

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 : **30th June 2019**

* Quarter : **4th 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 30 JUNE 2019 (UNAUDITED)**

	INDIVIDUAL PERIOD (4TH QUARTER)				CUMULATIVE PERIOD			
	Current Year Quarter 30/6/2019	As restated Preceding Year Corresponding Quarter 30/6/2018	Changes	Changes	Current Year To-date 30/6/2019	As restated Audited Preceding Year Corresponding Period 30/6/2018	Changes	Changes
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	49,678	49,606	72	0.15%	114,029	108,135	5,894	5.45%
Gross profit	15,239 31%	12,423 25%	2,816	22.67% 5.63%	37,433 33%	34,300 32%	3,133	9.13%
Other operating income	205	254	(49)	-19.29%	1,386	1,098	288	26.23%
Operating expenses	(10,571)	(7,586)	(2,985)	39.35%	(30,498)	(28,823)	(1,675)	5.81%
Profit from the operation	4,873	5,091	(218)	-4.28%	8,321	6,575	1,746	26.56%
Finance costs	(83)	(96)	13	-13.54%	(298)	(283)	(15)	5.30%
Profit before taxation	4,790	4,995	(205)	-4.10%	8,023	6,292	1,731	27.51%
Taxation	(1,148)	(1,168)	20	1.71%	(1,871)	(1,510)	(361)	23.91%
Profit for the period	3,642	3,827	(185)	-4.83%	6,152	4,782	1,370	28.65%
Other comprehensive income/(loss) for the period, net of tax	-	44	(44)	-100.00%	-	(153)	153	-100.00%
Total comprehensive income for the period	3,642	3,871	(229)	-5.92%	6,152	4,629	1,523	32.90%
Profit attributable to :								
Equity holders of the parent	3,690	3,911	(221)	-5.65%	6,290	4,765	1,525	32.00%
Non-controlling interest	(48)	(84)	36	-42.86%	(138)	17	(155)	-911.76%
	3,642	3,827	(185)	-4.83%	6,152	4,782	1,370	28.65%
Total comprehensive income attributable to:								
Equity holders of the parent	3,690	3,955	(265)	-6.70%	6,290	4,612	1,678	36.38%
Non-controlling interest	(48)	(84)	36	-42.86%	(138)	17	(155)	-911.76%
	3,642	3,871	(229)	63.21%	6,152	4,629	1,523	32.90%
Earnings per share								
-Basic	9.06	9.60			15.44	11.70		
-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 30 JUNE 2019**

	Unaudited as at 30/6/2019 RM'000	Audited as at 30.06.2018 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,830	1,814
Investment properties	22,622	21,226
Investment in quoted shares	2,337	2,429
Deferred tax assets	253	253
	<u>27,042</u>	<u>25,722</u>
CURRENT ASSETS		
Inventories	26,224	25,531
Receivables	37,187	40,770
Tax assets	21	36
Investment management funds	22,180	20,839
Deposits, cash and bank balances	678	1,354
	<u>86,290</u>	<u>88,530</u>
TOTAL ASSETS	<u>113,332</u>	<u>114,252</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital	40,742	40,742
Reserves	49,088	44,835
	<u>89,830</u>	<u>85,577</u>
Non-controlling interest	869	1,007
TOTAL EQUITY	<u>90,699</u>	<u>86,584</u>
NON-CURRENT LIABILITY		
Borrowings	7	-
Deferred taxation	1,728	1,768
	<u>1,735</u>	<u>1,768</u>
CURRENT LIABILITIES		
Payables	10,761	16,733
Tax liabilities	694	455
Borrowings	9,443	8,712
	<u>20,898</u>	<u>25,900</u>
TOTAL LIABILITIES	<u>22,633</u>	<u>27,668</u>
TOTAL EQUITY AND LIABILITIES	<u>113,332</u>	<u>114,252</u>

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.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2019 (UNAUDITED)**

	Attributable to equity holders of the Company					
	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
Total comprehensive income for the year	-	(153)	4,764	4,611	17	4,628
Dividend paid	-	-	(2,037)	(2,037)	-	(2,037)
Balance at 30 June 2018	40,742	789	44,046	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	-	-	6,290	6,290	(138)	6,152
Dividend paid	-	-	(2,037)	(2,037)	-	(2,037)
Balance at 30 June 2019	40,742	-	49,088	89,830	869	90,699

