

## **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 : **31<sup>st</sup> March 2011**

\* Quarter : **3<sup>rd</sup> Quarter**

\* Financial Year End : **30<sup>th</sup> June 2011**

\* The figures : Have not been audited

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

<b>CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME</b>					
<b>FOR THE QUARTER ENDED 31 MARCH 2011 (UNAUDITED)</b>					
		<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE PERIOD</b>	
		<b>3-MONTHS ENDED</b>		<b>9-MONTHS ENDED</b>	
			AS		AS
			RESTATED		RESTATED
		<b>CURRENT</b>	<b>PRECEDING</b>	<b>CURRENT</b>	<b>PRECEDING</b>
		<b>YEAR</b>	<b>YEAR</b>	<b>YEAR</b>	<b>YEAR</b>
		<b>QUARTER</b>	<b>CORRESPONDING</b>	<b>TO DATE</b>	<b>CORRESPONDING</b>
			<b>QUARTER</b>		<b>PERIOD</b>
		<b>31/3/2011</b>	<b>31/3/2010</b>	<b>31/3/2011</b>	<b>31/3/2010</b>
	Note	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	(A) 9	<b>19,287</b>	19,452	<b>87,564</b>	82,824
Gross profit		<b>6,997</b>	6,309	<b>34,852</b>	31,428
		<b>36%</b>	32%	<b>40%</b>	38%
Other operating income		<b>57</b>	205	<b>249</b>	277
Operating expenses		<b>(7,036)</b>	(5,798)	<b>(22,122)</b>	(18,557)
Profit from the operation		<b>18</b>	716	<b>12,979</b>	13,148
Finance costs		<b>(152)</b>	(162)	<b>(537)</b>	(619)
Profit/ (loss) before taxation		<b>(134)</b>	554	<b>12,442</b>	12,529
Taxation	B(20)	<b>(91)</b>	(103)	<b>(3,248)</b>	(3,193)
Profit/ (loss) for the period		<b>(225)</b>	451	<b>9,194</b>	9,336
Other comprehensive income/ (expenses)					
for the period, net of tax		<b>(2)</b>	-	<b>114</b>	-
Total comprehensive income/ (expenses)					
for the period		<b>(227)</b>	451	<b>9,308</b>	9,336
Profit/ (loss) attributable to :					
Equity holders of the parent		<b>(239)</b>	458	<b>9,165</b>	9,320
Non-controlling interest		<b>14</b>	(7)	<b>29</b>	16
		<b>(225)</b>	451	<b>9,194</b>	9,336
Total comprehensive income/ (expenses)					
attributable to:					
Equity holders of the parent		<b>(241)</b>	458	<b>9,279</b>	9,320
Non-controlling interest		<b>14</b>	(7)	<b>29</b>	16
		<b>(227)</b>	451	<b>9,308</b>	9,336
Earnings per share					
-Basic	(B) 30	<b>(0.59)</b>	1.14	<b>22.64</b>	23.24
-Diluted	(B) 30	<b>N/A</b>	1.14	<b>N/A</b>	23.24

The condensed consolidated statements of comprehensive income statements should be read in conjunction with the audited financial statements for the year ended 30<sup>th</sup> June 2010 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2011**

