 2019**

* Quarter : **3rd 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 MARCH 2019 (UNAUDITED)**

	INDIVIDUAL PERIOD (3RD QUARTER)				CUMULATIVE PERIOD			
	Current Year Quarter 31/3/2019	As Restated Preceding Year Corresponding Quarter 31/3/2018	Changes	Changes	Current Year To-date 31/3/2019	As Restated Unaudited Preceding Year Corresponding Period 31/3/2018	Changes	Changes
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	18,472	16,491	1,981	12.01%	51,613	48,593	3,020	6.21%
Gross profit	7,353 40%	7,088 43%	265	3.74%	22,194 43%	21,877 45%	317	1.45%
Other operating income	315	197	118	59.90%	1,181	844	337	39.93%
Operating expenses	(6,759)	(6,814)	(55)	-0.81%	(19,927)	(21,434)	(1,507)	-7.03%
Profit from the operation	909	471	438	92.99%	3,448	1,287	2,161	167.91%
Finance costs	(59)	(61)	(2)	-3.28%	(215)	(187)	28	14.97%
Profit before taxation	850	410	440	107.32%	3,233	1,100	2,133	193.91%
Taxation	(207)	(131)	(76)	-58.02%	(723)	(342)	(381)	-111.40%
Profit for the period representing total comprehensive income for the period, net of tax	643	279	364	130.47%	2,510	758	1,752	231.13%
Profit attributable to :								
Equity holders of the parent	657	243	414	170.37%	2,600	657	1,943	295.74%
Non-controlling interest	(14)	36	(50)	-138.89%	(90)	101	(191)	-189.11%
	643	279	364	130.47%	2,510	758	1,752	231.13%
Earnings per share								
-Basic	1.61	0.60			6.38	1.61		
-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 MARCH 2019

	Unaudited as at 31.03.2019 RM'000	Audited as at 30.06.2018 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,896	1,814
Investment properties	21,751	21,226
Investment in quoted shares	2,359	2,429
Deferred tax assets	314	253
	<hr/> 26,320 <hr/>	<hr/> 25,722 <hr/>
CURRENT ASSETS		
Inventories	28,660	25,531
Receivables	18,911	40,770
Tax assets	201	36
Investment management funds	33,675	20,839
Deposits, cash and bank balances	747	1,354
	<hr/> 82,194 <hr/>	<hr/> 88,530 <hr/>
TOTAL ASSETS	<hr/> 108,514 <hr/>	<hr/> 114,252 <hr/>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital	40,742	40,742
Reserves	45,398	44,835
	<hr/> 86,140 <hr/>	<hr/> 85,577 <hr/>
Non-controlling interest	917	1,007
TOTAL EQUITY	<hr/> 87,057 <hr/>	<hr/> 86,584 <hr/>
NON-CURRENT LIABILITIES		
Borrowings	9	-
Deferred taxation	1,768	1,768
	<hr/> 1,777 <hr/>	<hr/> 1,768 <hr/>
CURRENT LIABILITIES		
Payables	13,779	16,733
Tax liabilities	275	455
Borrowings	5,626	8,712
	<hr/> 19,680 <hr/>	<hr/> 25,900 <hr/>
TOTAL LIABILITIES	<hr/> 21,457 <hr/>	<hr/> 27,668 <hr/>
TOTAL EQUITY AND LIABILITIES	<hr/> 108,514 <hr/>	<hr/> 114,252 <hr/>

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 MARCH 2019 (UNAUDITED)**

	Attributable to equity holders of the parent		Retained Earnings RM'000	Total RM'000	Non-Controlling Interest RM'000	Total Equity RM'000
	Non-distributable	Distributable				
	Share Capital RM'000	Fair value Reserve 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	-	-	2,600	2,600	(90)	2,510
Dividend paid	-	-	(2,037)	(2,037)	-	(2,037)
Balance at 31 March 2019	40,742	-	45,398	86,140	917	87,057

