

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 2011**

* Quarter : **4th Quarter**

* Financial Year End : **30th June 2011**

* The figures : Have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2011 (UNAUDITED)**

	Note	3-MONTH ENDED		YEAR TO DATE ENDED	
		30/6/2011 RM'000	30/6/2010 RESTATED RM'000	30/6/2011 RM'000	AUDITED 30/6/2010 RESTATED RM'000
Revenue	(A) 9	21,727	19,932	109,291	102,756
Gross profit		6,447 30%	6,845 34%	41,299 38%	38,273 37%
Other operating income		100	187	349	464
Operating expenses		(6,778)	(6,974)	(28,900)	(25,531)
Loss/profit from the operation		(231)	58	12,748	13,206
Finance costs		(166)	(171)	(703)	(790)
Profit/(loss) before taxation		(397)	(113)	12,045	12,416
Taxation	B(20)	187	(93)	(3,061)	(3,286)
Profit/(loss) for the period		(210)	(206)	8,984	9,130
Other comprehensive income/(expense) for the period, net of tax		(95)	308	19	308
Total comprehensive income/(expense) for the period		(305)	102	9,003	9,438
Profit/(loss) attributable to :					
Equity holders of the parent		(271)	(187)	8,894	9,133
Non-controlling interest		61	(19)	90	(3)
		(210)	(206)	8,984	9,130
Total comprehensive income/(expense) attributable to:					
Equity holders of the parent		(366)	121	8,913	9,441
Non-controlling interest		61	(19)	90	(3)
		(305)	102	9,003	9,438
Earnings per share					
-Basic	(B) 30	(0.67)	(0.47)	21.94	22.77
-Diluted	(B) 30	N/A	(0.47)	N/A	22.77

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Note	AS AT 30/6/2011 (UNAUDITED) RM'000	AS AT 30/06/2010 AUDITED RM'000 RESTATED
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	(A) 10	4,866	5,523
Investment properties	(A) 10	24,064	24,819
Available for sale investments	(B) 22	1,747	1,408
Deferred tax assets		111	188
		<u>30,788</u>	<u>31,938</u>
CURRENT ASSETS			
Inventories		62,133	43,044
Receivables		23,634	22,446
Tax assets		87	140
Cash and bank balances		802	665
		<u>86,656</u>	<u>66,295</u>
TOTAL ASSETS		<u>117,444</u>	<u>98,233</u>
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Share capital		40,742	40,158
Reserves		23,519	19,180
		<u>64,261</u>	<u>59,338</u>
Non-controlling interest		1,016	926
TOTAL EQUITY		<u>65,277</u>	<u>60,264</u>
NON-CURRENT LIABILITIES			
Borrowings	(B) 24	3,277	4,961
Deferred tax liabilities		2,404	2,404
		<u>5,681</u>	<u>7,365</u>
CURRENT LIABILITIES			
Payables		26,541	14,872
Tax liabilities		681	954
Borrowings	(B) 24	19,264	14,778
		<u>46,486</u>	<u>30,604</u>
TOTAL LIABILITIES		<u>52,167</u>	<u>37,969</u>
TOTAL EQUITY AND LIABILITIES		<u>117,444</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 30th June 2010 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 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 30th 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 30 JUNE 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	-	(2)	-	21	8,894	8,913	90	9,003
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 30 June 2011	40,742	(48)	266	39	23,262	64,261	1,016	65,277

