

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 September 2009**
* Quarter : **1st Quarter**
* Financial Year End : **30th June 2010**
* The figures : Have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2009

		INDIVIDUAL QUARTER 3 MONTHS ENDED		CUMULATIVE PERIOD 3 MONTHS ENDED	
	Note	CURRENT YEAR QUARTER 30/09/2009 (UNAUDITED) RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2008 UNAUDITED RM'000	CURRENT YEAR TO DATE 30/09/2009 (UNAUDITED) RM'000	AS RESTATE D PRECEDING YEAR CORRESPONDING PERIOD 30/09/2008 UNAUDITED RM'000
REVENUE	(A) 9	41,976	46,710	41,976	46,710
GROSS PROFIT		17,151 41%	21,790 47%	17,151 41%	21,790 47%
OTHER OPERATING INCOME		32	57	32	57
OPERATING EXPENSES		<u>(5,877)</u>	<u>(7,947)</u>	<u>(5,877)</u>	<u>(7,947)</u>
PROFIT FROM OPERATION		11,306	13,900	11,306	13,900
FINANCE COSTS		<u>(233)</u>	<u>(435)</u>	<u>(233)</u>	<u>(435)</u>
PROFIT BEFORE TAXATION		11,073	13,465	11,073	13,465
TAXATION	B(19)	<u>(2,778)</u>	<u>(3,369)</u>	<u>(2,778)</u>	<u>(3,369)</u>
PROFIT FOR THE PERIOD		<u>8,295</u>	<u>10,096</u>	<u>8,295</u>	<u>10,096</u>
ATTRIBUTABLE TO :					
EQUITY HOLDERS OF THE PARENT		8,282	10,075	8,282	10,075
MINORITY INTEREST		<u>13</u>	<u>21</u>	<u>13</u>	<u>21</u>
		<u>8,295</u>	<u>10,096</u>	<u>8,295</u>	<u>10,096</u>
EARNINGS PER SHARE (SEN)					
-BASIC	(B) 28	20.66	30.34	20.66	30.34
-DILUTED	(B) 28	<u>20.66</u>	<u>30.34</u>	<u>20.66</u>	<u>30.34</u>

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 30 June 2009 and the accompanying explanatory notes attached to the interim financial statements.

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

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2009

	Note	AS AT END OF CURRENT PERIOD 30/09/2009 (UNAUDITED) RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 30/06/2009 AUDITED RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	(A)10	5,026	5,177
Investment properties	(A)10	23,919	23,919
Prepaid Lease payments	(A)10	536	538
Investments	(B)20	113	113
Goodwill		14	14
Deferred tax assets		73	486
		<u>29,681</u>	<u>30,247</u>
CURRENT ASSETS			
Inventories		47,615	40,825
Receivables		39,873	21,582
Tax assets		227	158
Cash and bank balances		1,797	677
		<u>89,512</u>	<u>63,242</u>
TOTAL ASSETS		<u>119,193</u>	<u>93,489</u>
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Share capital		40,085	40,085
Reserves		21,042	12,731
		<u>61,127</u>	<u>52,816</u>
Minority interest		942	929
TOTAL EQUITY		<u>62,069</u>	<u>53,745</u>
NON-CURRENT LIABILITIES			
Borrowings	(B) 23	6,330	6,583
Deferred tax liabilities		1,894	2,207
		<u>8,224</u>	<u>8,790</u>
CURRENT LIABILITIES			
Payables		25,343	13,303
Tax liabilities		3,287	906
Borrowings	(B) 23	20,270	16,745
		<u>48,900</u>	<u>30,954</u>
TOTAL LIABILITIES		<u>57,124</u>	<u>39,744</u>
TOTAL EQUITY AND LIABILITIES		<u>119,193</u>	<u>93,489</u>
Net Assets Per Share (RM)		<u>1.52</u>	<u>1.32</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 30 June 2009 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2009 (UNAUDITED)**

