

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 2012**

* Quarter : **4th Quarter**

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

* The figures : Have not been audited

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2012 (UNAUDITED)**

	3-MONTH ENDED		YEAR TO DATE ENDED	
	30/6/2012	30/6/2011	30/6/2012	AUDITED 30/6/2011
	RM'000	RM'000	RM'000	RM'000
Revenue	21,113	21,748	106,557	109,312
Gross profit	6,854 32%	6,320 29%	40,928 38%	41,172 38%
Other operating income	78	(121)	533	128
Operating expenses	(7,185)	(6,342)	(29,706)	(28,464)
(Loss)/Profit from the operation	(253)	(143)	11,755	12,836
Finance costs	(168)	(286)	(956)	(823)
(Loss)/Profit before taxation	(421)	(429)	10,799	12,013
Taxation	122	115	(2,811)	(3,133)
(Loss)/Profit for the period	(299)	(314)	7,988	8,880
Other comprehensive income/(expense) for the period, net of tax	(140)	(93)	(284)	21
Total comprehensive (expenses)/income for the period	(439)	(407)	7,704	8,901
(Loss)/Profit attributable to :				
Equity holders of the parent	(292)	(377)	7,916	8,788
Non-controlling interest	(7)	63	72	92
	(299)	(314)	7,988	8,880
Total comprehensive (expenses)/income attributable to:				
Equity holders of the parent	(432)	(470)	7,633	8,809
Non-controlling interest	(7)	63	71	92
	(439)	(407)	7,704	8,901
(Loss)/Earnings per share				
-Basic	(0.72)	(0.93)	19.43	21.79
-Diluted	N/A	N/A	N/A	N/A

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 JUNE 2012

	AS AT 30/6/2012 UNAUDITED RM'000	AS AT 30/6/2011 AUDITED RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	4,938	4,866
Investment properties	24,064	24,064
Available for sale investments	1,355	1,747
Deferred tax assets	8	49
	<u>30,365</u>	<u>30,726</u>
CURRENT ASSETS		
Inventories	54,552	62,115
Receivables	23,535	23,497
Tax assets	95	70
Cash and bank balances	223	778
	<u>78,405</u>	<u>86,460</u>
TOTAL ASSETS	<u>108,770</u>	<u>117,186</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital	40,742	40,742
Reserves	26,510	23,415
	<u>67,252</u>	<u>64,157</u>
Non-controlling interest	1,090	1,018
TOTAL EQUITY	<u>68,342</u>	<u>65,175</u>
NON-CURRENT LIABILITIES		
Borrowings	2,323	3,258
Deferred tax liabilities	2,428	2,428
	<u>4,751</u>	<u>5,686</u>
CURRENT LIABILITIES		
Payables	23,158	26,363
Tax liabilities	726	679
Borrowings	11,793	19,283
	<u>35,677</u>	<u>46,325</u>
TOTAL LIABILITIES	<u>40,428</u>	<u>52,011</u>
TOTAL EQUITY AND LIABILITIES	<u>108,770</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.

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

	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	Non- Controlling Interest RM'000	Total Equity 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	-	-	-	-	(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	-	46	-	(284)	7,916	7,678	72	7,750
Dividend paid	-	-	-	-	(4,583)	(4,583)	-	(4,583)
Balance at 30 June 2012	40,742	-	266	(245)	26,489	67,252	1,090	68,342

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.

