THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY. If you have sold or transferred all your ordinary shares in Yong Tai Berhad (311186-T) ("YONGTAI" or "our Company"), you should at once hand this Abridged Prospectus together with the Notice of Provisional Allotment ("NPA") and Rights Subscription Form ("RSF") to the agent/broker through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue with Warrants (as defined herein), which is the subject of this Abridged Prospectus should be addressed to our Share Registrar, Bina Management (M) Sdn Bhd, Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan.

This Abridged Prospectus, together with the NPA and RSF are only despatched to our shareholders who have provided our Company with a registered address in Malaysia and whose names appear on our Record of Depositors not later than 5.00 p.m. on 2 June 2015. This Abridged Prospectus together with the NPA and RSF, are not intended to be issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue with Warrants complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Shareholders (as defined herein) and their renouncee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers as to whether the acceptance or renunciation (as the case may be) of all or any part of their entitlements to the Rights Issue with Warrants would result in the contravention of any laws of such countries or jurisdictions. Neither we nor M&A Securities Sdn Bhd (15017-H) ("M&A Securities") shall accept any responsibility or liability in the event that any acceptance or renunciation made by our Entitled Shareholders or their renouncee(s) (if applicable) are or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions.

A copy of this Abridged Prospectus has been registered with the Securities Commission Malaysia ("SC"). The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue with Warrants or assumes responsibility for the correctness of any statement made or opinion or report expressed in the Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this Abridged Prospectus, together with the NPA and RSF, has also been lodged with the Registrar of Companies, who takes no responsibility for the contents of these documents.

Approval for the Rights Issue with Warrants has been obtained from our shareholders at the Extraordinary General Meeting held on 19 March 2015. Approval has also been obtained from Bursa Malaysia Securities Berhad (635998-W) ("Bursa Securities") via its letter dated 6 February 2015 for *inter-alia* the admission of the Warrants (as defined herein) to the Official List of Bursa Securities and the listing of the Rights Shares (as defined herein) and new YONGTAI Shares (as defined herein) to be issued upon exercise of the Warrants on the Main Market of Bursa Securities. The listing of and quotation for the Rights Shares and Warrants will commence after, amongst others, receipt of confirmation from Bursa Malaysia Depository Sdn Bhd (165570-W) that all the Central Depository System accounts of our Entitled Shareholders have been duly credited and notices of allotment have been despatched to our Entitled Shareholders. Admission of the Warrants to the Official List of Bursa Securities and quotation of the Rights Shares, Warrants and new YONGTAI Shares to be issued upon exercise of the Warrants on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue with Warrants.

All the documentation relating to this Rights Issue with Warrants including this Abridged Prospectus, together with the NPA and RSF, have been seen and approved by our Board of Directors and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement in these documents false or misleading.

M&A Securities, being the Adviser and Underwriter for this Rights Issue with Warrants, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue with Warrants.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD CONSIDER, SEE "RISK FACTORS" AS SET OUT IN SECTION 6 HEREIN.

YONG TAI BERHAD
(Company No. 311186-T)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF 80,230,000 NEW ORDINARY SHARES OF RM0.50 EACH IN YONGTAI ("RIGHTS SHARES") TOGETHER WITH 40,115,000 FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) ORDINARY SHARE OF RM0.50 EACH HELD IN YONGTAI HELD TOGETHER WITH ONE (1) WARRANT FOR EVERY TWO (2) RIGHTS SHARES HELD AT 5.00 P.M. ON 2 JUNE 2015 AT AN ISSUE PRICE OF RM0.50 PER RIGHTS SHARE PAYABLE IN FULL UPON ACCEPTANCE

Adviser and Underwriter

M&A SECURITIES SDN BHD (15017-H)
(A Wholly-Owned Subsidiary of Insas Berhad)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIME:

Entitlement Date	:	Tuesday, 2 June 2015, at 5.00 P.M.
Last date and time for sale of provisional allotment of rights	:	Tuesday, 9 June 2015, at 5.00 P.M.
Last date and time for transfer of provisional allotment of rights	:	Friday, 12 June 2015, at 4.00 P.M.
Last date and time for acceptance and payment	:	Wednesday, 17 June 2015, at 5.00 P.M.*
Last date and time for excess application and payment	:	Wednesday, 17 June 2015, at 5.00 P.M.*

* or such later date and time as our Directors may determine and announce not less than two (2) Market Days (as defined herein) before the stipulated date and time.

This Abridged Prospectus is dated 2 June 2015

ALL TERMS AND ABBREVIATIONS USED HEREIN SHALL HAVE THE SAME MEANINGS AS THOSE DEFINED IN THE "DEFINITIONS" SECTION OF THIS ABRIDGED PROSPECTUS UNLESS STATED OTHERWISE.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

INVESTORS ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE AND MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT, 2007 ("CMSA").

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE WITH WARRANTS FOR WHICH ANY OF THE PERSON SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

DEFINITIONS

Except where the context otherwise requires, the following definitions and abbreviations shall apply throughout this Abridged Prospectus, NPA and RSF:-

"Abridged Prospectus"	:	This Abridged Prospectus issued by our Company dated 2 June 2015
"Act"	:	The Companies Act, 1965
"Amendments"	:	Amendments to the Memorandum and Articles of Association of our Company to facilitate the IASC
"A99DSB"	:	Apple 99 Development Sdn Bhd, a subsidiary of PTS Properties
"A99DSB's Entitlement"		The net profit before income tax that is derived by A99DSB from the Development Project after deducting all expenses and liabilities (such as the CMSB's Entitlement), any fees or profits payable to the Hotel Manager and goods and services tax payable by A99DSB in connection with the Development Project), and which term "net profit" will, for avoidance of doubt, include *inter-alia* profit derived from:- (a) the development and sale of the service apartments; (b) the leasing or letting of any unsold service apartments or any other premises in the Development Project (other than the hotel); (c) the operation of the car park; (d) the operation of the hotel; and (e) where allowed, the sale of the hotel The net profit before income tax shall be calculated on a quarterly basis and the YTB Apple's Entitlements shall be paid by A99DSB to YTB Apple on the last day of every calendar quarter, from the date YTB Apple pays the full YTB Apple's Participating Contribution to A99DSB.
"Board"	:	Board of Directors of our Company
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd
"Bursa Securities"	:	Bursa Malaysia Securities Berhad
"CDS"	:	Central Depository System
"CDS Account(s)"	:	A securities account established by Bursa Depository for a depositor pursuant to the Securities Industry (Central Depositories) Act, 1991 and the rules of Bursa Depository for the recording of deposits or withdrawal of securities and dealings in such securities by the depositor
"CMSB"	:	City Mall Sdn Bhd

DEFINITIONS (*Cont'd*)

"CMSB's Entitlements"		The following entitlement of CMSB under the JVA:- (aa) The land cost portion of the Development Project of RM15,315,696 as part of CMSB's Entitlements; (ba) forty per cent (40%) of the net profit derived by A99DSB from the sale of the service apartments; (ca) forty per cent (40%) of the net profit received by A99DSB from the operation of the hotel; and (da) forty per cent (40%) of the selling price of the Hotel in the event of the disposal of the Hotel as mutually agreed by A99DSB and CMSB.
"Corporate Exercises"	:	The Joint Venture, Par Value Reduction, Rights Issue with Warrants, Special Issue, IASC and Amendments, collectively
"Deed Poll"	:	The deed poll dated 19 May 2015 executed by our Company constituting the Warrants
"Deposit"	:	The sum of RM2,000,000 paid by A99DSB to CMSB on 1 October 2013 as refundable deposit and as part payment of the Development Land Cost Portion
"Development Land Cost Portion"		The land cost portion of the Development Project of RM15,315,696 as part of CMSB's Entitlements
"Development Land"	:	The piece of freehold land measuring approximately 11,862 square metres at Lot No. 2005 held under master title number GRN 45957, Kawasan Bandar XXI, District of Melaka Tengah, State of Melaka located at Jalan Tun Sri Lanang, Malacca
"Director(s)"	:	The directors of YONGTAI and shall have the meaning given in Section 2(1) of the Capital Markets & Services Act, 2007
"EGM"	:	Extraordinary general meeting
"Entitled Shareholder(s)"	:	Our shareholder(s) whose names appear on the Record of Depositors on the Entitlement Date
"Entitlement Date"	:	At 5.00 p.m. on 2 June 2015, being the time and date which the Entitled Shareholder(s) must be registered in our Record of Depositors with Bursa Depository in order to be entitled to participate in the Rights Issue with Warrants
"EPS"	:	Earnings per share
"Exercise Price"	:	Price at which one (1) Warrant is exercisable into one (1) YONGTAI Share, being RM0.50, subject to such adjustments as may be allowed under the Deed Poll
"FPE"	:	Financial period ended/ending, as the case may be
"FYE"	:	Financial year ended/ending 30 June, as the case may be
"Marriott" or "Hotel Manager"	:	Luxury Hotels International Management Company B.V. (Malaysia Branch)

DEFINITIONS (*Cont'd*)

"Hotel Management Agreement"	:	Hotel management agreement entered into between A99DSB and Marriott dated 2 December 2013 for the hotel operations and management of "Courtyard by Marriott" by Marriott
"IASC"	:	Increase in the authorised share capital of our Company from RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each in YONGTAI to RM1,000,000,000 comprising 2,000,000,000 YONGTAI Shares
"Joint Operation Agreement"	:	The joint operation agreement dated 4 December 2014 entered into between YTB Apple and A99DSB to regulate their rights in relation to their joint participation and operations in the construction and development of The Apple
"Joint Venture"	:	Joint venture via the Joint Operation Agreement between YTB Apple and A99DSB for the construction and development of The Apple
"JVA"	:	The joint venture agreement entered into between A99DSB and CMSB on 11 September 2013 for the development of The Apple
"LAT"	:	Loss after taxation
"Late Payment Interest"	:	The interest on any outstanding YTB Apple's Participation Contribution remaining due but unpaid calculated at the interest rate of ten per cent (10%) per annum (based on the current Base Lending Rate of 6.85% plus the opportunity cost spread to be incurred by A99DSB in the event that A99DSB needs to obtain additional loan from other financial institutions to cover the shortfall due to the default by YTB Apple), calculated on actual days elapsed on the basis of a three hundred and sixty five (365) days year and on a daily basis commencing from due date up to the date of full and final settlement of the same (including any Late Payment Interest thereon capitalised on a monthly basis)
"LBT"	:	Loss before taxation
"LPD"	:	5 May 2015, being the latest practicable date prior to the printing of this Abridged Prospectus
"Market Day(s)"	:	A day on which Bursa Securities is open for trading in securities
"M&A Securities"	:	M&A Securities Sdn Bhd
"NA"	:	Net assets
"NPA"	:	Notice of Provisional Allotment in relation to the Rights Issue with Warrants
"NTA"	:	Net tangible assets

DEFINITIONS (*Cont'd*)

"Par Value Reduction"	:	The par value reduction of the existing issued and paid-up share capital of YONGTAI from RM40,115,000 comprising 40,115,000 ordinary shares of RM1.00 each in YONGTAI to RM20,057,500 comprising 40,115,000 YONGTAI Shares via the cancellation of RM0.50 from the par value of each existing ordinary share of RM1.00 each in YONGTAI pursuant to Section 64 of the Act
"PAT"	:	Profit after taxation
"PBT"	:	Profit before taxation
"Podium"	:	A podium block where the service apartment and the hotel will be erected on comprising:- (a) six (6)-storey carpark; (b) one (1) ground level for hotel management office; and (c) one (1) storey for other facilities
"Project Collaboration"	:	Project collaboration through the Project Collaboration Agreement between YTB Land and PTS Properties for the development and construction of 99 Residences
"Project Collaboration Agreement"	:	The project collaboration agreement dated 29 April 2014 entered into between YTB Land and PTS Properties for the development and construction of 99 Residences
"PTS Properties"	:	PTS Properties Sdn Bhd
"Record of Depositors"	:	A record of securities holders established and maintained by Bursa Depository
"Rights Issue with Warrants"	:	Renounceable rights issue of 80,230,000 Rights Shares together with 40,115,000 Warrants at an issue price of RM0.50 per Rights Share on the basis of two (2) Rights Shares for every one (1) Share held together with one (1) Warrant for every two (2) Rights Shares held on the Entitlement Date
"Rights Share(s)"	:	80,230,000 new YONGTAI Share(s) to be issued pursuant to the Rights Issue with Warrants
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"RSF"	:	Rights subscription form in relation to the Rights Issue with Warrants
"SC"	:	Securities Commission Malaysia
"Special Issue"	:	Special issue of up to 40,000,000 Special Issue Shares to independent third party investor(s) to be identified at an issue pirce of RM0.58 per Special Issue Share
"Special Issue Share(s)"	:	Up to 40,000,000 new YONGTAI Share(s) to be issued pursuant to the Special Issue

DEFINITIONS (*Cont'd*)

"The Apple" or "Development Project"	:	The development project comprising of inter-alia a sixteen (16)-storey four (4)-star hotel known as "Courtyard by Marriott", a thirty-two (32)-storey block of service apartments and the Podium on the Development Land
"Underwriter"	:	M&A Securities
"Underwriting"	:	80,230,000 Rights Shares to be underwritten pursuant to the Underwriting Agreement
"Underwriting Agreement"	:	Underwriting agreement dated 14 May 2015 entered into between our Company and the Underwriter in relation to the Underwriting
"Warrant(s)"	:	40,115,000 new free detachable warrant(s) to be issued pursuant to the Rights Issue with Warrants
"YONGTAI" or "Company"	:	Yong Tai Berhad
"YONGTAI Group" or "Group"	:	YONGTAI and its subsidiaries, collectively
"YONGTAI Share(s)" or "Shares"	:	Ordinary share(s) of RM0.50 each in YONGTAI
"YTB Apple"	:	YTB Apple Sdn Bhd, a wholly-owned subsidiary of YONGTAI
"YTB Apple's Entitlements"		YTB Apple's share of A99DSB's Entitlement representing seventy per cent (70%) of the A99DSB's Entitlement pursuant to the Joint Operation Agreement
"YTB Apple's Participating Contribution"	:	The amount of RM35.0 million, together with the Late Payment Interest (if any) to be paid by YTB Apple to A99DSB in consideration of A99DSB agreeing to share A99DSB's Entitlement pursuant to the Joint Operation Agreement
"YTB Land"	:	YTB Land Sdn Bhd, a wholly-owned subsidiary of YONGTAI
"99 Residences"	:	A twenty nine (29)-storey luxury condominium hotel, which consists of 391 units of condominium hotel rooms comprising standard suites, poolside suites, honeymoon suites with balcony, lover/honeymoon suites, presidential suites and a mechanical and electrical room, built upon with a six (6)-storey carpark and one (1) ground level for food and beverage outlets on a piece of freehold land namely H.S.(D) 35407 PT No. 33, Kawasan Bandar XVIII, Daerah Melaka Tengah, Negeri Melaka located at Jalan Tun Sri Lanang, Malacca, including any variation thereof

References to "we", "us", "our" and "ourselves" are to our Company and save where the context otherwise requires, our subsidiaries. All references to "you" in this Abridged Prospectus are to our Entitled Shareholders.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

DEFINITIONS (*Cont'd*)

Any reference in this Abridged Prospectus to any statute is a reference to that statute as for the time being amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified.

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name (Designation)	Age	Address	Nationality	Occupation
Datuk Hj. Amil @ Amir bin Junus *(Independent Non-Executive Chairman)*	72	185, Jalan AU2A Taman Sri Keramat Ampang 54200 Ulu Klang Selangor Darul Ehsan	Malaysian	Director
Wong Liew Lin @ Liew Fat Lin *(Managing Director)*	68	36, Jalan Terubok Taman Banang 83000 Batu Pahat Johor Darul Takzim	Malaysian	Director
Wong Mee Yow Cheen @ Liew Mee Yow Cheen *(Executive Director)*	62	57, Jalan Kelapa Jaya Taman Soga 83000 Batu Pahat Johor Darul Takzim	Malaysian	Director
Ng Jet Heong *(Executive Director)*	50	27, Jalan Sutera Jingga 3 Taman Sutera 81200 Johor Bahru Johor Darul Takzim	Malaysian	Director
Tai Shzee Yuan *(Executive Director)*	61	11, Jalan Abadi Taman Sri Kenangan 83000 Batu Pahat Johor Darul Takzim	Malaysian	Director
Liew Huat Kwang *(Executive Director)*	51	2, Jalan Suria 12 Taman Suria 81100 Johor Bahru Johor Darul Takzim	Malaysian	Director
Chok Kim Sin *(Executive Director)*	54	#19-E1, Block C The Straits View Condominium Permas Jaya 81750 Masai Johor Darul Takzim	Malaysian	Director
Ir. Dr. Ting Lai Choon *(Executive Director)*	54	160, Jalan Dedap Batik Sierramas 47000 Sungai Buloh Selangor Darul Ehsan	Malaysian	Director
See Thiam Chya *(Independent Non-Executive Director)*	52	20, Jalan Riang Taman Batu Pahat 83000 Batu Pahat Johor Darul Takzim	Malaysian	Director
Subramaniam A/L A.V.Sankar *(Independent Non-Executive Director)*	65	7, Jalan SS1/6 Kampung Tunku, Sungai Way 47300 Petaling Jaya Selangor Darul Ehsan	Malaysian	Director

CORPORATE DIRECTORY (*Cont'd*)

Name (Designation)	Age	Address	Nationality	Occupation
Datuk Ng Bee Ken *(Independent Non-Executive Director)*	60	20-3-3A Angkupuri Condominium Jalan Kiara, Mon't Kiara 50480 Kuala Lumpur	Malaysian	Director

AUDIT COMMITTEE

Name	Designation	Directorship
Subramaniam A/L A.V.Sankar	Chairman	Independent Non-Executive Director
Datuk Hj. Amil @ Amir bin Junus	Member	Independent Non-Executive Chairman
See Thiam Chya	Member	Independent Non-Executive Director

COMPANY SECRETARIES

JAUHARI BIN HASSAN (LS 03681)
LIM SUAT BEN (f) (MAICSA 082022)

c/o Ground Floor
8, Lorong Universiti B
Section 16
46350 Petaling Jaya
Selangor Darul Ehsan
Telephone number: 03–7956 5889

REGISTERED OFFICE

Ground Floor
8, Lorong Universiti B
Section 16
46350 Petaling Jaya
Selangor Darul Ehsan
Telephone number: 03–7956 5889

HEAD/MANAGEMENT OFFICE

No. 3, Jalan Kapal
Kawasan Perindustrian Tongkang Pecah
83010 Batu Pahat
Johor Darul Takzim
Email address: hqyt@yongtai.com.my
Website: http://www.yongtai.com.my
Telephone number: 07–415 1297

PRINCIPAL BANKER

Malayan Banking Berhad

Region Corporate Banking, Johor
Level 13, Office Tower
Johor Bahru City Square
No. 108, Jalan Wong Ah Fook
80000 Johor Bahru
Johor Darul Takzim
Telephone number: 07–224 1282

CORPORATE DIRECTORY (*Cont'd*)

AUDITORS/REPORTING ACCOUNTANTS	**Ecovis AHL PLT (LLP0003185-LCA) & (AF 001825)** **Chartered Accountants** 147B, Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Telephone number: 07–556 7777
SHARE REGISTRAR	**Bina Management (M) Sdn Bhd** Lot 10, The Highway Centre Jalan 51/205, 46050 Petaling Jaya Selangor Darul Ehsan Telephone number: 03–7784 3922
SOLICITORS FOR THE RIGHTS ISSUE WITH WARRANTS	**Rozlan Khuen** 23-2, Block B The Suites, Jaya 1 Jalan Universiti 46200 Petaling Jaya Selangor Darul Ehsan Telephone number: 03–7958 3305
ADVISER AND UNDERWRITER FOR THE RIGHTS ISSUE WITH WARRANTS	**M&A Securities Sdn Bhd** No. 45 & 47, Level 11 The Boulevard Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Telephone number: 03–2284 2911
STOCK EXCHANGE LISTING	Main Market of Bursa Securities

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YONG TAI BERHAD
(Company No. 311186-T)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

Ground Floor
8, Lorong Universiti B
Section 16
46350 Petaling Jaya
Selangor Darul Ehsan

2 June 2015

Board of Directors:-

Datuk Hj. Amil @ Amir bin Junus *(Independent Non-Executive Chairman)*
Wong Liew Lin @ Liew Fat Lin *(Managing Director)*
Wong Mee Yow Cheen @ Liew Mee Yow Cheen *(Executive Director)*
Ng Jet Heong *(Executive Director)*
Tai Shzee Yuan *(Executive Director)*
Liew Huat Kwang *(Executive Director)*
Chok Kim Sin *(Executive Director)*
Ir. Dr. Ting Lai Choon *(Executive Director)*
See Thiam Chya *(Independent Non-Executive Director)*
Subramaniam A/L A.V.Sankar *(Independent Non-Executive Director)*
Datuk Ng Bee Ken *(Independent Non-Executive Director)*

To: Our Entitled Shareholders

Dear Sir / Madam,

RENOUNCEABLE RIGHTS ISSUE OF 80,230,000 RIGHTS SHARES TOGETHER WITH 40,115,000 WARRANTS ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) YONGTAI SHARE HELD TOGETHER WITH ONE (1) WARRANT FOR EVERY TWO (2) RIGHTS SHARES HELD AT 5.00 P.M. ON 2 JUNE 2015 AT AN ISSUE PRICE OF RM0.50 PER RIGHTS SHARE PAYABLE IN FULL UPON ACCEPTANCE

1. INTRODUCTION

On 4 December 2014, M&A Securities had, on our behalf, announced the Corporate Exercises.

On 19 March 2015, M&A Securities had, on behalf of our Board, announced that our shareholders had, at an EGM held on even date, approved the Corporate Exercises.

A certified true extract of the ordinary resolution pertaining to the Rights Issue with Warrants, which was passed at the said EGM, is set out in **Appendix I** of this Abridged Prospectus.

Bursa Securities had vide its letter dated 6 February 2015 approved the following:-

(a) Admission to the Official List of Bursa Securities and the listing of and quotation for up to 40,115,000 Warrants to be issued pursuant to the Rights Issue with Warrants; and

(b) Listing of and quotation for:-

  (i) 80,230,000 Rights Shares to be issued pursuant to the Rights Issue with Warrants;

  (ii) Up to 40,115,000 new YONGTAI Shares to be issued from the full exercise of the Warrants; and

  (iii) up to 40,000,000 new YONGTAI Shares to be issued pursuant to the Special Issue.

The abovesaid Bursa Securities' approval is subject to the following conditions:-

No.	Conditions imposed	Status of compliance
(1)	YONGTAI and M&A Securities must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities pertaining to the implementation of the Rights Issue with Warrants and Special Issue	To be complied
(2)	YONGTAI and M&A Securities to inform Bursa Securities upon the completion of the Rights Issue with Warrants and Special Issue	To be complied
(3)	YONGTAI to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue with Warrants and Special Issue are completed	To be complied
(4)	YONGTAI is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of the Warrants, as at the end of each quarter together with a detailed computation of listing fees payable	To be complied

On 20 April 2015, M&A Securities had, on behalf of our Board, announced that:-

(a) the issue price for the Rights Shares has been fixed at RM0.50 per Rights Share;
(b) the exercise price for the Warrants has been fixed at RM0.50 per Warrant; and
(c) the issue price for the Special Issue Shares has been fixed at RM0.58 per Special Issue Share.

The official listing of and quotation for the Rights Shares and Warrants to be issued pursuant to the Rights Issue with Warrants will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of our Entitled Shareholders/renouncees are ready for crediting and notices of allotment have been despatched to them.

On 18 May 2015, M&A Securities, on our behalf, announced that the Entitlement Date has been fixed at 5.00 p.m. on 2 June 2015.

No person is authorised to give any information or make any representation not contained herein in connection with the Rights Issue with Warrants and if given or made, such information or representation must not be relied upon as having been authorised by M&A Securities or us.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE WITH WARRANTS

2.1 Details of the Rights Issue with Warrants

The Rights Issue with Warrants involves a renounceable rights issue of 80,230,000 Rights Shares together with 40,115,000 Warrants at an issue price of RM0.50 per Rights Share on the basis of two (2) Rights Shares for every one (1) existing YONGTAI Shares held together with one (1) Warrant for every two (2) Rights Shares subscribed. The Rights Shares with Warrants will be offered to our Entitled Shareholders.

The Rights Issue with Warrants is renounceable in full or in part. Accordingly, Entitled Shareholders can subscribe for and/or renounce their entitlements to the Rights Shares in full or in part. The Rights Shares which are not taken up or validly taken up shall be made available for excess applications by our Entitled Shareholders and/or their renouncee(s). It is the intention of our Board to allocate the excess Rights Shares in a fair and equitable basis, further details of which are specified under Section 3.8 herein. Fractional entitlements (if any) to the Rights Shares will be disregarded and shall be dealt with in such manner as our Board shall in their absolute discretion deems fit and in the best interest of our Company.

As at the LPD, our Company has an issued and paid-up share capital of RM20,057,500 comprising 40,115,000 YONGTAI Shares. The Rights Shares will be offered to our Entitled Shareholders on an Entitlement Date to be determined by our Board after obtaining the approvals from all relevant authorities and the shareholders of our Company.

The shareholders of our Company who renounce their entitlements to the Rights Shares will not be entitled to the Warrants and shall be deemed to have also renounced their entitlements to the Warrants. Our shareholders who accept only part of the Rights Shares shall only be entitled to the Warrants in the proportion to their acceptance of the Rights Shares. The Warrants will be immediately detached from the Rights Shares upon issuance and will be separately traded on the Main Market of Bursa Securities.

The Warrants shall only be issued to our Entitled Shareholders who subscribe for the Rights Shares pursuant to the Rights Issue with Warrants. The renunciation of the Rights Shares by our Entitled Shareholders will accordingly entail the renunciation of the Warrants to be issued together with the Rights Shares. Any Rights Shares with Warrants not taken up or allotted for any reasons, if any, will be made available for application under the excess Rights Shares with Warrants application.

As you are an Entitled Shareholder and the Rights Shares are prescribed securities, your CDS Account will be duly credited with the number of provisionally allotted Rights Shares with Warrants which you are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. You will find enclosed in this Abridged Prospectus, a NPA notifying you of the crediting of such securities into your CDS Account and a RSF to enable you to subscribe for the Rights Shares with Warrants provisionally allotted to you, as well as to apply for excess Rights Shares with Warrants if you so choose to.

Any dealing in our securities will be subject to, *inter-alia*, the provisions of the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) (Amendment) Act, 1998, the rules of Bursa Depository and any other relevant legislation. Accordingly, upon subscription, the Rights Shares with Warrants will be credited directly into the respective CDS Accounts of the successful applicants. No physical share or warrant certificates will be issued but notices of allotment will be despatched to the successful applicants.

2.2 Basis of determining the issue price of the Rights Shares and exercise price of the Warrants

Our Board had on 20 April 2015 fixed the issue price for the Rights Shares at RM0.50 per Rights Share and exercise price of the Warrants has been fixed at RM0.50 after taking into consideration the following:-

(a) the historical share price movement of YONGTAI Shares;

(b) the five (5)-day weighted average market price ("5D-WAMP") of YONGTAI Shares up to and including 17 April 2015 of RM0.8164, being the market day immediately preceding the price fixing date on 20 April 2015; and

(c) the par value of YONGTAI Shares of RM0.50 each.

The issue price of RM0.50 per Rights Share and exercise price of the Warrants of RM0.50 per Warrant represents a discount of 17.42% from the theoretical ex-rights price of YONGTAI Shares of RM0.6055, calculated based on the 5D-WAMP of YONGTAI Shares up to and including 17 April 2015 of RM0.8164, being the market day immediately preceding the price fixing date on 20 April 2015.

The Warrants are attached to the Rights Shares without any cost and will be issued in the proportion of one (1) Warrant for every two (2) Rights Shares subscribed by our Entitled Shareholders.

2.3 Ranking of the Rights Shares and new YONGTAI Shares to be issued

The Rights Shares shall, upon allotment and issuance, rank *pari passu* among themselves.

The new YONGTAI Shares to be issued pursuant to the Rights Issue with Warrants and exercise of the Warrants, if any, shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing issued and fully paid-up YONGTAI Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of the allotment of the new YONGTAI Shares.

2.4 Salient terms of the Warrants

Please refer to **Appendix II** of this Abridged Prospectus for the salient terms of the Warrants.

2.5 Full subscription basis

The Rights Issue with Warrants will be implemented on a full subscription basis as the entire 80,230,000 Rights Shares have been underwritten ("Underwritten Shares").

2.6 Underwriting Agreement

Pursuant to the Underwriting Agreement, the Underwriter had agreed to underwrite the entire Underwritten Shares at an underwriting commission of 2.5%.

The underwriting commission for the Underwritten Shares and all reasonable costs in relation to the underwriting arrangement will be fully borne by our Company.