	Note	AS AT END OF CURRENT PERIOD 31/03/2011 (UNAUDITED) RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 30/06/2010 AUDITED RM'000 RESTATED
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	(A)10	4,997	5,523
Investment properties	(A)10	24,064	24,819
Available for sale investments	(B)22	1,840	1,408
Deferred tax assets		133	188
		<u>31,034</u>	<u>31,938</u>
<b>CURRENT ASSETS</b>			
Inventories		45,787	43,044
Receivables		21,022	22,446
Tax assets		59	140
Cash and bank balances		1,771	665
		<u>68,639</u>	<u>66,295</u>
<b>TOTAL ASSETS</b>		<u>99,673</u>	<u>98,233</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>			
Share capital		40,742	40,158
Reserves		23,885	19,180
		<u>64,627</u>	<u>59,338</u>
Non-controlling interest		955	926
<b>TOTAL EQUITY</b>		<u>65,582</u>	<u>60,264</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	(B) 24	4,339	4,961
Deferred tax liabilities		2,404	2,404
		<u>6,743</u>	<u>7,365</u>
<b>CURRENT LIABILITIES</b>			
Payables		19,628	14,872
Tax liabilities		1,830	954
Borrowings	(B) 24	5,890	14,778
		<u>27,348</u>	<u>30,604</u>
<b>TOTAL LIABILITIES</b>		<u>34,091</u>	<u>37,969</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>99,673</u>	<u>98,233</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30<sup>th</sup> June 2010 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY  
FOR THE QUARTER ENDED 31 MARCH 2011(UNAUDITED)**

	Attributable to equity holders of the parent						Non-Controlling Interest RM'000	Total Equity RM'000
	Non-distributable			Distributable				
	Share Capital RM'000	Foreign Currency Reserve RM'000	Revaluation Reserve RM'000	Fair value Reserve 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
Total comprehensive income for the period	-	112	196	-	9,133	9,441	(3)	9,438
Transactions with owners								
Employees share option scheme - proceeds from share issued	73	-	-	-	-	73	-	73
Dividend relating to year 2009 paid on 29 December 2009	-	-	-	-	(3,010)	(3,010)	-	(3,010)
	73	-	-	-	(3,010)	(2,937)	-	(2,937)
Balance at 30 June 2010	40,158	(46)	266	-	18,942	59,320	926	60,246

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30<sup>th</sup> June 2010 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY (cont'd)**  
**FOR THE QUARTER ENDED 31 MARCH 2011 (UNAUDITED)**

	Attributable to equity holders of the parent						Non-Controlling Interest RM'000	Total Equity RM'000
	Non-distributable			Distributable				
	Share Capital RM'000	Foreign Currency Reserve RM'000	Revaluation Reserve RM'000	Fair value Reserve RM'000	Retained Profits RM'000	Total RM'000		
Balance at 1 July 2010	40,158	(46)	266	-	18,942	59,320	926	60,246
Effect of apply FRS 139	-	-	-	18	-	18	-	18
	40,158	(46)	266	18	18,942	59,338	926	60,264
Total comprehensive income for the period	-	-	-	114	9,165	9,279	29	9,308
Transactions with owners								
Employees share option scheme								
- proceeds from share issued	584	-	-	-	-	584	-	584
Dividend paid (Note 8)	-	-	-	-	(4,574)	(4,574)	-	(4,574)
	584	-	-	-	(4,574)	(3,990)	-	(3,990)
Balance at 31 March 2011	40,742	(46)	266	132	23,533	64,627	955	65,582

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30<sup>th</sup> June 2010 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE QUARTER ENDED 31 MARCH 2011 (UNAUDITED)**

	<b>9-MONTHS ENDED 31/03/2011 RM'000</b>	<b>9-MONTHS ENDED 31/03/2010 AS RESTATED RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	<b>12,442</b>	12,529
Adjustments for:		
Non-cash items		
Allowance for doubtful debts no longer required	-	(116)
Depreciation of property, plant and equipment	<b>863</b>	829
Inventories written off/written down	<b>500</b>	3,690
Impairment loss on investment properties	<b>5</b>	-
Goodwill written off	-	14
Gain on disposal of available for sales investment	<b>(5)</b>	1
Profit on disposal of property, plant and equipment	-	(84)
	<b>13,805</b>	16,863
Dividend income	<b>(22)</b>	-
Interest expenses	<b>(537)</b>	618
Interest income	<b>(13)</b>	(1)
Operating profit before working capital changes	<b>13,233</b>	17,480
Changes in inventories	<b>(3,243)</b>	355
Changes in receivables	<b>1,424</b>	(1,613)
Changes in payables	<b>4,756</b>	2,781
<b>Cash generated from operations</b>	<b>16,170</b>	19,003
Dividend paid	<b>(4,574)</b>	(3,010)
Interest received	<b>13</b>	1
Interest paid	<b>537</b>	(618)
Tax paid	<b>(2,236)</b>	(1,718)
<b>Net cash generated from operating activities</b>	<b>9,910</b>	13,658