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

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 JUNE 2011 (UNAUDITED)**

	YEAR TO DATE ENDED	
	30/6/2011	30/6/2010 RESTATE
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	12,045	12,416
Adjustments for:		
Non-cash items		
Allowance for doubtful debts no longer required	-	(177)
Allowance for doubtful debts	16	3
Depreciation of property, plant and equipment	1,330	1,119
Inventories written off/written down	1,490	3,671
Impairment loss on investment properties	5	-
Impairment loss on investment	-	53
Goodwill written off	-	14
Gain on disposal of available for sales investment	(5)	-
Unrealised loss on foreign currency exchange	-	104
Property, plant and equipment written off	-	1
Profit on disposal of property, plant and equipment	(12)	(99)
	14,869	17,105
Dividend income	(38)	(9)
Interest expenses	703	790
Interest income	(27)	(10)
Operating profit before working capital changes	15,507	17,876
Changes in inventories	(20,579)	(5,891)
Changes in receivables	(1,204)	(690)
Changes in payables	11,669	1,464
Cash generated from operations	5,393	12,759
Dividend paid	(4,574)	(3,010)
Interest received	27	10
Interest paid	(703)	(790)
Tax paid	(3,204)	(2,790)
Net cash (used)/generated from operating activities	(3,061)	6,179

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

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 JUNE 2011 (UNAUDITED) (cont'd)**

	YEAR TO DATE ENDED	
	30/6/2011	30/6/2010 RESTATED
	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(673)	(1,472)
Purchase of available for sale investment	(318)	(1,330)
Proceeds from disposal of available for sale investment	5	1
Dividend received	38	9
Proceeds from disposal of property, plant and equipment	762	99
Net cash used in investing activities	(186)	(2,693)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	9,755	(9,013)
Issuance of shares	584	74
Net cash (used in)/generated from financing activities	10,339	(8,939)
Net increase in cash and cash equivalents	7,092	(5,453)
Effect of exchange rate changes	112	112
	7,092	(5,341)
Cash and cash equivalent at beginning of period	(9,019)	(3,677)
Effect of exchange rate changes	(2)	(1)
	(9,021)	(3,678)
Cash and cash equivalent at end of period	(1,929)	(9,019)
Represented by:		
Deposit, cash and bank balances	802	665
Bank overdrafts	(2,731)	(9,684)
	(1,929)	(9,019)

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

**(A) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 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 30th 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 30th 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 30th 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 30 JUNE 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 30 JUNE 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 1st July 2010. The effects of the re-measurement on 1st 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 th June 2010	RM'000	RM'000	RM'000
Available for sales investment	1,390	18	1,408
Reserves			
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 1st 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 30th June 2011.

**(A) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 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 30th June 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 th 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 30th 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 30 JUNE 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.

8. DIVIDEND PAID

No dividends were paid during the quarter under review.

9. SEGMENTAL REPORTING

12-months ended 30th June 2011

	Revenue RM'000	Profit before taxation RM'000
Apparels	118,120	15,648
Investment properties	1,755	1,047
Consolidation adjustments	(10,584)	(4,650)
	<u>109,291</u>	<u>12,045</u>

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 30th 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
40,328

**(A) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2011 (cont'd)**

14. CAPITAL COMMITMENTS

Capital commitment as at 30th June 2011 is as follows:

Contracted	
Non-cancellable operating lease commitment	RM'000
- Not later than 1 year	682
- Later than 1 year and not later than 5 years	475
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	1,157
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15. 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 2011.

	RM'000
Purchase of goods from	
- Perniagaan Sulam Kim Bin (M) Sdn. Bhd.	189
- TGL Packaging Sdn. Bhd.	10
Rental paid to	
- TGL Packaging Sdn. Bhd.	605
- TGL Industries Sdn. Bhd.	480
- Bidang Cendana Sdn. Bhd.	282
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**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2011**

16. REVIEW OF PERFORMANCE

The Group recorded a loss before taxation of RM0.40 million for the current quarter as compared to a loss before taxation of RM0.11 million in the corresponding quarter in previous year. This is mainly due to the lower gross profit margin for the current quarter of 30% against 34% in the corresponding period as a result of inventories written off/written down amounting to about RM1 million and aggressive promotional and clearance sales activities.

Although revenue for the cumulative 12-month period ended 30th June 2011 has improved by 6.36% or RM6.54 million as compared to the corresponding period, there is no significant change in the profit before tax as the increase in revenue is mitigated by the increase in operating expenses ie staff cost.

