

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 2010**

* Quarter : **4th Quarter**

* Financial Year End : **30th June 2010**

* The figures : Have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 30 JUNE 2010 (UNAUDITED)**

		INDIVIDUAL QUARTER 3-MONTH ENDED		CUMULATIVE PERIOD 12-MONTH ENDED	
	Note	CURRENT YEAR QUARTER (UNAUDITED) 30/06/2010 RM'000	AS RESTATE D PRECEDING YEAR CORRESPONDING QUARTER (UNAUDITED) 30/06/2009 RM'000	CURRENT YEAR TO DATE (UNAUDITED) 30/06/2010 RM'000	AS RESTATE D PRECEDING YEAR CORRESPONDING PERIOD AUDITED 30/06/2009 RM'000
REVENUE	(A) 9	19,119	17,607	101,943	101,187
GROSS PROFIT		6,412 34%	3,934 22%	37,840 37%	37,421 37%
OTHER OPERATING INCOME		228	182	505	430
OPERATING EXPENSES		<u>(6,437)</u>	<u>(6,888)</u>	<u>(24,994)</u>	<u>(27,617)</u>
PROFIT FROM OPERATION		203	(2,772)	13,351	10,234
FINANCE COSTS		<u>(128)</u>	<u>(202)</u>	<u>(747)</u>	<u>(1,357)</u>
PROFIT/(LOSS) BEFORE TAXATION		75	(2,974)	12,604	8,877
TAXATION	B(19)	<u>(32)</u>	<u>918</u>	<u>(3,225)</u>	<u>(2,227)</u>
PROFIT/(LOSS) FOR THE PERIOD		<u>43</u>	<u>(2,056)</u>	<u>9,379</u>	<u>6,650</u>
ATTRIBUTABLE TO :					
EQUITY HOLDERS OF THE PARENT		58	(1,935)	9,378	6,748
MINORITY INTEREST		<u>(15)</u>	<u>(121)</u>	<u>1</u>	<u>(98)</u>
		<u>43</u>	<u>(2,056)</u>	<u>9,379</u>	<u>6,650</u>
EARNINGS PER SHARE (SEN)					
-BASIC	(B) 28	0.14	(5.12)	23.38	17.86
-DILUTED	(B) 28	0.14	(5.12)	23.38	17.86

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 JUNE 2010

	Note	AS AT END OF CURRENT PERIOD 30/6/2010 (UNAUDITED) RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 30/6/2009 AUDITED RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	(A)10	5,627	5,177
Investment properties		23,919	23,919
Prepaid Lease payments		531	538
Investments	(B)20	1,389	113
Goodwill		-	14
Deferred tax assets		73	486
		31,539	30,247
CURRENT ASSETS			
Inventories		43,188	40,825
Receivables		23,568	21,582
Tax assets		1,956	158
Cash and bank balances		660	677
		69,372	63,242
TOTAL ASSETS		100,911	93,489
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Share capital		40,158	40,085
Reserves		19,127	12,731
		59,285	52,816
Minority interest		930	929
TOTAL EQUITY		60,215	53,745
NON-CURRENT LIABILITIES			
Borrowings	(B) 23	4,979	6,583
Deferred tax liabilities		2,089	2,207
		7,068	8,790
CURRENT LIABILITIES			
Payables		15,937	13,303
Tax liabilities		2,843	906
Borrowings	(B) 23	14,848	16,745
		33,628	30,954
TOTAL LIABILITIES		40,696	39,744
TOTAL EQUITY AND LIABILITIES		100,911	93,489
Net Assets Per Share (RM)		1.48	1.32

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 JUNE 2010 (UNAUDITED)**

	← ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT →						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	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 JUNE 2010 (UNAUDITED)

	← ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT →						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	TOTAL RM'000		
BALANCE AT 1 JULY 2009	40,085	-	(158)	70	12,819	52,816	929	53,745
ISSUANCE OF SHARES								
- Exercise of ESOS	73					73	-	73
NET EXPENSES RECOGNISED DIRECTLY IN EQUITY								
- FOREIGN CURRENCY TRANSLATION	-	-	28	-	-	28	-	28
PROFIT FOR THE PERIOD	-	-	-	-	9,378	9,378	1	9,379
TOTAL RECOGNISED INCOME AND EXPENSES FOR THE PERIOD	-	-	28	-	9,378	9,406	1	9,407
DIVIDEND PAID	-	-	-	-	(3,010)	(3,010)	-	(3,010)
BALANCE AT 30 JUNE 2010	40,158	-	(130)	70	19,187	59,285	930	60,215