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 MARCH 2019 (UNAUDITED)**

	Unaudited 31/3/2019 RM'000	As restated Unaudited 31/3/2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,233	1,100
Adjustments for:		
Non-cash items		
Depreciation of property, plant and equipment	417	756
Depreciation of investment properties	472	502
Fair value change in investment quoted shares	70	197
Gain on disposal of available-for-sale financial assets	-	(41)
Gain on disposal of property, plant and equipment	(188)	-
	4,004	2,514
Distribution from investment management funds	(946)	(565)
Interest expenses	215	187
Interest income	(21)	(16)
	3,252	2,120
Operating profit before working capital changes	3,252	2,120
Changes in inventories	(3,129)	2,307
Changes in receivables	21,859	21,362
Changes in payables	(2,954)	(11,258)
	19,028	14,531
Cash generated from operations	19,028	14,531
Dividend paid	(2,037)	(2,037)
Interest received	21	16
Interest paid	(215)	(187)
Tax refunded	51	-
Tax paid	(1,180)	(934)
	15,668	11,389
Net cash from operating activities	15,668	11,389
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(469)	(245)
Purchase of investment properties	(997)	(521)
Purchase of available for sale investments	-	(102)
Placement for investment management fund	(20,051)	(18,705)
Proceeds from distribution from investment management funds	946	565
Proceeds from disposal of investment management funds	7,215	6,240
Proceeds from disposal of available-for-sale financial assets	-	103
Proceeds from disposal of property, plant and equipment	188	-
	(13,168)	(12,665)
Net cash used in investing activities	(13,168)	(12,665)
CASH FLOWS FROM FINANCING ACTIVITY		
Repayment of hire purchase payable	(6)	-
Movement in short term borrowings	(3,062)	494
	(3,068)	494
Net cash from financing activity	(3,068)	494
Net changes in cash and cash equivalents	(568)	(782)
Cash and cash equivalent at beginning of period	1,236	1,036
Cash and cash equivalent at end of period	668	254
Represented by:		
Cash and bank balances	747	642
Bank overdrafts	(79)	(388)
	668	254

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 MARCH 2019**

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 MARCH 2019 (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 MARCH 2019 (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 MARCH 2019 (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 March 2018

	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	49,672	-	(1,079)	48,593
Cost of sales	(26,716)	-	-	(26,716)
Gross profit	22,956	-	(1,079)	21,877
Other operating income	844	-	-	844
Operating expenses	(22,316)	(197)	1,079	(21,434)
Profit from operation	1,484	(197)	-	1,287
Finance costs	(187)	-	-	(187)
Profit before taxation	1,297	(197)	-	1,100
Taxation	(342)	-	-	(342)
	955	(197)	-	758
Other comprehensive loss for the period net of tax	(197)	197	-	-
Total comprehensive income for the period net of tax	758	-	-	758

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 MARCH 2019 (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 March 2018

	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	1,297	(197)	-	1,100
Adjustments for:				
Non-cash items				
Depreciation of:				
- property, plant and equipment	756	-	-	756
- investment properties	502	-	-	502
Fair value changes in investment in quoted shares	-	197	-	197
Gain on disposal of investment in shares	(41)	-	-	(41)
	2,514	-	-	2,514
Distribution from investment management funds	(565)	-	-	(565)
Interest expenses	187	-	-	187
Interest income	(16)	-	-	(16)
Operating profit before working capital changes	2,120	-	-	2,120
Changes in inventories	2,307	-	-	2,307
Changes in receivables	21,362	-	-	21,362
Changes in payables	(11,258)	-	-	(11,258)
Cash generated from operations	14,531	-	-	14,531
Dividend paid	(2,037)	-	-	(2,037)
Interest received	16	-	-	16
Interest paid	(187)	-	-	(187)
Tax paid	(934)	-	-	(934)
Net cash from operating activities	11,389	-	-	11,389

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 MARCH 2019 (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

No dividends were paid during the quarter under review.

8. SEGMENTAL REPORTING

Quarter ended 31st March 2019

	Apparels RM'000	Investment holding RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External revenue	50,174	1,439	-	51,613
Inter-segment revenue	1,915	27	(1,942)	-
Total segment revenue	52,089	1,466	(1,942)	51,613
Results				
Segment profit from operations	1,856	593	32	2,481
Interest income	21	-	-	21
Distribution from management investment funds	946	-	-	946
Interest expenses	(215)	-	-	(215)
Profit before tax	2,608	593	32	3,233
Tax expenses	(455)	(268)	-	(723)
Profit for the financial period	2,153	325	32	2,510
<u>Attributable to:</u>				
Owners of the Company				2,600
Non-controlling interest				(90)
				2,510
Segment assets	136,239	28,106	(55,831)	108,514
Segment liabilities	38,484	8,422	(25,449)	21,457