2.7 Details of other corporate exercises

As at the LPD, save for the Joint Venture and Special Issue, our Board confirms that there is no other outstanding corporate exercise which we intend to undertake, which have been announced but pending completion.

Note

The Special Issue Shares shall not be entitled to participate in the Rights Issue with Warrants. As such, the Special Issue Shares shall only be allotted after the Entitlement Date. However, the Special Issue Shares, Rights Shares and Warrants shall be listed simultaneously on the Main Market of Bursa Securities.

3. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION

3.1 General

If you are an Entitled Shareholder, your CDS Account will be duly credited with the number of provisionally allotted Rights Shares with Warrants, which you are entitled to subscribe for in full or in part under the terms of the Rights Issue with Warrants. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such provisionally allotted Rights Shares with Warrants into your CDS Account and the RSF to enable you to subscribe for the Rights Shares with Warrants provisionally allotted to you, as well as to apply for excess Rights Shares with Warrants if you choose to do so.

3.2 NPA

The provisional allotted Rights Shares with Warrants are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, all dealings in the provisionally allotted Rights Shares with Warrants will be by book entries through CDS Accounts and will be governed by the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) (Amendment) Act, 1998 and the rules of Bursa Depository. Entitled Shareholders and/or their renouncees (if applicable) are required to have valid and subsisting CDS Accounts when making their applications.

3.3 Last date and time of acceptance and payment

The last date and time for acceptance and payment for the Rights Shares with Warrants is on Wednesday, 17 June 2015 at 5.00 p.m., or such later date and time as may be determined and announced by our Board at their absolute discretion.

3.4 Procedure for full acceptance and payment

Acceptance and payment for the Rights Shares with Warrants provisionally allotted to you as an Entitled Shareholder or your renouncee(s) (if applicable) must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not conform to the terms of this Abridged Prospectus, NPA or RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES WITH WARRANTS PROVISIONALLY ALLOTTED TO YOU AND/OR YOUR RENOUNCEE(S) (IF APPLICABLE), EXCESS APPLICATION FOR THE RIGHTS ISSUE WITH WARRANTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU OR YOUR RENOUNCEE(S) (IF APPLICABLE) WISH TO SELL/TRANSFER ALL OR ANY PART OF YOUR/THEIR ENTITLEMENTS, ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF. YOU AND/OR YOUR RENOUNCEE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

You or your renouncee(s) (if applicable) accepting the provisionally allotted Rights Shares are required to complete Parts I(A) and Part II of the RSF in accordance with the notes and instructions provided therein. Each completed RSF together with the relevant payment must be despatched by **ORDINARY POST, COURIER** or **DELIVERED BY HAND** using the envelope provided (at your own risk) to our Share Registrar at the following address:-

Bina Management (M) Sdn Bhd
Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya
Selangor Darul Ehsan
Telephone number: 03-7784 3922
Fax number: 03-7784 1988

so as to arrive not later than 5.00 p.m. on Wednesday, 17 June 2015, being the last time and date for acceptance and payment, or such extended time and date as may be determined and announced by our Board.

One (1) RSF can only be used for acceptance of provisionally allotted Rights Shares with Warrants standing to the credit of one (1) CDS Account. Separate RSFs must be used for the acceptance of provisionally allotted Rights Shares with Warrants standing to the credit of more than one (1) CDS Account. If successful, Rights Shares with Warrants subscribed by you or your renouncee(s) (if applicable) will be credited into the respective CDS Accounts where the provisionally allotted Rights Shares with Warrants are standing to the credit.

A reply envelope is enclosed with this Abridged Prospectus. To facilitate the processing of the RSFs by our Share Registrar, you are advised to use one (1) reply envelope for each completed RSF.

You and/or your renouncee(s) (if applicable) should take note that a trading board lot for the Rights Shares with Warrants will comprise 100 Rights Shares and 100 Warrants each respectively. Successful applicants of the Rights Shares will be given free attached Warrants on the basis of one (1) Warrant for every two (2) Rights Shares successfully subscribed for. The minimum number of securities that can be subscribed for or accepted is two (2) Rights Shares which will be accompanied with one (1) Warrant. Fractions of a Rights Share and Warrant arising from the Rights Issue with Warrants will be dealt with by our Board as they may deem fit.

If acceptance and payment for the Rights Shares with Warrants provisionally allotted to you and/or your renouncee(s) (if applicable) is not received by the Share Registrar on Wednesday, 17 June 2015 by 5.00 p.m., being the last date and time for acceptance and payment, or such extended date and time as may be determined and announced by our Board at their discretion, you and/or your renouncee(s) (if applicable) will be deemed to have declined the provisional allotment made to you and/or your renouncee(s) (if applicable) and it will be cancelled.

Such Rights Shares with Warrants not taken up will be allotted to the applicants applying for excess Rights Shares with Warrants, and subsequently, to the Underwriter, if the Rights Shares with Warrants are not fully taken up by such applicants. Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar. Our Board reserves the right not to accept or to accept in part only any application without providing any reasons.

You or your renouncee(s) (if applicable) who lose, misplace or for any other reasons require another copy of the RSF may obtain additional copies from your stockbrokers, Bursa Securities' website (http://www.bursamalaysia.com), our Share Registrar at the address stated above or our Registered Office.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY REMITTANCE IN RM FOR THE FULL AMOUNT IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "YTB RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH THE NAME IN BLOCK LETTERS, CONTACT NUMBER AND CDS ACCOUNT NUMBER OF THE APPLICANT TO BE RECEIVED BY OUR SHARE REGISTRAR.

APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUE WITH WARRANTS. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR RIGHTS SHARES WITH WARRANTS, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND DESPATCHED BY ORDINARY POST TO THEM OR THEIR RENOUNCEES (IF APPLICABLE) AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE WITH WARRANTS.

APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

WHERE AN APPLICATION IS NOT ACCEPTED OR ACCEPTED ONLY IN PART, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANTS WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS ISSUE WITH WARRANTS BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANTS' OWN RISK.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

3.5 Procedure for part acceptance

You can accept part of your provisionally allotted Rights Shares with Warrants. The minimum number of securities that can be subscribed for or accepted is two (2) Rights Shares which will be accompanied with one (1) Warrant.

You must complete both Part I(A) of the RSF by specifying the number of the Rights Shares with Warrants which you are accepting and Part II of the RSF and deliver the completed RSF together with the relevant payment to our Share Registrar in the manner set out in **Section 3.4** of this Abridged Prospectus.

The portion of the provisionally allotted Rights Shares with Warrants that have not been accepted shall be allotted to any other persons allowed under the laws, regulations or rules to accept the transfer of the provisional allotment of the Rights Shares with Warrants and the balance, if any, thereafter to the Underwriter.

3.6 Procedure for sale/transfer of provisional allotment of Rights Shares with Warrants

As the provisionally allotted Rights Shares with Warrants are prescribed securities, you and/or your renouncee(s) (if applicable) may sell/transfer all or part of your entitlement to the Rights Shares with Warrants to one (1) or more person(s) through your stockbrokers without first having to request for a split of the provisional allotted Rights Shares with Warrants standing to the credit of your CDS Accounts. To sell/transfer all or part of your entitlement to the Rights Shares with Warrants, you and/or your renouncee(s) (if applicable) may sell such entitlement in the open market or transfer to such persons as may be allowed pursuant to the rules of Bursa Depository.

In selling/transferring all or part of your provisionally allotted Rights Shares with Warrants, you and/or your renouncee(s) (if applicable) need not deliver any document including the RSF, to the stockbroker. However, you and/or your renouncee(s) (if applicable) must ensure that there is sufficient provisionally allotted Rights Shares with Warrants standing to the credit of your CDS Accounts that are available for settlement of the sale or transfer.

Purchasers or transferees of the provisionally allotted Rights Shares with Warrants may obtain a copy of this Abridged Prospectus and the RSF from their stockbrokers or from our Share Registrar, or at our Registered Office. This Abridged Prospectus and RSF are also available on Bursa Securities' website (http://www.bursamalaysia.com).

3.7 Procedure for acceptance by renouncees

Renouncees who wish to accept the provisionally allotted Rights Shares with Warrants must obtain a copy of the RSF from their stockbrokers, our Share Registrar, our Registered Office or from the Bursa Securities' website (http://www.bursamalaysia.com) and complete the RSF, submit the same together with the remittance in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to our Entitled Shareholders as set out in Section 3.4 of this Abridged Prospectus also applies to renouncees who wish to accept the provisionally allotted Rights Shares with Warrants.

RENOUNCEES ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENT OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND THE RSF CAREFULLY.

3.8 Procedure for excess application

As an Entitled Shareholder, you and/or your renouncee(s) (if applicable) may apply for excess Rights Shares with Warrants in addition to the Right Shares with Warrants provisionally allotted to you and/or your renouncee(s) (if applicable) by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forward it (together with a **separate remittance** for the full amount payable in respect of the excess Rights Shares with Warrants applied for) to our Share Registrar at the address set out above, so as to arrive not later than 5.00 p.m. on Wednesday, 17 June 2015, being the last time and date for acceptance and payment, or such extended time and date as may be determined by our Board.

Payment for the excess Rights Shares with Warrants applied for should be made in the same manner set out in **Section 3.4** of this Abridged Prospectus, except that the Banker's Draft(s), Cashier's Order(s), Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia crossed **"A/C PAYEE ONLY"** and made payable to **"YTB EXCESS RIGHTS ISSUE ACCOUNT"** and endorsed on the reverse side with the name in block letters, contact number and CDS Account number of the applicant to be received by our Share Registrar.

Our Board reserves the right to allot the excess Rights Shares with Warrants applied for under Part I(B) of this RSF, in a fair and equitable basis and in such manner as they in their absolute discretion deem fit and expedient in the best interest of our Company and that the intention of our Board as set out below are achieved. It is the intention of our Board to allot the excess Rights Shares with Warrants in the following priority:-

(a) firstly, to minimise the incidence of odd lots;

(b) secondly, for allocation to Entitled Shareholders who have applied for excess Rights Shares with Warrants on a pro-rata basis and in board lot, calculated based on their respective shareholdings as at the Entitlement date;

(c) thirdly, for allocation to Entitled Shareholders who have applied for excess Rights Shares with Warrants on a pro-rata basis and in board lot, based on the quantum of their respective excess Rights Shares with Warrants application; and

(d) fourthly, for allocation to transferee(s) and/or renouncee(s) who have applied for excess Rights Shares with Warrants on a pro-rata basis and in board lot, based on the quantum of their respective excess Rights Shares with Warrants application.

Nevertheless, our Board reserves the right to allot any excess Rights Shares with Warrants applied for under Part I(B) of the RSF in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board set out in **Section 3.8 (a)-(d)** of this Abridged Prospectus are achieved. Our Board also reserves the right not to accept or to accept any application for excess Rights Shares with Warrants, in full or in part, without assigning any reason.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES WITH WARRANTS. HOWEVER, SUCCESSFUL

APPLICANTS WILL BE ALLOTTED THEIR RIGHTS SHARES WITH WARRANTS, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND DESPATCHED BY ORDINARY POST TO THE APPLICANTS AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS.

YOU SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SHARES WITH WARRANTS APPLICATIONS, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST TO THE APPLICANTS WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANTS' OWN RISK.

3.9 Form of issuance

Bursa Securities has already prescribed our Shares listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares with Warrants are prescribed securities and as such, the Securities Industry (Central Depositories) Act, 1991, Securities Industry (Central Depositories) (Amendment) Act, 1998 and the rules of Bursa Depository shall apply in respect of the dealings in the said securities.

Failure to comply with the specific instructions or inaccuracy in the CDS Account number may result in the application being rejected.

No physical share or warrant certificates will be issued to you under the Rights Issue with Warrants. Instead, the Rights Shares with Warrants will be credited directly into your CDS Accounts. The notices of allotment will be issued and despatched to you by ordinary post at your own risk to the address shown in the Record of Depositors within eight (8) market days from the last date for acceptance and payment of the Rights Issue with Warrants.

Any person who intends to subscribe for the Rights Shares with Warrants as a renouncee by purchasing the provisional allotment of Rights Shares with Warrants from an Entitled Shareholder will have his Rights Shares with Warrants credited directly as prescribed securities into his CDS Account.

The excess Rights Shares with Warrants, if allotted to the successful applicant who applies for excess Rights Shares with Warrants, will be credited directly as prescribed securities into his CDS Account.

3.10 Laws of foreign jurisdictions

This Abridged Prospectus, the NPA and the RSF have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any foreign jurisdiction. The Rights Issue with Warrants will not be made or offered in any foreign jurisdiction.

Foreign Entitled Shareholders or their renouncees (if applicable) may only accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issue with Warrants only to the extent that it would be lawful to do so.

M&A Securities, our Company, our Board and officers and other experts would not, in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which that foreign Entitled Shareholders or their renouncees (if applicable) are or may be subject to. Foreign Entitled Shareholders or their renouncees (if applicable) shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject to. M&A Securities, our Company, our Board and officers and other experts shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any foreign Entitled Shareholders or renouncees (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

Accordingly, this Abridged Prospectus together with the accompanying documents will not be sent to the foreign Entitled Shareholders or their renouncees (if applicable) who do not have a registered address in Malaysia. However, such foreign Entitled Shareholders or their renouncees (if applicable) may collect the Abridged Prospectus including the accompanying documents from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the aforesaid documents.

The foreign Entitled Shareholders or their renouncees (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such jurisdiction and we shall be entitled to be fully indemnified and held harmless by such foreign Entitled Shareholders or their renouncee(s) (if applicable) for any issue, transfer or other taxes or duties as such person may be required to pay. They will have no claims whatsoever against M&A Securities or us in respect of their rights and entitlements under the Rights Issue with Warrants. Such foreign Entitled Shareholders or their renouncee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issue with Warrants.

By signing any of the forms accompanying this Abridged Prospectus, the NPA, and the RSF, the foreign Entitled Shareholders or their renouncees (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) M&A Securities, our Company and our Board and officers and other experts that:-

(a) we would not, by acting on the acceptance or renunciation in connection with the Rights Issue with Warrants, be in breach of the laws of any jurisdiction to which that foreign Entitled Shareholders or renouncees (if applicable) are or may be subject to;

(b) they have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation;

(c) they are not a nominee or agent of a person in respect of whom we would, by acting on the acceptance or renunciation, be in breach of the laws of any jurisdiction to which that person is or may be subject to;

(d) they are aware that the Rights Shares with Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;

(e) they have respectively received a copy of this Abridged Prospectus and have had access to such financial and other information and have been afforded the opportunity to pose such questions to the representatives of our Company and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares with Warrants; and

(f) they have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares with Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares with Warrants.

Persons receiving this Abridged Prospectus, NPA and RSF (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any jurisdiction, where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this Abridged Prospectus, NPA and RSF are received by any persons in such jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant jurisdiction in connection herewith.

Any person who does forward this Abridged Prospectus, NPA and RSF to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the Rights Shares with Warrants from any such application by foreign Entitled Shareholders or their renouncees (if applicable) in any jurisdiction other than Malaysia.

Our Company reserves the right, in its absolute discretion, to treat any acceptance of the Rights Shares with Warrants as invalid if it believes that such acceptance may violate any applicable legal or regulatory requirements in Malaysia.

4. RATIONALE FOR THE RIGHTS ISSUE WITH WARRANTS

On 24 July 2014, we had our obtained shareholders' approval to diversify into the property development business segment with its maiden property development project whereby YTB Land was appointed to carry out the operations, with the focus of project management, relating to the 99 Residences property development project through the Project Collaboration Agreement since July 2014. The said joint venture marked the entry point for our Company into the property development sector in Malacca.

YTB Land's role does not encompass the full role of a property developer as the said project has commenced construction and was 50% completed as at 6 June 2014. Although we have undertaken a limited role as a project manager in the 99 Residences property development project, we have gained the relevant exposures and experiences in the property development business sector by virtue of our role in providing project management services in the 99 Residences property development project. Pursuant to the Project Collaboration, PTS Properties and YTB Land had entered into the Guarantee Agreement (as defined under **Section 2(e), Appendix IV(A)** of this Abridged Prospectus), whereby PTS Properties guaranteed to pay YTB Land a cash sum of RM7,974,072 ("Guaranteed Sum") within ninety (90) days from the issuance of a Certificate of Completion and Compliance for the 99 Residences property development, or on the eighteenth (18^{th}) month from the date of signing of the said Guarantee Agreement, whichever is the earlier.

The 99 Residences property development project has attracted local and international home buyer and investors, whereby all 391 units or 100% of the 99 Residences property development project has been sold to a mixture of local and foreign buyers.

Our Company seeks to mitigate the risk of overdependence on the increasingly competitive garment industry by undertaking the Joint Venture. The Joint Venture will be the second property development project to be undertaken by our Group. Since the 99 Residence property development project is almost completed, the Joint Venture is intended to further supplement, support and contribute to the future revenue of our Company. The Joint Venture will provide stable recurring income for a period twenty (20) years from 2 December 2013, with an automatic renewal of two (2) successive periods of five (5) years for each successive period, to our Company from the hotel operations under the "Courtyard by Marriott" brand name to be operated by Marriott via the YTB Apple's Entitlements.

In addition, the Joint Venture represents an avenue for our Company to collaborate with A99DSB and to gain entry into an integrated development comprising a hotel and serviced apartment components, with an estimated gross development value of RM191.8 million (excluding the hotel which is not intended to be sold). The Apple is expected to be an attractive proposition to potential purchasers, including those residing or working in and around the vicinity of The Apple, as it is centrally located within the bustling Melaka city centre and is surrounded by modern property development projects such as "The Shore", "99 Residences", "Jaya 99", "Ramada Hotel", public amenities, close proximity to the UNESCO world heritage sites and it is easily accessible by major roads surrounding the Melaka city centre. Kindly refer to **Appendix IV(B)** of this Abridged Prospectus for further details of the Joint Venture.

The decision for YTB Apple to agree to pay the YTB Apple's Participating Contribution upfront was based on commercial negotiations after taking into account the following considerations:-

(a) The prospects of The Apple as mentioned in **Section 7.4** below;

(b) The share of profits consisting the sale of service apartments and recurring income from hotel operations income to be operated by "Marriott". Kindly refer to **Section 2.1.7, Appendix IV(B)** of this Abridged Prospectus for further information;

(c) There are no additional liabilities or payment obligations to YTB Apple under the JVA other than the YTB Apple's Participating Contribution; and

(d) The funding certainty required by A99DSB for the construction of The Apple.

Furthermore, the Joint Venture will also enhance the reputation and track record of our Group as a property developer in Malaysia. Our Board believes that the Joint Venture provides our Company with an opportunity to participate in the development of prime development in the growing and booming property development sector in Malacca.

The Rights Issue with Warrants together with the Special Issue are undertaken primarily to enable our Company to raise funds for the purposes as set out under **Section 5** of this Abridged Prospectus.

The Rights Issue with Warrants and Special Issue is expected to enhance and improve our Group's financial position in the following manner:-

(a) The improvement in our overall revenue stream to be generated from the Joint Venture is expected to further improve our financial position. The pro forma effects of the Rights Issue with Warrants and Special Issue on the current assets/liabilities position of our Group are as follows:-

	As at 30 June 2014 RM'000	*After Rights Issue with Warrants and Special Issue RM'000
Current Assets		
Inventories	17,849	17,849
Trade receivables	19,222	19,222
Other receivables	3,222	3,222
Amount due by subsidiaries	-	-
Current tax assets	957	957
Cash and bank balances	1,024	21,339
Total Current Assets	**42,274**	**62,589**
Current liabilities		
Trade payables	12,603	12,603
Other payables	4,534	4,534
Amount due to directors	13,155	13,155
Loans and borrowings	17,003	17,003
Hire purchase payables	90	90
Total Current Liabilities	**47,385**	**47,385**
Net Current Assets/(Liabilities)	**(5,111)**	**15,204**
NA (RM'000)	15,748	76,063
NA per share (RM)	0.39	0.47
Gearing ratio (times)	1.60	0.26

Note:-

* *Assuming before the full exercise of the Warrants but after utilisation of proceeds.*

The net proceeds of the Rights Issue with Warrants and Special Issue shall be utilised to fund the YTB Apple's Participating Contribution, the funding of future property development projects to be undertaken by our Group, working capital requirements for our Group's property development business segment as well as for the repayment of bank borrowings, which in turn shall enhance the profitability of our Group in the future financial years. Based on the above, the NA position of our Group is expected to be improved from RM15.75 million to RM76.06 million. In addition, our Group's NA per Share is expected to improve from RM0.39 to RM0.47;

(b) Based on the audited financial statements of our Group for the FYE 2014, the net current liabilities position of RM5.11 million will turn into a net current asset position of RM15.20 million, after the Rights Issue with Warrants (assuming the before full exercise of the Warrants) and Special Issue; and

(c) Based on the utilisation of proceeds as set out in **Section 5** below, the repayment of bank borrowings of RM5.0 million is expected to improve the gearing position of our Group from 1.60 times to 0.26 times.

In addition to the above, the Joint Venture is expected to create value for shareholders through the YTB Apple's Entitlements, in the following manner:-

(a) net profit before taxation generated from the sales of the service apartment units; and

(b) net profit before taxation generated from the hotel operations of "Courtyard by Marriott".

Moving forward, our Company expects to further turnaround our financial performances in the immediate term by further growing our property development business segment by continuously seeking for opportunities to acquire more lands with good prospects for its future property development activities. Our Group currently do not have any specific targeted areas for the expansion of landbank. In addition, our Group also will continuously seek joint venture opportunities with other established property developers in Malaysia to develop our Group's credential as a property developer.

Our Group shall also continue with the focus on cost control and production efficiency for the retailing, trading and manufacturing of textile and garment products, as well as manufacturing and dyeing of fabric and its related products business segments. Our Group will also continue to reinforce and rejuvenate our brand name and awareness amongst the younger group of clientele with mid-end price products, and to explore new markets and respond actively to changes in trends, preferences and retails spending patterns of our consumers.

After due consideration of the various funding options available to our Group, our Board is of the opinion that the Rights Issue with Warrants and Special Issue is are the most appropriate avenues of fund raising for our Group after taking into consideration the following factors:-

(a) The equity issuance will enable our Company to raise funding for the Joint Venture and for our Group's operations without having to incur additional financing cost associated with traditional borrowings;

(b) The Rights Issue with Warrants provides an opportunity for the existing shareholders to further participate in the equity of our Company and the future prospects and growth of our Company;

(c) The Warrants are expected to enhance the attractiveness of the Rights Shares. It provides the shareholders with an option to further participate in the equity of our Company at a pre-determined price and enable them to benefit from the future growth of our Company and any potential capital appreciation arising thereof;

(d) The Special Issue and Rights Issue with Warrants will strengthen our Company's financial position with enhanced shareholders' funds. These factors will facilitate the continuous business expansion plans of our Company;

(e) The Rights Issue with Warrants will involve the issuance of new YONGTAI Shares without diluting the existing shareholders' equity interest, assuming all Entitled Shareholders fully subscribe for their respective entitlements; and

(f) The Warrants will also provide our Company with additional capital as and when the Warrants are exercised in the future. The exercise of the Warrants will allow our Company to raise fresh proceeds for the future working capital of our Group, without having to incur financing cost associated with traditional borrowings.

Based on the abovementioned future financial position of our Group and upon the successful implementation of the Corporate Exercises, our Board is of the opinion that the Corporate Exercises will be beneficial to our Group, and is adequate in addressing our Group's overall financial concerns.

The Warrants have been attached to the Rights Shares to provide our Entitled Shareholders added incentive to subscribe for the Rights Shares. The issuance of Warrants is expected to enhance the attractiveness of the Rights Issue with Warrants as well as to enable our Company to raise further proceeds as and when any of the Warrants are exercised in the future. In addition, the Warrants would also enable our Entitled Shareholders to benefit for the future growth of our Company.

5. UTILISATION OF PROCEEDS

Based on an issue price of RM0.50 per Rights Share and RM0.58 per Special Issue Share, the Rights Issue with Warrants and Special Issue will raise gross proceeds as follows:-

Source of proceeds	**RM'000**
Rights Issue with Warrants	40,115
Special Issue	23,200
Total	**63,315**

The details of the utilisation of gross proceeds from the Rights Issue with Warrants and Special Issue are as follows:-

Purpose	**Notes**	**Rights Issue with Warrants**	**Special Issue**	**Total**	***Expected timeframe for utilisation**
		RM'000	**RM'000**	**RM'000**	
YTB Apple's Participating Contribution	(i)	35,000	-	35,000	Within three (3) months
To fund future property development projects	(ii)	-	16,315	16,315	Within twenty four (24) months
Working capital for our Group's property development business segment	(iii)	-	4,000	4,000	Within thirty six (36) months
Repayment of bank borrowings	(iv)	2,695	2,305	5,000	Within six (6) months
To defray expenses relating to the Corporate Exercises	(v)	2,420	580	3,000	Within one (1) month
Total		**40,115**	**23,200**	**63,155**	

Notes:-

* *From the date of the listing of the Rights Shares and Special Issue Shares on the Main Market of Bursa Securities.*

(i) *Pursuant to the terms of the Joint Operation Agreement and as disclosed in Section 4 above, our Company shall pay to A99DSB the YTB Apple's Participating Contribution of RM35.0 million.*

The YTB Apple's Participating Contribution of RM35.0 million shall be utilised to partly fund The Apple's total gross development cost of RM280.1 million. The amount of RM35.0 million, together with the Late Payment Interest (if any) shall be paid by YTB Apple to A99DSB in consideration of A99DSB agreeing to share A99DSB's Entitlement pursuant to the Joint Operation Agreement. For the avoidance of doubt, YTB Apple is not required to finance nor contribute to A99DSB or any party any further sum in excess of the YTB Apple's Participating Contribution.

Kindly refer to Appendix IV(B) of this Abridged Prospectus for further information of the Joint Venture.

(ii) *Our Group is in the midst of exploring for other opportunities to grow and enhance our Group's earnings from its property development segment. The proceeds will be utilised for future acquisition and/or joint ventures relating to property development, which may include both property development companies and/or development land. Such acquisition opportunities or development projects will be announced to Bursa Securities as and when they are identified and where relevant, the relevant agreements are entered into. Our Board is in the process of deliberating on several potential joint venture property development projects. The proposed allocation of up to RM16.32 million is thus intended to serve as a standby funding for our Group to embark on such property development projects.*

(iii) *The breakdown for the amount allocated for the working capital of our Group's property development business segment is as follows:-*

Description	*RM'000*
Staff salaries	*3,280*
Professional fees	*300*
Marketing and administrative expenses	*300*
Others incidental expenses	*120*
Total	*4,000*

Our property development business segment is spearheaded by Ir. Dr. Ting Lai Choon, our Executive Director. His background details are set out under Section 6.1(a) of this Abridged Prospectus. In addition, our Group has hired seven (7) additional personnel, who have experiences of between one (1) year to twenty six (26) years of experience and expertise in construction, project management and property development industry. Their background details are as follows:-

No.	*Names*	*Position*	*Experiences*
1.	*Khor Lim Chuan*	*General Manager*	• *Holds a Master in Business Administration* • *Involved in project management handling projects ranging from hotel, condominium, landed properties, infrastructure works from inception to completion for more than twenty five (25) years.*
2.	*Wui Kai Shen*	*Assistant Project Manager*	• *Holds a Bachelor of Civil Engineering, Universiti Teknologi Malaysia* • *Two (2) years of experience in the civil and structural design works for several housing development and mixed development projects in Melaka*
3.	*Soh Yet Shin*	*Quantity surveyor*	• *Holds a Bachelor of Engineering (Civil Engineering), University of Birmingham* • *One (1) year of experience in overseeing the construction progress, liaise with various consultants and contractors on the performance delivery and on-site inspection*
4.	*How Ching Ching*	*Accountant*	• *Holds a Diploma in Accounting, London Chamber of Commerce and Industry ("LCCI")* • *Worked as the Assistant Account Manager in Imaspro Resources Berhad for nine (9) years*
5.	*Lor Sea Choon*	*Vice President - Marketing*	• *Holds a Diploma in Private Secretarial* • *Twenty six (26) year in the sales & sales administration in several property development companies in Malaysia (such as Tanjong Sakti Sdn Bhd, Pekan Nanas Land Sdn Bhd and Domain Resources Sdn Bhd)*
6.	*Soh Hui Loon*	*Senior Marketing Executive*	• *Holds a Diploma in Accounting, 3rd Level LCCI* • *Eight (8) years of working experience in the hospitality industry such as Hotel Grand Continental Melaka and Hatten Asset Management Sdn Bhd)*
7.	*Ho Pei Ling*	*Senior Marketing Executive*	• *Holds a Bachelor Degree in Business Administration (Marketing)* • *Seven (7) years of working experience in the sales, administrative, marketing, advertising and event management in A'Famosa Resort, Melaka*

These additional personnel forms part of our Group's new key management team and shall be supported by the existing management team of our Company and they shall oversee the day-to-day operations and management of our Company's property development business segment.

