

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 2011**

* Quarter : **1st Quarter**

* Financial Year End : **30th June 2012**

* The figures : Have not been audited

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

	Note	3-MONTH ENDED		YEAR TO DATE ENDED	
		30/9/2011 RM'000	30/9/2010 RM'000	30/9/2011 RM'000	30/9/2010 RM'000
Revenue	(A) 9	43,274	45,387	43,274	45,387
Gross profit		18,494 43%	18,564 41%	18,494 43%	18,564 41%
Other operating income		252	40	252	40
Operating expenses		(7,412)	(6,882)	(7,412)	(6,882)
Profit from the operation		11,334	11,722	11,334	11,722
Finance costs		(308)	(193)	(308)	(193)
Profit before taxation		11,026	11,529	11,026	11,529
Taxation	B(20)	(2,826)	(2,985)	(2,826)	(2,985)
Profit for the period		8,200	8,544	8,200	8,544
Other comprehensive (expense) /income for the period, net of tax		(411)	64	(411)	64
Total comprehensive income for the period		7,789	8,608	7,789	8,608
Profit attributable to :					
Equity holders of the parent		8,152	8,594	8,152	8,594
Non-controlling interest		48	(50)	48	(50)
		8,200	8,544	8,200	8,544
Total comprehensive income attributable to:					
Equity holders of the parent		7,741	8,658	7,741	8,658
Non-controlling interest		48	(50)	48	(50)
		7,789	8,608	7,789	8,608
Earnings per share					
-Basic	(B) 30	20.01	21.39	20.01	21.39
-Diluted	(B) 30	N/A	21.30	N/A	21.30

The condensed consolidated statements of comprehensive income statements should be read in conjunction with the audited financial statements for the year ended 30th June 2011 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011

	Note	AS AT 30/9/2011 (UNAUDITED) RM'000	AS AT 30/6/2011 AUDITED RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	(A) 10	4,831	4,866
Investment properties	(A) 10	24,064	24,064
Available for sale investments	(B) 22	1,336	1,747
Deferred tax assets		7	49
		<u>30,238</u>	<u>30,726</u>
CURRENT ASSETS			
Inventories		61,753	62,115
Receivables		41,591	23,497
Tax assets		-	70
Cash and bank balances		2,295	778
		<u>105,639</u>	<u>86,460</u>
TOTAL ASSETS		<u>135,877</u>	<u>117,186</u>
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Share capital		40,742	40,742
Reserves		31,156	23,415
		<u>71,898</u>	<u>64,157</u>
Non-controlling interest		1,067	1,018
TOTAL EQUITY		<u>72,965</u>	<u>65,175</u>
NON-CURRENT LIABILITIES			
Borrowings	(B) 24	3,061	3,258
Deferred tax liabilities		2,428	2,428
		<u>5,489</u>	<u>5,686</u>
CURRENT LIABILITIES			
Payables		29,533	26,363
Tax liabilities		2,780	679
Borrowings	(B) 24	25,110	19,283
		<u>57,423</u>	<u>46,325</u>
TOTAL LIABILITIES		<u>62,912</u>	<u>52,011</u>
TOTAL EQUITY AND LIABILITIES		<u>135,877</u>	<u>117,186</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30th June 2011 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 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	18,942	59,338	926	60,264
Total comprehensive income for the period	-	-	-	21	8,788	8,809	92	8,901
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 2011/1 July 2011	40,742	(46)	266	39	23,156	64,157	1,018	65,175
Total comprehensive income for the period	-	-	-	(411)	8,152	7,741	48	7,789
Balance at 30 September 2011	40,742	(46)	266	(372)	31,308	71,898	1,066	72,964

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30th June 2011 and the accompanying explanatory notes attached to the interim financial statements.

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

	3 MONTHS ENDED	
	30/9/2011	30/9/2010
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	11,026	11,529
Adjustments for:		
Non-cash items		
Depreciation of property, plant and equipment	376	331
Inventories written off/written down	500	500
Impairment loss on investment properties	-	5
Gain on disposal of available for sales investment	-	(5)
	11,902	12,360
Dividend income	(7)	(4)
Interest expenses	308	193
Interest income	(4)	(1)
Operating profit before working capital changes	12,199	12,548
Changes in inventories	(138)	(5,341)
Changes in receivables	(18,094)	(21,410)
Changes in payables	3,170	16,266
Cash (used in) generated from operations	(2,863)	2,063
Interest received	4	1
Interest paid	(308)	(193)
Tax paid	(613)	(624)
Net cash (used)/generated from operating activities	(3,780)	1,247
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(200)	(250)
Purchase of available for sale investment	-	(107)
Proceeds from disposal of available for sale investment	-	5
Dividend received	7	4
Net cash used in investing activities	(193)	(348)

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 30th June 2011 and the accompanying explanatory notes attached to the interim financial statements.

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

	3 MONTHS ENDED	
	30/9/2011	30/9/2010
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	6,336	7,511
Issuance of shares	-	148
Net cash generated from financing activities	6,336	7,659
Net increase in cash and cash equivalents	2,363	8,558
Cash and cash equivalent at beginning of period	(1,467)	(9,019)
Cash and cash equivalent at end of period	896	(461)
Represented by:		
Deposit, cash and bank balances	2,295	1,413
Bank overdrafts	(1,399)	(1,874)
	896	(461)

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 30th June 2011 and the accompanying explanatory notes attached to the interim financial statements.