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 30 JUNE 2019 (UNAUDITED)**

	Unaudited 30/6/2019 RM'000	Audited 30/6/2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,023	6,292
Adjustments for:		
Non-cash items		
Bad debts written off	-	3
Depreciation of investment properties	630	630
Depreciation of property, plant and equipment	563	962
Dividend income	(105)	(113)
Fair value change in investment quoted shares	92	-
Fair value loss/(gain) on investment management funds	116	(24)
Gain on disposal of available-for-sale financial assets	-	(41)
Gain on disposal of property, plant and equipment	(187)	(5)
Impairment loss on available for sale investments	-	83
Inventories written down to net realisable value	2,801	2,262
Property, plant and equipment written off	-	1
Addition/(Reversal) of impairment loss on debts	793	(4)
Unrealised loss/(gain) on foreign exchange	-	115
	12,726	10,161
Distribution from investment management funds	(1,115)	(762)
Interest expenses	298	265
Interest income	(30)	(24)
Operating profit before working capital changes	11,879	9,640
Changes in inventories	(3,494)	2,423
Changes in receivables	2,790	(793)
Changes in payables	(5,972)	(5,525)
Cash generated from operations	5,203	5,745
Dividend paid	(2,037)	(2,037)
Interest received	30	24
Interest paid	(298)	(265)
Tax paid	(1,711)	(1,505)
Tax refunded	54	192
Net cash from operating activities	1,241	2,154
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional placement for investment management funds	(20,134)	(6,033)
Dividend received	105	89
Proceeds from disposal of available-for-sale financial assets	-	103
Proceeds from disposal of property, plant and equipment	189	5
Proceeds from distribution from investment management funds	1,115	762
Proceeds from disposal of investment management funds	18,677	-
Purchase of available-for-sale financial assets	-	(103)
Purchase of investment properties	(2,026)	(521)
Purchase of property, plant and equipment	(552)	(423)
Net cash used in investing activities	(2,626)	(6,121)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of hire purchase payable	(7)	-
Movement in short term borrowings	505	4,167
Net cash from financing activities	498	4,167
Net changes in cash and cash equivalents	(887)	200
Cash and cash equivalent at beginning of period	1,236	1,036
Cash and cash equivalent at end of period	349	1,236
Represented by:		
Cash and bank balances	678	1,354
Bank overdrafts	(329)	(118)
	349	1,236

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 30 JUNE 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 30 JUNE 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 30 JUNE 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 had been restated. The restatement was made to largely reflect management’s assessment on Principal Versus Agent Consideration. Consignment commission was previously recognised as net of Revenue, it is now recognised as Cost of Sales.

Impact of the adoption of MFRS 9 and MFRS 15

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

A reclassification of RM789,373 from fair value reserve to retained earnings arising from the classification of the financial assets from AFS to FVTPL.

**(A) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 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 profit or loss and other comprehensive
Profit or loss for 30 June 2018**

	Pre-MFRS 9 and MFRS 15 RM'000	Adjustments due to adoption of MFRS 15 RM'000	As reported under MFRS 15 RM'000
Revenue	88,897	19,238	108,135
Cost of sales	(52,281)	(21,554)	(73,835)
Gross profit	36,616	(2,316)	34,300
Other operating income	1,098	-	1,098
Operating expenses	(31,139)	2,316	(28,823)
Profit from operation	6,575	-	6,575
Finance costs	(283)	-	(283)
Profit before taxation	6,292	-	6,292
Taxation	(1,510)	-	(1,510)
	4,782	-	4,782
Other comprehensive loss for the period net of tax	(153)	-	(153)
Total comprehensive income for the period net of tax	4,629	-	4,629

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

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.

**(A) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2019 (cont'd)**

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 30th June 2019

	Apparels RM'000	Investment holding RM'000	Eliminations RM'000	Consolidated RM'000
Revenue				
External revenue	112,143	1,886	-	114,029
Inter-segment revenue	9,837	36	(9,873)	-
Total segment revenue	121,980	1,922	(9,873)	114,029
Results				
Segment profit from operations	13,363	770	(6,957)	7,176
Interest income	30	-	-	30
Distribution from management investment funds	1,115	-	-	1,115
Interest expenses	(298)	-	-	(298)
Profit before tax	14,210	770	(6,957)	8,023
Tax expenses	(1,570)	(301)	-	(1,871)
Profit for the financial period	12,640	469	(6,957)	6,152
Attributable to:				
Owners of the Company				6,290
Non-controlling interest				(138)
				6,152
Segment assets	141,141	27,159	(54,968)	113,332
Segment liabilities	39,761	7,446	(24,574)	22,633

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 30th June 2018.