The above amounts shall be utilised to fulfill the YTB Apple's Services. Going forward, our Group intends to further employ an experienced team of personnel with expertise in engineering, project management, accounting and marketing to assist the aforesaid key management team in delivering the YTB Apple's Services under the Joint Operation Agreement and future property projects to be embarked.

Upon full utilisation of the amount of RM4.0 million, our Group shall utilise internally generated funds to be derived from our Group's operations in the property development business segment as well as the recurring income to be generated from the hotel operations of "Courtyard by Marriott" operated by Marriott.

(iv) Our Company intends to utilise approximately of up to RM5.0 million of the gross proceeds for the repayment of bank borrowings. Such repayment is expected to result in an annual interest savings of RM0.44 million based on the effective interest rate of 8.83% per annum.

The total borrowings of our Group as at the LPD were RM19.73 million.

(v) The estimated expenses for the Corporate Exercises comprise professional fees, fees to be paid to the relevant authorities, printing and advertising charges and miscellaneous charges which are estimated at RM3.00 million. If the actual expenses incurred pursuant to the Corporate Exercises are higher than the amount budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual expenses are lower than the amount budgeted, the excess will be utilised for working capital.

The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital of our Group. Pending full utilisation, we will place the proceeds raised from the Rights Issue with Warrants and Special Issue (including accrued interest, if any) or the balance thereof in interest-bearing deposit accounts with licensed financial institution(s) or in short-term money market instruments, as our Board may deem fit. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital of our Group.

The exact quantum of proceeds that may be raised by our Company from the exercise of the Warrants would depend on the actual number of the Warrants exercised. The proceeds from the exercise of the Warrants will be received on an "as and when basis" over the tenure of the Warrants.

Based on an exercise price of RM0.50 per Warrant, our Company will raise gross proceeds of up to RM20.06 million from the full exercise of the Warrants. Any proceeds arising from the exercise of the Warrants in the future shall be utilised for further capital expenditure, investment opportunities and/or working capital of our Group. The exact details of the utilisation and timeframe of utilisation of such proceeds, including the breakdown of the utilisation which will be subject to the then operating requirements of our Group at that point in time cannot be determined at this juncture.

6. RISK FACTORS

In running our business activities, we face risks which may have potential impact to our Group's performance unless proper anticipation and mitigation measures are exercised.

In addition to other information contained in this Abridged Prospectus, you should carefully consider the following risk factors before subscribing for or investing in the Rights Issue with Warrants. You should take note that these risk factors are not exhaustive. There may be additional risk factors, which are not disclosed below, that are not presently known to us or that we currently deem to be less significant, which may materially and adversely affect our business, financial condition, results of operation and prospects.

6.1 Risks relating to our Group

(a) Business risk

The Joint Venture is subject to the risks inherent to the property development industry. These risks include, amongst others, the conditions of and adverse changes in the demand and supply of properties which could affect the sales of the service apartment units of the Development Project, risk of purchasers' defaults, adverse changes in labour and material costs, credit and interest rates, inflation, taxation, political and economic conditions, legal and environmental framework governing the property development industry. Delays and/or failure in obtaining the requisite licenses, permits or approvals from the appropriate authorities could also increase the cost, delay or stall the development, or cause the termination of the Development Project.

Apart from YTB Apple's Participating Contribution, all costs and financing of the construction and development shall be fully borne by A99DSB. However, in view of the dependency on the A99DSB's Entitlement and the actual performance of the hotel operations, YTB Apple would also be, to a certain extent, exposed to the abovementioned risks. YTB Apple together with A99DSB will leverage on their respective strengths and experiences in the property development sector to manage these risks closely.

Our property development business segment is spearheaded by Ir. Dr. Ting Lai Choon, our Executive Director. His profile is as follows:-

"Ir. Dr. Ting Lai Choon, aged 54, a Malaysian, is presently our Executive Director and was appointed to our Board on 2 September 2013. Ir. Dr. Ting Lai Choon obtained his Bachelor's degree in Civil Engineering from the National University of Singapore ("NUS") in 1985. After a short working period in Singapore, he went back to NUS to further his post graduate studies in the same field, and subsequently obtained his Masters Degree in 1988 and Doctorate Degree in 1993. During this time, he has published numerous research papers in international journals. He is also a Professional Engineer registered with the Board of Engineers Malaysia since 19 December 2000 and a member of the Institution of Engineers Malaysia since 16 October 2000.

Ir. Dr. Ting Lai Choon has worked in the construction industry for the last twenty five (25) years and has handled numerous construction projects both in Malaysia, Singapore, Thailand and Brunei. He has been involved in the engineering and construction aspects of various construction projects in these countries for the past twenty five (25) years, thus providing him with the relevant insights, experiences, expertise and exposures in the construction industry.

With his various involvements in the construction industry aspects of various construction projects over the past twenty five (25) years, he brings along with him an extensive technical experience in the construction industry. This has enabled him to be exposed with the nature of the operations, technicality and administrative aspects of the construction industry, from its planning and design stages, project management to the execution stages of a construction project.

The list of several notable construction projects in which Ir. Dr. Ting Lai Choon was previously involved in are as follows:-

No.	Description of projects	Year of completion (estimated)	Estimated project value (RM'000)
(a)	Project advisor to Brumas Gravels Sdn Bhd for the construction of low cost houses in Kuala Belait, Brunei under the Brunei Economic Development Board Scheme	2012	40,000
(b)	Project engineering consultant for the project management of the construction of low cost houses in Bangkok, Thailand	2008	200,000
(c)	Project engineering consultant for the construction of workshop and warehouse facilities in Proton City, Tanjung Malim	2003	25,000
(d)	Project engineering consultant for the construction of structural steel roof of Tesco hypermarket in Malacca	2003	2,400
(e)	Project engineering consultant for the construction of teacher quarters apartments in Penang, Kedah and Perak	1999	100,000
(f)	Project consultant for the construction of the roof structure of Sarawak Stadium in Kuching, Sarawak	1999	5,000
(g)	Project engineer for the construction of the roof structure of Singapore International Airlines Hangar 2, Singapore	1993	42,000

Our Board believes that we have the capacity, capabilities, resources and experiences to perform our duties under the YTB Apple's Services (as defined under **Section 3(c), Appendix IV(B)** of this Abridged Prospectus) after taking into consideration the competencies and experiences of Ir. Dr. Ting Lai Choon in the construction industry. This is further supported that we have obtained the necessary experiences, knowledge and exposure as the project manager for the 99 Residences property development project.

Our Group has also hired seven (7) additional personnel, who have experiences of between one (1) year to twenty six (26) years of experiences and expertise in the construction, project management and property development industry. These additional personnel forms part of our Group's new key management team and shall be supported by our existing management team and they shall oversee the day-to-day operations and management of our Company's property development business segment.

We shall also work closely with the key management personnel and Directors of A99DSB, who possesses the necessary expertise, experiences and knowledge in the property development business segment to successfully implement the Joint Venture. Our Group will also work closely with the key management personnel and Directors of A99DSB (including setting up a joint management committee for the purpose of co-ordinating and managing the performance of YTB Apple's Services) to ensure smooth implementation of the Joint Venture. In addition, Marriott which is an established hotelier has been engaged to operate the hotel.

(b) Competition from other property developers

Our Group is exposed to competition from other existing property developers whereby many of these property developers have significant financial, managerial, marketing and other resources. The competition arises mainly in respect of the demand conditions, competition from existing players and new entrants, fluctuation of building materials cost, shortage of labour, changes in lifestyle which affect the product types and mix.

Nevertheless, we shall endeavour to keep abreast with the latest development in property development segment and general economic conditions to enable our Board to take appropriate measures it deems fit to mitigate the risk. However, there is no assurance that any changes to the abovementioned factors, which are beyond our Board's control, will not materially affect our business and financial conditions.

(c) Non-completion and delay in construction risk

The timely completion of the Joint Venture may be subjected to external factors which are beyond the control of our Group, such as increase in development and/or construction costs, failure to obtain all approvals or complying with the conditions set by the relevant regulatory authorities and/or parties, securing adequate funding for the development of the Development Project, contractors completing their works timely, availability and adequacy of raw materials and labour, securing the Certificate of Completion and Compliance, adverse weather conditions and changes in government policies. Adverse developments in respect of these factors can lead to interruptions or delays in completing the Development Project, which can consequently result in cost overruns and affect the profitability and cash flows of our Group.

There is no assurance that A99DSB or our Group will not experience significant delays in completion of the Joint Venture which may adversely affect our Group's reputation and financial performance. We have experienced delays in the completion of the 99 Residences property development project, which was supposed to be completed by February 2015, due to the delay in the delivery of construction materials necessary for the completion of its construction. Its completion is now targeted for completion in June 2015. However, YTB Land and PTS Properties are not required to pay any costs and/or interests in relation to the said delay under the Project Collaboration Agreement, as the completion and hand over of the condominium hotel units under 99 Residences is still within timeline stated in the sale and purchase agreement with the unit owners of 99 Residences.

To mitigate such risks and pursuant to the Joint Venture, A99DSB and our Group via YTB Apple will manage and closely monitor the Joint Venture to minimise any delay in the completion of the Joint Venture. In addition, we shall also closely monitor the contractors and suppliers to ensure that the agreed performance/delivery timeline are met. For this purpose, we have hired seven (7) additional personnel, who have experiences of between one (1) year to twenty six (26) years of experience and expertise in construction, project management and property development industry. These additional personnel forms part of our Group's new key management team and shall be supported by our existing management team and they shall oversee the day-to-day operations and management of our Company's property development business segment. In addition, our Group will also work closely with the key management personnel and Directors of A99DSB (including setting up a joint management committee for the purpose of co-ordinating and managing the performance of YTB Apple's Services) to ensure smooth implementation of the Joint Venture.

Nevertheless, there is no assurance that the efforts to be undertaken by our Group including careful planning and monitoring of the Joint Venture schedules and close coordination with all the parties involved in the Joint Venture will result in our Group avoiding or minimising the risk of any delays in the completion of the Joint Venture.

There is no assurance that the Joint Venture can be completed within time schedule permitted. Our Company will monitor the status and progress of the Joint Venture and endeavour to meet and fulfill all the conditions precedent to ensure completion of the Joint Venture.

(d) Joint venture risks

The Joint Venture may potentially expose our Group to certain risks which may include but are not limited to the diversion of financial resources from existing operations. There is no assurance that the anticipated benefits from the Joint Venture will be realised and that our Group will be able to generate sufficient revenue to offset its investments in the Joint Venture.

Pursuant to the Joint Operation Agreement, our Company shall invest the YTB Apple's Participating Contribution in the Joint Venture, which is to be raised from the Rights Issue with Warrants and Special Issue. There are no other additional payment obligations or liabilities to YTB Apple under the Joint Operation Agreement.

Under the Joint Operation Agreement, there are no guaranteed minimum returns on the YTB Apple's Participating Contribution by A99DSB, unlike the profit guarantee arrangement provided by PTS Properties for the 99 Residences property development project. The Project Collaboration Agreement was intended for the parties to share the business, operational risk and profits whilst the investment in the 99 Residences property development project is akin to a bridging finance, and hence the profit guarantee arrangement was made.

Any adverse event in the Joint Venture may have an adverse material financial impact on our Group. In the event that A99DSB fails to perform or observe a material obligation on its part to be observed and performed under the Joint Operation Agreement ("Defaulting Party"), or if any representation given by the Defaulting Party shall at any time be found to be incorrect or untrue in any material aspect, A99DSB shall reimburse to YTB Apple the whole of the YTB Apple's Participation Contribution free of interest within fourteen (14) days from the date of the demand by notice in writing (or such other period as may be agreed between the parties thereto). For avoidance of doubt, YTB Apple shall be entitled to retain all its YTB Apple's Entitlements received up to the date of the Default Notice.

Notwithstanding the aforesaid, there is no assurance that our Company would be able to fully recover the YTB Apple's Participating Contribution in such an event. The collective efforts of the parties to take advantage of business opportunities, manage the construction and development of the Development Project, resolve conflicts and overcome challenges will be critical to the success of the joint venture. Nevertheless, our Board endeavours to take reasonable steps to ensure that the potential benefits from the Joint Venture will be realised. As such, to mitigate such risk, we shall work closely with the key management personnel and Directors of A99DSB to successfully implement the Joint Venture. This includes the setting up of a joint management committee for the purpose of co-ordinating and managing the performances of YTB Apple's Services.

(e) Political, regulatory and economic risks

The property market can be characterised as cyclical in nature and is somewhat correlated to the general economic conditions of Malaysia. Adverse developments in political, regulatory and economic conditions in Malaysia could materially affect the property industry in the country. Political, regulatory and economic uncertainties include change in labour laws, interest rates, fiscal and monetary policies, risks of expropriation of land by authorities and methods of taxation.

In mitigating such risk, our Group will continue to review its business development and marketing strategies in response to the changes in political, regulatory and economic conditions. Nonetheless, no assurance can be given that any change to these factors would not have any material adverse impact on our Group's financial performance in the future.

(f) Potential softening in property sector

As announced by Yang Amat Berhormat Dato' Sri Mohd Najib Tun Haji Abdul Razak, the Prime Minister and Minister of Finance in the 2014 Budget Speech, the Government revised upwards the Real Property Gains Tax rate and developers in the property sector are prohibited from implementing projects with Developer Interest Bearing Scheme.

Further, the Government has also introduced other 'cooling' measures such as lowering the loan-to-value ratio and tightening bank lending regulations to soften speculative activities in the property sector. Such measures imposed by the Government may affect overall demand for properties which may, in turn, exert downward pressure in the property sector.

Any adverse impact on the property sector may affect the demand for the service apartment units which in turn will negatively impact our Group's earnings. Notwithstanding the softening measures imposed by the Government, as the Development Project is strategically located in the heart of Malacca and is in close proximity to various commercial, leisure and hospitality amenities, our Board remains optimistic of the potential of The Apple. Further, the collaboration with Marriott to operate the "Courtyard by Marriott" will also enhance the potential of the Development Project.

Nevertheless, our Group shall endeavour to keep abreast with the latest development in the property development sector and general economic conditions to enable our Board to take appropriate measures it deems fit to mitigate this risk.

(g) Default risk

A99DSB had entered into the JVA with CMSB to undertake the construction and development of The Apple. The Joint Venture is therefore correlated to A99DSB's and CMSB's performance in relation to their respective obligations under the JVA. The JVA is subject to termination or remedy of specific performance in the event of breach by any of the non-defaulting party.

In consideration of the payment of the Deposit by A99DSB pursuant to the JVA, CMSB had delivered vacant possession of the Development Land to A99DSB on 11 September 2014 on "as is where is" basis for the purpose of carrying out the construction, infrastructure and development works for the Development Project.

The Joint Venture is also subject to satisfaction by the parties of their respective obligations, covenants and duties set out in the Joint Operation Agreement. Any breach of material obligations, amongst others, is an event of breach and may entitle the non-breaching party to terminate the Joint Operation Agreement and the non-defaulting party could take actions necessary to claim damages (such as issuing a demand by notice or seeking legal redress) or seek other remedies for any losses incurred (such as specific performances to cure the default) as a result of the default or breach. As such, there is no assurance that our Company will realise the anticipated benefits from the Joint Venture and/or to recover all costs or losses incurred arising from the termination.

YTB Apple will closely monitor the implementation and progress of the Development Project including A99DSB's obligations under the JVA via the proposed monthly management committee meetings with A99DSB. YTB Apple shall also apply its best endeavour to ensure that it is in continued compliance with its obligations, covenants and duties as set out in the Joint Operation Agreement. In the event that A99DSB commits a material breach of the Joint Operation Agreement, the recourse available to YTB Apple includes the enforcement of specific performance and/or the right to terminate subject to the provisions of the Joint Operation Agreement.

(h) Financing risk

Pursuant to the JVA, A99DSB is responsible for the entire costs and expenses of the Development Project and is required to make available all necessary finances for the Development Project.

Given the above, in the event that A99DSB is not able to secure sufficient financing for the Development Project, A99DSB will not be able to commence any works under the Development Project or if works have commenced, A99DSB will not be able to honour its payments for services performed by its contractors and/or sub-contractors and hence exposing it to potential legal actions. The works under the Development Project may also be halted, stopped or abandoned resulting in a delay or even termination of the Development Project.

Even though YTB Apple's source of funding in the Joint Venture is limited to the YTB Apple's Participating Contribution, our Company will be, to a certain extent, exposed to risk that the Development Project is delayed, halted or terminated as a result of the financing risk faced by A99DSB.

Nevertheless, the parties have committed to work together and propose to have monthly management committee meetings to monitor the implementation and progress of the Development Project. Should there be any shortcomings or potential financing issues identified, both parties will work closely together in resolving these issues. In addition, A99DSB has obtained the banking facilities of RM124.0 million for the Development Project.

6.2 Risks relating to the Rights Issue with Warrants

(a) No prior market for the Rights Shares and/or Warrants

There can be no assurance that there will be an active market for the Rights Shares and/or Warrants upon or subsequent to their listing on the Main Market of Bursa Securities or, if developed, that such a market sustainable or adequately liquid during the tenure of the Rights Shares and/or Warrants.

The market price of the Rights Shares and Warrants, like all listed securities traded on Bursa Securities, is subject to fluctuations and will be influenced by, *inter-alia*, trades in substantial amount of the Rights Shares and Warrants on the Main Market of Bursa Securities in the future, the market price and volatility of YONGTAI Shares, announcements relating to the business of our Group, the financial performance of our Group, and exercise period of the Warrants.

In addition to the fundamentals of our Group, the future price performance of the Rights Shares and Warrants will also depend on various external factors such as the economic and political conditions of the country, sentiments and liquidity in the local stock market as well as the performance of regional and world bourses.

On the other hand, the market price of YONGTAI Shares will be influenced by, *inter-alia*, the prevailing market sentiments, volatility of the stock market of the country, operating results of our Group and prospects of the industries in which our Group operates.

As each Rights Share will be issued at RM0.50, there can be no assurance that the market price of the Rights Shares, upon or subsequent to their listing, will remain at or above the issue price.

In addition, there can be no assurance that the exercise price of the Warrants will be less than the prevailing market price of YONGTAI Shares during the tenure of the Rights Shares and Warrants respectively.

(b) Delay in or abortion of the Rights Issue with Warrants

There can be no assurance that there will be an active market for the Warrants upon or subsequent to their listing on the Main Market of Bursa Securities or, if developed, that such a market sustainable or adequately liquid during the tenure of the Warrants.

The market price of the Rights Shares, Special Issue Shares and Warrants, like all listed securities traded on Bursa Securities, are subject to fluctuations and will be influenced by, *inter-alia*, trades in substantial amount of the Rights Shares, Special Issue Shares and Warrants on the Main Market of Bursa Securities in the future, the market price and volatility of YONGTAI Shares, announcements relating to the business of our Group, the financial performance of our Group, and exercise period of the Warrants.

In addition to the fundamentals of our Company, the future price performance of the Rights Shares, Special Issue Shares and Warrants will also depend on various external factors such as the economic and political conditions of the country, sentiments and liquidity in the local stock market as well as the performance of regional and world bourses.

On the other hand, the market price of YONGTAI Shares will be influenced by, *inter-alia*, the prevailing market sentiments, volatility of the stock market of the country, operating results of our Group and prospects of the industries in which our Group operates. There can be no assurance that the market price of the Rights Shares upon or subsequent to their listing, will remain at or above the issue price.

In addition, there can be no assurance that the exercise price of the Warrants will be less than the prevailing market price of YONGTAI Shares during the tenure of the Warrants.

The Rights Issue with Warrants is exposed to the risk that it may be aborted or delayed on the occurrence of any one or more of the following events:-

(a) *force majeure* events or events/circumstances, such as war, hostilities, riot, earthquake, epidemic, flood, fire and storm, which are beyond the control of our Company, arising prior to the implementation of the Rights Issue with Warrants; or

(b) The Underwriter may have the rights to withdraw from its obligation under the Underwriting Agreement in the event of any breach of the warranties, representations or undertakings given by our Company or the occurrence of any unforeseen circumstances beyond the reasonable control of the contracting parties.

In this respect, all monies raised in the Rights Issue with Warrants and Special Issue which are held in a trust account for our Company will be refunded free of interest within fourteen (14) market days to the Entitled Shareholders in the event the Rights Issue with Warrants and Special Issue is aborted. Monies not repaid within fourteen (14) market days will be returned with interest at the rate of 10% per annum or at such other rates as may be prescribed by the SC.

Notwithstanding the above, our Company will exercise its best endeavour to ensure the successful implementation of the Rights Issue with Warrants and Special Issue. However, there can be no assurance that the abovementioned factors/events will not cause a delay in or abortion of the Rights Issue with Warrants and Special Issue.

(c) Forward-looking statements

Certain statements in this Abridged Prospectus are based on historical information, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements are based on forecasts and assumptions made by our Group and although believed to be reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, *inter-alia*, the risk factors as set out in this section. In light of these and other uncertainties, the inclusion of forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

7. INDUSTRY OVERVIEW AND FUTURE PROSPECTS

The overview and prospects of the global economy, the Malaysia economy as well as the industry in which our Group operates in, namely the property development industry is as follows:-

7.1 Overview and prospects of the Malaysian economy

The Malaysian economy recorded a stronger growth of 6.0% in 2014 (2013: 4.7%). Growth was driven by the continued strength in private domestic demand, and further lifted by the improvement in external trade performance. In particular, net exports turned around to contribute positively to growth in 2014 after seven consecutive years of negative contribution, as Malaysia's exports benefitted from the recovery in the advanced economies and continued demand from the region. This was reflected in a broad-based improvement in demand across markets and products, including the electrical and electronics ("E&E") products. As the growth of real exports of goods and services outpaced the growth of imports, net exports recorded a strong growth of 19.7% in 2014 (2013: -12.6%) and contributed 1.4 percentage points to the overall gross domestic product growth.

Domestic demand remained as the main anchor for growth, albeit at a more moderate pace of expansion, led by private sector activity. Private consumption was supported by favourable income growth and stable labour market conditions. The targeted Government transfers to the low- and middle-income groups provided additional support to private consumption despite the higher inflation during the year. Private investment continued to grow at a double-digit rate, driven by the manufacturing and services sectors. These sectors benefitted from the improvement in the external environment as well as the sustained domestic consumption. In line with the Government's commitment to fiscal consolidation, total public sector expenditure contributed only marginally to growth during the year. The cost cutting initiatives by the Government to reduce discretionary spending that were announced at the end of 2013, particularly on travel, food and beverages as well as rentals, had partly led to the moderation in public consumption growth in 2014. Public investment, meanwhile, contracted following the lower capital spending by both the Federal Government and the public enterprises. The latter was due mainly to the completion and near-completion of some major projects during the year.

On the supply side, all economic sectors recorded higher growth in 2014. The services sector remained the largest contributor to growth, underpinned largely by sub-sectors catering to domestic demand. The stronger performance of the export-oriented industries and the expansion in domestic-oriented industries contributed to the strong growth in the manufacturing sector during the year. The construction sector continued to expand at a double-digit rate, owing mainly to stronger growth in both the residential and non-residential sub-sectors, with further support from the infrastructure projects under the civil-engineering sub-sector.

Malaysia's external sector remained resilient amid continued uncertainty in the global environment. The current account surplus widened compared to the previous year while the level of international reserves remained high and was more than sufficient to meet short-term obligations and to provide ample buffer against external shocks. In the first half of the year, the current account recorded a higher surplus of RM35.8 billion, driven by a stronger trade surplus amid smaller services and income deficits. The growth in gross exports was broad-based amid improvement in demand across markets and products. In the second half of the year, the current account surplus narrowed to RM13.7 billion amid a lower trade surplus and larger deficits in the services and income accounts. Although lower crude oil prices led to lower export proceeds, the net impact on overall trade was somewhat mitigated by the accompanying decline in imports of petroleum products. Furthermore, prices of other major commodities, in particular liquefied natural gas ("LNG") and crude palm oil ("CPO") remained high, providing support to overall commodity exports.

Despite a challenging external environment, the Malaysian economy is expected to register steady growth of 4.5% - 5.5% in 2015, supported mainly by sustained expansion in domestic demand amid strong domestic fundamentals and a resilient export sector. Domestic demand will continue to anchor growth in 2015, driven by private sector spending. After registering five consecutive years of above-average growth rates, private consumption is expected to grow by 6.0% in 2015. While the implementation of the Goods and Services Tax ("GST") in April and lower earnings in the commodity-related sectors are expected to affect spending, this will, however, be partially offset by higher household disposable incomes from lower fuel prices, the favourable labour market conditions and the Government measures to assist low- and middle-income households.

After three years of double-digit growth, private investment is expected to expand by 9.0%, amid lower investments in the mining sector. Nevertheless, private investment growth will be supported by on-going projects and new investments in the manufacturing and services sectors with firms benefitting from the continued global recovery and expansion in domestic demand.

In the external sector, after a strong performance in 2014, the growth of gross exports is projected to moderate, amid lower commodity prices. Exports of manufactured products, however, are expected to increase at a stronger growth rate. Gross imports growth is expected to be higher in 2015, amid continued growth in intermediate imports given the expansion in export-oriented manufacturing; and higher growth in capital and consumption imports in line with the continued growth of domestic demand. Overall, the trade balance is expected to narrow but remain in surplus. The services account is projected to record a smaller deficit, with the expected recovery in tourist arrivals. Overall, the current account surplus is projected to narrow to 2% - 3% of gross national income in 2015.

On the supply side, all economic sectors are expected to expand. The services and manufacturing sectors will remain the key drivers of overall growth. Growth in the mining sector is projected to be sustained amid rising output from a new oil field. Weighed down by lower commodity prices, the agriculture sector is expected to record a marginal positive growth. The construction sector is expected to continue to record high growth, albeit at a more moderate pace. Although activity in the residential sub-sector is expected to increase at a more moderate pace, growth in the non-residential sub-sector is projected to be sustained while new and existing multi-year civil engineering projects will continue to provide additional support to the sector.

Headline inflation is projected to be lower at 2% - 3% in 2015, largely on account of lower global energy and food prices. The decline in global oil prices will lead to lower domestic fuel prices through the managed float fuel pricing mechanism. The more subdued external price pressures would also mitigate increases in the cost of imports stemming from the recent ringgit depreciation, thereby moderating imported inflation. While the implementation of the GST would result in higher prices for some goods and services, the impact on overall headline is expected to be contained. Basic necessities are either zero-rated or exempted from the GST while for some other items, the GST would merely replace the existing Sales and Services Tax (SST). The inflation rate in 2015 would also be affected by the new pricing mechanism for petrol prices in which there would be a more direct transmission of global oil price volatility into domestic prices given the market-based pricing of domestic fuel products. Nevertheless, the expectation is for underlying inflation to still remain relatively stable, amid modest demand pressures.

(Source: Bank Negara Malaysia Annual Report 2014, Bank Negara Malaysia)

The Malaysian economy registered a growth of 5.6% in the first quarter of 2015 (4Q 2014: 5.7%), underpinned mainly by the private sector demand. On the supply side, growth was supported by the major economic sectors. On a quarter-on-quarter seasonally-adjusted basis, the economy recorded a growth of 1.2% (4Q 2014: 1.8%). Domestic demand expanded by 7.9% in the first quarter of 2015 (4Q 2014: 5.7%), driven mainly by private sector expenditure.

Private sector activity grew by 9.6% (4Q 2014: 8.3%), following continued growth in consumption and investment activities. Private consumption expanded at a stronger pace of 8.8% (4Q 2014: 7.6%), supported by stable labour market conditions and higher wage growth. Furthermore, household spending was supported by flood relief efforts, in particular, during the early parts of the quarter. The front-loading of consumer purchases prior to the implementation of GST, particularly on transport, food and beverages, as well as communication, also contributed to the strong expansion in private consumption. Private investment expanded by 11.7% (4Q 2014: 11.1%), driven by capital spending in the export-oriented manufacturing sector and in the telecommunication and transport-related services industries.

Public sector expenditure expanded by 2.5% in the first quarter (4Q 2014: 0.6%) driven mainly by higher growth in public consumption and a turnaround in public investment. Public consumption grew by 4.1% (4Q 2014: 2.5%), reflecting higher Federal Government spending on supplies and services amid moderate growth in emoluments. Following a rebound in spending on fixed assets by the Federal Government, public investment turned around and grew by 0.5% (4Q 2014: -1.9%).

In terms of total investment, gross fixed capital formation expanded by 7.9% (4Q 2014: 4.3%), supported mainly by capital spending in the private sector. By type of assets, investments on structures expanded by 9.9% (4Q 2014: 10.4%), while machinery and equipment investment turned around to record a positive growth of 5.8% (4Q 2014: -0.8%).

On the supply side, growth in the first quarter was supported by the major economic sectors. The services sector was underpinned by growth in all sub-sectors, particularly consumption-related sub-sectors. Growth in the manufacturing sector was supported by stronger performance in the export-oriented industries, particularly the electronics and electrical ("E&E") cluster. The construction sector was supported mainly by the non-residential and residential sub-sectors, while the mining sector continued to record stronger growth amid higher crude oil production. Meanwhile, the agriculture sector contracted as a result of lower palm oil production

Moving forward, global economic growth is projected to improve at a moderate pace, but with diverging growth momentum across major economies. Although lower oil prices will have varying impact on economies, overall global growth is expected to benefit from this development. Downside risks to the growth outlook continue to persist, arising from the prolonged weakness in domestic demand and low inflation in a number of major economies, concern on the growth prospects of several net commodity-exporting emerging economies and the re-emergence of geopolitical tensions, which could heighten financial market volatility.