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.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 JUNE 2010 (UNAUDITED)

	12-MONTH ENDED 30/06/2010	12-MONTH ENDED 30/06/2009 AS RESTATED
Note	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	12,604	8,877
Adjustments for:		
Non-cash items		
Allowance for doubtful debts/bad debts written off	3	208
Allowance for doubtful debts no longer required	(117)	(181)
Depreciation of property, plant and equipment and prepaid lease payments	1,122	902
Goodwill written off	14	-
Inventories written off/written down	4,005	5,498
Impairment loss on investments	53	-
Loss on disposal of quoted investments	1	-
Property, plant and equipment written off	1	-
Profit on disposal of property, plant and equipment	(84)	(85)
	17,602	15,219
Dividend income	(9)	-
Interest expenses	747	1,357
Interest income	(3)	(4)
Operating profit before working capital changes	18,337	16,572
(Increase)/Decrease in inventories	(6,368)	(6,258)
(Increase)/Decrease in receivables	(1,872)	(39)
Increase/(Decrease) in payables	2,634	(338)
Cash generated from operations	12,731	9,937
Dividend paid	(3,010)	-
Interest received	3	4
Interest paid	(747)	(1,357)
Tax paid	(2,791)	(2,800)
Net cash generated from operating activities	6,186	5,784

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.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 JUNE 2010 (UNAUDITED) (cont'd)

	12-MONTH ENDED 30/06/2010	12-MONTH ENDED 30/06/2009 AS RESTATE
Note	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	9	-
Purchase of property, plant and equipment	(1,538)	(1,328)
Purchase of quoted investment	(1,330)	-
Proceeds from disposal of property, plant and equipment	84	550
	(2,775)	(778)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of shares	73	4,300
Payment of corporate exercise expenses	-	(399)
Bank borrowings	(8,918)	(10,216)
	(8,845)	(6,315)
Net (decrease)/increase in cash and cash equivalents	(5,434)	(1,309)
Effect of exchange rate changes	-	(29)
	(5,434)	(1,338)
Cash and cash equivalent at beginning of period	(3,677)	(2,339)
Effect of exchange rate changes	-	-
	(3,677)	(2,339)
Cash and cash equivalent at end of period	(9,111)	(3,677)
Represented by:		
Deposit, cash and bank balances	660	677
Bank overdrafts	(9,771)	(4,354)
	(9,111)	(3,677)

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 JUNE 2010**

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, 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.

**(A) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2010 (cont'd)**

7. 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 other than issuance of 73,600 new ordinary shares of RM1.00 each under ESOS scheme at RM1.00 each.

8. DIVIDEND PAID

No dividends were paid during the quarter under review.

9. SEGMENTAL REPORTING

12-month ended 30th June 2010

	Revenue RM'000	Profit before taxation RM'000
Apparels	110,760	20,174
Investment properties	1,747	977
Consolidation adjustments	(10,564)	(8,547)
	<u>101,943</u>	<u>12,604</u>

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

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.

(A) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2010 (cont'd)

13. CONTINGENT LIABILITIES

As at the date of this report, the Group has contingent liabilities as follows:-

Unsecured

Corporate guarantees for credit facilities granted to subsidiary companies

RM'000

42,878

14. CAPITAL COMMITMENTS

Capital commitment as at 30th June 2010 is as follows:

Contracted

Non-cancellable operating lease commitment

- Not later than 1 year

- Later than 1 year and not later than 5 years

RM'000

769

663

1,432

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**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2010**

15. REVIEW OF PERFORMANCE

Revenue for the fourth quarter and cumulative 12-month period ended 30th June 2010 is RM19.12 million and RM101.94 million respectively as compared to RM17.61 million and RM101.19 million respectively recorded in the same quarter in previous year.

Revenue for the current quarter under review increased by 8.57% or RM1.51 million compared to the revenue recorded in the same quarter in previous year. The revenue for cumulative 12-month period ended 30th June 2010 improved by 0.75% or RM0.76 million compared to the revenue recorded for cumulative 12-month period ended 30th June in previous year.

The Group recorded a profit before taxation of RM75,000 during the current quarter under review, increased of 102.52% or RM3.05 million as compared to a loss before taxation of RM2.97 million registered in the corresponding quarter in previous year.