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 30<sup>th</sup> June 2010 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE QUARTER ENDED 31 MARCH 2011 (UNAUDITED) (cont'd)**

	<b>9-MONTHS ENDED 31/03/2011 RM'000</b>	<b>9-MONTHS ENDED 31/03/2010 AS RESTATED RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(337)	(1,081)
Purchase of available for sale investment	(318)	(1,004)
Proceeds from disposal of available for sale investment	5	-
Dividend received	22	-
Proceeds from disposal of property, plant and equipment	750	84
<b>Net cash generated from/(used in) investing activities</b>	<b>122</b>	<b>(2,001)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank borrowings	(106)	(6,853)
Issuance of shares	584	54
<b>Net cash generated from/(used in) financing activities</b>	<b>478</b>	<b>(6,799)</b>
Net increase in cash and cash equivalents	10,510	4,858
Cash and cash equivalent at beginning of period	(9,019)	(3,677)
Cash and cash equivalent at end of period	1,491	1,181
Represented by:		
Deposit, cash and bank balances	1,771	1,542
Bank overdrafts	(280)	(361)
	1,491	1,181

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 30<sup>th</sup> June 2010 and the accompanying explanatory notes attached to the interim financial statements.

**(A) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2011**

**1. BASIS OF PREPARATION**

The interim financial statements are unaudited and have 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 30<sup>th</sup> June 2010. 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 30<sup>th</sup> June 2010.

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 significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30<sup>th</sup> June 2010 except for the adoption of:

FRS 101 (revised), Presentation of Financial Statements.

FRS 139, Financial Instruments: Recognition and Measurement.

FRS 132, Financial Instruments: Presentation

FRS 7, Financial Instruments: Disclosure.

Amendment to FRS 8

IC Interpretation 10, Impairment and Interim Financial Reporting

Amendments to FRS 139, FRS 7 and IC Interpretation 9

Amendment to FRS 117

The principal effects of the changes in presentation, changes in methods of computation and in accounting policies resulting from the adoption of the new and revised FRSs, IC Interpretations and Amendments are set out below:

(i) FRS 101(revised), Presentation of Financial Statements

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements. With the adoption of the revised FRS 101, the components of the interim financial statements presented consist of a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements.



**(A) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2011 (cont'd)**

**2. CHANGES IN ACCOUNTING POLICIES (cont'd)**

(i) FRS 101(revised), Presentation of Financial Statements (cont'd)

The effects of the changes in presentation are as follows:

The gains and losses that were recognised directly in equity in the preceding financial year corresponding period are presented as components in other comprehensive income in the statement of comprehensive income. The total comprehensive income for preceding financial year corresponding period is presented separately and allocation is made to show the amount attributable to owners of the parent and to non-controlling interests.

Dividend per share that was previously presented on the face of the income statement is removed and presented on the face of the statement of changes in equity.

The total comprehensive income for the financial period is presented as a one-line item in the statement of changes in equity.

(ii) FRS 139: Financial instruments: Recognition and Measurement

The measurement bases applied to the financial assets and liabilities in the prior financial year were changed to conform to the measurement standards of FRS 139 in the current quarter. At initial recognition, all financial assets and liabilities are measured at their fair value plus in the case of financial instruments not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issuance of the instruments.

