



潮源利機構有限公司
TEO GUAN LEE CORPORATION BERHAD (283710-A)

Plot 28, Lorong Perusahaan Maju 4, Prai Industrial Estate, 13600 Prai, Penang, Malaysia. * Tel: 04-5076228 * Fax: 04-5079228

Your Ref:

Our Ref:

25 November 2024
MINORITY SHAREHOLDERS WATCH GROUP
Level 23, Unit 23-2, Menara AIA Sentral
No. 30, Jalan Sultan Ismail,
50250 Kuala Lumpur.

Dear Sir,

Teo Guan Lee Corporation Bhd 31st Annual General Meeting (“AGM”) to be held on 27th November 2024.

We refer to your letter dated 20 November 2024 and append herewith our responses to your questions.

A. Operational and Financial Matters

1. (a) Kiki Lala, Cuddles, Pronic and Kiko contributed 75.45% of total revenue for year ended 30 June 2024.
(b) Yes, Kiko has met its profitability and revenue target for the financial year ended 30 June 2023 and 30 June 2024.
(c) We expect to recover the investment by 30 June 2027.
(d) No, besides licensed brands, we also sell customer's home brands and other category of products namely household and stationery items.
(e) Total royalty for the financial year ended 30 June 2024 is disclosed in selling & distribution costs.
2. (a) Yes.
(b) We are still engaging with third party to explore ways to improve brand awareness by participating in advertisement campaigns and promotions.
3. (a) Industrial lots contributed 37.77% of the total rental income.
(b) No, the industrial lots are tenanted for 3 years tenancy and there are no upcoming contract expiration in the coming financial year.
4. The higher markdown of inventories of RM5.04 million as compared to previous years was due to additional markdown for certain category of stocks that are slow moving and additional promotional activities with customers to drive more sales.

B. Sustainability Matters

1. We have commenced collecting data for for the enhanced reporting requirements. We are in the process of formalizing the Sustainable Working Committee to assist the Board to discuss their duties and meeting their obligations under the enhanced reporting requirements.

2. We continue to reduce carbon footprint and minimize harm to the environment through efficient management of our energy consumption. The Company is revisiting its ESG initiatives and review its impact analysis of climate change on its operations. Our electricity consumption in both office premises is less than RM8,000 thus not cost effective to instal solar photovoltaic panels.

C. Corporate Governance Matters

1. We take note of the recommendations of Practice 5.9 and 5.10 .
However, the Board is of the view that there is no “one-size-fits all” in any Board composition to meet the Group’s corporate objectives, be it on skill sets, age, cultural background or gender, much less setting a gender diversity target. It must be appreciated that the nuances, culture & chemistry of each Board invariably differ from another. As such, the Board has decided NOT to adopt any target on Board gender diversity for the time being, and this stance has been clearly articulated in the CG Report 2024. Of course, the Board will not hesitate to revisit this matter as circumstances dictate in the future.
2. Even though the Board does not have a gender diversity policy, the Company started to track its gender and age of its directors, management and employees in the current Sustainability Report and the data is on Page 23 of the Annual Report. From the analysis, women consist 31% of the managerial position and 25% of the executive directors/senior management.

We hope the above answers your questions and we are happy to provide any further information if the need arises.

Thank you.

Yours faithfully,



Toh Kian Beng
Executive Chairman