The Malaysian economy is expected to remain on a steady growth path. Domestic demand will remain the key driver of growth amid the lower oil prices. Investment activity is projected to remain resilient, with continued capital spending by both the private and public sectors. While private consumption is expected to moderate as households adjust to the introduction of the Goods and Services Tax (GST), the steady rise in income and stable labour market conditions would support household spending. The recovery in global growth while remaining moderate, will provide support to manufactured exports, although lower commodity prices will likely weigh down on overall exports.

(Source: Bank Negara Malaysia First Quarterly Report 2015, Bank Negara Malaysia)

7.2 Overview and prospects of the property market in Malaysia

The performance of overall property market made a marginal rebound from 10.9% contraction recorded in 2013. A total of 384,060 transactions worth RM162.97 billion were recorded, indicating a marginal increase of 0.8% in volume and 7.0% in value.

The residential sub-sector led the overall property market, with 64.4% contribution. This was followed by agricultural sub-sector (18.8%), commercial (9.3%), development land (5.5%) and industrial (2.1%). In terms of value, residential took the lead with 50.4% share, followed by commercial (19.5%), development land (13.3%), industrial (8.9%) and agricultural (7.8%).

Volume of transactions across the sub-sectors showed insignificant movements. Residential, commercial and agricultural sub-sectors recorded growths of 0.4%, 3.6% and 2.0%, respectively while industrial and development land sub-sectors each recorded a slight downturn of 3.8% and 1.9%, respectively against 2013. Value of transactions moved independently with residential, industrial and development land sub-sectors recorded double-digit growth of 13.9%, 17.7% and 13.5%, respectively whereas commercial and agricultural sub-sectors recorded downfall of 10.5% and 4.3%, respectively.

The revised expected growth in Malaysian economy to 4.5% to 5.0% for 2015 is in line with the International Monetary Fund's revision of the global growth estimate of 3.8% to 3.5%. The confidence of Bank Negara Malaysia on the continued growth momentum in 2015 is supported by the committed investments as well as those on-going infrastructure projects, which have taken off earlier.

On 20 January 2015, the restructuring on the annual Budget 2015 are deemed necessary so as to accommodate for the external uncertainties, shrinking crude oil prices and the depreciation of RM seen in the last few months. The restructuring is to ensure that our economy remained on positive path on the on-set of strong domestic demand.

The on-going Economic Transformation Programme projects are expected to remain supportive to the country's economic growth. The retained infrastructure projects as proposed in the Budget namely the Kuala Lumpur-Singapore High-Speed Rail project, the Pan-Borneo Highway, the LRT 3 Project from Bandar Utama to Shah Alam, the second MRT Line from Selayang to Putrajaya as well as investment in the construction sector and the oil and gas industry i.e. the Pengerang Integrated Petroleum Complex are expected to drive the private investments.

Residential Property

The prime sub-sector saw a sustained market with a slight turnaround in market activity, moderate performance for the new launches, improved overhang situation as well as positive trend in the construction sector. Prices and rentals remained firm though signs of price moderating were seen in the All House Price Index.

There were 247,251 transactions worth RM82.06 billion recorded in the review period, up by 0.4% in volume and 13.9% in value. Residential continued to drive the national property market, accounting for 64.4% and 50.4% of the volume and value respectively. Selangor, Johor and Perak remained the three leading states in the residential segment, each with 24.6%, 15.8% and 11.0% market share. A mixed performance was seen across the states. Seven (7) states recorded upward volume movements whilst nine states recorded otherwise. Selangor and Perak however recorded downward movements at 5.2% and 3.0%, respectively. Johor and Pulau Pinang remained on positive track, up by 15.9% and 4.0%, respectively. In terms of value, all states recorded upward movements with the exception of Labuan, Pahang and Kelantan.

By price range segmentation, residential priced RM200,000 and below as well as RM200,000 to RM500,000 recorded quite similar market share, each with 43.1% and 41.3%, respectively. Over the three (3)-year period, the declining volume trend of the former price bracket was matched by the increasing volume trend in the latter bracket. On similar note, the two top-notch price brackets, which are the RM500,000 to RM1.0 million and RM1.0 million and above have also increased, respectively by 23.2% (2013: 20.1%) and 16.2% (2013: 20.6%).

By type, terraced houses accounted for 41.4% (102,313 units) of the national total, followed by condominium/apartment with 12.6% share (31,072 units).

In the primary market, developers remained positive of the market as seen from the higher number of new launches recorded in 2014. There were 68,351 units of new launches, up from 62,376 units recorded in 2013. The rise was partly due to the high numbers of condominiums and service apartments, which formed nearly 44.9% of the new launches. Sales performance was moderate at 44.7%, amongst the better performance over the five-year period. Selangor, Kuala Lumpur and Johor were the three leading states with higher number of launches, accounting for 18.0%, 17.4% and 16.8% of the total respectively. Sales performance across the board was moderate; led by Kuala Lumpur, Negeri Sembilan, Kelantan and Sabah, securing more than 50.0%.

By property category, there was a fair balance between the landed (49.7%) and high-rise (49.6%) units launched. In terms of performance, landed units achieved higher overall take-up of 34.4% as compared to 11.1% obtained by its high-rise counterpart. By type, terraced houses formed the majority of the new launches, accounted for 37.7% of the total and secured 36.9% sales performance. Service apartment was the next highest with 27.8% share but its sales performance was low at 5.5%.

The residential overhang showed positive signs as the numbers receded to 11,816 units worth RM4.04 billion, down by 12.8% in volume and 15.9% in value. However, the unsold under construction increased by 6.0% to 55,156 units. Similarly, the unsold not constructed units recorded an 8.5% growth to 15,227 units. By state, Johor continued to record the highest number of national overhang units, accounting for 30.2% of the total. Nevertheless, the numbers reduced by a slight 0.2% though value shot up by 32.4% to RM952.43 million. The state also held the highest number of unsold under construction (30.5%) and not constructed (40.8%) in the country.

Terraced houses formed the bulk of the overhang units, accounted for 42.1% (4,974 units) of the total. Mostly were concentrated in Johor (2,183 units; 43.9%), in particular Johor Bahru (823 two to three storey terraced houses) and Kluang (466 single storey terraced houses), where these houses remained unsold for more than 24 months. Condominiums/apartments (1,530 units) and service apartments (919 units) formed a combined share of 20.7% of the country's total overhang. Kuala Lumpur held the bulk of condominiums/apartments overhang (746 units); more than half of which are in the RM500,000 and above price bracket. As for the unsold under construction and not constructed categories, condominiums/apartments and service apartments outnumbered the terraced units, accounting for 49.4% (27,230 units) and 63.6% (9,685 units) of each unsold category.

Construction activities showed uptrend. Completions increased by 18.7% to 96,879 units, starts up by 6.8% to 155,667 units whilst new planned supply increased by 22.3% to 186,174 units.

Most of the construction activities saw the interplay of major states namely Selangor, Johor, Pulau Pinang and Wilayah Persekutuan Kuala Lumpur. Selangor led the completions with 18.1% share of the total. This was trailed by Johor and Pulau Pinang, each with 13.6% and 13.5% market share respectively. The trio also dominated starts, led by Johor (22.2%) and trailed by Selangor (20.6%) and Pulau Pinang (8.6%). Johor (27.6%) and Selangor (14.5%) again dominated new planned supply, followed by Wilayah Persekutuan Kuala Lumpur (12.6%). As at the end of 2014, there were 4.83 million existing residential units, with nearly 0.76 million in the incoming supply and 0.65 million in the planned supply.

The Malaysian House Price Index portrayed a moderating trend. As at the fourth quarter of 2014, the Malaysian All House Price Index stood at 213.1 points (at base year 2000), which is an increase of 7.0% on annual basis (year-on-year) though lower compared to a higher growth of 9.6% in the fourth quarter of 2013 and 12.2% in the fourth quarter of 2012. The index softened slightly by 0.2% on quarterly basis.

Residential sub-sector is expected to show moderate activity in the coming year. The uncertainty of GST effect on the property prices is seen as the hold-back factor amongst buyers though some may have taken the opportunity to enter into agreement prior to April 2015. Housing continues to be the main focus of national agenda, in particular affordable homes. To this effect, the Government has promised to deliver these houses to the nation via various housing programs namely:-

(i) 1 Malaysia People's Housing Programme ("PPA1M"):- 80,000 units
(ii) National Housing Department ("JPN"):- 26,000 units People's Housing Programme; and
(iii) Syarikat Perumahan Negara Berhad ("SPNB"):- 12,000 units Rumah Mesra Rakyat, 5,000 units Rumah Idaman Rakyat and 20,000 units Rumah Aspirasi Rakyat.

The continuous supply of affordable houses into the market which are expected to meet the discerning demand from buyers would help stimulate the residential sub-sector. On this end, the incentives provided to the first time home buyers are seen as a positive move to help ease the entry costs of purchase. These incentives include:-

(i) Extension of 50.0% stamp duty exemption on instruments of transfer and loan agreements until 31 December 2016 and the raise in purchase limit from RM400,000 to RM500,000; and
(ii) Improvement in Skim Rumah Pertamaku by raising the ceiling price to RM500,000 and increase the age eligibility from 35 to 40 years.

The raise in the minimum eligibility for housing loans of civil servants from RM80,000 to RM120,000 and the maximum eligibility from RM450,000 to RM600,000 as well as the abolishment of RM100 loan application processing fees is expected to entail more prospective buyers in the civil sector.

On similar note, the additional 5,380 units under PPA1M that Government agrees to build in attractive areas namely Putrajaya (1,600 units), Bukit Jalil (1,530 units), Papar, Sabah (1,290 units) and Bukit Pinang, Kedah (960 units) would encourage more civil servants to own homes. At the same time, PPA1M improves further to facilitate buyers by reducing the minimum price from RM150,000 to RM90,000 with minimum floor area of 850 square metre and raising the qualifying household income from RM8,000 to RM10,000 per month. On developers' end, the Government also provides a facilitation fund of up to 25% of the project cost for those who participate in the scheme.

Recognising the difficulty for youths to own homes, the Youth Housing Scheme for those in the age group of 25 to 40 years with household income not exceeding RM10,000 is introduced in 2015 Budget. In addition, monthly financial assistance of RM200 would also be given to borrowers for the first two years to ease the burden of instalments. Stamp duty exemption at 50.0% on instruments of transfer and loan agreements is expected to bring about more sales in the sub-sector.

Leisure Property

Eighteen (18) hotels and ten (10) resorts transactions were recorded in the period worth RM991.14 million. One each in Kedah, Selangor and Negeri Sembilan, two each in Johor and Perak, three in Kuala Lumpur and Pahang as well as four (4) each in Melaka, Pulau Pinang, Sabah and Terengganu.

The leisure sub-sector showed a moderate performance as the three to five star hotels recorded an overall occupancy of 54.8%, higher than 50.4% in 2013. On similar trend, the one to five star hotels recorded an increase in the overall occupancy from 50.8% (2013) to 53.5% (2014).

Performance of the three to five star hotels across the states varied. Eight (8) states recorded higher overall occupancy than the national average. The top performers were Wilayah Persekutuan Putrajaya, Selangor, Wilayah Persekutuan Kuala Lumpur, Pulau Pinang, Pahang and Sabah with an overall occupancy of more than 60.0%.

During the review period, 42 new hotels made entrance into the market. These new hotels offered 5,430 rooms, more than 5,197 rooms recorded in 2013. Starts cut back 52.0% (3,817 rooms) but new planned supply increased by 17.8% (6,172 rooms). As at end-2014, there were 2,805 hotels across the country offering 202,829 rooms. Another 22,119 rooms were in the incoming supply led by Pulau Pinang (3,761 rooms), Wilayah Persekutuan Kuala Lumpur (3,720 rooms) and Melaka (3,572 rooms). There were another 15,245 rooms with building plan approvals but construction has yet to take-off.

(Source: Press Release dated 14 April 2015, Malaysian Property Market 2014, National Property Information Centre (NAPIC), Valuation & Property Services Department, Ministry of Finance Malaysia)

7.3 Overview and prospects of the property market in Malacca

The property market remained firm in first half of 2014. A total of 8,021 transactions worth RM2.51 billion were recorded in first half of 2014, up by 5.1% in volume and 5.3% in value over first half of 2013. Residential property dominated the overall property market activity (60.6%), followed by agricultural sub-sector (17.7%), commercial (9.8%), development land (8.9%) and industrial (3.0%) of the market share.

Market activity registered positive movements across the sub-sectors, led by development land (28.2%), followed by industrial (13.0%), commercial (52%), residential (3.2%) and agricultural (1.3%) sub-sectors. In term of value, all sub-sectors registered positive growths with the exception of commercial (-16.6%) and development land (-4.8%) sub-sectors.

A number of major sales were recorded in the first half of 2014 comprising one Giant hypermarket located in Jalan Tun Fatimah, Aldy Hotel located near Dataran Pahlawan and several parcels of development land, two in Bandar Melaka, one in Pekan Klebang and one in Pekan Tanjung Kling.

Prices of residential property were generally stable with mixed movements recorded in certain locations. Single storey terraces generally fetched between RM110,000 and RM150,000 across the state with higher range of more than RM200,000 recorded in choice neighbourhoods of Melaka Tengah. As for double storey terraces, prices were seen to fetch more than RM230,000. Similar houses in Taman Kenanga Sekysen 3, Taman Pertam Jaya and Taman Puncak Bertam (Malim Hill Park) obtained premium prices of more than RM400,000. As at Q2 2014, the All House Price Index for the state stood at 166.8 points, down from 169.0 points in Q2 2013. The All House Price for the "average house" also trended down from RM155,159 to RM153,175.

The residential rental market was on a stable trend with exceptions in several locations. Rental of single storey terraces in Melaka Town generally fetched between RM350 per month and RM550 per month while double storey terraces ranged from RM500 per month to as high as RM1,500 per month. In Melaka Tengah, similar double storey terraces generally fetched between RM400 per month and RM900 per month.

In the commercial sub-sector, prices of shops were generally stable across the state. Likewise, rentals of ground floor shops were also stable across the board. Shops in the strategically located Melaka Raya recorded higher rental range of RM2,000 per month to RM3,500 per month. In the retail sub-sector, rental of retail space in shopping complex was generally stable with isolated increases recorded in Mahkota Parade. Similar stable trend was seen in the office sub-sector.

In the primary market, a total of 574 units were launched in first half of 2014, more than 84 units launched in first half of 2013. Sales performance was moderate at 22.3%, slightly better than 21.4% recorded in first half of 2013. Detached houses dominated with 48.3% share of the total new launches.

The residential overhang improved as the numbers reduced to 846 units worth RM206.10 million, down by 2.5% in volume against first half of 2013. However, the overhang value increased by 2.6%. The unsold under construction increased to 1,769 units, up by 20.3% while the unsold not constructed were down by 22.9% to 168 units.

The leisure sub-sector saw a moderate performance as the overall occupancy of the three to five star hotels hovered slightly below than 50.0% level at 49.2%. Three new completions were recorded in first half of 2014, offering a combined 246 rooms.

Construction activities witnessed slow movements across the sub-sectors. Residential and shops sub-sectors recorded fewer completions, starts and new planned supply. Industrial sub-sector did not witness any new completion but recorded more starts and fewer new planned supplies.

(Source: Property Market Report First Half 2014, Valuation and Property Services Department, Ministry of Finance Malaysia)

7.4 Overview and future prospects of our Group

Our Board is of the view that given the strategic location of The Apple within the Malacca city centre area, which is a prime location coupled with connectivity to key roads, commercial centres, banks, hotels, amenities and historical sites, the Development Project would be able to cater to the anticipated demand for accommodation and residential properties within the prime Malacca city centre area. It is also sited within 1.5 kilometres from the historical and cultural heritage UNESCO World Heritage site of Malacca. The Apple has the potential to attract local and international home buyer and investors.

With The Apple's strategic and prime location, our Board believes that the Joint Venture provides our Company with an opportunity to participate in the development of a prime development land into a lucrative property development project. Once completed, The Apple is poised to become one of the iconic high-rise buildings as Malacca city's premier tourism and luxury destination, and will cater to the growing demand for four (4)-star quality hotels in Malacca from visiting tourists. In addition, The Apple shall have direct access to the Sungai Melaka Riverfront and shall have a spectacular view of the iconic "Kampung Morten", in addition to its location next to Malacca's latest prestigious development projects such as "The Shore @ Sungai Malacca", "99 Residences" and "Jaya 99".

(Source: Our management)

8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE WITH WARRANTS

For illustration purpose, the effects of the Rights Issue with Warrants and Special Issue on the share capital, NA, gearing, earnings and dividends in our Group are as follows:-

8.1 Share capital

The effects of the Rights Issue with Warrants and Special Issue on the issued and paid-up share capital of our Company are shown below:-

	RM	No. of ordinary shares	Par value
Existing issued and paid-up share capital as at the LPD	20,057,500	40,115,000	RM0.50
To be issued pursuant to the Rights Issue with Warrants	40,115,000	80,230,000	RM0.50
Enlarged share capital after Rights Issue with Warrants	**60,172,500**	**120,345,000**	**RM0.50**
To be issued pursuant to the Special Issue	20,000,000	40,000,000	RM0.50
Enlarged share capital after Special Issue	**80,172,500**	**160,345,000**	RM0.50
To be issued assuming full exercise of the Warrants	20,057,500	40,115,000	RM0.50
Enlarged share capital	**100,230,000**	**200,460,000**	**RM0.50**

8.2 Earnings and EPS

The Rights Issue and Special Issue are expected to contribute positively to our earnings (and consequently our EPS position) for the FYE 2015 and future financial years via *inter-alia* the contributions from the Joint Venture. However, our EPS position may be diluted as a result of the increase in the number of Shares in issue upon completion of the Rights Issue with Warrants and Special Issue.

For illustrative purposes only, the pro forma effects to the earnings and EPS as a result of the Rights Issue with Warrants and Special Issue are as follows:-

	(I)	(II)	(III)	(IV)
	Audited as at 30 June 2014	After the Rights Issue with Warrants	After the Special Issue	After (III) and assuming full exercise of Warrants
Earnings (RM'000)	(7,275)	(7,275)	(7,275)	(7,275)
No. of YONGTAI Shares ('000)	40,115	120,345	160,345	200,460
Loss per Share (basic) (sen)	(18.1)	(6.1)	(4.5)	(3.6)
Loss per Share (diluted) (sen)	(18.1)	(6.1)	(4.5)	(3.6)

8.3 Dividend

The Rights Issue and Special Issue are not expected to affect the dividend policy of our Company as future dividend payable by our Company would be dependent on *inter-alia*, the future profitability and cashflow position of our enlarged Group.

8.4 Convertible securities

As at the LPD, our Company does not have any convertible securities in issue.

8.5 NA and gearing

Based on the audited consolidated financial statements of our Company as at 30 June 2014, the pro forma effects of the Par Value Reduction, Rights Issue with Warrants and Special Issue on the consolidated NA and gearing position of our Company are shown below:-

		(I)	(II)	(III)	(IV)
	Audited as at 30 June 2014 RM'000	**After Par Value Reduction RM'000**	**After (I) and Rights Issue with Warrants RM'000**	**(iv)After (II), Joint Venture and Special Issue RM'000**	**After (III) and full exercise of Warrants RM '000**
Share capital	40,115	20,058	60,173	80,172	100,230
Share premium	1,626	1,626	1,626	(ii)(iii)1,826	1,826
Warrants reserve	-	-	(i)19,255	19,255	-
Discount on shares	-	-	(19,255)	(19,255)	-
Accumulated losses	(25,994)	~(5,936)	~(5,936)	~(5,936)	~(5,936)
Shareholders' Funds/NA	**15,747**	**15,747**	**55,863**	**76,063**	**96,120**
No. of Shares ('000)	40,115	40,115	120,345	160,345	200,460
NA per Share (RM)	0.39	0.39	0.46	0.47	0.48
Interest bearing borrowings (RM'000)	25,127	25,127	25,127	20,127	20,127
Gearing (times)	1.60	1.60	0.45	0.26	0.21

Notes:-

~ *Subject to rounding difference.*

(i) *Assuming the fair value of Warrants is RM0.48 per Warrant using the Black-Scholes valuation method.*

(ii) *After deducting estimated expenses for the Corporate Exercises of approximately RM3.0 million.*

(iii) *Based on the issue price of RM0.50 per Rights Share and RM0.58 per Special Issue Share.*

(iv) *The utilisation of RM35.0 million from the proceeds of the Rights Issue with Warrants and Special Issue for the payment of the YTB Apple's Participating Contribution pursuant to the Joint Venture will be capitalised as "Interest in Joint Operations" under the non-current assets of our Group.*

The IASC and Amendments do not have any effects on the consolidated NA and gearing position of our Company.

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working capital

Our Board is of the opinion that after taking into consideration the proceeds of the Special Issue and Rights Issue with Warrants, cash in hand, cashflow generated from our operations and available banking facilities, our Group will have adequate working capital to meet our business requirements due within a period of twelve (12) months from the date of this Abridged Prospectus.

9.2 Borrowings

As at the LPD, our Group has total outstanding interest-bearing bank borrowings denominated in RM as follows:-

	Floating rate interest bearing borrowings RM '000	Non-floating rate interest bearing borrowings RM'000
Short-term borrowings	8,727	8,257
Long-term borrowings	1,452	1,297
Total	**10,179**	**9,554**

After having all reasonable enquires and to the best knowledge of our Board, there has not been any default on payments of either interest or principal sums by our Group, in respect of any borrowings during the FYE 2014 and for the subsequent financial period up to the LPD.

9.3 Material commitments

Save for the YTB Apple's Participating Contribution, our Board is not aware of any material commitment, incurred or known to be incurred by our Group, which may have a material impact on the results or financial position of our Group.

9.4 Contingent liabilities

Save as disclosed below, as at the LPD, to the best knowledge of our Board, there are no contingent liabilities, incurred or known to be incurred, which upon becoming enforceable, may have a substantial impact in our ability to meet our obligations as and when they fall due:-

Contingent liabilities	RM'000
Secured	
(a) Corporate guarantees given for credit facilities granted to our subsidiaries	12,825

10. TERMS AND CONDITIONS

The issuance of the Rights Shares with Warrants pursuant to the Rights Issue with Warrants is governed by the terms and conditions as set out in this Abridged Prospectus, the Deed Poll, the NPA and RSF enclosed herewith.

11. FURTHER INFORMATION

You are requested to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of our Board of
YONG TAI BERHAD

TAI SHZEE YUAN
EXECUTIVE DIRECTOR

CERTIFIED EXTRACT OF THE ORDINARY RESOLUTION PERTAINING TO THE RIGHTS ISSUE WITH WARRANTS PASSED AT OUR EGM HELD ON 19 MARCH 2015

CERTIFIED TRUE COPY

COMPANY SECRETARY
JAUHARI BIN HASSAN
(LS 03681)
14 APR 2015

YONG TAI BERHAD

(Company No: 311186-T)
(Incorporated in Malaysia)

Extract of the Minutes of Extraordinary General Meeting held on 19 March 2015

ORDINARY RESOLUTION 2

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF 80,230,000 NEW YONGTAI SHARES ("RIGHTS SHARES") TOGETHER WITH 40,115,000 FREE DETACHABLE WARRANTS ("WARRANTS") AT AN INDICATIVE ISSUE PRICE OF RM0.50 PER RIGHTS SHARE AFTER THE PROPOSED PAR VALUE REDUCTION ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) YONGTAI SHARE HELD TOGETHER WITH ONE (1) WARRANT FOR EVERY TWO (2) RIGHTS SHARES SUBSCRIBED ON AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE WITH WARRANTS")

It was resolved:

THAT, subject to the passing of Special Resolutions 1 and 2 and Ordinary Resolutions 1, 3 and 4, the approvals granted by Bursa Malaysia Securities Berhad ("Bursa Securities") and all other relevant authorities/parties (if applicable), approval be and is hereby given to the Directors of the Company for the following:

(a) To provisionally allot and issue by way of a renounceable rights issue of 80,230,000 Rights Shares together with 40,115,000 Warrants on the basis of two (2) Rights Shares for every one (1) YONGTAI Shares held together with one (1) Warrant for every two (2) Rights Shares successfully subscribed, by way of provisional allotment to shareholders whose names appear in the Record of Depositors at the close of business on the entitlement date to be determined later by the Board ("Entitlement Date") wherein each of the Warrants will carry the right to subscribe, subject to any adjustment in accordance with a deed poll to be executed by the Company as supplemented from time to time ("Deed Poll"), at any time during the "Exercise Period" as defined in the Deed Poll, for one (1) YONGTAI Share at an exercise price to be determined and fixed at a later date by the Board, but in any case, not lower than the par value of YONGTAI Shares of RM0.50 each;

(b) to enter into and execute the Deed Poll constituting the Warrants and to do all acts, deeds and things as they deem fit or expedient in order to implement, finalise and give effect to the aforesaid Deed Poll;

(c) to allot and issue such number of YONGTAI Shares pursuant to the exercise of the Warrants, from time to time during the tenure of the Warrants, and such YONGTAI Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing YONGTAI Shares provided that such YONGTAI Shares then issued, shall not be entitled to any dividend, right, allotment and/or distribution declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the said YONGTAI Shares;

(d) to allot and issue such further Warrants and YONGTAI Shares arising from the subscription of further Warrants as a consequence of any adjustment in accordance with the provisions of the Deed Poll and/or as may be required by the relevant authorities; and

(e) to do all such acts and things including but not limited to the application to Bursa Securities for the listing of and quotation for the YONGTAI Shares which may from time to time be allotted and issued upon exercise of the Warrants;

THAT the Board be and is authorised to fix the final issue price of the Rights Shares, which in any event, shall not be lower than the par value of YONGTAI Shares of RM0.50 each (after the Proposed Par Value Reduction);

THAT the Board be and is hereby authorised to allocate the excess Rights Shares in a fair and equitable manner on a basis to be determined by the Board in their absolute discretion;

THAT the Board be and is hereby entitled to deal with all or any of the fractional entitlement of the Rights Shares and Warrants arising from the Proposed Rights Issue with Warrants, which are not validly taken up or which are not allotted for any reason whatsoever, in such manner as the Board may in their absolute discretion deems fit and in the best interest of the Company;

THAT the proceeds of the Proposed Rights Issue with Warrants be utilised for the purposes as set out in the circular to shareholders of the Company dated 25 February 2015, and the Directors be authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Directors may deem fit, necessary and/or expedient, subject (where required) to the approval of the relevant authorities;

THAT the Rights Shares and new YONGTAI Shares arising from the exercise of the Warrants will, upon allotment and issue, rank *pari passu* in all respects with the existing ordinary shares of the Company then, save and except that they will not be entitled to any dividend, rights, allotment and/or other distribution that may be declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the Rights Shares or new YONGTAI Shares arising from exercise of the Warrants;

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the aforesaid Proposed Rights Issue with Warrants with full power to assent to any conditions, variations, modifications and/or arrangement in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps to enter into all such agreement, arrangement, undertaking, indemnities, transfer, assignment and guarantee with any party or parties and to do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect the Proposed Right Issue with Warrants."

Signed as a correct extract of the Minutes

Director
Wong Liew Lin @ Liew Fat Lin

Director
Tai Shzee Yuan

Dated: 15 April 2015

SALIENT TERMS OF WARRANTS

Terms		**Details**
Issue Size	:	40,115,000 Warrants to subscribe for 40,115,000 new YONGTAI Shares to be issued free to the Entitled Shareholders who subscribes for the Rights Issue with Warrants.
Issue price	:	The Warrants will be issued free to the Entitled Shareholders and renouncees on the basis of one (1) Warrants for every two (2) Rights Share subscribed.
Detachability	:	The Warrants which are to be issued pursuant to Rights Issue with Warrants are immediately detachable upon allotment and issue of the Rights Shares. The Warrants will be traded separately.
Form	:	The Warrants will be issued in registered form and will be constituted by the Deed Poll.
Board Lot	:	The Warrants are tradeable upon listing in board lots of 100 units carrying rights to subscribe for 100 new YONGTAI Shares at any time during the Exercise Period or such denomination as determined by Bursa Securities.
Exercise Price	:	The exercise price of the Warrants is RM0.50 per Warrant. The exercise price and the number of outstanding Warrants shall however be subject to the adjustments in accordance with the terms and provisions of the Deed Poll during the Exercise Period.
Exercise Period	:	Five (5) years commencing on and including the date of issuance of the Warrants and ending at 5.00 p.m. on the date preceding the fifth (5^{th}) anniversary of the date of issuance, or if such day is not a market day, then it shall be the market day immediately preceding the said non-market day. Any Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid.
Exercise Rights	:	Each Warrant entitles the registered holder to subscribe for one (1) new Share at the Exercise Price during the Exercise Period and shall be subject to adjustments in accordance with the Deed Poll.
Rights of the Warrant holders	:	The holder of Warrants shall not be entitled to any voting rights or to participate in any dividends, rights, allotments and/or other forms of distributions in our Company until and unless such holders of the Warrants exercise their Warrants into new YONGTAI Shares.
Ranking of new YONGTAI Shares	:	The new YONGTAI Shares to be issued pursuant to the exercise of the Warrants will, upon allotment and issuance, rank *pari passu* in all respects with the then existing YONGTAI Shares except that they shall not be entitled to any dividends, rights, allotments and/or distributions, that may be declared, made or paid prior to the date of allotment of the new YONGTAI Shares to be issued pursuant to the exercise of the Warrants.