17. COMPARISON WITH PRECEDING QUARTER'S REPORT

	Quarter ended 30 June 2011 RM'000	Quarter ended 31 March 2011 RM'000
Revenue	21,727	19,287
Loss before taxation	(397)	(134)

As compared to the previous quarter, revenue for the quarter under review had improved by RM2.44 million or 12.65%.

The higher revenue achieved in current quarter under review as compared to previous quarter is due to mid year sales and the Hari Raya sales picking up earlier in June 2011 as the festival falls on end August 2011.

The Group recorded a loss before taxation of RM0.40 million during the current quarter under review, decreased of 207.69% or RM0.27 million as compared to a loss before taxation of RM0.13 million registered in previous quarter. This was caused by decline in gross profit margin from 36% to 30% together with inventories written off/written down amounting to RM1 million in current quarter under review.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2011 (cont'd)**

18. COMMENTARY ON PROSPECTS

For the financial year recently concluded, the Group remained profitable although profit after taxation decline by approximately 1.60% (RM0.15 million) from RM9.13 million to RM8.98 million when compared to that of the previous financial year. 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.

With the global financial crisis and the weakening of the global equity market and the USD, the coming months cannot be good for retail sentiment and will continue to pose more challenges to the Group's operations. 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.

19. VARIANCE FROM PROFIT FORECASTS

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

20. TAXATION

	Year to dated ended 30 June	
	2011	2010
	RM'000	RM'000
Tax liabilities at 1 July	814	748
Current period's provision	2,984	2,856
Net payment made during the period	(3,204)	(2,790)
	594	814
	594	814
Disclosed as:		
Tax assets	(87)	(140)
Tax liabilities	681	954
	594	814
	594	814
Taxation expense for the period:-		
Malaysian taxation	2,984	2,856
Deferred taxation	77	430
	3,061	3,286
	3,061	3,286

The effective tax rate for the twelve months ended 30th June 2011 was 25%.

21. PROFIT ON SALE OF INVESTMENT AND/OR PROPERTIES

There was no profit on sale of investment and/or properties for the quarter ended 30th June 2011.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2011 (cont'd)**

22. PURCHASE OR DISPOSAL OF QUOTED SECURITIES

- (a) There is no additions/disposal of quoted securities for the quarter under review.
- (b) 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	1,746,551
(iii) At market value as at 30 th June 2011	1,746,551

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 30 June 2011 RM'000	As at 30 June 2010 RM'000
(a) Short term borrowings		
- Unsecured	17,576	13,054
- Secured	1,688	1,724
	19,264	14,778
(b) Long term borrowings		
- Secured	3,277	4,961
	3,277	4,961
Total	22,541	19,739

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 30 JUNE 2011 (cont'd)**

26. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The Group does not have any financial instruments with off balance sheet risk as at 30th June 2011.

27. MATERIAL LITIGATION

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

28. DIVIDEND PAYABLE

The Board of Directors has recommended a final dividend of 15 sen less tax at 25% amounting RM4,583,498, subject to shareholders' approval for the current financial year ended 30th June 2011.

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 20th 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 30 June 2011 RM'000	Quarter ended 31 March 2011 RM'000
Total retained profits of the Group		
- Realised	18,144	18,415
- Unrealised	5,118	5,118
	<hr/>	<hr/>
	23,262	23,533
	<hr/>	<hr/>

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 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 30 June		Year to date ended 30 June	
	2011	2010 Restated	2011	2010 Restated
Net (loss)/profit attributable to shareholders (RM'000)	(271)	(187)	8,894	9,133
Weighted average number of ordinary shares in issue ('000)	40,532	40,119	40,532	40,119
Basic earnings/loss per share (sen)	(0.67)	(0.47)	21.94	22.77

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 28th 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 30 JUNE 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 24th August 2011.

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

Gunn Chit Geok (MAICSA 0673097)
Kam Poh Tin (MAICSA 7028438)
Company Secretaries

Date: 24th August 2011