Subsequent to their initial recognition, the financial assets and liabilities are measured as follows:

	Category	Measurement basis
1	Financial instruments at fair value through profit or loss	At fair value through profit or loss
2	Held to maturity investments	At amortised cost effective interest method
3	Loans and receivable	At amortised cost effective interest method
4	Available for sale investments	At fair value through other comprehensive income, unless fair value cannot be reliably measured, in which case, they are measured at cost
5	Loans and other financial liabilities	At amortised cost effective interest method

All financial assets other than those classified as at fair value through profit or loss are subject to impairment test of FRS 139.

**(A) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2011 (cont'd)**

**2. CHANGES IN ACCOUNTING POLICIES (cont'd)**

(ii) FRS 139: Financial instruments: Recognition and Measurement (cont'd)

With the adoption of FRS 139, the non-current investment previously stated at the lower of cost and net realisable value is currently classified as available for sale investment and is measured at fair value. In accordance with FRS 139, the recognition, derecognition and measurement requirement are applied prospectively from 1<sup>st</sup> July 2010. The effects of the re-measurement on 1<sup>st</sup> July 2010 of the financial assets and financial liabilities brought forward from the previous financial year are adjusted to the opening retained profits and other operating reserves as disclosed in the statement of changes in equity. The effect of the reclassification to the comparative of the prior financial year's consolidated statement of financial position is as follows:

	As previously reported	Adjustment	As restated
30 <sup>th</sup> June 2010	RM'000	RM'000	RM'000
Available for sales investment	1,390	18	1,408
<b>Reserves</b>			
Foreign currency translation	(46)	-	(46)
Revaluation reserve	266	-	266
Fair value reserve	-	18	18
Retained profits	18,942	-	18,942
	19,162	18	19,180

(iii) FRS 7, Financial instrument: Disclosures

Prior to the adoption of FRS 7, the disclosures for financial instruments were based on the requirements of the original FRS 132, Financial Instruments: Disclosure and Presentation. With the adoption of FRS 7, financial assets and financial liabilities are disclosed in the statement of financial position based on their respective classifications. However, FRS 7 disclosures are not required in the interim financial statements, and hence, no further disclosures is required in these interim financial statements.

(iv) IC Interpretation 10, Impairment and Interim Financial Reporting

Prior to the adoption of IC Interpretation 10, impairment losses for equity investment recognised in an earlier interim period were reversed in a later interim period when tests revealed that the losses have reversed. With the adoption of IC Interpretation 10 and FRS 139 on 1<sup>st</sup> July 2010, the policy has been changed to conform to the impairment requirement of FRS 139. Impairment losses recognised for available for sale equity investments in an interim period are not reversed in a subsequent interim period. This change in basis has no effect to the profit or loss of the current period ended 31<sup>st</sup> March 2011.

**(A) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2011 (cont'd)**

**2. CHANGES IN ACCOUNTING POLICIES (cont'd)**

(vi) Amendment to FRS 117, Leases

Prior to the adoption of the Amendment to FRS 117, leasehold lands were treated as operating leases. The considerations paid were classified and presented as prepaid lease payments in the statement of financial position. With the adoption of the Amendment to FRS 117, the Group has reassessed and determined that all leasehold land of the Group which is in substance financial leases and has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment. The reclassification has no effect to the profit or loss of the current financial period ended 31<sup>st</sup> March 2011 or the comparative prior financial period. The effect of the reclassification to the comparative of the prior financial year's consolidated statement of financial position is as follows:

	As previously Report	Effects on adoption of amendment FRS117	As restated
30 <sup>th</sup> June 2010	RM'000	RM'000	RM'000
Prepaid lease payment	531	(531)	-
Property, plant and equipment	4,992	531	5,523
	<u>5,523</u>	<u>-</u>	<u>5,523</u>

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 30<sup>th</sup> June 2010 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 items affecting assets, liabilities, equity, net income, or cash flows for 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 31 MARCH 2011 (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 32,400 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**

9-months ended 31<sup>st</sup> March 2011

	Revenue RM'000	Profit before taxation RM'000
Apparels	91,082	12,007
Investment properties	1,290	735
Consolidation adjustments	(4,808)	(300)
	87,564	12,442
	87,564	12,442

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

**10. 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 30<sup>th</sup> June 2010.

**11. MATERIAL SUBSEQUENT EVENTS**

There were no material events subsequent to the end of the current quarter.