Terms		Details
Listing of the Warrants	:	Approval has been obtained by Bursa Securities for the listing of the Warrants and new YONGTAI Shares arising from the exercise of Warrants as well as admission of the Warrants to the Official List of the Main Market of Bursa Securities.
Adjustments in the Exercise Price and/or number of Warrants	:	The Exercise Price and/or the number of Warrants held by each Warrant holder may from time to time be adjusted in the event of any alteration to the share capital of our Company in accordance with the provisions as set out in the Deed Poll.
Transferability	:	The Warrants shall be transferable in the manner in accordance with the Deed Poll subject always to the provisions of the Securities Industries (Central Depositories) Act, 1991, as amended and revised from time to time and the rules of Bursa Depository and any appendices thereon.
Rights in the event of winding-up, liquidation, compromise and/or arrangement	:	Where a resolution has been passed for a member's voluntary winding up of our Company, or where there is a compromise or arrangement, then: (a) If such winding-up, compromise or arrangement has been approved by the Warrant holder or some persons designated by them of such purposes by a special resolution, the terms of such winding up, compromise or arrangement will be binding on all the Warrant holders; and (b) In any other case, every Warrant holder shall be entitled within six (6) weeks after the passing of such resolution for a member's voluntary winding-up of our Company or within six (6) weeks after the granting of the court order approving the compromise or arrangement, by the irrevocable surrendering of his Warrants to our Company, exercise his Warrants and be treated as if he had exercised the Warrants immediately prior to the commencement of such winding up or such compromise or arrangement. If our Company is wound up, all exercise rights which have not been exercised within six (6) weeks of the passing of such resolution, shall lapse and the Warrants shall cease to be valid for any purpose.
Modification of rights of Warrant holder	:	Our Company may, from time to time, without the consent or sanction of the holders of the Warrants but in accordance with the Deed Poll, modify the Deed Poll, if such modification made does not materially prejudice the interests of the holders of the Warrants or is made to correct a manifest error or to comply with prevailing laws of Malaysia, rules of the Bursa Malaysia Depository Sdn Bhd, Securities Industry (Central Depositories) Act, 1991 and/or the Main Market Listing Requirements of Bursa Securities. Subject to the approval of any relevant authority, any modification, alteration or abrogation of the covenants or provisions contained in the Deed Poll proposed or agreed to by our Company must be sanctioned by special resolution of the holders of the Warrants, effected by a deed poll, executed by our Company and expressed to be supplemental and comply with the requirements of the Deed Poll.
Governing Laws	:	Laws and regulations of Malaysia.

INFORMATION ON OUR COMPANY

1. HISTORY AND BUSINESS

Our Company was incorporated in Malaysia on 12 August 1994 pursuant to the Act under the name of Yong Tai Sdn Bhd. Subsequently, we converted our name to our present name on 22 September 1994.

We were listed on the Main Market of Bursa Securities on 15 September 1998. Our principal activity is that of investment holding and our Group is principally involved in the following:-

(a) property development; and

(b) trading, retailing and distribution of fashionable garment products, tailoring articles and related fashion accessories, manufacturing and dyeing of all types of fabrics and garment related products, as well as manufacturing of garment, yarn and nylon products, as well as tailoring articles.

2. SHARE CAPITAL

As at the LPD, our authorised and issued and paid-up share capital is as follows:-

Type	No. of Shares	Par value RM	Total RM
Authorised	2,000,000,000	0.50	1,000,000,000
Issued and fully paid-up	40,115,000	0.50	20,057,500

Changes in issued and paid-up share capital

The changes in our Company's issued and paid-up share capital since incorporation up to the LPD are as follows:-

Date of allotment	No. of Shares	Par value RM	Consideration	Total RM
12 August 1994	2	1.00	Subscribers' shares	2
1 October 1997	31,951,548	1.00	Other than Cash	31,951,550
29 July 1998	4,948,450	1.00	Cash	36,900,000
25 August 1998	3,000,000	1.00	Cash	39,900,000
23 December 2003	176,000	1.00	Cash	40,076,000
6 May 2004	39,000	1.00	Cash	40,115,000
16 April 2015	-	0.50	Par Value Reduction	20,057,000

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3. SUBSTANTIAL SHAREHOLDERS

The effects of the Rights Issue with Warrants and Special Issue on our Company's substantial shareholders shareholdings are shown below:-

Substantial shareholders	As at 18 May 2015				(I) *After Rights Issue with Warrants				(II) #After (I) and Special Issue			
	<---Direct --->		<---Indirect --->		<---Direct --->		<---Indirect --->		<---Direct --->		<---Indirect --->	
	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%	No. of Shares '000	%
Liew Fat Lin Holding Sdn Bhd	8,292	20.7	-	-	24,875	20.7	-	-	24,875	15.5	-	-
Wong Liew Lin @ Liew Fat Lin	51	0.1	(i)8,292	20.7	152	0.1	(i)24,875	20.8	152	0.1	(i)24,875	15.6
Wong Mee Yow Cheen @ Liew Mee Yow Cheen	75	0.2	(ii)8,380	20.9	224	0.2	(ii)25,129	20.9	224	0.1	(ii)25,129	15.7
Liew Huat Kwang	231	0.6	(ii)8,329	20.8	692	0.6	(ii)24,986	20.8	692	0.4	(ii)24,986	15.6
Liew Chee Siong	-	-	(i)8,292	20.7	-	-	(i)24,875	20.7	-	-	(i)24,875	15.5
Liew Fah Chin	-	-	(ii)8,311	20.7	-	-	(ii)24,932	20.7	-	-	(ii)24,932	15.5

Substantial shareholders	(III) After (II) and full exercise of Warrants			
	<---Direct --->		<---Indirect --->	
	No. of Shares '000	%	No. of Shares '000	%
Liew Fat Lin Holding Sdn Bhd	33,167	16.5	-	-
Wong Liew Lin @ Liew Fat Lin	202	0.1	(i)33,167	16.6
Wong Mee Yow Cheen @ Liew Mee Yow Cheen	299	0.1	(ii)33,505	16.7
Liew Huat Kwang	922	0.5	(ii)33,315	16.7
Liew Chee Siong	-	-	(i)33,167	16.5
Liew Fah Chin	-	-	(ii)33,243	16.5

Notes:-

* *Assuming all Entitled Shareholders subscribes for their entitlements under the Rights Issue with Warrants.*

\# *Assuming that none of the investors to be identified subscribing for the Special Issue Shares will become our substantial shareholders arising from the subscription.*

(i) *Indirect interest held through Liew Fat Lin Holding Sdn Bhd.*

(ii) *Indirect interest held through Liew Fat Lin Holding Sdn Bhd and their spouse by virtue of Section 6(A)(4) of the Act.*

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4. BOARD OF DIRECTORS

The age, profession, designation, nationalities and addresses of our Board are set out under the Corporate Directory on page (viii) of this Abridged Prospectus. The pro forma effects of the Rights Issue with Warrants and Special Issue on our Directors' shareholdings are as follows:-

Name of Director	As at 18 May 2015				(I) After Rights Issue with Warrants				(II) #After (I) and Special Issue			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%	No. of Shares ('000)	%
Datuk Hj. Amil @ Amir bin Junus	128	0.3	-	-	384	0.3	-	-	384	0.2	-	-
Wong Liew Lin @ Liew Fat Lin	51	0.1	(i)8,292	20.7	153	0.1	(i)24,876	20.7	153	0.1	(i)24,876	15.5
Wong Mee Yow Cheen @ Liew Mee Yow Cheen	75	0.2	(ii)8,380	20.9	225	0.2	(ii)25,140	20.9	225	0.1	(ii)25,140	15.7
Liew Huat Kwang	231	0.6	(ii)8,329	20.8	693	0.6	(ii)24,987	20.8	693	0.4	(ii)24,987	15.6
Tai Shzee Yuan	28	0.1	-	-	84	0.1	-	-	84	0.1	-	-
Subramaniam A/L A.V Sankar	2	~	-	-	6	~	-	-	6	~	-	-

Name of Director	(III) After (II) and full exercise of Warrants			
	Direct		Indirect	
	No. of Shares ('000)	%	No. of Shares ('000)	%
Datuk Hj. Amil @ Amir bin Junus	512	0.3	-	-
Wong Liew Lin @ Liew Fat Lin	204	0.1	(i)33,167	16.5
Wong Mee Yow Cheen @ Liew Mee Yow Cheen	300	0.1	(ii)33,520	16.7
Liew Huat Kwang	924	0.5	(ii)33,316	16.6
Tai Shzee Yuan	112	0.1	-	-
Subramaniam A/L A.V Sankar	8	~	-	-

Notes:-

~ *Negligible.*
* *Assuming all Directors subscribes for their respective entitlements under the Rights Issue with Warrants.*
\# *Assuming that none of the investors to be identified subscribing for the Special Issue Shares will become our substantial shareholders arising from the subscription.*
(i) Indirect interest held through Liew Fat Lin Holding Sdn Bhd.
(ii) Indirect interest held through Liew Fat Lin Holding Sdn Bhd and their spouse by virtue of Section 6(A)(4) of the Act.

5. SUBSIDIARIES AND ASSOCIATED COMPANIES

Our subsidiaries as at the LPD are as follows:-

No.	Name (Registration no.)	Date/place of incorporation	Issued and paid-capital	Effective ownership %	Principal activities
1.	Golden Vertex Sdn Bhd (266464-K)	8 June 1993/ Malaysia	RM5,000,000	100	Manufacturing of garments, nylon, yarn and tailoring articles
2.	Syarikat Koon Fuat Industries Sdn Bhd (16860-A)	31 December 1973/ Malaysia	RM127,500	100	Manufacturing and dyeing of all types of fabrics and related products
3.	The Image Outlet Sdn Bhd (562452-T)	24 October 2001/ Malaysia	RM100,000	100	Sale of garments and tailoring articles and related fashion accessories
4.	Yong Tai Brothers Trading Sdn Bhd (71696-P)	12 June 1981/ Malaysia	RM500,000	100	Sale of garments and tailoring articles and related fashion accessories
5.	Yong Tai Samchem Sdn Bhd (647458-V)	31 March 2004/ Malaysia	RM2,000,000	100	Investment holding
6.	YTB Apple Sdn Bhd (1118193-W)	17 November 2014/ Malaysia	RM2	100	Property development
7.	YTB Development Sdn Bhd (1045674-P)	10 May 2013/ Malaysia	RM100	100	Dormant
8.	YTB Land Sdn Bhd (813113-M)	9 April 2008/ Malaysia	RM1,000,000	100	Property development
9.	Yuta Realty Sdn Bhd (63224-D)	9 October 1980/ Malaysia	RM402,600	100	Property development and investment holding

As at the LPD, there are no associate companies with our Company.

6. PROFIT AND DIVIDEND RECORDS

The profit and dividend records based on our Group's audited consolidated financial statements for the FYE 2012, FYE 2013, FYE 2014 and the unaudited consolidated financial statements for the six (6) months FPE 31 December 2013 and FPE 31 December 2014 are as follows:-

	FYE 2012 (audited) RM'000	FYE 2013 (audited) RM'000	FYE 2014 (audited) RM'000	FPE 31 December 2013 (unaudited) RM'000	FPE 31 December 2014 (unaudited) RM'000
Revenue	72,770	67,315	63,807	30,729	50,918
Cost of sales	(55,831)	(54,116)	(47,095)	(21,682)	(40,201)
Gross profit	**16,939**	**13,199**	**16,712**	**9,047**	**10,717**
Investment revenue and other income	570	1,637	593	436	2,300
Finance costs	(2,145)	(1,886)	(2,086)	(928)	(1,262)
Distribution, administrative and other expenses	(25,353)	(20,911)	(22,466)	(9,713)	(10,376)
(LBT)/PBT	**(9,989)**	**(7,961)**	**(7,247)**	**(1,158)**	**1,379**
Taxation	(368)	23	(28)	(89)	(634)
Profit from discontinuing operations	1,117	-	-	-	-
(LAT)/PAT	**(9,240)**	**(7,938)**	**(7,275)**	**(1,247)**	**745**
Attributable to:-					
Equity holders of our Company	(9,299)	(7,929)	(7,273)	(1,246)	745
Non-controlling interest	59	(9)	(2)	(1)	-
LAT/PAT	**(9,240)**	**(7,938)**	**(7,275)**	**(1,247)**	**745**
Share capital	40,115	40,115	40,115	40,115	40,115
Share premium	1,626	1,626	1,626	1,626	1,626
Accumulated losses	(10,823)	(18,752)	(26,025)	(19,998)	(25,249)
Acquisition of non-controlling interest in subsidiary	-	-	31	-	1
NA/Shareholders funds	**30,918**	**22,989**	**15,747**	**21,743**	**16,492**
Earnings before interest and taxation	(6,534)	(6,075)	(5,161)	(250)	2,641
Earnings before interest, taxation, depreciation and amortisation	(4,829)	(4,586)	(3,591)	919	3,511
Gross Profit margin (%)	23.3	19.6	26.2	29.4	21.0
Basic EPS/(Loss per Share) (sen)	(23.03)	(19.79)	(18.13)	(3.11)	1.86
Diluted EPS/(Loss per Share) (sen)	(23.03)	(19.79)	(18.13)	(3.11)	1.86

Commentaries of financial performance during FYE 2012

Our Group's revenue had increased by 12.82% or RM8.27 million, from RM64.50 million during FYE 2011 to RM72.77 million during FYE 2012. Our Group's revenue was mainly generated from the sale of garment and clothing products from our Group's chain of "Effu" boutiques, contributing a turnover of 48.7% or RM35.42 million to our Group's overall revenue. The improvement in revenue generated was due to our Company's continuous efforts undertaken to offer mid-end price garment and clothing products targeted at middle income and younger consumer group. Our Company's efforts has since been successful as these targeted customers has responded positively in line with the changes in trends, preferences and retail spending patterns of these consumer group.

Although our Group's overall revenue level has increased by 12.82%, our Group had recorded an increase in its overall LBT position from RM1.04 million during FYE 2011 to RM9.99 million during FYE 2012. This is due to the increase in our Group's overall cost of sales by a larger percentile than the increase in our Group's overall revenue of 20.6% or RM9.52 million, from RM46.31 million during FYE 2011 to RM55.83 million during FYE 2012. This has resulted in our Group recording a lower gross profit margin of 23.3% during FYE 2012, as compared to gross profit margin of 28.2% during FYE 2011. In addition, our Group's overall finance costs, distribution, administrative and other expenses, had increased mainly due to the following:-

(a) Our Company had undertaken additional bank borrowings during FYE 2012 to finance our overall working capital requirements;
(b) recognition of fair value impairment losses on inventories of RM3.22 million;
(c) provision of doubtful debts of RM2.94 million; and
(d) loss on disposal of investment in companies amounting RM1.47 million.

Based on the above, our Group recorded a LAT position of RM9.24 million and a NA position of RM30.92 million.

Commentaries of financial performance during FYE 2013

During the FYE 2013, our Group recorded a decrease in overall revenue by 7.49% or RM5.45 million, from RM72.77 million during FYE 2012 to RM67.32 million during FYE 2013. The decrease in our Group's overall revenue was due to the reduction from the contribution of the chain of "Emilio Valentino" and "Effu" boutiques, which was due to the greater competition from other established textile and garment manufacturers, changing consumer preferences for various other established brand names as well as strong competition from other garment brand names. This situation has affected the sales revenue contribution from the chain of "Emilio Valentino" and "Effu" boutiques.

Although there was a reduction in our Group's LAT position from RM9.24 million during FYE 2012 to RM7.94 million during FYE 2013, our Group continued to record LAT position as overall sales and distribution costs remained high due to high textile and cloth costs, other retailing costs and overall operation costs incurred. This has resulted in our Group recording a lower gross profit margin of 19.6% during FYE 2012, as compared to gross profit margin of 23.3% during FYE 2012. However, our Group's LAT position has decreased from RM9.24 million during FYE 2012 to RM7.94 million during FYE 2013 due to the following:-

(a) reduction of amortisation and distribution expenses and written down in value of inventories from RM3.22 million during FYE 2012 to RM1.98 million during FYE 2013;
(b) reduction in interest expenses incurred from RM2.15 million during FYE 2012 to RM1.89 million during FYE 2013; and
(c) reduction of impairment on trade receivables incurred from RM2.94 million during FYE 2012 to RM0.73 million during FYE 2013.

In view of the challenging business environment, our Group continues with the focus on cost control and production efficiency for the retailing, trading and manufacturing of textile and garment products, as well as manufacturing and dyeing of fabric and its related products business segments.

Commentaries of financial performance during FYE 2014

Our Group's revenue decreased by 5.21% or RM3.51 million, from RM67.32 million during FYE 2013 to RM63.81 million during FYE 2014 due to the decrease in consumer demand in trading, retailing and manufacturing of garment segment.

The chain of Emilio Valentino boutiques contributed a turnover of RM4.78 million and LBT of RM0.60 million within the retailing and trading of textile and garment business segment for the financial year under review. On the other hand, the chain of "Effu" boutiques contributed a turnover of RM32.23 million for the FYE 2014. The garment manufacturing segment recorded a turnover of RM15.35 million during FYE 2014, as compared with the previous financial year of RM21.9 million with a LBT of RM4.271 million. The manufacturing, dyeing and finishing of fabrics segment registered a turnover of RM11.45 million.

Our Group's cost of sales has decreased by a larger percentile than the decrease in our Group's overall revenue by 12.9% or RM7.02 million from RM54.12 million during FYE 2013 to RM47.1 million during FYE 2014. The decrease in cost of sales resulted in higher gross profit margin recorded of 26.2% during FYE 2014, as compared to 19.6% during FYE 2013. This has resulted in our Group recording a higher gross profit margin of 26.2% during FYE 2014, as compared to gross profit margin of 19.6% during FYE 2013.

Our Group's LBT position also decreased from RM7.96 million during FYE 2013 to RM7.25 million during FYE 2014. The LBT suffered by our Group during the FYE 2014 was mainly due to insufficient gross profit generated to cover our Group's fixed operating cost such as finance cost, amortisation and distribution expenses.

Based on the above, our Group recorded a LAT position of RM7.28 million and a net current assets position of RM15.75 million.

Commentaries of financial performance during FPE 31 December 2014

Based on our Group's unaudited financial statement for the FPE 31 December 2014, our Group recorded a PAT position of RM0.75 million, as compared to a LAT position of RM1.25 million recorded during the unaudited financial statement for the FPE 31 December 2013. Revenue for the period under review was mainly contributed by our Group's property development segment of RM27.26 million, representing 53.54% of our Group's total revenue of RM50.92 million, which was contributed from the on-going construction and development of the 99 Residences property development project. Our Group's revenue in the trading, retailing and manufacturing of garment segment has declined as compared to the preceding FPE 31 December 2013 from RM31.40 million to RM23.87 million, due to the declining global and domestic market demand and stiff competitive market for our garment products, which has affected the billings for its products and services.

During FPE 31 December 2014, our Group had recorded an increase in other income by 427.53% or RM1.86 million, from RM0.44 million during FPE 31 December 2013 to RM2.30 million during FPE 31 December 2014. In addition, our Group's administrative expenses had increased by 6.8% or RM0.66 million, from RM9.71 million during FPE 31 December 2013 to RM10.38 million during FPE 31 December 2014. Our overall finance costs had also increased by 35.9% or RM0.33 million, from RM0.93 million during FPE 31 December 2013 to RM1.26 million during FPE 31 December 2014.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of YONGTAI Shares as traded on Bursa Securities for the past twelve (12) months are as follows:-

	High RM	Low RM
2014		
June	1.28	0.995
July	1.33	1.16
August	1.26	1.19
September	1.21	1.05
October	1.09	0.98
November	1.26	1.00
December	0.945	0.680
2015		
January	0.74	0.62
February	0.67	0.60
March	0.65	0.60
April	0.88	0.61
May	0.652	0.54

The last transacted price of YONGTAI Shares on 3 December 2014 being the date immediately prior to the announcement of the Rights Issue with Warrants was RM0.85 per Share.

The last transacted price of YONGTAI Shares on the LPD was RM0.75 per Share.

The last transacted price of YONGTAI Shares on 28 May 2015, being the market day prior to the ex-date of the Rights Issue with Warrants was RM0.545 per Share.

(Source: Bursa Securities)

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INFORMATION OF THE PROJECT COLLABORATION

1. Background information of 99 Residences

YTB Land had on 29 April 2014 entered into the Project Collaboration Agreement with PTS Properties for the construction of a twenty nine (29)-storey luxury condominium hotel, which consists of 391 units of condominium hotel rooms comprising standard suites, poolside suites, honeymoon suites with balcony, lover/honeymoon suites, presidential suites and a mechanical and electrical room, built upon with a six (6)-storey carpark and one (1) ground level for food and beverage outlets.

YTB Land and PTS Properties have agreed to co-operate and collaborate with each other to undertake the construction and development of 99 Residences, whereby PTS Properties shall be responsible for all matters relating to the construction of 99 Residences and YTB Land is the project manager for the construction of 99 Residences.

The Project Collaboration is subjected to the terms and conditions of the Project Collaboration Agreement, as detailed out in **Section 2, Appendix IV(A)** of this Abridged Prospectus. YTB Land commenced the provision of its services under the Project Collaboration Agreement on July 2014. At this point in time, the 99 Residences were already 50% completed.

Further details of 99 Residences are as follows:-

Development details of 99 Residences	:	Comprises 391 units of condominium hotel rooms on a twenty-nine storey (29)-storey building, which will house a four (4) star condominium hotel, comprising standard suites, poolside suites, honeymoon suites with balcony, lover/honeymoon suites and presidential suites, built upon with a six (6)-storey carpark and one (1) ground level for food and beverage outlets
Land title particulars	:	H.S.(D) 35407 PT No. 33, Kawasan Bandar XVIII, Daerah Melaka Tengah, Negeri Melaka located at Jalan Tun Sri Lanang, Malacca ("Land")
Category of land use of the Land	:	Commercial
Tenure of Land	:	Freehold
Size of Land	:	0.5167 hectare
Gross built-up area	:	27,702 square metres
Encumbrances	:	Caveat by PTS Properties
Type of development	:	Twenty-nine (29)-storey luxury condominium hotel known as "99 Residences"
Facilities	:	Sky pool, sky gym, waterfront bistro and cafes
Gross development cost	:	RM103.2 million
Gross development value	:	RM120.9 million
Commencement date	:	March 2013
Expected date of completion	:	June 2015^

Note:-

^ *The 99 Residences property development was scheduled to complete in February 2015, but is now due for completion in June 2015. The delay in construction was due to the delay in delivery of construction materials necessary for the completion of the 99 Residences. YTB Land and PTS Properties are not required to pay any costs and/or interests in relation to the said delay under the Project Collaboration Agreement, as the completion and handover of the condominium hotel units is still within timeline stated in the sale and purchase agreement with the unit owners of 99 Residences.*

2. Salient terms and conditions of the Project Collaboration Agreement

The salient terms and conditions of the Project Collaboration Agreement include, amongst others, the following:-

(a) Conditions precedent

(i) PTS Properties having secured all the necessary licenses, permits, approvals and consents for the undertaking of 99 Residences and that the same are at all material time valid and subsisting;

(ii) YTB Land is satisfied that the sale and purchase agreement entered into between PTS Properties and Able Consortium Sdn Bhd dated 26 September 2012 for the acquisition of the Land ("SPA") is still subsisting and that there is no breach of any of the terms and conditions of the SPA.

(iii) PTS Properties executing a guarantee agreement with YTB Land pursuant to **Section 2(e)(iv)** below, simultaneously with the Project Collaboration Agreement;

(iv) YTB Land is satisfied at its sole and absolute discretion that there are:-

(aa) no claims, litigation, arbitration, demands, disputes or other contentious circumstances made against PTS Properties, save for those disclosed by PTS Properties to YTB Land prior to the execution of the Project Collaboration Agreement; and

(ba) no adverse changes in the operations or financial condition of PTS Properties, save for those disclosed by PTS Properties to YTB Land prior to the execution of the Project Collaboration Agreement;

(v) the approval of the board of directors of YTB Land;

(vi) the approval of our shareholders; and

(vii) the approval of our Board and/or shareholders, if so required.

In the event any of the above conditions precedent are not fulfilled within ninety (90) days from the date of the Project Collaboration Agreement or by the expiry of such extended period approved by YTB Land, as the case may be, YTB Land may terminate the Project Collaboration Agreement by notice in writing to PTS Properties, whereupon the Project Collaboration Agreement shall lapse and cease to be of any effect and the parties to the Project Collaboration Agreement shall have no further rights to or against the other save in respect of any antecedent breaches.

(b) Obligations of YTB Land

(i) YTB Land undertakes to contribute to 99 Residences for a sum of up to RM4,400,000 ("YTB Land's Participation Contribution").

YTB Land agrees that it shall pay the YTB Land's Participation Contribution upon YTB Land securing and being disbursed with sufficient funding to finance the payment of YTB Land's Participation Contribution and that PTS Properties has not breached any of the terms and conditions to be fulfilled by PTS Properties under the Project Collaboration Agreement as at the date of the payment of the YTB Land's Participation Contribution.

The YTB Land's Participation Contribution shall be utilised for the funding requirements of the construction and completion of 99 Residences. The YTB Land's Participation Contribution shall be paid by YTB Land to PTS Properties in three (3) equal tranches of RM1,466,66,67 each, in the following manner:-

(aa) the first tranche payment shall be made within three (3) months from the date the conditions precedents of the Project Collaboration Agreement have been duly fulfilled or waived, as may be the case ("1st Tranche Payment");
(ba) the second tranche payment shall be made within three (3) months from the date of the 1st Tranche Payment; and
(ca) the third and final tranche payment must be fully paid any time before the completion of 99 Residences.

YTB Land is not required to finance any further sum in excess of the YTB Land's Participation Contribution. Any other costs or expenses in excess of YTB Land's Participation Contribution shall be borne by PTS Properties, which may include but not limited to late penalty interest for late delivery of vacant possession, late penalty interest for late loan repayments and damages arising from any breach of any contracts; and

(ii) In addition, the obligations and responsibilities of YTB Land under the Project Collaboration Agreement are as follows:-

(aa) responsible for managing the activities to be undertaken during the development of 99 Residences, including ensuring that 99 Residences plans are carried out accordingly and completed within the agreed timelines, within the agreed costs and specific standard of quality and managing the resources#;

Note:-

This includes internal human resources, consultants and architects, building materials and other components involved in the project's execution.

(ba) manage the cost in accordance with the Approved Budget (as defined in **Section 2(d)(i)** below) and shall be responsible for the project costs reporting, the report formats, frequency and to whom it is to be presented, how such cost performance is quantitatively measured;
(ca) responsible for construction administration of 99 Residences including leading weekly/monthly project meeting, reviewing the progress of construction, confirming that the contractor is undertaking all works under 99 Residences as approved by the relevant authorities, resolving any unexpected issues and unforeseen conditions so that there is no delay in the progress of 99 Residences;
(da) responsible for on-site inspection of 99 Residences including the frequency of such inspection and the reporting of such inspection;
(ea) assist PTS Properties to supervise the sub-contractors, suppliers and the professional consultants of PTS Properties;
(fa) responsible for liaising with the sub-contractors, suppliers and the professional consultants involved in 99 Residences;
(ga) assist in monitoring and managing the collections of all receivables under and/or arising from 99 Residences; and

(ha) ensuring that 99 Residences has sufficient funds and is able to raise the funds required to complete 99 Residences.