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

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 JUNE 2012 (UNAUDITED)**

	30/6/2012 RM'000 UNAUDITED	30/6/2011 RM'000 AUDITED
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	10,799	12,013
Adjustments for:		
Non-cash items		
Bad debts written off	-	3
Fair value adjustment on investment properties	-	5
Depreciation of property, plant and equipment	1,503	1,330
Gain on disposal of property, plant and equipment	-	(12)
Loss/(Gain) on disposal of available for sales investment	(1)	-
Loss on disposal of subsidiary company	110	-
Inventories written off/written down	1,447	1,508
Impairment on receivables	27	60
Property, plant and equipment written off	1	-
	13,886	14,907
Dividend income	(44)	(4)
Interest expenses	956	762
Interest income	(18)	(27)
Operating profit before working capital changes	14,780	15,638
Changes in inventories	6,116	(20,579)
Changes in receivables	(65)	(1,112)
Changes in payables	(3,205)	11,491
Cash generated from operations	17,626	5,438
Dividend paid	(4,583)	(4,574)
Interest received	18	27
Interest paid	(956)	(762)
Tax paid	(2,748)	(3,175)
Net cash generated from/(used in) operating activities	9,357	(3,046)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,155)	(673)
Purchase of available for sale investment	(60)	(318)
Proceeds from disposal of available for sale investment	169	-
Proceeds from disposal of property, plant and equipment	-	12
Proceeds from disposal of investment properties	-	750
Dividend received	44	4
Net cash used in investing activities	(1,002)	(225)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	(8,137)	10,239
Issuance of shares	-	584
Net cash (used in)/generated from financing activities	(8,137)	10,823
Net increase in cash and cash equivalents	218	7,552
Cash and cash equivalent at beginning of period	(1,467)	(9,019)
Cash and cash equivalent at end of period	(1,249)	(1,467)
Represented by:		
Cash and bank balances	223	778
Bank overdrafts	(1,472)	(2,245)
	(1,249)	(1,467)

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 JUNE 2012**

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. 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.

4. UNUSUAL MATERIAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows for the financial period under review.

5. 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 2012 (cont'd)**

6. 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.

7. DIVIDEND PAID

No dividends were paid during the quarter under review.

8. SEGMENTAL REPORTING

Year ended 30th June 2012

	Apparels RM'000	Investment properties RM'000	Total RM'000
Revenue	104,795	1,762	106,557
Profit before interest, taxes, depreciation and amortisation	11,774	1,466	13,240
Depreciation and amortisation			(1,503)
Interest expenses			(956)
Interest income			18
Profit before taxation			10,799
Tax expenses			(2,811)
Profit for the period			7,988

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

9. 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.

10. MATERIAL SUBSEQUENT EVENTS

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

**(A) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2012 (cont'd)**

11. CHANGES IN COMPOSITION OF GROUP

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

12. 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 42,028

13. CAPITAL COMMITMENTS

Capital commitment as at 30th June 2012 is as follows:

Contracted	
Non-cancellable operating lease commitment	RM'000
- Not later than 1 year	791
- Later than 1 year and not later than 5 years	799
	<hr/> 1,590 <hr/>

14. 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 2012:

	RM'000
Purchase of goods from	
- Perniagaan Sulam Kim Bin (M) Sdn. Bhd.	191
- TGL Packaging Sdn. Bhd.	7
Rental paid to	
- TGL Packaging Sdn. Bhd.	605
- TGL Industries Sdn. Bhd.	600
- Bidang Cendana Sdn. Bhd.	282

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2012**

1. REVIEW OF PERFORMANCE

Revenue for the fourth quarter and cumulative 12-month period ended 30th June 2012 is RM21.11 million and RM106.56 million as compared to RM21.75 million and RM109.31 million respectively recorded in previous year.

For the current quarter under review, the Group's revenue decreased by 2.94% or RM0.64 million compared to the revenue recorded in the previous year corresponding quarter. During the same period, the Group recorded a loss before tax of RM0.42 million as compared to loss before taxation of RM0.43 million in the previous year corresponding quarter.

Revenue for the 12 month period ended 30th June 2012 has decreased by 2.52% or RM2.76 million as compared to the 12 month period the year before due to the discontinuation of certain brands on an outright basis to hypermarkets.

As a result, gross profit dropped by RM0.24 million and coupled with the increase in operation expenses by RM 1.24 million and finance cost of RM0.13 million, net profit before tax dropped from RM12.013 million to RM10.80 million.

2. COMPARISON WITH PRECEDING QUARTER'S REPORT

	Quarter ended 30 June 2012 RM'000	Quarter ended 31 March 2012 RM'000
Revenue	21,113	17,922
Loss before taxation	(421)	(462)

As compared to the previous quarter, revenue for the quarter under review had improved by RM3.19 million or 17.80%.

The higher revenue achieved in current quarter under review was mainly due to mid year sales and the Hari Raya sales picking up earlier in June 2012 as the festival falls on third week of August 2012.