**12. CHANGES IN COMPOSITION OF GROUP**

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

**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

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**(A) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2011 (cont'd)**

**14. CAPITAL COMMITMENTS**

Capital commitment as at 31<sup>st</sup> March 2011 is as follows:

Contracted	
Non-cancellable operating lease commitment	<b>RM'000</b>
- Not later than 1 year	654
- Later than 1 year and not later than 5 years	195
	<hr/>
	849
	<hr/>

**15. SIGNIFICANT RELATED PARTY TRANSACTIONS**

The Group undertakes at agreed terms and prices, the following significant related party transactions for the financial period ended 31<sup>st</sup> March 2011.

	<b>RM'000</b>
Purchase of goods from	
- Perniagaan Sulam Kim Bin (M) Sdn. Bhd.	136
- TGL Packaging Sdn. Bhd.	6
Rental paid to	
- TGL Packaging Sdn. Bhd.	454
- TGL Industries Sdn. Bhd.	360
- Bidang Cendana Sdn. Bhd.	211
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**(B) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2011**

**16. REVIEW OF PERFORMANCE**

Revenues for the third quarter and cumulative 9-month period ended 31<sup>st</sup> March 2011 is RM19.29 million and RM87.56 million respectively as compared to RM19.45 million and RM82.82 million respectively recorded in the same quarter in previous year.

Revenue for the current quarter under review decreased by 0.82% or RM0.16 million compared to the revenue recorded in the same quarter in previous year. However, the revenue for cumulative 9-month period ended 31<sup>st</sup> March 2011 increased by 5.72% or RM4.74 million compared to the revenue recorded for cumulative 9-month period ended 31<sup>st</sup> March in previous year.

**17. COMPARISON WITH PRECEDING QUARTER'S REPORT**

	Quarter ended 31 March 2011 RM'000	Quarter ended 31 December 2010 RM'000
Revenue	19,287	22,890
(Loss)/Profit before taxation	(134)	1,047

As compared to the previous quarter, revenue for the quarter under review had declined by RM3.6 million or 15.74%.

The higher revenue achieved in the previous quarter under review was mainly due to higher sales recorded during the nationwide mega sales and Christmas festive seasons.

The Group recorded a loss before taxation of RM0.13 million during the current quarter under review, decreased of 124.19% or RM0.69 million as compared to a profit before taxation of RM0.55 million registered in the previous year's same quarter. This was caused by an increase in operating expenses such as staff cost and selling and distribution expenses.

**18. COMMENTARY ON PROSPECTS**

The local retail market has been affected by the increase in prices and inflation, and further subsidy cuts undertaken by the Government. These actions have a direct influence over the disposable income and consumers' sentiment. Nevertheless, the Group maintains a cautious approach to the current financial year and continue to implement stringent cost controls and strategic measures to improve its performance.

Barring any unforeseen circumstances, the Directors are cautiously optimistic that the Group is able to achieve a comparable performance for the current financial year to that achieved during the previous financial year.

**19. VARIANCE FROM PROFIT FORECASTS**

Not applicable as the Group did not publish any profit forecast.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2011 (cont'd)**

**20. TAXATION**

	<b>9-months ended 31 March</b>	
	<b>2011 RM'000</b>	2010 RM'000
Tax liabilities at 1 July	814	748
Current period's provision	3,193	2,965
Net payment made during the period	(2,236)	(1,718)
	<hr/>	<hr/>
Tax liabilities as at 31 December	1,771	1,995
	<hr/>	<hr/>
Disclosed as:		
Tax assets	(59)	(994)
Tax liabilities	1,830	2,989
	<hr/>	<hr/>
	1,771	1,995
	<hr/>	<hr/>
Taxation expense for the period:-		
Malaysian taxation	3,193	2,965
Deferred taxation	55	228
	<hr/>	<hr/>
	3,248	3,193
	<hr/>	<hr/>

The effective tax rate for the six months ended 31<sup>st</sup> March 2011 was 26%.