(c) Obligations of PTS Properties

(i) The obligations and responsibilities of PTS Properties under the Project Collaboration Agreement are as follows:-

(aa) construct all the luxury condominium hotel as described in the Project Collaboration Agreement including all the necessary infrastructure in accordance with the relevant approvals and consents, generally in compliance with recognized building standards and practices and within the Approved Budget;

(ba) undertake to construct or cause to be constructed the roads, driveways, drains, culverts, fencing, sub-station (if any) water mains and septic tanks or sewerage mains or sewerage plant serving 99 Residences in accordance with the requirements and standards of the appropriate authority or other public authorities and further undertake at its own cost and expense to pay or cause to be paid all necessary water electricity and sewerage mains to serve 99 Residences and cause the internal mains and the sanitary installations of 99 Residences to be connected to the water electricity and sewerage mains of the appropriate or other public authority or the sewerage plant in 99 Residences;

(ca) conform to the provisions of every enactment ordinance, act, code, bye-law or regulation in Malaysia for the time being in force affecting the erection or construction of the units in 99 Residences and will give all necessary notices to and obtain every requisite sanction from the local or other authority in respect of the erection or construction of the condominium hotel in 99 Residences under every enactment ordinance act code bye-law or regulation and generally will comply with the building or other regulations of such authority. PTS Properties shall furnish to YTB Land simultaneously with the execution of the Project Collaboration Agreement, a copy of all the relevant approvals, consent and permits for the completion of 99 Residences;

(da) do all acts and things necessary to procure the issue of the relevant certificate of fitness for occupation, if any, of the appropriate authority in respect of the condominium hotel and shall at its own cost and expense comply with all requirements of the appropriate authority which are conditions precedent to the issue of such certificate of fitness;

(ea) ensure at all times during the development period that it has sufficient funds or capital so as to ensure the expeditious and uninterrupted development of 99 Residences in accordance with the specifications and building plans approved by the authorities;

(fa) insure against loss or damage by natural disasters such as fire, storm, tempest, lightning, flood, or other any similar circumstances for the full value thereof all works executed and all unfixed materials and goods intended for delivery to and placed on or adjacent to 99 Residences but excluding temporary buildings, plant tools and equipment owned or hired by PTS Properties or any sub-contractor and shall keep such works, materials and goods so insured until the practical completion of 99 Residences;

(ga) pay all the progressive payments of the purchase price in accordance to the SPA; and

(ha) cause and ensure that all receivables under and or arising from 99 Residences shall be paid to and managed by PTS Properties.

(d) Cost and budget of 99 Residences

(i) The parties to the Project Collaboration Agreement agrees on the projected revenue, projected construction costs/expenses and projected profit before tax of the entire project as set out in the approved budget scheduled in the Project Collaboration Agreement ("Approved Budget").

(ii) PTS Properties hereby respectively covenants and undertakes to fund 99 Residences so as to ensure the smooth and uninterrupted development and commissioning of 99 Residences in accordance with the Approved Budget.

(e) Profit sharing entitlements

(i) PTS Properties and YTB Land hereby agree and expressly declare that the profits derived from 99 Residences shall be apportioned between PTS Properties and YTB Land in the following manner:-

(aa) YTB Land's entitlement – sixty per centum (60%) of RM13,290,120[@] ("Projected Profit") ("YTB Land's Entitlement")· The net entitlement due to YTB Land under 99 Residences shall be YTB Land's Entitlement of RM7,974,072 less YTB Land's Participation Contribution of RM4,400,000 which is equivalent to RM3,574,072; and

(ba) PTS Properties' entitlement – the remainder of the Actual Profit (as defined herein) ("PTS Properties' Entitlement").

Notes:-

@ *This amount is arrived at based on its gross development value of RM120.9 million less its gross development cost of RM103.2 million, and after deducting the tax amount of 25% or approximately RM4.4 million.*

(ii) PTS Properties and YTB Land agree that PTS Properties' Entitlement shall be derived from the gross sale proceeds from all types of units of condominium hotel constructed under 99 Residences in accordance with the approved plans and in compliance with all legislation, enactments, rules and regulations governing the development of 99 Residences less all taxes and expenses less YTB Land's Entitlement ("Actual Profit");

(iii) The YTB Land's Entitlement shall be paid by PTS Properties to YTB Land on a monthly basis commencing on the thirtieth (30th) day of the month where all conditions precedent of the Project Collaboration Agreement is fulfilled, including obtaining the approval of our shareholders for the Project Collaboration, and shall be paid no later than thirtieth (30th) day of each month until completion of 99 Residences[#].

(iv) PTS Properties executes a guarantee agreement with YTB Land ("Guarantee Agreement")[^]. The salient terms of the Guarantee Agreement are as follows:-

(aa) PTS Properties guarantees to pay YTB Land a sum of RM7,974,072 ("Guaranteed Sum");

(ba) PTS Properties shall pay the Guaranteed Sum by way of direct cash payment to YTB Land based on the terms and conditions as set out in the Guarantee Agreement; and

(ca) PTS Properties and YTB Land agree that within ninety (90) days from the issuance of a Certificate of Completion and Compliance for 99 Residences, or on the eighteenth (18^{th}) month from the date of the Guarantee Agreement, whichever is the earlier, PTS Properties shall fully pay to YTB

Land the Guaranteed Sum and fulfill its obligations as set out in the Guarantee Agreement#.

Notes:-

^ *Although 99 Residences property development project was already 37% completed at the point of signing of the Project Collaboration Agreement, the YTB Land's Participation Contribution was intended to serve as a bridging finance for PTS Properties to complete the 99 Residences property development project. Hence, YTB Land has requested for minimum guaranteed returns for the YTB Land's Participation Contribution.*

In the event there is a shortfall payable to the YTB Land's Entitlement under 99 Residences, then PTS Properties shall be obliged to pay for the shortfall up to the Guaranteed Sum within ninety (90) days from the issuance of a Certificate of Completion and Compliance for 99 Residences, or on the 18th month from the date of the Guarantee Agreement, whichever is the earlier.

(f) Default

If either party to the Project Collaboration Agreement fails to comply with any of the provisions, of which the breach is not remedied within fourteen (14) days of notice by the other party, then the innocent party shall be entitled to proceed to take such action as may be available to the innocent party at law including but not limited to enforce specific performance of the Project Collaboration Agreement against the defaulting party.

(g) Consequence of default by PTS Properties

In the event that YTB Land elects to exercise its rights to terminate the Project Collaboration Agreement arising from the default of PTS Properties, then the following shall be the respective rights and liabilities of the parties:-

(aa) YTB Land may at its sole and absolute discretion take possession of 99 Residences and it's account and may employ or pay out of it's account other persons to carry out and complete 99 Residences; and

(ba) YTB Land reserves the right at its sole and absolute discretion to dispose of 99 Residences at any stage and whether completed or not firstly by public notice and if this option fails, dispose 99 Residences by way of auction or force sale.

The sums outstanding in 99 Residences' account shall thereafter be distributed in the manner stipulated in **Section 2(e)** above and PTS Properties' share of the profit shall be distributed by YTB Land to PTS Properties after deduction of all payments, expenses, costs, fees and expenditure incurred in the process of completing or disposing of 99 Residences and all other incidental expenses incurred thereto. Pursuant to the Guarantee Agreement, PTS Properties guarantees to pay YTB Land a sum of RM7,974,072. Hence, if the said project's account is insufficient to be distributed in the manner stipulated in **Section 2(e)** above, PTS Properties is still obliged to pay the Guaranteed Sum by way of direct cash payment to YTB Land based on the terms and conditions as set out in the Guarantee Agreement.

(h) Consequence of default by YTB Land

In the event that YTB Land terminates the Project Collaboration Agreement, PTS Properties shall be entitled to claim for damages suffered or specific performance from YTB Land.

In addition, in the event that YTB Land is in breach of any of its obligations and/or terms under the Project Collaboration Agreement, then PTS Properties has the right to issue a notice requiring YTB Land to satisfy the conditions under the Project Collaboration Agreement and if the condition(s) is not satisfied by the end of the three (3)-month notice period given, PTS Properties has the right rescind the Project Collaboration Agreement and sue YTB Land for damages deemed appropriate under the relevant common laws and contracts laws in Malaysia.

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INFORMATION ON THE JOINT VENTURE

A99DSB had entered into the JVA with CMSB to undertake the development of The Apple. In connection with A99DSB's role as the developer under the JVA, YTB Apple had entered into the Joint Operation Agreement with A99DSB for the Joint Venture, the terms and conditions of which are detailed in **Section 3** below.

1. Background information of The Apple

The Apple is a mixed-development project comprising of *inter-alia* a sixteen (16)-storey four (4)-star hotel known as "Courtyard by Marriott", a thirty-two (32)-storey block of service apartments and the Podium on the Development Land. The development order for The Apple was obtained from Majlis Bandaraya Melaka Bersejarah ("MBMB") on 5 August 2014. Further details of The Apple are as follows:-

(a) Courtyard by Marriott

Development details	:	A sixteen (16)-storey four (4)-star hotel to be managed by Marriott under the brand name of "Courtyard by Marriott" pursuant to the Hotel Management Agreement
Number of rooms	:	284 units of hotel rooms, which includes standard suites, executive suites and presidential suites
Number of storeys	:	The hotel block comprises the following:- (i) a sixteen (16)-storey hotel building; and (ii) the Podium
Number of carparks	:	535 carpark bays
Gross development cost	:	RM141.8 million
Gross development value	:	Not applicable as A99DSB will retain the hotel block as property investment
Gross floor area	:	22,855 square metres
Commencement date of construction	:	October 2014
Expected date of completion of construction	:	End 2017
Duration of Hotel Management Agreement	:	Twenty (20) years from 2 December 2013, with an automatic renewal of two (2) successive periods of five (5) years for each successive period
Fees payable under the Hotel Management Agreement	:	(a) 0.25% of the Gross Revenues (as defined below) to be paid to Marriott; (b) Payment of 1.75% of the Gross Revenues as base royalty fees to Global Hospitality Licensing S.a.R.L. ("GHL") for the non-exclusive and non-transferable license within Malacca, Malaysia to use only those Courtyard trademarks designated

by GHL or its affiliates for use at the hotel (including hotel services and other related goods and services provided in connection with the operations of the hotel); and

(c) The percentage of the Operating Profit (as defined below) generated from the operations of the hotel to GHL, in the following percentages:-

Accounting periods	Percentage of operating profit
1-36 months 37 months and thereafter	6% 7%

GHL is a private company with limited liability (*société à responsabilité limitée*) incorporated in Luxembourg, with its registered office at 33, rue du Puits Romain, Boite 6, L-8070 Bertrange, Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg Trade and Companies Register.

GHL is the owner of the "Marriott" brand name, as well as all loyalty, recognition, affinity and other programs designed to promote stays at, or usage of, the "Marriott" hotel and other hotels operated or franchised by the Hotel Manager or its affiliates, and any similar, complementary or successor programs ("Loyalty Programs"). This includes "Marriott Rewards", "Ritz-Carlton Rewards", various programs sponsored by airline companies, credit cards and other companies and the other Loyalty Programs it may design from time to time to promote the "Marriott" brand name.

Under the Hotel Management Agreement, GHL authorises the Hotel Manager and A99DSB to use the "Marriott" brand name.

Notes:-

(1) Gross Revenues is defined as all revenues and receipts of every kind (from both cash and credit transactions) derived from operating the hotel. This includes income from rental of guest rooms, licenses, leases and concessions of any space (excluding gross receipts of licensees, lessees and concessionaires), equipment rental, vending machines and any proceeds received. However, this excludes income such as gratuities received from hotel employees, value added, room head, excise goods and services and others.

(2) Operating Profit is defined as any excess of the Gross Revenues over Deductions for such period.

(3) Deductions is defined as costs incurred by the Hotel Manager or its affiliates in operating the hotel, such as cost of sales, salaries, wages, benefits, departmental, administrative and general expenses, utilities and other costs incurred in the operations of the hotel.

(b) Service apartments

Development details	:	A thirty two (32)-storey service apartment
Number of units	:	361 units of service apartments, comprising duplex service apartments units, small office home office units (SOHO), studio service apartment units, single service apartments units, one (1)-bedroom service apartments units, two (2)-bedroom service apartment units, three (3)-bedroom, service apartment units and penthouse service apartments units
Sizes	:	Ranging from 474 square feet to 2,083 square feet
Number of storeys	:	The service apartments block comprising the following:- (i) A thirty two (32)-storey service apartment; and (ii) the Podium
Number of carparks	:	446 carpark bays
Gross development value	:	RM191.8 million
Gross development cost	:	RM138.3 million
Gross built-up area	:	44,807 square metres
Net floor area	:	30,857 square metres
Approvals obtained for the Development Project	:	**<u>Planning approval and building plans</u>** Obtained from MBMB on 20 October 2014 **<u>Development Order</u>** Obtained from MBMB on 5 August 2014
Commencement date of construction	:	October 2014
Expected date of completion	:	End 2017*

Note:-

* *Under the terms of the JVA, A99DSB is required to complete the Development Project within three (3) years from the date of the first sale and purchase agreement with potential buyers. A99DSB has commenced piling and foundation works on the Development Land in October 2014. The soft launch of The Apple was held on 8 November 2014 and numerous advertisement and promotional activities as well as pre-sales were held to promote The Apple locally and overseas. However, we have not sold any units under The Apple property development project as we only obtained the advertising and sales permit and developer's license from the Ministry of Housing and Local Government on 27 January 2015. The official launching ceremony of The Apple is expected to be made in the third quarter of 2015.*

The service apartment units within The Apple are intended for sale. However, as at the LPD, no sale and purchase agreement with potential buyers has been executed. A99DSB has obtained the necessary approvals required for the Development Project, including the advertising and sales permit and developer's license from the Ministry of Housing and Local Government on 27 January 2015. A99DSB commenced the construction and development of The Apple upon obtaining the planning approval and building plans from MBMB on 20 October 2014 as well as the development order from MBMB on 5 August 2014.

The Apple is surrounded by three (3) to five (5)-star rating hotels such as Hotel Sentral Melaka, Bayview Hotel, Majestic Hotel, Ramada Plaza, Orkid Hotel and The Emperor Hotel. The Apple is accessible from Malacca City centre via Jalan Merdeka, turning right onto Jalan Parameswara, Jalan Chan Koon Cheng, thereafter turning right onto Jalan Banda, Lorong Bukit Cina, Jalan Bunga Raya, Jalan Bunga Raya Pantai and finally Jalan Tun Sri Lanang leading to The Apple.

In addition, The Apple is located within one (1) kilometer from the latest property development project in Malacca known as "The Shore @ Malacca River", which is a mixed development project, consisting of a shopping mall, four (4) towers of residential, service apartments and a four (4)-star hotel managed by Swiss-Garden International Hotel.

Other properties within the immediate vicinity of The Apple are predominantly commercial and residential in character comprising two (2) to four (4) storey shop offices, service apartments and hotel buildings, single storey car showrooms, office buildings, hospitals as well as village settlements.

The Malacca River Cruise, Hang Tuah Mall, Bukit Cina, Eye on Malacca, Kampung Morten and St Peter's Church, which are the most visited place by tourists are also located within the vicinity. The prominent landmarks surrounding The Apple are St Peter's Church, Putra Specialist Hospital, Wisma Tan Cheng Tiong, Bayview Hotel, Risda building, Ramada Plaza and Jaya 99.

Other housing, village settlement, commercial and industrial schemes sited in the larger neighbourhood include Kampung Morten, Kampung Bunga Raya Pantai, Kampung Bukit Cina, Kampung Jawa, Pengkalan Rama Tengah, Kampung Mata Kuching, Taman Laksamana Cheng Ho, Taman Bukit Serindit, Taman Panglima, Taman Peringgit Jaya, Taman Seri Cempaka, Bachang Business Park, Taman Lam Sing, Taman Kenanga Seksyen 3, Kampung Lapan Tengkera, Taman Angkasa Buri and Kampung Banda Kaba.

2. Background information of the Development Land

The Development Land is located on the left-hand side off Jalan Tun Sri Lanang, if travelling from Ayer Keroh to Banda Hilir. The Development Land is a parcel of vacant commercial land which is almost rectangular in shape with having a land area of 2.93 acres (or 11,862 square metres). The Development Land is generally flat in terrain and lies almost the same level to the frontage road of Lorong Haji Bachee.

Further details of the Development Land are as follows:-

Title particulars	:	Lot No. 2005 held under master title number GRN 45957, Kawasan Bandar XXI, District of Melaka Tengah, State of Melaka located at Jalan Tun Sri Lanang, Malacca
Category of land use	:	Commercial
Tenure	:	Freehold
Land area	:	11,862 square metres (or equivalent to approximately 127,682 square feet)
Owner	:	CMSB
Encumbrances	:	Charge created in favour of Malayan Banking Berhad*

Existing use	:	Vacant land (save for piling works already conducted on the Development Land)
Proposed use	:	For commercial use
Assignment of interests	:	None
Restriction in interest	:	This Development Land cannot be transferred or encumbered unless with the consent of the state authority. Any restriction in interest is exempted for the first purchaser

Note:-

* *Under the JVA, A99DSB shall be allowed to charge the Development Land to any financial institution for the purpose of financing the Development Project. Pursuant thereto, A99DSB has obtained banking facilities of a total of RM124.0 million to finance the gross development cost of the Development Project (inclusive of the payment of the balance of the Development Land Cost Portion of RM13,315,696) and the Development Land was charged pursuant to obtaining the said banking facilities.*

Pursuant to the execution of the JVA, A99DSB has paid the Deposit on 1 October 2013. The balance payment of the Development Land Cost Portion of RM13,315,696 shall be paid in the following manner:-

(a) the sum of RM3,105,232.00 (representing the first payment of the Development Land Cost Portion) shall be paid by A99DSB to CMSB upon execution of the first sale and purchase agreement with potential buyers ("First SPA");

(b) the sum of RM5,105,232.00 (representing the second payment of the Development Land Cost Portion) shall be paid by A99DSB to CMSB within six (6) months from the execution date of First SPA; and

(c) the sum of RM5,105,232.00 (representing the third payment of the Development Land Cost Portion) shall be paid by A99DSB to CMSB within twelve (12) months from the execution date of First SPA.

In consideration of A99DSB having paid the Deposit and having agreed to undertake the construction and development of the Development Project, CMSB has delivered vacant possession of the Development Land to A99DSB on 11 September 2014 on an 'as is where is' basis for the purpose of carrying out the construction, infrastructure and development works for the Development Project.

The source and breakdown of the funding of The Apple's total gross development cost of RM280.1 million (inclusive of the payment of the balance of the Development Land Cost Portion of RM13,315,696) are as follows:-

	Sources	**RM'000**	**%**
(i)	YTB Apple's Participation Contribution	35,000	12.5
(ii)	Bank borrowings obtained by A99DSB	124,000	44.3
(iii)	Internally-generated funds from the Development Project and A99DSB	121,100	43.2
Total		**280,100**	**100.0**

Note:-

^ *As at the LPD, A99DSB has drawdown the amount of RM6.71 from the banking facilities obtained from Malayan Banking Berhad to finance the gross development cost of the Development Project.*

2.1.1 Background information of A99DSB

A99DSB is a private limited company incorporated in Malaysia on 25 June 2013 and is a subsidiary of PTS Properties. A99DSB is principally involved in property development and property investment. The Directors of A99DSB is Dato' Seri Lee Ee Hoe, Boo Kuang Loon and Tan Eng Eng. Other than the JVA, A99DSB has not undertaken any other property development projects.

As at the LPD, the authorised share capital of A99DSB is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each of which 2,500,000 ordinary shares are issued and fully paid-up. The shareholders of A99DSB and their respective shareholdings are set out below:-

Shareholders of A99DSB	No. of ordinary shares held	%
PTS Properties	1,500,000	60.0
Dato' Seri Lee Ee Hoe	1,000,000	40.0
Total	**2,500,000**	**100.0**

2.1.2 Background information of CMSB

CMSB is the owner of the Development Land. CMSB was incorporated in Malaysia on 1 April 1983 as a private limited company. The Directors of CMSB are Low Eng Heng @ Low Yong Heng, Tong Poh Ting, Low Wei-Der and Stephen Leung Yue Tak.

As at the LPD, the authorised share capital of CMSB is RM10,000,000 comprising 10,000,000 ordinary shares of RM1.00 each of which 9,000,003 ordinary shares are issued and fully paid-up. The shareholders of CMSB and their respective shareholdings are set out below:-

Shareholders	No. of ordinary shares held	%
Low Eng Heng @ Low Yong Heng	6,390,003	71.0
Tai Thong Wine Traders (Private) Limited	1,800,000	20.0
Tai Thong Wine Traders Sdn Bhd	810,000	9.0
Total	**9,000,003**	**100.0**

2.1.3 Background information of YTB Apple

YTB Apple was incorporated in Malaysia on 17 November 2014 as a private limited company.

YTB Apple is a wholly-owned subsidiary of our Company and is principally involved in property development and property investment. The Directors of YTB Apple are Ng Jet Heong, Tai Shzee Yuan, How Ching Ching and Wui Kai Shen.

As at the LPD, the authorised share capital of YTB Apple is RM400,000 comprising 400,000 ordinary shares of RM1.00 each of which two (2) ordinary shares are issued and fully paid-up. YTB Apple intends to increase its authorised share capital to RM2,000,000 comprising 2,000,000 ordinary shares of RM1.00 each in YTB Apple, of which at least RM1,000,000 comprising 1,000,000 ordinary shares of RM1.00 each in YTB Apple shall be fully paid. The increase in issued and paid-up share capital of YTB Apple is expected to be completed by the third quarter of 2015.

YTB Apple has yet to undertake any property development projects as it was incorporated for the purpose of the Joint Venture.

2.1.4 Background information of PTS Properties

The Directors of PTS Properties are Boo Kuang Loon, Tan Eng Eng and Pang Bak Chua. The shareholders of PTS Properties and their respective shareholdings are set out below:-

Shareholders of PTS Properties	No. of ordinary shares held	%
Boo Kuang Loon	600,000	60.0
Tan Eng Eng	300,000	30.0
Pang Bak Chua	100,000	10.0
Total	**1,000,000**	**100.0**

PTS Properties is the developer of the eighteen (18) storey office building known as Jaya 99, Melaka. In addition, the director of PTS Properties, namely Boo Kuang Loon, has been involved in various construction and development projects around Malaysia, which includes the following:-

No.	Name/Location of project	Gross development value	Completion Date
1.	Construction of shop office at Setiawalk, Puchong, Selangor	RM277.0 million	February 2011
2.	Construction of the Tesco hypermarket, Seremban, Negri Sembilan	RM52.8 million	September 2011
3.	Developer of the eighteen (18) storey office building known as Jaya 99, Melaka	RM52.0 million	June 2012
4.	Construction of a mixed development comprising office tower, commercial outlets and residential apartments known as Plaza 33, Petaling Jaya, Selangor	RM116.7 million	May 2013
5.	Construction of a thirty one (31) storey office tower known as LBG Tower, Taman Tun Dr Ismail Kuala Lumpur	RM149.0 million	December 2013
6.	Construction of Hospital Bentong, Pahang	RM59.0 million	October 2013
7.	Construction of the Mydin hypermarket in Melaka	RM78.0 million	May 2009
8.	Construction of the Carrefour hypermarket, Puchong, Selangor	RM30.4 million	November 2011
9.	Construction of the Tesco hypermarket in Semenyih, Selangor	RM36.4 million	February 2009
10.	Construction of the seven (7)-storey Palmgold Office at Dataran Mentari, Puchong, Selangor	RM25.2mil	May 2010

PTS Properties, A99DSB and CMSB are not related parties to our Company. In addition, PTS Properties, A99DSB and CMSB are not parties related to each other.

2.1.5 Assumption of liabilities

Our Group will not assume any other liabilities, including contingent liability and guarantee arising from the Joint Venture, other than its obligations pursuant to the YTB Apple's Participation Contribution and termination/default costs as set out under **Section 3(g)** of this Appendix.

2.1.6 Additional financial commitments

Save for the YTB Apple's Participating Contribution arising from the Joint Venture, YTB Apple is not required to finance nor contribute to A99DSB or any party any further sum in excess of the YTB Apple's Participating Contribution.

2.1.7 Development Project Returns

The Development Project is expected to generate an internal rate of return of 15% per annum to YTB Apple using the discounted cash flow approach, based on the following key assumptions:-

No.	Item	Assumptions
(a)	Revenue	Revenue consists of sale of service apartments and recurring income from hotel operations, as follows:- (i) Service apartments - sold at approximately RM550 per square feet with total gross development value of RM191.8 million; (ii) Hotel operations - average RM350 per night per room with 65% occupancy rate per day; (iii) The other revenues including food and beverage, rental of function room, carpark operations and others is estimated at 25% of room revenue. (iv) Revenue growth rate is assumed at 8% per annum and remain unchanged for the rest of the years after tenth (10^{th}) year.
(b)	Management fees	Fees payable to Marriott for twenty (20) years from 2 December 2013, with an automatic renewal for each of two successive periods of five (5) years, as follows:- (i) 0.25% of the Gross Revenues as Management Fee; (ii) 1.75% of the Gross Revenues as Base Royalty fees pay on behalf hotel owner to GHL; and (iii) 6% (first 36 months) to 7% (37^{th} months and thereafter) of the Operating Profit payable to GHL. The projections adopted for an average of 5% on hotel room charges per annum
(c)	Operating Expenses	(i) Operating cost (occupied/unoccupied) and refurbishment cost – fixed rate; (ii) Administrative expenses and maintenance charges – fixed rate by 5% increased per annum; and (iii) Advertising and promotion expenses – 5% of hotel room charges

<table>
<tr><th>No.</th><th>Item</th><th>Assumptions</th></tr>
<tr><td>(d)</td><td>Profit sharing formula</td><td>In accordance with the JVA and Joint Operation Agreement, the sharing of profits from the Development Project is as follows:-

<table>
<tr><th>Entitlements</th><th>Percentages</th></tr>
<tr><td>CMSB</td><td>40%</td></tr>
<tr><td>A99DSB</td><td>18%</td></tr>
<tr><td>YTB Apple</td><td>42%</td></tr>
<tr><td>Total</td><td>100%</td></tr>
</table></td></tr>
<tr><td>(e)</td><td>Sources of funds</td><td>The gross development cost of The Apple shall be funded from the following:-

<table>
<tr><th>Sources</th><th>RM'000</th></tr>
<tr><td>YTB Apple's Participating Contribution</td><td>35,000</td></tr>
<tr><td>Internally generated funds from Development Project</td><td>121,100</td></tr>
<tr><td>Bank borrowings</td><td>124,000</td></tr>
<tr><td>Total</td><td>280,100</td></tr>
</table>

Repayment of bank borrowings – ranging from 36 to 120 monthly instalment.
Interest rate - Base Lending Rate + 0.75% per annum on monthly rests.
</td></tr>
</table>

3. Salient terms and conditions of the Joint Operation Agreement

The salient terms and conditions of the Joint Operation Agreement include, amongst others, the following:-

(a) Agreement to participate

(i) A99DSB represents to YTB Apple that CMSB, as lawful owner of the Development Land, has granted A99DSB the sole and exclusive right to develop and construct the Development Project, to sell the service apartments thereon and to operate the hotel and retain the A99DSB's Entitlement arising from the Development Project, upon the terms and conditions of the JVA.

(ii) In consideration of YTB Apple paying A99DSB the YTB Apple's Participation Contribution and performing the YTB Apple's Services, A99DSB hereby agrees to share with YTB Apple a part of the A99DSB's Entitlement from the Development Project.

(b) Conditions precedent

(i) The Joint Operation Agreement is subject to YTB Apple obtaining our shareholder's approval for the Joint Venture ("Shareholders' Approval"); and

(ii) If the Shareholders' Approval is not obtained within six (6) months from the date of the Joint Operation Agreement or such other period as may be agreed between the parties herein in writing, the Joint Operation Agreement may be terminated by either party hereto by notice in writing to the other and on the issue of such notice, the Joint Operation Agreement shall terminate and cease of any further force and effect and neither party shall have any further claim or right against the other save and except for antecedent breach. For avoidance of doubt, each party shall bear its own cost and expenses that may have been incurred by it in relation to and in connection with the execution and delivery of the Joint Operation Agreement prior to termination thereof.

(iii) The Joint Operation Agreement is conditional upon the JVA. If the JVA is terminated for whatsoever reason(s), the Joint Operation Agreement shall be terminated and YTB Apple is entitled to claim damages from A99DSB as outlined under **Section 3(g)** below.

Pursuant to the signing of the Joint Operation Agreement, A99DSB has represented to YTB Apple the following:-

(aa) The JVA, Hotel Management Agreement and other related agreements ("Project Documents") are all legal, valid and binding on the parties to the Joint Operation Agreement;
(ba) There is no material breach of any of the Project Documents (and if there were any non-compliance with the terms thereto, the applicable party thereto has waived any such breach or non-compliance); and
(ca) There are no grounds for the termination of any of the Project Documents (and if there is any such right accruing to A99DSB, A99DSB has by its execution of the Joint Operation Agreement waived such right).

In the event that A99DSB is in breach of any of the above representation and warranties under the JVA, YTB Apple shall be entitled to terminate the Joint Operation Agreement upon A99DSB's failure to cure the default or breach within fourteen (14) days from the date of the default notice issued by YTB Apple to A99DSB and thereafter A99DSB shall reimburse to YTB Apple the whole of the YTB Apple's Participation Contribution free of interest within fourteen (14) days from the date of the termination notice (or such other period as may be agreed between the parties thereto). For avoidance of doubt, YTB Apple shall be entitled to retain all its YTB Apple's Entitlements received up to the date of the said termination notice.