The increase in profit before taxation is mainly due to increase in the revenue and gross profit margin from 22% to 34% and decrease in operating cost and finance charges.

16. COMPARISON WITH PRECEDING QUARTER'S REPORT

	Quarter ended 30 June 2010 RM'000	Quarter ended 31 March 2010 RM'000
Revenue	19,119	19,452
Profit before taxation	75	554

As compared to the previous quarter, revenue for the quarter under review had declined by RM0.33 million or 1.71%.

The lower revenue achieved in the current quarter under review was mainly due to off peak season with no festivals except for mid-year school holidays. The lower profit before taxation was due to higher operating expenses incurred during the current quarter.

17. COMMENTARY ON PROSPECTS

For the financial year recently concluded, the Group remained profitable, with profit after taxation rising by almost 41% (RM2.73 million) from RM6.65 to RM9.38 when compared to that of the previous financial year. However, the coming months will continue to pose more challenges to the retail sector and to the Group's operations as a slowdown in growth is expected in the second half of this year. Nevertheless, we are confident that the efforts that we have put into understanding our markets and meeting the needs and wants of our customers will enable us to effectively deal with the obstacles ahead, thereby permitting us to go on creating value for all of our stakeholders.

The Board is optimistic that the Group is able to maintain the performance achieved in the previous financial year.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2010 (cont'd)**

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.

19. TAXATION

	12-month ended	
	30 June	
	2010	As restated
	RM'000	2009
		RM'000
Tax liabilities at 1 July	748	1,285
Current period's provision	2,930	2,263
Net payment made during the period	(2,791)	(2,800)
	887	748
Disclosed as:		
Tax assets	(1,956)	(158)
Tax liabilities	2,843	906
	887	748
Taxation expense for the period:-		
Malaysian taxation	2,930	2,263
Deferred tax income	295	(36)
	3,225	2,227

The effective tax rate for the six months ended 30th June 2010 was 26%.

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 June 2010 other than as disclosed in note 21(a).

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2010 (cont'd)**

21. PURCHASE OR DISPOSAL OF QUOTED SECURITIES

- (a) The loss on disposal of quoted securities for the quarter under review is RM1,000.
- (b) The Group acquired additional quoted securities for RM325,002 during the quarter under review.
- (c) The investments in quoted shares as at end of the reporting period were :
- | | RM'000 |
|--|--------|
| (i) At cost | 1,678 |
| (ii) At carrying value | 1,390 |
| (iii) At market value as at 30 th June 2010 | 1,407 |

22. CORPORATE PROPOSAL

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

23. GROUP BORROWINGS AND DEBT SECURITIES

	As at 30 June	
	2010 RM'000	2009 RM'000
(a) Short term borrowings		
- Unsecured	13,162	14,963
- Secured	1,686	1,782
	14,848	16,745
 (b) Long term borrowings		
- Secured	4,979	6,583
	4,979	6,583
 Total	19,827	23,328

The above borrowings are all denominated in Ringgit Malaysia.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2010 (cont'd)**

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 June 2010.

	RM'000
Purchase of goods from	
- Perniagaan Sulam Kim Bin (M) Sdn. Bhd.	160
- TGL Packaging Sdn. Bhd.	10
Rental paid to	
- TGL Packaging Sdn. Bhd.	485
- TGL Industries Sdn. Bhd.	480
- Bidang Cendana Sdn. Bhd.	258
	<hr/>

27. DIVIDEND PAYABLE

The Board of Directors has recommended a final dividend of 15 sen less tax at 25% amounting RM4,517,820, subject to shareholders' approval for the current financial year ended 30th June 2010.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2010 (cont'd)**

28. 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		12-month ended	
	30 June		30 June	
	2010	2009	2010	2009
		Restated		Restated
Net profit/(loss)attributable to shareholders (RM'000)	58	(1,935)	9,378	6,748
Weighted average number of ordinary shares in issue ('000)	40,117	37,788	40,117	37,788
Basic earnings/(loss) per share (sen)	0.14	(5.12)	23.38	17.86

(a) Basic earnings per share (cont'd)

The basic earnings per shares of the Group is calculated based on profit attributable to shareholders divided by the weighted average number of ordinary shares in issue. 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 and impact of private placement.

(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.

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 23rd August 2010.

23rd August 2010