**21. PROFIT ON SALE OF INVESTMENT AND/OR PROPERTIES**

There was no profit on sale of investment and/or properties for the quarter ended 31<sup>st</sup> March 2011.

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**(B) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2011 (cont'd)**

**22. PURCHASE OR DISPOSAL OF QUOTED SECURITIES**

- (a) There is no disposal of quoted securities for the quarter under review.
- (b) The Group acquired additional quoted securities for RM210,987 during the quarter under review.
- (c) The investments in quoted shares as at end of the reporting period were:

	RM'000
(i) At cost	1,996,303
(ii) At carrying value	1,839,740
(iii) At market value as at 31 <sup>st</sup> March 2011	1,839,740

**23. CORPORATE PROPOSAL**

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

**24. GROUP BORROWINGS AND DEBT SECURITIES**

	As at 31 March 2011 RM'000	As at June 2010 RM'000
(a) Short term borrowings		
- Unsecured	4,840	13,053
- Secured	1,050	1,725
	<u>5,890</u>	<u>14,778</u>
(b) Long term borrowings		
- Secured	4,339	4,961
	<u>4,339</u>	<u>4,961</u>
<b>Total</b>	<u>10,229</u>	<u>19,739</u>

The above borrowings are all denominated in Ringgit Malaysia.

**25. FINANCIAL INSTRUMENTS - DERIVATIVE**

The Group has not entered into any derivative financial instruments during the quarter under review.



**(B) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2011 (cont'd)**

**26. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

The Group does not have any financial instruments with off balance sheet risk as at 31<sup>st</sup> March 2011.

**27. MATERIAL LITIGATION**

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

**28. DIVIDEND PAYABLE**

At the date of this report, there are no dividend declared that remained unpaid.

**29. REALISED AND UNREALISED PROFIT**

The determination of realised and unrealised profits or losses is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysia Institute of Accountants on 20<sup>th</sup> December 2010.

The disclosure of realised and unrealised profits or losses is made solely for complying with the disclosure requirements as stipulated in the directive of Bursa Malaysia Securities Berhad and is not made for any other purposes.

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits or losses, pursuant to the directive, is as follows:

	Quarter ended 31 March 2011 RM'000	Quarter ended 31 December 2010 RM'000
Total retained profits of the Group		
- Realised	18,415	18,654
- Unrealised	5,118	5,118
	<hr/>	<hr/>
	23,533	23,772
	<hr/>	<hr/>

**(B) NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2011 (cont'd)**

**30. 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 31 March		9-month ended 31 March	
	2011	2010 Restated	2011	2010 Restated
Net (loss)/profit attributable to shareholders (RM'000)	<b>(239)</b>	458	<b>9,165</b>	9,320
Weighted average number of ordinary shares in issue ('000)	<b>40,473</b>	40,109	<b>40,473</b>	40,109
Basic earnings per share (sen)	<b>(0.59)</b>	1.14	<b>22.64</b>	23.24

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.

**(b) Diluted earnings per share**

The diluted earnings per share of the Group for the financial period is calculated based on the profit attributable to equity holders divided by the adjusted weighted average number of ordinary shares.

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

The fully diluted earnings per share is the same as the basic earnings per share for the current quarter/period is not applicable to the Group as the ESOS of the Company expired on 28<sup>th</sup> March 2011.

The fully diluted earnings per share in corresponding quarter/period in previous financial year was 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 31 MARCH 2011 (cont'd)**

**31. 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 26<sup>th</sup> May 2011.

For and on behalf of the Board,  
Teo Guan Lee Corporation Berhad

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Tan Choong Khiang  
Company Secretary

Date: 26<sup>th</sup> May 2011