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

**(A) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2019 (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 March 2019 is as follows:

Contracted	RM'000
Investment properties	4,269
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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 31st March 2019:

	RM'000
Purchase of goods from	
- Perniagaan Sulam Kim Bin (M) Sdn. Bhd.	16
- TGL Packaging Sdn. Bhd.	4
Rental paid to	
- TGL Packaging Sdn. Bhd.	452
- TGL Industries Sdn. Bhd.	450
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**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2019 (cont'd)**

1. REVIEW OF PERFORMANCE

Revenue for the current quarter under review was RM18,472 million as compared to RM16,491 million recorded in the same quarter in previous year, a increase of 12.01% or RM1,981 million. The increased in sales of baby and children apparels and footwear was mainly due to higher sales recorded during Chinese New Year festive season.

The Group recorded a profit before tax of RM0.85 million for the current quarter, an increase of 107.32% or RM0.44 million as compared to profit before tax of RM0.410 million in the previous year corresponding quarter. The increase in profit before taxation mainly due to increase in sales.

2. COMPARISON WITH PRECEDING QUARTER'S REPORT

	Current Year Quarter 31 March 2019 RM'000	Immediate Preceding Quarter 31 December 2018 RM'000	Changes RM'000	Changes %
Revenue	18,472	21,068	(2,596)	-12%
Profit from the operation	909	1,654	(745)	-45%
Profit before taxation	850	1,592	(742)	-47%
Profit after tax	643	1,194	(551)	-46%
Profit attributable to :				
Equity holders of the parent	657	1,224	(567)	-46%
Non-controlling interest	(14)	(30)	16	-53%
	643	1,194	(551)	-46%

As compared to the previous quarter, revenue for the quarter under review had dropped by RM2,596 million or 12% from RM21,068 million to RM18,472 million.

The current quarter achieved a profit before tax of RM0.850 million as compared to a profit before tax of RM1.592 million in the preceding quarter due to lower sales generated in the current quarter.

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 MARCH 2019 (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 March	
	2019	2018
	RM'000	RM'000
Tax liabilities at 1 July	419	48
Current period's provision	784	478
Net payment made during the year	(1,129)	(934)
	<hr/>	<hr/>
Tax liabilities/(assets) at 31 March	74	(408)
	<hr/>	<hr/>
Disclosed as:		
Tax assets	(201)	(610)
Tax liabilities	275	202
	<hr/>	<hr/>
	74	(408)
	<hr/>	<hr/>
Taxation expense for the year:-		
- Malaysian taxation	784	478
- Deferred taxation	(61)	(136)
	<hr/>	<hr/>
	723	342
	<hr/>	<hr/>

The effective tax rate for the period ended 31st March 2019 was approximately 22.37% 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	As at
	31 March	30 June
	2019	2018
	RM'000	RM'000
Unsecured short borrowings		
Bank overdrafts	79	118
Bill payables and bankers' acceptance	5,532	8,594
	<hr/>	<hr/>
	5,611	8,712
Secured hire purchase payable	15	-
	<hr/>	<hr/>
	5,626	8,712
	<hr/>	<hr/>

The above borrowings are all denominated in Ringgit Malaysia.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2019 (cont'd)**

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

	As at 31 March 2018 RM'000	As at 30 June 2018 RM'000
Long term liability		
Secured hire purchase payable	9	-
	<u>9</u>	<u>-</u>
Total borrowings	<u>5,635</u>	<u>8,712</u>

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 March		31 March	
	2019	2018	2019	2018
Net profit attributable to shareholders (RM'000)	657	243	2,600	657
Weighted average number of ordinary shares in issue ('000)	40,742	40,742	40,742	40,742
Basic earnings per share (sen)	1.61	0.60	6.38	1.61

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2019 (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 March 2019.

13. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter ended 31 March 2019 RM'000	Year to date ended 31 March 2019 RM'000
Profit from operations for the period is arrived after charging:		
Depreciation of investment properties	209	472
Depreciation of property, plant and equipment	102	417
Realised foreign exchange loss	(25)	23
And after crediting:		
Fair value change in investment in quoted shares	(56)	70
Distribution from investment management funds	195	946
Gain on disposal of property, plant and equipment	188	188
Interest income	-	21
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 27th May 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: 27th May 2019