**(A) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2019 (cont'd)**

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 30th June 2019 is as follows:

Contracted	RM'000
Investment properties	3,240
	<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 30th June 2019:

	RM'000
Purchase of goods from	
- Perniagaan Sulam Kim Bin (M) Sdn. Bhd.	35
- TGL Packaging Sdn. Bhd.	5
Rental paid to	
- TGL Packaging Sdn. Bhd.	602
- TGL Industries Sdn. Bhd.	600
	<hr/>

[The rest of the page is intentionally left blank]

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2019 (cont'd)**

1. REVIEW OF PERFORMANCE

Revenue for the current quarter under review was RM49.678 million as compared to RM49.606 million recorded in the same quarter in previous year, an increase of 0.15% or RM0.072 million.

The Group recorded a profit before tax of RM4.79 million for the current quarter, a decrease of 4.10% or RM0.205 million as compared to profit before tax of RM4.995 million in the previous year corresponding quarter.

2. COMPARISON WITH PRECEDING QUARTER'S REPORT

	Current Year Quarter 30 June 2019 RM'000	Immediate Preceding Quarter 31 March 2019 RM'000	Changes RM'000	Changes %
Revenue	49,678	22,909	26,769	117%
Profit from the operation	4,873	909	3,964	436%
Profit before taxation	4,790	850	3,940	464%
Profit after tax	3,642	643	2,999	466%
Profit attributable to :				
Equity holders of the parent	3,690	657	3,033	462%
Non-controlling interest	(48)	(14)	(34)	243%
	3,642	643	2,999	466%

As compared to the previous quarter, revenue for the quarter under review had increased by RM26.769 million or 117%. The substantial increase in revenue in the current quarter is due to the Hari Raya festival sales.

The profit before tax of RM4.79 million for the current quarter was higher than the preceding quarter of RM0.85 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 increase by approximately RM1.37 million or 28.65% from RM4.782 million to RM6.152 million when compared to that of the previous financial year.

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 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 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	
	30 June	
	2019	2018
	RM'000	RM'000
Tax liabilities at 1 July	419	48
Current period's provision	1,911	1,684
Net payment made during the year	(1,657)	(1,313)
	<hr/>	<hr/>
Tax liabilities at 30 June	673	419
	<hr/>	<hr/>
Disclosed as:		
Tax assets	(21)	(36)
Tax liabilities	694	455
	<hr/>	<hr/>
	673	419
	<hr/>	<hr/>
Taxation expense for the year:-		
- Malaysian taxation	1,911	1,684
- Deferred taxation	-	(174)
	<hr/>	<hr/>
	1,911	1,510
	<hr/>	<hr/>

The effective tax rate for the period ended 30th June 2019 was approximately 23.33% 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
	30 June	30 June
	2019	2018
	RM'000	RM'000
Unsecured short term borrowings		
Bank overdrafts	329	118
Bill payables and bankers' acceptance	9,099	8,594
	<hr/>	<hr/>
	9,428	8,712
Secured hire purchase payable	15	-
	<hr/>	<hr/>
	9,443	8,712
	<hr/>	<hr/>

The above borrowings are all denominated in Ringgit Malaysia.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 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	<u>7</u>	<u>-</u>
	<u>7</u>	<u>-</u>
Total borrowings	<u>9,450</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

The Directors proposed a final single tier dividend of 5 sen per share and a special single tier dividend of 3.5 sen per share amounting to RM3,463,087 in respect of the financial year ended 30th June 2019. The proposed final dividend and special dividend are 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 30th June 2018 was not qualified.

[The rest of the page is intentionally left blank]

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

12. EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share of the Group is calculated based on the net profit attributable to shareholders divided by weighted average number of ordinary shares in issue as follow:

	Individual quarter ended		Year to date ended	
	30 June		30 June	
	2019	2018	2019	2018
Net profit attributable to shareholders (RM'000)	3,690	3,911	6,290	4,765
Weighted average number of ordinary shares in issue ('000)	40,742	40,742	40,742	40,742
Basic earnings per share (sen)	9.06	9.60	15.44	11.70

(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 30th June 2019.

13. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter ended	Year to date ended
	30 June 2019	30 June 2019
	RM'000	RM'000
Profit from operations for the period is arrived after charging:		
Depreciation of investment properties	158	630
Depreciation of property, plant and equipment	146	563
Inventories written down to net realisable value	2,801	2,801
Realised foreign exchange loss	7	30
Fair value loss on investment management funds	116	116
Fair value change in investment in quoted shares	22	92
And after crediting:		
Distribution from investment management funds	169	1,115
Dividend income	31	105
Gain on disposal of property, plant and equipment	(1)	187
Interest income	9	30

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 31 MARCH 2019 (cont'd)**

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 28th August 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: 28th August 2019