**(A) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 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 2011. 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 2011.

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 2011 except for the adoption of:

Amendments to FRS 7, Improving Disclosures about Financial Instruments
Amendments to FRS 3, Business Combinations FRS 132, Financial Instruments: Presentation
Amendments FRS 7, Financial Instruments: Disclosure.
Amendments to FRS 101, Presentation of Financial Statements
Amendments to FRS 121, The Effects of Changes in Foreign Exchange Rates
Amendments to FRS 132, Financial Instruments: Presentation
Amendments to FRS 139, Financial Instruments: Recognition and Measurement

The adoption of the abovementioned Standards and Interpretations is not expected to have significant impact on the financial statements of the Group and the Company.

3. QUALIFICATION OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors’ report of the most recent annual financial statements for the financial year ended 30th June 2011 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.

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

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 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

3-months ended 30th September 2011

	Revenue RM'000	Profit before taxation RM'000
Apparels	44,474	11,117
Investment properties	440	261
Consolidation adjustments	(1,640)	(352)
	<u>43,274</u>	<u>11,026</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 2011.

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 SEPTEMBER 2011 (cont'd)**

14. CAPITAL COMMITMENTS

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

Contracted	
Non-cancellable operating lease commitment	RM'000
- Not later than 1 year	614
- Later than 1 year and not later than 5 years	358
	<hr/>
	972
	<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 30th September 2011:

	RM'000
Purchase of goods from	
- Perniagaan Sulam Kim Bin (M) Sdn. Bhd.	54
- TGL Packaging Sdn. Bhd.	1
Rental paid to	
- TGL Packaging Sdn. Bhd.	151
- TGL Industries Sdn. Bhd.	150
- Bidang Cendana Sdn. Bhd.	70
	<hr/>

[The rest of the page is intentionally left blank]

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2011**

16. REVIEW OF PERFORMANCE

Revenue for the current quarter under review was RM43.27 million as compared to RM45.39 million recorded in the same quarter in previous year, a decrease of 4.67% or RM2.12 million. The decrease in sales was due to the discontinuation of outright sales to certain hypermarkets and customers.

The Group recorded a profit before taxation of RM11.03 million during the current quarter under review, a decreased of 4.34% or RM0.50 million as compared to a profit before taxation of RM11.53 million registered in the previous year's same quarter.

The decrease is mainly due to the increase in both staff cost and finance cost by approximately RM0.65 million. However, the financial impact is mitigated by the increase in gross profit margin of 2% this quarter to 43% from 41%.

17. COMPARISON WITH PRECEDING QUARTER'S REPORT

	Quarter ended 30 September 2011 RM'000	Quarter ended 30 June 2011 RM'000
Revenue	43,274	21,748
Profit/(loss) before taxation	11,026	(429)

As compared to the previous quarter, revenue for the quarter under review had improved by RM21.53 million or approximately 99%.

For the first quarter ended 30th September 2011, profit before taxation of the Group was RM11.03 million, compared with loss before taxation of RM0.43 million recorded in preceding quarter ended 30th June 2011.

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

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.

With the global financial crisis and the weakening of the global equity market, the coming months 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.

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

19. VARIANCE FROM PROFIT FORECASTS

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

20. TAXATION

	Year to dated ended 30 September	
	2011 RM'000	2010 RM'000
Tax liabilities at 1 July	609	814
Current period's provision	2,784	2,956
Net payment made during the period	(613)	(624)
Tax liabilities at 30 September	2,780	3,146
Disclosed as:		
Tax assets	-	(111)
Tax liabilities	2,780	3,257
	2,780	3,146
Taxation expense for the period:-		
Malaysian taxation	2,784	2,956
Deferred taxation	42	29
	2,826	2,985

The effective tax rate for the three months ended 30th September 2011 was approximately 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 30th September 2011.

22. PURCHASE OR DISPOSAL OF QUOTED SECURITIES

(a) There is no addition/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	1,335,757
(iii) At market value as at 30 th September 2011	1,335,757

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

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 September 2011 RM'000	As at 30 June 2011 RM'000
(a) Short term borrowings		
- Unsecured	23,500	17,576
- Secured	1,610	1,707
	25,110	19,283
(b) Long term borrowings		
- Secured	3,061	3,258
	3,061	3,258
Total	28,171	22,541

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 SEPTEMBER 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 September 2011.

27. MATERIAL LITIGATION

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

28. DIVIDEND PAYABLE

The first and final dividend which has been declared for the financial year ended 30th June 2011 is as follows:

Rate	:	15 sen per share less 25% tax
Announced	:	1 st November 2011
Book Closure	:	6 th December 2011
Payment Date	:	20 th December 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 September 2011 RM'000	Quarter ended 30 June 2011 RM'000
Total retained profits of the Group		
- Realised	26,190	20,822
- Unrealised	5,118	5,118
	<hr/>	<hr/>
	31,308	25,940
	<hr/>	<hr/>

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 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		Year to date ended	
	30 September 2011	2010	30 September 2011	2010
Netprofit attributable to shareholders (RM'000)	8,152	8,594	8,152	8,594
Weighted average number of ordinary shares in issue ('000)	40,742	40,183	40,742	40,183
Basic earnings/loss per share (sen)	20.01	21.39	20.01	21.39

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 SEPTEMBER 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 29th November 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: 29th November 2011