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT					RM'000	MINORITY INTEREST RM'000	TOTAL EQUITY RM'000
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	NON-DISTRIBUTABLE FOREIGN CURRENCY TRANSLATION RESERVE RM'000	DISTRIBUTABLE REVALUATION SURPLUS RM'000	RETAINED PROFITS RM'000			
BALANCE AT 1 JULY 2008	20,753	1,222	(129)	-	20,280	42,126	1,027	43,153
ISSUANCE OF SHARES								
- Private placement	4,300	-	-	-	-	4,300	-	4,300
- Bonus issue	15,032	(823)	-	-	(14,209)	-	-	-
	19,332	(823)	-	-	(14,209)	4,300	-	4,300
NET EXPENSES RECOGNISED DIRECTLY IN EQUITY								
- CORPORATE EXERCISE EXPENSES	-	(399)	-	-	-	(399)	-	(399)
- FOREIGN CURRENCY TRANSLATION	-	-	(29)	-	-	(29)	-	(29)
- REVALUATION SURPLUS	-	-	-	70	-	70	-	70
PROFIT FOR THE FINANCIAL YEAR	-	-	-	-	6,748	6,748	(98)	6,650
TOTAL RECOGNISED INCOME AND EXPENSES FOR THE PERIOD	-	(399)	(29)	70	6,748	6,390	(98)	6,292
BALANCE AT 30 JUNE 2009	40,085	-	(158)	70	12,819	52,816	929	53,745

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2009 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 CONT'D)
FOR THE QUARTER ENDED 30 SEPTEMBER 2009 (UNAUDITED)**

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT					RM'000	MINORITY INTEREST RM'000	TOTAL EQUITY RM'000
	NON-DISTRIBUTABLE		DISTRIBUTABLE					
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	FOREIGN CURRENCY TRANSLATION RESERVE RM'000	REVALUATION SURPLUS RM'000	RETAINED PROFITS RM'000			
BALANCE AT 1 JULY 2009	40,085	-	(158)	70	12,819	52,816	929	53,745
NET EXPENSES RECOGNISED DIRECTLY IN EQUITY								
- FOREIGN CURRENCY TRANSLATION	-	-	29	-	-	29	-	29
PROFIT FOR THE PERIOD	-	-	-	-	8,282	8,282	13	8,295
TOTAL RECOGNISED INCOME AND EXPENSES FOR THE PERIOD	-	-	29	-	8,282	8,311	13	8,324
BALANCE AT 30 JUNE 2009	40,085	-	(129)	70	21,101	61,127	942	62,069

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2009 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 SEPTEMBER 2009 (UNAUDITED)**

	3 MONTHS ENDED 30/9/2009	3 MONTHS ENDED 30/9/2008
Note	(UNAUDITED)	UNAUDITED AS RESTATE D
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	11,073	13,465
Adjustments for:		
Non-cash items		
Allowance for doubtful debts/bad debts written off	-	-
Allowance for doubtful debts no longer required	(7)	-
Inventories written off/written down	1,500	506
Depreciation of property, plant and equipment and prepaid lease payment	271	268
	<u>12,837</u>	<u>14,239</u>
Non-cash items		
Interest expenses	233	435
Interest income	(1)	-
Profit on disposal of property, plant and equipment	-	(40)
Property, plant and equipment written off	-	-
Operating profit before working capital changes	<u>13,069</u>	<u>14,634</u>
(Increase)/Decrease in inventories	(8,290)	(9,479)
(Increase)/Decrease in receivables	(18,284)	(29,778)
Increase/(Decrease) in payables	12,040	21,177
Cash generated from operations	<u>(1,465)</u>	<u>(3,446)</u>
Interest received	1	-
Interest paid	(233)	(435)
Tax refunded	-	-
Tax paid	(357)	(605)
Net cash generated from operating activities	<u>(2,054)</u>	<u>(4,486)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	1	(139)
Proceeds from disposal of property, plant and equipment	(99)	40
Net cash used in investing activities	<u>(98)</u>	<u>(99)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	6,376	8,045
Net cash used in financing activities	<u>6,376</u>	<u>8,045</u>
Net (decrease)/increased in cash and cash equivalents	<u>4,224</u>	<u>3,460</u>
Effect of exchange rate changes	-	-
	<u>4,224</u>	<u>3,460</u>
Cash and cash equivalent at beginning of period	<u>(3,677)</u>	<u>(2,339)</u>
Effect of exchange rate changes	-	-
	<u>(3,677)</u>	<u>(2,339)</u>
Cash and cash equivalent at end of period	<u>547</u>	<u>1,121</u>
Represented by:		
Deposit, cash and bank balances	1,797	3,405
Bank overdrafts	(1,250)	(2,284)
	<u>547</u>	<u>1,121</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 30 June 2009 and the accompanying explanatory notes attached to the interim financial statements.