Although the Group recorded a higher revenue in current quarter under review, there is no significant improvement in loss before tax due to lower gross profit margin for the current quarter of 32% against 38% compared to the previous quarter as a result of inventories written off/written down amounting to about RM0.45 million and aggressive promotional and clearance sales activities.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2012 (cont'd)**

3. COMMENTARY ON PROSPECTS

For the financial year recently concluded, the Group remained profitable although profit after taxation decline by approximately 10% (RM0.89 million) from RM8.88 million to RM7.99 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.

The present competitive trend of the apparels industry is expected to continue with additional competitors coming into the retail industry and will continue to pose more challenges to the Group's operations, nevertheless, the Group is 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.

4. VARIANCE FROM PROFIT FORECASTS

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

5. TAXATION

	Year to date ended 30 June	
	2012	2011
	RM'000	RM'000
Tax liabilities at 1 July	609	814
Current period's provision	2,770	2,970
Net payment made during the period	(2,748)	(3,175)
	<hr/> 631	<hr/> 609
Tax liabilities at 30 June	<hr/> 631	<hr/> 609
Disclosed as:		
Tax assets	(95)	(70)
Tax liabilities	726	679
	<hr/> 631	<hr/> 609
Taxation expense for the period:-		
Malaysian taxation	2,770	2,970
Deferred taxation	41	163
	<hr/> 2,811	<hr/> 3,133

The effective tax rate for the period ended 30th June 2012 was approximately 26% due to some expenses that are disallowed for tax deduction.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2012 (cont'd)**

6. CORPORATE PROPOSAL

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

7. GROUP BORROWINGS AND DEBT SECURITIES

	As at 30 June 2012 RM'000	As at 30 June 2011 RM'000
(a) Short term borrowings		
- Unsecured	10,489	17,576
- Secured	1,304	1,707
	11,793	19,283
(b) Long term borrowings		
- Secured	2,323	3,258
	2,323	3,258
Total	14,116	22,541

The above borrowings are all denominated in Ringgit Malaysia.

8. FINANCIAL INSTRUMENTS - DERIVATIVE

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

9. MATERIAL LITIGATION

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

10. DIVIDEND PAYABLE

The Board of Directors has recommended a final dividend of 10 sen less tax at 25% amounting RM3,055,665, subject to shareholders' approval for the current financial year ended 30th June 2012. The proposed dividend if approved will be paid on 20th December 2012 to depositors registered in the record of depositors at the close of business on 5th December 2012.

11. 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.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2012 (cont'd)**

12. EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The basic (loss)/earnings per share of the Group is calculated based on the net (loss)/profit attributable to shareholders divided by weighted average number of ordinary shares in issue as follow:

	Individual quarter ended		Year to date ended	
	30 June		30 June	
	2012	2011	2012	2011
Net (loss)/profit attributable to shareholders (RM'000)	(292)	(377)	7,916	8,788
Weighted average number of ordinary shares in issue ('000)	40,742	40,323	40,742	40,323
Basic (loss)/earnings per share (sen)	(0.72)	(0.93)	19.43	21.79

(b) Diluted (loss)/earnings per share

The diluted (loss)/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 (loss)/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.

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**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2012 (cont'd)**

13. 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:

	30 June 2012 RM'000	30 June 2011 RM'000
Total retained profits of the Group		
- Realised	24,155	20,822
- Unrealised	5,118	5,118
	29,273	25,940
	(2,784)	(2,784)
Consolidation adjustments	26,489	23,156

14. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

	Individual quarter ended 30 June 2012 RM'000	Year to date ended 30 June 2012 RM'000
(Loss)/Profit from operations for the period is arrived after charging:		
Depreciation of property, plant and equipment	360	1,503
Inventories written off/written down	447	1,447
Property, plant and equipment written off	-	1
Loss on disposal of subsidiary company	-	110
And after crediting:		
Interest income	11	18
Gain on foreign exchange	5	163

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of the Bursa Malaysia Securities Berhad are not applicable.

**(B) NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2012 (cont'd)**

15. 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 August 2012.

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

Gunn Chit Geok (MAICSA 0673097)
Chew Siew Cheng (MAICSA 7019191)
Company Secretaries

Date: 29th August 2012.