(c) YTB Apple's Services

(i) In consideration of A99DSB agreeing to pay YTB Apple the YTB Apple's Entitlements, YTB Apple agrees and undertake to perform all services listed hereunder, at its own costs and expenses (for the amount of up to RM4.0 million to be raised from the Rights Issue with Warrants and Special Issue as stated under **Section 5** of this Abridged Prospectus to fund our Group's working capital requirements for the YTB Apple's Services), without any further payment by A99DSB:-

(aa) YTB Apple and A99DSB shall be jointly responsible for managing the activities to be undertaken by A99DSB during the development of the Development Project including but not limited to the following:-

(a) assist A99DSB to obtain all the necessary licenses, permits, approvals and consents for the undertaking of the Development Project and to ensure that the same are at all material time valid and subsisting;

(b) assist A99DSB in engaging the contractor, sub-contractor, engineer, surveyors and any other professional consultants for the Development Project;

(c) assist A99DSB in purchasing the materials required for the construction of the Development Project from the suppliers;

(d) ensure that A99DSB plans are carried out in a timely manner and completed within the agreed timelines;

(e) ensure that the service apartments and hotel is constructed in accordance with the specifications and requirement of the relevant authority in a diligent, good and workmanlike manner, using good quality materials and in compliance with all laws, regulations and codes of practice;

(ba) YTB Apple shall jointly manage the cost of the Development Project with A99DSB in accordance with the agreed budget and shall be responsible for such Development Project's costs reporting to the joint management committee established by A99DSB and YTB Apple for managing the construction of The Apple;

(ca) YTB Apple shall be responsible for administrative work in relation to the construction of the Development Project including leading weekly/monthly project meeting, reviewing the progress of construction of the Development Project, confirming that the contractor is undertaking all works under the Development Project as approved by the relevant authorities, resolving any unexpected and unforeseen issues to ensure that there is no delay in the progress of the Development Project;

(da) YTB Apple shall be responsible for on-site inspection of the Development Project and prepare reports for such inspection;

(ea) YTB Apple shall assist A99DSB to supervise the sub-contractors, suppliers and the professional consultants of A99DSB who is involved in the Development Project;

(fa) YTB Apple shall be responsible for the liaising with the sub-contractors, suppliers and the professional consultants involved in the Development Project;

(ga) YTB Apple shall assist to monitor and manage the collections of all receivables under and arising from the Development Project;

(ha) YTB Apple shall assist A99DSB to obtain the issuance of the certificate of compliance and completion from the relevant parties upon completion of the Development Project;

(ia) YTB Apple shall assist A99DSB to prepare all the material necessary required for the marketing and sale of the service apartment when the construction of the service apartment is completed and assist in promoting the sale of the service apartment to the public;

(ja) YTB Apple assist A99DSB in managing the common property of the Development Project for so long as the joint management body or management corporation shall not have been established;

(ka) YTB Apple shall keep records and maintain all books necessary in connection with the Development Project; and

(Ia) YTB Apple shall ensure that its representative or his delegates attend all meetings of the management committee and keep A99DSB informed at all times of the services rendered by YTB Apple and the status of the Development Project.

(ii) YTB Apple shall only be obliged to render the YTB Apple's Services as from the date falling three (3) business days after obtaining the Shareholders' Approval ("Commencement Date") and A99DSB shall be at liberty to carry out any part of the YTB Apple's Services before the Commencement Date.

(iii) YTB Apple shall render and perform the YTB Apple's Services properly in timely and professional manner and shall ensure that it has qualified and experienced staff and employees in adequate number to perform and deliver YTB Apple's Services.

(d) YTB Apple's Participating Contribution

(i) In consideration of A99DSB agreeing to share A99DSB's Entitlement, YTB Apple undertakes to pay A99DSB the YTB Apple's Participating Contribution. For the avoidance of doubt, YTB Apple is not required to finance nor contribute to A99DSB or any party any further sum in excess of the YTB Apple's Participating Contribution.

Note:-

The YTB Apple's Participating Contribution was arrived at after considering the future prospects of the Development Project, as well as taking into consideration that YTB Apple's Participating Contribution in the Development Project of RM35.0 million would generate an internal rate of return of approximately 15% per annum based on the YTB Apple's Entitlements from the Development Project.

*Kindly refer to **Section 2.1.7** of this appendix for further details.*

(ii) YTB Apple's Participating Contribution shall be paid in full to A99DSB within three (3) months from the Commencement Date ("Payment Date"). If for valid and reasonable grounds acceptable to A99DSB, YTB Apple should fail to pay the YTB Apple's Participating Contribution or any part thereof by the agreed Payment Date, A99DSB agrees to extend the Payment Date to the business day falling six (6) months after the Commencement Date free of any Late Payment Interest.

If YTB Apple shall fail to pay the YTB Apple's Participating Contribution (or any part thereof) by the extended Payment Date, A99DSB may agree to further extend time at the request in writing of YTB Apple but YTB Apple shall then pay Late Payment Interest on the amount due but remaining unpaid commencing from the extended Payment Date until date of full and final settlement of the same.

(e) Obligations of A99DSB

(i) A99DSB shall apply for, renew and keep valid and effective all necessary and incidental regulatory licenses, approvals and consents to perform the duties and obligations required to be performed by it under the Hotel Management Agreement, JVA and other agreements and documents signed in connection to the Development Project.

(ii) Prior to receipt of the YTB Apple's Participating Contribution (and notwithstanding the execution of the Joint Operation Agreement), A99DSB is entitled to continue with the development, planning, design and construction of the Development

Project in the normal and ordinary course in accordance with the agreed budget as agreed to by YTB Apple.

(iii) Prior to receipt of the YTB Apple's Participating Contribution, A99DSB shall invite a representative designated by YTB Apple to attend all site and other meetings provided that YTB Apple shall ensure and maintain confidentiality of all information disclosed to it and its representative in relation to the Development Project.

(iv) A99DSB shall give YTB Apple access to the letters, emails and other correspondences (as well as bills, invoices and statements issued by it in connection with the Development Project) after receipt of the YTB Apple's Participating Contribution.

(v) If requested by YTB Apple in writing, A99DSB shall issue YTB Apple a revised or updated status report on the Development Project after receipt of the YTB Apple's Participating Contribution.

(vi) A99DSB shall solely bear and pay for all costs, expenses and liabilities of the Development Project and its operations. A99DSB shall pay CMSB, the Hotel Manager (and its affiliates under the Hotel Management Agreement), the consultants, the main contractor, the insurers and any other applicable third parties (including but not limited to any applicable authorities) any amount due to them arising from the development and construction of the Development Project.

(vii) A99DSB undertakes to open and maintain only two (2) bank accounts in connection with the Development Project (unless otherwise agreed in writing by YTB Apple). One of the two (2) accounts shall be the housing development account to receive the proceeds of the service apartments as required under the Housing Development (Housing Development Account) Regulations, 1991 and the other account shall be opened and maintained to receive and deal with all other funds of the Development Project.

(f) Sharing of A99DSB's Entitlement, CMSB's Entitlements and YTB Apple's Entitlement

(i) A99DSB's Entitlement shall be as follows:-

The net profit before income tax that is derived by A99DSB from the Development Project after deducting all expenses and liabilities (such as the CMSB's Entitlement), any fees or profits payable to the Hotel Manager and goods and services tax payable by A99DSB in connection with the Development Project), and which term "net profit" will, for avoidance of doubt, include *inter-alia* profit derived from:-

(aa) the development and sale of the service apartments;
(ba) the leasing or letting of any unsold service apartments or any other premises in the Development Project (other than the hotel);
(ca) the operation of the car park;
(da) the operation of the hotel; and
(ea) where allowed, the sale of the hotel

The net profit before income tax shall be calculated on a quarterly basis and the YTB Apple's Entitlements shall be paid by A99DSB to YTB Apple on the last day of every calendar quarter, from the date YTB Apple pays the full YTB Apple's Participating Contribution to A99DSB.

(ii) CMSB's Entitlements

CMSB's entitlements under the JVA are as follows:-

(aa) Development Land Cost Portion;
(ba) forty per cent (40%) of the net profit derived from the sale of the service apartment units;
(ca) forty per cent (40%) of the net profit generated yearly from the operation of the hotel; and
(da) forty per cent (40%) of the selling price of the hotel in the event of the disposal of the hotel as mutually agreed by the Project Developer and CMSB.

Note:-

The A99DSB's Entitlements and CMSB's Entitlements was arrived at based on the future prospects of the Development Project, the payment of the Development Land Cost Portion, the funding of the Development Project's gross development cost as well as the potential of the hotel operations of "Courtyard by Marriott".

(iii) YTB Apple's share of A99DSB's Entitlement shall be seventy per cent (70%) of the A99DSB's Entitlement pursuant to the Joint Operation Agreement.

(iv) YTB Apple acknowledges and agrees that:-

(aa) A99DSB is entitled to raise funds and borrow such amounts as it shall deem fit from time to time to pay for all costs and expenses of the Development Project; and

(ba) if A99DSB shall utilise any internally generated funds for the purpose of the Development Project, then A99DSB shall be entitled to charge interest rate of ten per cent (10%) per annum (calculated based on the current Base Lending Rate of 6.85% per annum plus the opportunity cost spread to be incurred by A99DSB)[(i)], calculated on actual days elapsed on the basis of a three hundred and sixty five (365) day year on any amount advanced by it for the Development Project and such interest shall be treated as part of the costs of developing the Development Project for purpose of calculating the A99DSB's Entitlement.

Note:-

(i) The interest rate of ten percent (10%) was arrived at based on the minimum equity returns required by the equity holders of A99DSB for injecting additional funds into A99DSB. As a comparison, the average cost of equity for listed Malaysian property development companies is estimated at 9.75% per annum, based on the risk free rate of 3.99%, risk premium of 6.12% and beta of the property development industry in Malaysia of 0.95.

As such, our Board and M&A Securities are of the opinion that the interest rate of ten percent (10%) charged is fair and reasonable. In any event, the requirement for A99DSB to utilise its internally generated funds is unlikely as the gross development cost of The Apple is fully funded from the following sources:-

Sources	*RM'000*
YTB Apple's Participating Contribution	*35,000*
Internally generated funds from Development Project	*121,100*
Bank borrowings	*124,000*
	280,100

(v) A99DSB shall solely pay for all costs, expenses, fees and liabilities of the Development Project (including but not limited to amounts due and payable to any financier, CMSB and Marriott and its affiliates) from the funds for the Development Project. A99DSB shall not fund the costs and expenses to be incurred by YTB Apple in performing the YTB Apple's Services; and

(vi) As from the date YTB Apple pays the full YTB Apple's Participating Contribution, A99DSB hereby agrees and undertakes with YTB Apple that on the last day of every calendar quarter following thereafter, it will pay YTB Apple the YTB Apple's Entitlements.

(g) Breach

If a party fails to perform or observe a material obligation on its part to be observed and performed under the Joint Operation Agreement ("Defaulting Party"), or if any representation given by the Defaulting Party shall at any time be found to be incorrect or untrue in any material aspect, then the other Party ("Non-Defaulting Party") shall be entitled:-

(aa) to demand by notice in writing ("Default Notice") issued to the Defaulting Party to cure the default or breach (where such default or breach can be cured) as soon as possible but in any event within fourteen (14) days from date of the Default Notice or such other period as may be agreed between the Parties hereto;

(ba) and failing any ability to cure the default or breach (or the Defaulting Party's failure to do so within the time period agreed), to terminate the Joint Operation Agreement by notice in writing issued to the Defaulting Party ("Termination Notice").

(ca) In the event that A99DSB is the Defaulting Party, A99DSB shall reimburse to YTB Apple the whole of the YTB Apple's Participation Contribution free of interest within fourteen (14) days from the date of the Default Notice (or such other period as may be agreed between the parties thereto). For avoidance of doubt, YTB Apple shall be entitled to retain all its YTB Apple's Entitlements received up to the date of the Default Notice; and

(da) In the event that YTB Apple is the Defaulting Party, YTB Apple shall refund the amounts received from the YTB Apple's Entitlements up to the date of the Termination Notice as shall be applicable and necessary to make good or remedy the default on the part of YTB Apple.

Note:-

The parties had vide a letter dated 17 February 2015 agreed that YTB Apple is entitled to set off such refund amount against the YTB Apple's Participating Contribution as YTB Apple's maximum aggregate liability under the Joint Operation Agreement shall not exceed RM35,000,000.00. For avoidance of doubt, YTB Apple is entitled to retain any payment towards the YTB Apple's Entitlements in excess of RM35,000,000.00.

Notwithstanding anything stated in the Joint Operation Agreement, it is acknowledged and agreed that the maximum aggregate liability of each of Defaulting Party arising from a default herein payable by the Defaulting Party to the Non-Defaulting Party, shall not in any event exceed of RM35,000,000.00.

There is no provision on payment of costs and expenses payable by our Company and A99DSB pursuant to the termination of the Joint Operation Agreement.

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PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 30 JUNE 2014 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON

ECOVIS AHL

ECOVIS AHL PLT (LLP0003185-LCA) & (AF 001825)
Chartered Accountants
147B, Jalan Sutera Tanjung 8/2
Taman Sutera Utama
81300 Skudai Johor
Malaysia

Johor office
Phone: +607 556 7777
Fax-No: +607 557 7776
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The Board of Directors
YONG TAI BERHAD
Ground Floor
8, Lorong Universiti B
Section 16
46350 Petaling Jaya
Selangor Darul Ehsan

Date: 25 MAY 2015

Dear Sirs,

YONG TAI BERHAD ("YONGTAI" OR "THE COMPANY") AND ITS SUBSIDIARIES ("YONGTAI GROUP" OR "THE GROUP")
REPORTING ACCOUNTANTS' LETTER ON PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

We have reviewed the pro forma consolidated statement of financial position of YONGTAI Group as at 30 June 2014 together with the notes thereon as set out in the accompanying attachments for illustrative purpose, for which the Board of Directors (**"Board"**) are solely responsible and prepared for illustration purposes only for inclusion in the abridged prospectus to shareholders of YONGTAI (**"Abridged Prospectus"**) in relation to the following:

(i) Joint venture via the Joint Operation Agreement dated 4 December 2014 between YTB Apple Sdn Bhd, a wholly-owned subsidiary of YONGTAI and Apple 99 Development Sdn Bhd for the construction and development of a mixed development project comprising *inter*-alia a sixteen (16)-storey hotel known as "Courtyard by Marriott", a thirty-two (32)-storey block of service apartments and an eight (8)-storey podium on a piece of land held under Lot No. 2005 held under master title number GRN 45957, Kawasan Bandar XXI, District of Melaka Tengah, State of Melaka located at Jalan Tun Sri Lanang, Malacca (**"Joint Venture"**);

(ii) Par value reduction of the existing issued and paid-up share capital of YONGTAI of RM40,115,000 comprising 40,115,000 ordinary shares of RM1.00 each in YONGTAI to RM20,057,500 comprising 40,115,000 ordinary shares of RM0.50 each in YONGTAI (**"YONGTAI Shares"**) via the cancellation of RM0.50 from the par value of each existing ordinary shares of RM1.00 each in YONGTAI pursuant to Section 64 the Companies Act, 1965 (**"Par Value Reduction"**);

(iii) Renounceable rights issue of 80,230,000 new YONGTAI shares **("Rights Shares")** together with 40,115,000 free detachable warrants **("Warrants")** at an indicative issue price of RM0.50 per Rights Share after the Par Value Reduction on the basis of two (2) Rights Shares for every one (1) YONGTAI Share held together with one (1) Warrant for every two (2) Rights Shares subscribed on an entitlement date to be determined later **("Rights Issue with Warrants")**;

(iv) Special issue of up to 40,000,000 new YONGTAI shares to independent third party investor(s) to be identified **("Special Issue")**;

(v) Increase in the authorised share capital of The Company from RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each to RM1,000,000,000 comprising 2,000,000,000 YONGTAI shares **("IASC")**; and

(vi) Amendments to the Memorandum and Articles of Association of The Company to facilitate the IASC **("Amendments")**;

(Collectively referred to as the "**the Corporate Exercises**")

The pro forma consolidated statement of financial position has been prepared for illustrative purposes solely for the purpose of inclusion in the Abridged Prospectus. The pro forma consolidated statement of financial position has been prepared to illustrate the impact of events or transactions as if the event or transaction had taken place as at 30 June 2014. As part of this process, information about the financial position has been extracted from the financial statements for the year ended 30 June 2014, on which an audit report has been published.

The Board of Directors' Responsibility for the Pro Forma Consolidated Statement of Financial Position

The Board of Directors are responsible for compiling the pro forma consolidated statement of financial position as at 30 June 2014 in accordance with Prospectus Guidelines – Abridged Prospectus in respect of the Corporate Exercises.

Our responsibility

Our responsibility is to express an opinion, as required by the Prospectus Guidelines – Abridged Prospectus, about whether the pro forma consolidated statement of financial position has been compiled, in all material respects, by Board of directors on the basis set out in the notes to the pro forma consolidated statement of financial position.

We have conducted our engagement in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Board has compiled, in all material respects, the pro forma consolidated statement of financial position on basis set out in the notes to the pro forma consolidated statement of financial position.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated statement of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated statement of financial position.

The purpose of the pro forma consolidated statement of financial position included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of illustration. Accordingly, we do not provide any assurance that the actual outcome of the event of transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma consolidated statement of financial position has been compiled, in all material respects, on the basis set out in the notes to the pro forma consolidated statement of financial position involves performing procedures to assess whether the basis used by the Board in the compilation of pro forma consolidated statement of financial position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:-

(a) The related pro forma adjustments give appropriate effect to those criteria; and

(b) The pro forma consolidated statement of financial position reflects the proper application of those adjustments to the unadjusted financial information.

The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, including the adjustments to YONGTAI Group's accounting policies, nor of the pro forma assumptions stated in the notes to the pro forma consolidated statement of financial position, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the pro forma adjustments and discussing the pro forma consolidated statement of financial position with the Board and the responsible officers of YONGTAI. We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the pro forma consolidated statement of financial position of YONGTAI Group as at 30 June 2014 has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of YONGTAI Group and materially in compliance with Malaysia Financial Reporting Standards, and International Financial Reporting Standards in Malaysia.

We believe that the evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion,

(a) the pro forma consolidated statement of financial position of YONGTAI Group as at 30 June 2014 has been properly prepared on the basis set out in the notes to the pro forma consolidated statement of financial position, using financial statements prepared in accordance with Malaysian Financial Reporting Standards, and International Financial Reporting Standards in Malaysia;

(b) the pro forma consolidated statement of financial position of YONGTAI Group as at 30 June 2014 has been prepared in a manner consistent with both the format of the financial statements and the accounting policies of YONGTAI Group; and

(c) each adjustment made to the information used in the preparation of the pro forma consolidated statement of financial position is appropriate for the purposes of preparing the pro forma consolidated statement of financial position of YONGTAI Group as at 30 June 2014.

Other matters

The pro forma consolidated statement of financial position has been prepared for inclusion in the Circular in connection with the Corporate Exercises and should not be relied upon for any other purposes.

Yours faithfully

Ecovis AHL PLT

Ecovis AHL PLT (LLP0003185-LCA) & (AF 001825)
Chartered Accountants

Johor Bahru

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF YONGTAI AS AT 30 JUNE 2014 TOGETHER WITH REPORTING ACCOUNTANTS' LETTER THEREON

YONG TAI BERHAD ("YONGTAI") AND ITS SUBSIDIARIES ("YONGTAI GROUP") PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

The pro forma consolidated statement of financial position of YONGTAI Group as at 30 June 2014 as set out below have been prepared solely for illustrative purposes and to show the effects of the transactions referred to in the accompanying notes:

	Notes	Audited Consolidated Statement of Financial Position as at 30 June 2014 RM	(I) After Par Value Reduction RM	(II) After (I) and Rights Issue with Warrants RM	(III) After (II), Joint Venture and Special Issue RM	(IV) After (III) and Full Exercise of Warrants RM
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment		17,101,141	17,101,141	17,101,141	17,101,141	17,101,141
Investment properties		11,740,000	11,740,000	11,740,000	11,740,000	11,740,000
Interest in joint operations	6	-	-	-	35,000,000	35,000,000
Deferred tax assets		52,400	52,400	52,400	52,400	52,400
		28,893,541	**28,893,541**	**28,893,541**	**63,893,541**	**63,893,541**
CURRENT ASSETS						
Inventories		17,849,234	17,849,234	17,849,234	17,849,234	17,849,234
Trade receivables		19,221,755	19,221,755	19,221,755	19,221,755	19,221,755
Other receivables		3,221,554	3,221,554	3,221,554	3,221,554	3,221,554
Current tax assets		956,587	956,587	956,587	956,587	956,587
Cash and bank balances	7	1,024,153	1,024,153	41,139,153	21,339,153	41,396,653
		42,273,283	42,273,283	82,388,283	62,588,283	82,645,783
TOTAL ASSETS		**71,166,824**	**71,166,824**	**111,281,824**	**126,481,824**	**146,539,324**
EQUITY AND LIABILITIES						
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital	8	40,115,000	20,057,500	60,172,500	80,172,500	100,230,000
Share premium	9	1,626,071	1,626,071	1,626,071	1,826,071	1,826,071
Accumulated losses	10	(25,993,528)	(5,936,028)	(5,936,028)	(5,936,028)	(5,936,028)
Warrant reserve	11	-	-	19,255,200	19,255,200	-
Other reserves	11	-	-	(19,255,200)	(19,255,200)	-
TOTAL EQUITY		**15,747,543**	**15,747,543**	**55,862,543**	**76,062,543**	**96,120,043**

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PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF YONGTAI AS AT 30 JUNE 2014 TOGETHER WITH REPORTING ACCOUNTANTS' LETTER THEREON

YONG TAI BERHAD ("YONGTAI") AND ITS SUBSIDIARIES ("YONGTAI GROUP") PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Notes	Audited Consolidated Statement of Financial Position as RM	(I) After Par Value Reduction RM	(II) After (I) and Rights Issue with Warrants RM	(III) After (II), Joint Venture and Special Issue RM	(IV) After (III) and Full Exercise of Warrants RM
NON-CURRENT LIABILITIES						
Loans and borrowings	12	7,852,928	7,852,928	7,852,928	2,852,928	2,852,928
Hire purchase payables		180,866	180,866	180,866	180,866	180,866
		8,033,794	**8,033,794**	**8,033,794**	**3,033,794**	**3,033,794**
CURRENT LIABILITIES						
Trade payables		12,602,851	12,602,851	12,602,851	12,602,851	12,602,851
Other payables		4,534,238	4,534,238	4,534,238	4,534,238	4,534,238
Amount due to directors		13,155,262	13,155,262	13,155,262	13,155,262	13,155,262
Loans and borrowings	12	17,002,566	17,002,566	17,002,566	17,002,566	17,002,566
Hire purchase payables		90,149	90,149	90,149	90,149	90,149
Current tax liabilities		421	421	421	421	421
		47,385,487	**47,385,487**	**47,385,487**	**47,385,487**	**47,385,487**
TOTAL LIABILITIES		**55,419,281**	**55,419,281**	**55,419,281**	**50,419,281**	**50,419,281**
TOTAL EQUITY AND LIABILITIES		**71,166,824**	**71,166,824**	**111,281,824**	**126,481,824**	**146,539,324**
Issued and paid-up capital (unit)		40,115,000	40,115,000	120,345,000	160,345,000	200,460,000
Net Assets		15,747,543	15,747,543	55,862,543	76,062,543	96,120,043
Net Assets per ordinary share (RM) *		0.39	0.39	0.46	0.47	0.48
Total borrowings		25,126,509	25,126,509	25,126,509	20,126,509	20,126,509
Gearing (times) #		1.60	1.60	0.45	0.26	0.21

* Net asset per share is computed as net assets divided by paid-up share capital

\# Gearing is computed by dividing total long-term and short-term interest bearing indebtness and borrowings by total equity attributable to owner of the Company

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PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF YONG TAI AS AT 30 JUNE 2014 TOGETHER WITH REPORTING ACCOUNTANTS' LETTER THEREON

YONG TAI BERHAD ("YONGTAI") AND ITS SUBSIDIARIES ("YONGTAI GROUP") PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

Notes to the Pro Forma Consolidated Statement of Financial Position as at 30 June 2014

1. Basis of preparation

The pro forma consolidated statement of financial position of Yong Tai Berhad ("YONGTAI" or "the Company") and its subsidiaries ("YONGTAI Group" or "the Group") have been prepared based on accounting principles and bases consistent with those normally adopted in the preparation of audited consolidated financial statements of YONGTAI and have been properly compiled using the audited consolidated financial statements of the Group as at 30 June 2014, which are prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia.

The pro forma consolidated statement of financial position does not include the effects of the adoption of Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS") which are effective for the annual period beginning on or after 1 July 2014.

The pro forma consolidated statement of financial position has been prepared solely for illustrative purposes, to show the effects of the following:-

(i) Par value reduction of the existing issued and paid-up share capital of YONGTAI of RM40,115,000 comprising 40,115,000 ordinary shares of RM1.00 each in YONGTAI to RM20,057,500 comprising 40,115,000 ordinary shares of RM0.50 each in YONGTAI **("YONGTAI Shares" or "Shares")** via the cancellation of RM0.50 from the par value of each existing ordinary shares of RM1.00 each in YONGTAI pursuant to Section 64 the Companies Act, 1965;

(ii) Renounceable rights issue of 80,230,000 new YONGTAI shares **("Rights Shares")** together with 40,115,000 free detachable warrants **("Warrants")** at an issue price of RM0.50 per Rights Share after the par value reduction on the basis of two (2) Rights Shares for every one (1) existing YONGTAI Share held together with one (1) Warrant for every two (2) Rights Shares subscribed **("Rights Issue with Warrants")**; and

(iii) Special issue of up to 40,000,000 new YONGTAI shares to independent third party investor(s) to be identified **("Special Issue")**.

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PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF YONG TAI AS AT 30 JUNE 2014 TOGETHER WITH REPORTING ACCOUNTANTS' LETTER THEREON

YONG TAI BERHAD ("YONGTAI") AND ITS SUBSIDIARIES ("YONGTAI GROUP")
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

Notes to the Pro Forma Consolidated Statement of Financial Position as at 30 June 2014

2. Pro Forma (I) – After the adjustment for the Par Value Reduction

The pro forma consolidated statement of financial position is stated after the effects of incorporates the reduction of the existing issued and paid-up share capital of YONGTAI comprising ordinary shares of RM1.00 each into ordinary shares of RM0.50 each via the cancellation of RM0.50 from the par value of each existing ordinary share. The reduction of RM0.50 in par value have give rise to a credit of RM20,057,500 which is to be utilised to reduce the accumulated losses of the Company and the remaining balance has been credited as retained earnings of the Company which to be utilised in such manner as the Board deems fit and as permitted by relevant and applicable laws.

3. Pro Forma (II) – After Pro Forma (I) and the Rights Issue with Warrants

(a) The pro forma consolidated statement of financial position is stated after Pro Forma (I) and incorporating the effect of the following:-

- The Rights Issue with Warrants of 80,230,000 Rights Shares together with 40,115,000 Warrants on the basis of two (2) Rights Shares for every one (1) existing YONGTAI Share held together with one (1) Warrant for every two (2) Rights Shares subscribed by Entitled Shareholders on the Entitlement Date;
- The Board has on 20 April 2015 fixed the issue price of the Rights Shares and the exercise price of the Warrants at RM0.50 each; and
- Based on the issue price of RM0.50 per Rights Share, the Rights Issue with Warrants is expected to raise cash proceeds of RM40,115,000.

Upon completion of the Rights Issue with Warrants, the issued and paid-up share capital of YONGTAI will be increased to RM60,172,500 comprising of 120,345,000 YONGTAI Shares. Correspondingly, there will be a creation of a warrant reserve account of RM19,255,200.

(b) Warrant reserve / Other reserves

The fair value of the Warrants is estimated using the Black-Scholes pricing model based on the price fixing date on 20 April 2015 by reference to the following assumptions:-

Theoretical ex-rights price: RM0.6055
Exercise price: RM0.50
Expiry date: 17 April 2020 (5 years)
Historical volatility: 46.238%
Risk free interest rate: 3.853% per annum

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF YONG TAI AS AT 30 JUNE 2014 TOGETHER WITH REPORTING ACCOUNTANTS' LETTER THEREON

YONG TAI BERHAD ("YONGTAI") AND ITS SUBSIDIARIES ("YONGTAI GROUP") PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

Notes to the Pro Forma Consolidated Statement of Financial Position as at 30 June 2014

3. Pro Forma (II) – After Pro Forma (I) and the Rights Issue with Warrants (Cont'd)

(b) Warrant reserve / Other reserves (Cont'd)

Based on the assumptions and basis described above and applying all the inputs into the Black Scholes Model, the fair value of the Warrants is assumed to approximate RM0.48 per Warrant as at 20 April 2015 for the purpose of the pro forma consolidated statement of financial position of YONGTAI Group as at 30 June 2014.