**(A) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2009**

1. BASIS OF PREPARATION

The interim financial statements are unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard (“FRS”) 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements have been prepared under the historical cost convention except for investment properties that are stated at fair value.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30th June 2009. 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 2009.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM’000) except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 June 2009 except for the adoption of FRS 8 Operating Segments effective for financial period beginning 1 July 2009. The adoption of the abovementioned Standard does not have significant impact on the financial statements of the Group except for additional disclosure requirements.

3. QUALIFICATION OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors’ report of the most recent annual financial statements for the financial year ended 30th June 2009 was not qualified.

4. 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 and consumer confidence and is seasonal with demand peaking at the festive seasons at the end and beginning of the year.

5. UNUSUAL MATERIAL ITEMS

There were no unusual material items during the financial period under review.

6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates that have a material effect to the current quarter results.

7. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuance or repayment of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares since last financial year.

**(A) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2009 (cont'd)**

8. DIVIDEND PAID

No dividends were paid out during the quarter under review.

9. SEGMENTAL REPORTING

3 months ended 30th September 2009

	Revenue RM'000	Profit before taxation RM'000
Apparels	43,255	11,918
Investment properties	463	248
Consolidation adjustments	<u>(1,742)</u>	<u>(1,093)</u>
	<u>41,976</u>	<u>11,073</u>

The Group's business activities were predominantly carried out in Malaysia, therefore information by geographical segment is not applicable.

10. CARRYING AMOUNT OF REVALUED ASSETS

The valuation of land and buildings have been brought forward, without amendment from the financial statements for the financial year ended 30th June 2009.

11. MATERIAL SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the quarter and the date of this announcement, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to effect substantially the results of the operations of the Company and of the Group for the interim quarter under review.

12. CHANGES IN COMPOSITION OF GROUP

There were no changes in composition of the Group during the quarter under review.

13. CONTINGENT LIABILITIES

There was no major changes in contingent liabilities since the last annual balance sheet date as at 30th June 2009 in respect of corporate guarantees given to certain banks for credit facilities granted to subsidiary companies.

14. CAPITAL COMMITMENTS

Capital commitment as at 30th September 2009 is as follows:

Contracted	
Non-cancellable operating lease commitment	RM'000
- Not later than 1 year	757
- Later than 1 year and not later than 5 years	780
	<u>1,537</u>

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2009**

15. REVIEW OF PERFORMANCE

Revenues for the current quarter under review was RM41.98 million as compared to RM46.71 million recorded in the same quarter in previous year, a dropped of 10.13% or RM4.73 million.

The Group recorded a profit before taxation of RM11.07 million during the current quarter under review, dropped of 17.82% or RM2.4 million as compared to a profit before taxation of RM13.47 million registered in the previous year's same quarter.

The gross profit during the current quarter is approximately 41%, which was down by 6% compared with the previous year's same quarter. This was caused mainly by a mark down of about RM1.5 million for inventories and by aggressive promotional and clearance sales activities.

16. COMPARISON WITH PRECEDING QUARTER'S REPORT

The Group's turnover for the first quarter ended 30th September 2009 was RM41.98 million, an increase of RM24.03 million from RM17.95 million achieved in the preceding quarter ended 30th June 2009.

For the first quarter ended 30th September 2009, profit before taxation of the Group was RM11.07 million, compared with loss before taxation of RM2.80 million recorded in preceding quarter ended 30th June 2009.

The higher revenue achieved in the current quarter under review was mainly due to higher sales recorded during nationwide mega sales and Hari Raya festive season.

17. COMMENTARY ON PROSPECTS

2009 financial year was affected by the financial crisis triggered by the sub-prime mortgages which originated from the US which cause global recession. Due to the uncertainty on how the global economy is going to move, coupled with the AH1N1 pandemic, prospects for a robust and booming retail sector in the coming year remain somewhat uncertain. Nevertheless, with the efforts put in by the government in stimulating the domestic economy, we expect the economy will grow by 2010.

18. VARIANCE FROM PROFIT FORECASTS

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest and for the shortfall in profit guarantee are not applicable.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2009 (cont'd)**

19. TAXATION

	3 months ended 30 September	
	2009	As restated 2008
	RM'000	RM'000
Tax liabilities at 1 July	748	1,285
Current period's provision	<u>2,669</u>	<u>3,730</u>
	3,417	5,015
Net payment made during the period	<u>(357)</u>	<u>(604)</u>
Tax liabilities as at 30 September	<u>3,060</u>	<u>4,411</u>
Disclosed as:		
Tax assets	(227)	-
Tax liabilities	<u>3,287</u>	<u>4,411</u>
	<u>3,060</u>	<u>4,411</u>
	RM'000	RM'000
Taxation expense for the period:-		
Malaysian taxation	2,669	3,730
Deferred tax income	<u>109</u>	<u>(361)</u>
	<u>2,778</u>	<u>3,369</u>

The effective tax rate for the three months ended 30th September 2009 was 25%.

20. PROFIT ON SALE OF INVESTMENT AND/OR PROPERTIES

There was no profit on sale of investment and/or properties for for the quarter ended 30th September 2009.

21. PURCHASE OR DISPOSAL OF QUOTED SECURITIES

(a) There was no profit on sale of quoted securities for the quarter ended 30th September 2009.

(b) The investments in quoted shares as at end of the reporting period were :-

	RM'000
(i) At cost	348
(ii) At carrying value	113
(iii) At market value as at 30 th September 2009	39

22. CORPORATE PROPOSAL

At the date of this report, there are no corporate proposals which have been announced that remain uncompleted.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2009 (cont'd)**

23. GROUP BORROWINGS AND DEBT SECURITIES

	As at 30 September	
	2009 RM'000	2008 RM'000
(a) Short term borrowings		
- Unsecured	18,726	29,939
- Secured	1,544	1,756
	<u>20,270</u>	<u>31,695</u>
(b) Long term borrowings		
- Unsecured	-	-
- Secured	6,330	7,823
	<u>6,330</u>	<u>7,823</u>
Total	<u>26,600</u>	<u>39,518</u>

The above borrowings are all denominated in Ringgit Malaysia.

24. FINANCIAL INSTRUMENTS

There were no financial instruments with off balance sheet risk at the date of this announcement.

25. MATERIAL LITIGATION

There were no material litigation pending at the date of this announcement.

26. SIGNIFICANT RELATED PARTY TRANSACTIONS

The Group undertakes at agreed terms and prices, the following significant related party transactions for the financial period ended 30th September 2009.

	RM'000
Purchase of goods from	
- Perniagaan Sulam Kim Bin (M) Sdn. Bhd.	30
- TGL Packaging Sdn. Bhd.	1
Rental paid to	
- TGL Packaging Sdn. Bhd.	121
- TGL Industries Sdn. Bhd.	120
- Bidang Cendana Sdn. Bhd.	<u>92</u>

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2009 (cont'd)**

27. DIVIDEND PAYABLE

The first and final dividend which has been declared for the financial year ended 30 June 2009 is as follows:

Rate	:	10 sen per share less 25% tax
Announced	:	22 October 2009
Book Closure	:	1 December 2009
Payment Date	:	29 December 2009

28. EARNINGS/(LOSS) 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:-

	3 months ended	
	30 September	
	2009	2008
		Restated
Net profit attributable to shareholders (RM'000)	8,282	10,075
Weighted average number of ordinary shares in issue ('000)	40,085	33,205
Basic earnings per share (sen)	20.66	30.34

The weighted average number of ordinary shares of the Company for the last financial period was adjusted for the proportionate change in the number of bonus issue declared on 9th January 2009 as if the event had occurred at the beginning of the earliest period presented.

(b) Diluted earnings per share

The diluted earnings per share of the Group is calculated based on net profit attributable to shareholders divided by the adjusted weighted average number of ordinary shares.

The weighted average number of ordinary shares is adjusted to assume conversion of all dilutive potential shares, namely share options granted under the Company's ESOS scheme.

The fully diluted earnings per ordinary share is the same as the basic earnings per share as the effect of non-dilutive potential ordinary shares are ignore in calculating earnings per share in accordance with FRS 133 on Earning Per Share.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2009 (cont'd)**

29. 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 24th November 2009.

24th November 2009