Effects of Pro Forma (II)	**RM**
Warrant reserve (fair value of Warrants)	19,255,200
Other reserves (discount on shares)	(19,255,200)
	-

4. Pro Forma (III) – After Pro Forma (II), Joint Venture and the Special Issue

(a) The pro forma consolidated statement of financial position is stated after pro forma (II), and incorporating the effect of the following:-

- Special issuance of up to 40,000,000 new YONGTAI shares at an issue price of RM0.58 each to independent third party investor(s) to be identified. The issue price of the Special Issue Shares has been fixed by the Board on 20 April 2015;
- Based on the issue price of RM0.58 per Special Issue Share, the Special Issue Shares is expected to raise cash proceeds of RM23,200,000, which will be used firstly to repay the estimated expenses incurred for the Corporate Exercises amounting to RM3,000,000 and to repay the bank borrowings amounting to RM5,000,000; and
- The Board estimates that expenses to be incurred in relation to the Corporate Exercises will be approximately RM3,000,000 and these expenses will be set-off against the share premium account of the Company.

Upon completion of the full subscription of Special Issue, the issued and paid-up share capital and share premium account will be increased to RM80,172,500 and RM1,826,071, respectively.

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PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF YONG TAI AS AT 30 JUNE 2014 TOGETHER WITH REPORTING ACCOUNTANTS' LETTER THEREON

YONG TAI BERHAD ("YONGTAI") AND ITS SUBSIDIARIES ("YONGTAI GROUP")
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

Notes to the Pro Forma Consolidated Statement of Financial Position as at 30 June 2014

4. Pro Forma (III) – After Pro Forma (II), Joint Venture and the Special Issue (Cont'd)

(b) Utilisation of proceeds

The proceeds to be raised from the Rights Issue with Warrants and Special Issue are expected to be fully utilised for the business operations of YONGTAI Group in the following manner:

	RM
Source of proceeds	
Proceeds from Rights Issue with Warrants	40,115,000
Proceeds from Special Issue	23,200,000
	63,315,000
Utilisation	
@ YTB Apple's Participating Contribution	35,000,000
& To fund future property development projects	16,315,000
^^ Working capital for the YONGTAI Group's property development business segment	4,000,000
* Repayment of bank borrowings	5,000,000
# To defray expenses relating to the Corporate Exercises	3,000,000
	63,315,000

Notes:-

@ *Pursuant to the terms of the Joint Operation Agreement dated 4 December 2014 entered into between Apple 99 Development Sdn Bhd ("A99DSB") and YTB Apple Sdn Bhd ("YTB Apple"), YONGTAI shall pay to A99DSB the YTB Apple's Participating Contribution of RM35.0 million.*

& *The Group is in the midst of exploring for other opportunities to grow and enhance the Group's earnings generated from its property development segment. The proceeds will be utilised for future acquisition and/or joint ventures of relating to property development, which may include both property development companies and/or development land. Such acquisition opportunities or development projects will be announced to Bursa Securities as and when they are identified and where relevant, the relevant agreements are entered into. The Board is in the process of deliberating on several potential joint venture property development projects. The allocation of up to RM16.32 million is thus intended to serve as a standby funding for the Group to embark on such property development projects.*

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YONG TAI BERHAD ("YONGTAI") AND ITS SUBSIDIARIES ("YONGTAI GROUP")
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

Notes to the Pro Forma Consolidated Statement of Financial Position as at 30 June 2014

4. Pro Forma (III) – After Pro Forma (II), Joint Venture and the Special Issue (Cont'd)

(b) Utilisation of proceeds (Cont'd)

Notes:-

^^ *The breakdown for the amount allocated for the working capital of the YONGTAI Group's property development business segment is as follows:-*

Description	***RM'000***
Staff salaries	*3,280*
Professional fees	*300*
Marketing and administrative expenses	*300*
Others incidental expenses	*120*
Total	***4,000***

YONGTAI Group has hired seven (7) additional personnel (project manager, project accountant, sales and marketing manager, senior quantity surveyor, accounts executive, administrative executive and sales executive) who have cumulative of more than twenty (20) years of experience and expertise in construction, project management and property development industry. These additional personnel forms part of the Group's new key management team and shall be supported by the existing management team of the Company and they shall oversee the day-to-day operations and management of the Company's property development business segment.

Going forward, YONGTAI Group intends to further employ an experienced team of personnel with expertise in engineering, project management, accounting and marketing to assist the aforesaid key management team in delivering the YTB Apple's Services and future property projects to be embarked.

* *The Company intends to utilise approximately of up to RM5.0 million of the gross proceeds for the repayment of bank borrowings. Such repayment is expected to result in an annual interest savings of RM0.44 million based on the effective interest rate of 8.83% per annum.*

The total borrowings of the Group as at 30 April 2015 are approximately RM19.82 million which comprise of loans and borrowings of RM19.642 million and hire purchase payables of RM0.178 million.

The estimated expenses for the Corporate Exercises comprise professional fees, fees to be paid to the relevant authorities, printing and advertising charges and miscellaneous charges which are estimated at RM3.00 million. If the actual expenses incurred pursuant to the Corporate Exercises are higher than the amount budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual expenses are lower than the amount budgeted, the excess will be utilised for working capital.

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YONG TAI BERHAD ("YONGTAI") AND ITS SUBSIDIARIES ("YONGTAI GROUP")
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

Notes to the Pro Forma Consolidated Statement of Financial Position as at 30 June 2014

5. Pro Forma (IV) – After Pro Forma (III) and full exercise of Warrants

The pro forma consolidated statement of financial position is stated after Pro Forma (III) and incorporating the effects of the full exercise of 40,115,000 Warrants at an indicative exercise price of RM0.50 per Warrant.

Upon the completion of the full exercise of the Warrants, the exercise will raise total cash proceeds of RM20,057,500 for working capital purposes. Pursuant to the full exercise of the 40,115,000 Warrants, 40,115,000 new YONGTAI shares will be issued and this will increase the issued and paid-up share capital to RM100,230,000 with no additional expenses incurred or to be incurred. Correspondingly, the warrant reserve will be reversed in full.

6. Participating Contribution of Joint Operations

Pursuant to the terms of the Joint Operation Agreement dated 4 December 2014 entered into between Apple 99 Development Sdn Bhd ("A99DSB") and YTB Apple Sdn Bhd ("YTB Apple"), a wholly-owned subsidiary of YONGTAI. YTB Apple shall pay to A99DSB the YTB Apple's Participating Contribution of RM35.0 million. The YTB Apple's Participating Contribution shall be treated as acquisition of operation interests in pursuant to the Joint Operation Agreement.

The movement in participating contribution of joint operations account is as follows:	**RM**
Balance at 30 June 2014	-
Effects of Pro Forma (III)	
- Payment of YTB Apple's Participating Contribution	35,000,000
Pro Forma (III) and (IV)	35,000,000

7. Cash and bank balances

The movement in cash and bank balances account is as follows:	**RM**
Balance at 30 June 2014	1,024,153
Effects of Pro Forma (II)	
- Proceeds from issuance of Rights Shares	40,115,000
Pro Forma (I) and (II)	41,139,153
Effects of Pro Forma (III)	
- Proceeds from Special Issue Shares	23,200,000
- Repayment of bank borrowings	(5,000,000)
- Payment of estimated expenses incurred for the Corporate Exercises	(3,000,000)
- Payment of YTB Apple's Participating Contribution	(35,000,000)
Pro Forma (III) (carried forward)	21,339,153

YONG TAI BERHAD ("YONGTAI") AND ITS SUBSIDIARIES ("YONGTAI GROUP") PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

Notes to the Pro Forma Consolidated Statement of Financial Position as at 30 June 2014

7. Cash and bank balances (Cont'd)

	RM
Pro Forma (III) (brought forward)	21,339,153
Effects of Pro Forma (IV)	
- Proceeds arising from full exercise of Warrants	20,057,500
Pro Forma (IV)	41,396,653

8. Share capital

The movement in share capital account is as follows:	**RM**
Balance at 30 June 2014	40,115,000
Effect of Pro Forma (I)	
- Par Value Reduction	(20,057,500)
Pro Forma (I)	20,057,500
Effect of Pro Forma (II)	
- Issuance of Rights Shares	40,115,000
Pro Forma (II)	60,172,500
Effect of Pro Forma (III)	
- Special Issue Shares	20,000,000
Pro Forma (III)	80,172,500
Effect of Pro Forma (IV)	
- Full exercise of Warrants	20,057,500
Pro Forma (IV)	100,230,000

9. Share premium

The movement in share premium account is as follows:	**RM**
Balance at 30 June 2014	1,626,071
Effects of Pro Forma (III)	
- Special Issue Shares' premium	3,200,000
- Payment of estimated expenses to be incurred in relation to the Corporate Exercises	(3,000,000)
Pro Forma (III) and (IV)	1,826,071

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF YONG TAI AS AT 30 JUNE 2014 TOGETHER WITH REPORTING ACCOUNTANTS' LETTER THEREON

YONG TAI BERHAD ("YONGTAI") AND ITS SUBSIDIARIES ("YONGTAI GROUP")
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

Notes to the Pro Forma Consolidated Statement of Financial Position as at 30 June 2014

10. Accumulated losses

The movement in accumulated losses account is as follows:	**RM**
Balance at 30 June 2014	(25,993,528)
Effect of Pro Forma (I)	
- Utilisation to offset YONGTAI's accumulated losses	13,813,940
- Remaining balance credited as retained earnings	6,243,560
Pro Forma (I), (II), (III) and (IV)	(5,936,028)

11. Warrant reserve

The warrant reserve account is in respect of the allocated fair value of the Warrants issued in conjunction with the Rights Shares. The other reserves account represent discount on shares that created to preserve the par value of ordinary shares.

The fair value of Warrants is assumed to be approximately RM0.48 per Warrant which results in the creation of warrant reserve account.

The movement in warrant reserve account is as follows:	**RM**
Balance at 30 June 2014	-
Effect of Pro Forma (II)	
- Issuance of Rights Shares with Warrants	19,255,200
Pro Forma (I) and (II)	19,255,200
Effect of Pro Forma (IV)	
- Full exercise of Warrants	(19,255,200)
Pro Forma (IV)	-

12. Loans and borrowings

	RM
Loans and borrowings	
Current	17,002,566
Non-current	7,852,928
Total	24,855,494

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YONG TAI BERHAD ("YONGTAI") AND ITS SUBSIDIARIES ("YONGTAI GROUP")
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

Notes to the Pro Forma Consolidated Statement of Financial Position as at 30 June 2014

12. Loans and borrowings (Cont'd)

The movement in loans and borrowings account is as follows:	**RM**
Balance at 30 June 2014	
Effect of Pro Forma (III)	
Total loans and borrowings	24,855,494
- Proceeds from issuance of Rights Shares with Warrants and Special Issue to repay bank borrowings of the Group	(5,000,000)
Pro Forma (I), (II), (III) and (IV)	19,855,494

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AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR COMPANY FOR THE FYE 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON

ECOVIS®
AHL

CERTIFIED TRUE COPY

KHOR KENG LIEH
COMPANY AUDITORS
2733/07/15 (J)

FINANCIAL STATEMENTS
30 JUNE 2014

YONG TAI BERHAD
(Incorporated in Malaysia)
(311186-T)

ECOVIS AHL
Chartered Accountants
(AF 001825)

www.ecovis.com

Company No. 311186-T

YONG TAI BERHAD

(Incorporated in Malaysia)

FINANCIAL STATEMENTS

30 JUNE 2014

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YONG TAI BERHAD
(Incorporated in Malaysia)

CORPORATE INFORMATION

Registered Office

Ground Floor
8, Lorong Universiti B
Section 16
46350 Petaling Jaya
Selangor Darul Ehsan

Principal Place of Business

3, Jalan Kapal
Kawasan Perindustrian Tongkang Pecah
83010 Batu Pahat
Johor Darul Ta'zim

Company Secretaries

Jauhari Bin Hassan (LS 03681)
Lim Suat Ben (MAICSA 082022)

Auditors

ECOVIS AHL
(AF 001825)
No. 147-B, Jalan Sutera Tanjung 8/2
Taman Sutera Utama
81300 Skudai
Johor Darul Ta'zim

Principal Bankers

Alliance Bank Malaysia Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
RHB Bank Berhad

YONG TAI BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Loss for the year attributable to:		
Owners of the Company	(7,273,287)	(15,154,238)
Non-controlling interests	(1,508)	-
	(7,274,795)	(15,154,238)

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature, except for the following:

	Group RM	Company RM
Bad debts written off	2,684,279	-
Impairment of investment in a subsidiary, which has been eliminated and no impact in the Group's financial statements	-	15,000,000

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

There was no issue of shares or debentures by the Company during the financial year.

OPTIONS

No option has been granted during the financial year covered by the statements of profit or loss and other comprehensive income to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

DIRECTORS

The directors who served since the date of the last report are: -

Datuk Hj. Amil @ Amir Bin Junus
Wong Liew Lin @ Liew Fat Lin
Wong Mee Yow Cheen @ Liew Mee Yow Cheen
Tai Shzee Yuan
Liew Huat Kwang
Loi Kim Fah
See Thiam Chya
Chok Kim Sin
Ir. Dr. Ting Lai Choon
Ng Jet Heong (appointed on 28.8.2014)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of previous financial year, no director of the Company has received or become entitled to receive any benefit, other than those disclosed as directors' remuneration in the financial statements or those entered in the normal course of business, by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest required to be disclosed by Section 169(8) of the Companies Act, 1965.

DIRECTORS' INTERESTS

Details of holdings in the share capital of the Company and its related corporation by the directors in office at the end of the financial year, according to the register required to be kept under Section 134 of the Companies Act 1965, were as follows: -

		<---------- Number of ordinary shares of RM1.00 each			---------->
		As at 1.7.2013	**Acquired**	**Disposed**	**As at 30.6.2014**
Company					
Datuk Hj. Amil @ Amir Bin Junus	*- direct*	140,000	-	-	140,000
Wong Liew Lin @ Liew Fat Lin	*- direct*	50,522	-	-	50,522
	- deemed (#)	13,791,729	-	(4,000,000)	9,791,729
Wong Mee Yow Cheen @ Liew Mee Yow Cheen	*- direct*	74,744	-	-	74,744
	- deemed (#)	13,791,729	-	(4,000,000)	9,791,729
	- deemed (+)	14,000	-	-	14,000
Liew Huat Kuang	*- direct*	230,520	-	-	230,520
	- deemed (+)	57,000	-	-	57,000
Tai Shzee Yuan	*- direct*	28,001	-	-	28,001

\# Held through Liew Fat Lin Holding Sdn. Bhd.
\+ By virtue of his spouse's direct shareholding

None of the other directors in office at the end of the financial year hold any shares in the Company or its related corporations during the financial year.

By virtue of their interests in the shares of the Company, Wong Liew Lin @ Liew Fat Lin and Wong Mee Yow Cheen @ Liew Mee Yow Cheen are also deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

OTHER STATUTORY INFORMATION

(a) The directors, before the Statements of Profit or Loss and Other Comprehensive Income and Statements of Financial Position of the Group and of the Company were made out, took reasonable steps: -

 (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

 (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) The directors are not aware of any circumstances, at the date of this report, which would render: -

 (i) the amount written off for bad debts or the allowance for doubtful debts inadequate to any substantial extent; or

 (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist: -

 (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

 (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors: -

 (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

 (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

The auditors, ECOVIS AHL, have expressed their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors,

DATUK HJ. AMIL @ AMIR BIN JUNUS

WONG LIEW LIN @ LIEW FAT LIN

JOHOR BAHRU

Date: 28 OCT 2014

YONG TAI BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, DATUK HJ. AMIL @ AMIR BIN JUNUS and WONG LIEW LIN @ LIEW FAT LIN, being two of the directors of YONG TAI BERHAD, do hereby state that, in the opinion of the directors, the financial statements set out on pages 10 to 51 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2014 and of their financial performance and cash flows for the year then ended.

In the opinion of the directors, the information set out in Note 29 to the financial statements has been compiled in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

On behalf of the Board,

DATUK HJ. AMIL @ AMIR BIN JUNUS

WONG LIEW LIN @ LIEW FAT LIN

JOHOR BAHRU

Date: 28 OCT 2014

YONG TAI BERHAD
(Incorporated in Malaysia)

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, TAI SHZEE YUAN, being the director primarily responsible for the financial management of YONG TAI BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 10 to 51, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed)
TAI SHZEE YUAN at Johor Bahru in the state of Johor)
Darul Ta'zim on 28 OCT 2014)

TAI SHZEE YUAN

Before me,

PESURUHJAYA SUMPAH
NO: J. 209
Nama: KUNG YU KU
MALAYSIA

No. 5, Jalan Setia Tropika 1/25,
Taman Setia Tropika,
81200 Johor Bahru, Johor.

Company No. 311186-T

ECOVIS AHL

ECOVIS AHL (AF 001825)
Chartered Accountants

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YONG TAI BERHAD
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of YONG TAI BERHAD, which comprise the statements of financial position as at 30 June 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 51.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to the fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2014 and of their financial performance and cash flows for the year then ended.

ECOVIS AHL (AF 001825) Chartered Accountants, No. 147-B, Jalan Sutera Tanjung 8/2, Taman Sutera Utama, 81300 Skudai, Johor Darul Ta'zim, Malaysia
Phone:+607 556 7777 Fax:+607 557 7776 E-Mail: Johor@ecovis.com

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b) We are satisfied that the accounts if the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

c) The audit report on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 29 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on 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*, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ecovis AHL

ECOVIS AHL
Firm Number : AF 001825
Chartered Accountants

KHOR KENG LIEH
Approved Number : 2733/07/15 (J)
Chartered Accountant

JOHOR BAHRU

Date: 28 OCT 2014

YONG TAI BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2014

		Group		Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	3	17,101,141	17,268,935	-	-
Investment properties	4	11,740,000	11,740,000	-	-
Investment in subsidiaries	5	-	-	34,701,910	48,901,910
Deferred tax assets	6	52,400	52,400	-	-
		28,893,541	29,061,335	34,701,910	48,901,910
CURRENT ASSETS					
Inventories	7	17,849,234	19,246,605	-	-
Trade receivables		19,221,755	19,318,906	-	-
Other receivables	8	3,221,554	2,875,758	1,000	1,000
Amount due by subsidiaries	9	-	-	3,576,230	3,400,840
Current tax assets		956,587	819,040	48,260	48,260
Cash and bank balances		1,024,153	804,890	410	2,530
		42,273,283	43,065,199	3,625,900	3,452,630
TOTAL ASSETS		71,166,824	72,126,534	38,327,810	52,354,540
EQUITY AND LIABILITIES					
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	10	40,115,000	40,115,000	40,115,000	40,115,000
Reserve	11	(24,367,457)	(17,125,637)	(12,187,869)	2,966,369
		15,747,543	22,989,363	27,927,131	43,081,369
NON-CONTROLLING INTEREST		-	832,975	-	-
TOTAL EQUITY		15,747,543	23,822,338	27,927,131	43,081,369
NON-CURRENT LIABILITIES					
Loans and borrowings	12	7,852,928	3,673,275	-	-
Hire purchase payables	13	180,866	87,613	-	-
		8,033,794	3,760,888	-	-

The accompanying notes form an integral part of the financial statements.

YONG TAI BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION (CONTINUED) AS AT 30 JUNE 2014

		Group		Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
CURRENT LIABILITIES					
Trade payables		12,602,851	10,124,944	-	-
Other payables	14	4,534,238	4,232,022	106,390	102,050
Amount due to subsidiaries	9	-	-	10,294,289	9,171,121
Amount due to directors	15	13,155,262	11,173,113	-	-
Loans and borrowings	12	17,002,566	18,640,424	-	-
Hire purchase payables	13	90,149	372,109	-	-
Current tax liabilities		421	696	-	-
		47,385,487	44,543,308	10,400,679	9,273,171
TOTAL LIABILITIES		55,419,281	48,304,196	10,400,679	9,273,171
TOTAL EQUITY AND LIABILITIES		71,166,824	72,126,534	38,327,810	52,354,540

The accompanying notes form an integral part of the financial statements.

YONG TAI BERHAD
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

		Group		Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
REVENUE	16	63,807,386	67,315,345	-	-
COST OF SALES		(47,094,926)	(54,115,814)	-	-
GROSS PROFIT		16,712,460	13,199,531	-	-
ADD: OTHER INCOME		593,128	1,637,222	-	-
LESS: DISTRIBUTION EXPENSES		(11,723,137)	(10,792,901)	-	-
LESS: ADMINISTRATIVE EXPENSES		(4,711,380)	(4,890,494)	(154,238)	(139,316)
LESS: OTHER EXPENSES		(6,031,893)	(5,228,053)	(15,000,000)	-
LOSS FROM OPERATIONS		(5,160,822)	(6,074,695)	(15,154,238)	(139,316)
LESS: FINANCE COSTS	17	(2,085,973)	(1,886,180)	-	-
LOSS BEFORE TAX	18	(7,246,795)	(7,960,875)	(15,154,238)	(139,316)
INCOME TAX EXPENSE	19	(28,000)	22,712	-	-
LOSS FOR THE YEAR		(7,274,795)	(7,938,163)	(15,154,238)	(139,316)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		(7,274,795)	(7,938,163)	(15,154,238)	(139,316)
LOSS/TOTAL COMPREHENSIVE EXPENSE ATTRIBUTABLE TO:					
OWNERS OF THE COMPANY		(7,273,287)	(7,929,396)		
NON-CONTROLLING INTERESTS		(1,508)	(8,767)		
		(7,274,795)	(7,938,163)		
BASIC LOSS PER ORDINARY SHARE (SEN)	20	(18.1)	(19.8)		

The accompanying notes form an integral part of the financial statements.

YONG TAI BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

		Attributable to owners of the Company					
		Non-distributable		*Distributable*			
	Note	Share capital	Share premium	(Accumulated losses)/Retained profits	Total	Non-controlling interest	Total equity
Group		RM	RM	RM	RM	RM	RM
At 1 July 2012		40,115,000	1,626,071	(10,822,312)	30,918,759	841,742	31,760,501
Loss/Total comprehensive expense for the year		-	-	(7,929,396)	(7,929,396)	(8,767)	(7,938,163)
At 30 June 2013		40,115,000	1,626,071	(18,751,708)	22,989,363	832,975	23,822,338
Loss/Total comprehensive expense for the year		-	-	(7,273,287)	(7,273,287)	(1,508)	(7,274,795)
Transaction with owner							
Acquisition of non-controlling interest in a subsidiary	21	-	-	31,467	31,467	(831,467)	(800,000)
At 30 June 2014		40,115,000	1,626,071	(25,993,528)	15,747,543	-	15,747,543
Company							
At 1 July 2012		40,115,000	1,626,071	1,479,614	43,220,685		
Loss/Total comprehensive expense for the year		-	-	(139,316)	(139,316)		
At 30 June 2013		40,115,000	1,626,071	1,340,298	43,081,369		
Loss/Total comprehensive expense for the year		-	-	(15,154,238)	(15,154,238)		
At 30 June 2014		40,115,000	1,626,071	(13,813,940)	27,927,131		

The accompanying notes form an integral part of the financial statements.

YONG TAI BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax	(7,246,795)	(7,960,875)	(15,154,238)	(139,316)
Adjustments for: -				
Allowance for specific doubtful debts	-	724,904	-	-
Bad debts written off	2,684,279	-	-	-
Depreciation of property, plant and equipment	1,569,514	1,489,194	-	-
Incorporation fees	-	2,400	-	-
Impairment of investment in a subsidiary	-	-	15,000,000	-
Interest expenses	2,085,973	1,886,180	-	-
Unrealised loss on foreign exchange	-	40,396	-	-
Written down of inventories	-	1,983,771	-	-
Written off of property, plant and equipment	515	55,039	-	-
Fair value adjustment	-	(233,103)	-	-
Gain on disposal of investment properties	-	(259,982)	-	-
Gain on disposal of property, plant and equipment	-	(240,022)	-	-
Unrealised gain on foreign exchange	(12,306)	-	-	-
Operating loss before working capital changes	(918,820)	(2,512,098)	(154,238)	(139,316)
Decrease/(Increase) in working capital				
Inventories	1,397,371	5,826,953	-	-
Trade receivables	(2,574,822)	2,010,625	-	-
Other receivables	(345,796)	(59,186)	-	-
Trade payables	2,477,907	1,527,975	-	-
Other payables	302,216	936,652	4,340	12,590
Amount due by/(to) subsidiaries	-	-	947,778	123,601
Amount due to directors	1,351,557	359,879	-	-
Cash generated from/(used in) operations	1,689,613	8,090,800	797,880	(3,125)
Incorporation fees paid	-	(2,400)	-	-
Interest paid	(2,085,973)	(1,886,180)	-	-
Tax (paid)/refunded	(165,822)	58,915	-	-
Net cash from/(used in) operating activities	(562,182)	6,261,135	797,880	(3,125)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment (Note 22)	(1,202,235)	(1,056,129)	-	-
Proceeds from disposal of property, plant and equipment	-	311,000	-	-
Proceeds from disposal of investment properties	-	1,700,982	-	-
Investment in subsidiary	-	-	-	(100)
Acquisition of non-controlling interests	(800,000)	-	(800,000)	-
Net cash (used in)/from investing activities	(2,002,235)	955,853	(800,000)	(100)

The accompanying notes form an integral part of the financial statements.

YONG TAI BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2014

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Advances from a director	630,592	-	-	-
Repayment of short-term borrowings	(6,250,803)	(2,622,076)	-	-
Drawdown of term loans	15,607,000	-	-	-
Repayment of term loans	(4,550,324)	(2,019,039)	-	-
Repayment of hire purchase financing	(388,707)	(559,776)	-	-
Net cash from/(used in) financing activities	5,047,758	(5,200,891)	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,483,341	2,016,097	(2,120)	(3,225)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(8,287,660)	(10,303,757)	2,530	5,755
CASH AND CASH EQUIVALENTS AT END OF YEAR	(5,804,319)	(8,287,660)	410	2,530
Cash and cash equivalents comprise the following: -				
Cash and bank balances	1,024,153	804,890	410	2,530
Bank overdraft (Note 12)	(6,828,472)	(9,092,550)	-	-
	(5,804,319)	(8,287,660)	410	2,530

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Ground Floor 8, Lorong Universiti B, Section 16, 46350 Petaling Jaya, Selangor Darul Ehsan. The principal place of business of the Company is located at 3, Jalan Kapal Kawasan Perindustrian Tongkang Pecah, 83010 Batu Pahat, Johor Darul Ta'zim.

The consolidated financial statements of the Company as at and for the financial year ended 30 June 2014 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities").

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 October 2014.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Group and the Company, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Group and the Company have been prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and comply with Malaysian Financial Reporting Standards (MFRSs), International Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

The financial statements are reported in Ringgit Malaysia, which is the Company's functional currency.

(b) Statement of compliance

The following are accounting standards, amendments and interpretations of the MFRS framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company.

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

Amendments to MFRS 10, Consolidated Financial Statements: Investment Entities
Amendments to MFRS 12, Disclosure of Interest in Other Entities: Investment Entities
Amendments to MFRS 127, Separate Financial Statements (2011): Investment Entities
Amendments to MFRS 132, Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136, Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139, Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21, Levies

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014

Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)
Amendments to MFRS 2, Share-based Payment (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 3, Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)
Amendments to MFRS 8, Operating Segments (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 13, Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)
Amendments to MFRS 116, Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 119, Employee Benefits – Defined Benefit Plans: Employee Contributions
Amendments to MFRS 124, Related Party Disclosures (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 138, Intangible Assets (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 140, Investment Property (Annual Improvements 2011-2013 Cycle)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

MFRS 11, Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations
MFRS 14, Regulatory Deferral Accounts
Amendments to MFRS 116, Property, Plant and Equipment and MFRS 138, Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116, Property, Plant and Equipment and MFRS 141, Agriculture – Bearer Plants

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

MFRS 15, Revenue from Contracts with Customers

MFRSs, Interpretations and amendments effective for a date yet to be confirmed

MFRS 9, Financial Instruments (IFRS 9, issued by IASB in November 2009)
MFRS 9, Financial Instruments (IFRS 9, issued by IASB in October 2010)
MFRS 9, Financial Instruments – Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139
Amendments to MFRS 7, Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations in the respective financial years when the above standards, amendments and interpretations become effective.

The initial application of the other standards, amendments and interpretations are not expected to have any material financial impacts to the current and prior periods financial statements upon their first adoption.

(c) Basis of consolidation

(i) Subsidiaries
Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group adopted MFRS 10, *Consolidated Financial Statements* in the current financial year. This resulted in changes to the following policies:

- Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In the previous financial years, control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
- Potential voting rights are considered when assessing control only when such rights are substantive. In the previous financial years, potential voting rights are considered when assessing control when such rights are presently exercisable.
- The Group considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return. In the previous financial years, the Group did not consider *de facto* power in its assessment of control.

The change in accounting policy has been made retrospectively and in accordance with the transitional provision of MFRS 10. The adoption of MFRS 10 has no significant impact to the financial statements of the Group.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

(ii) Business combination

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) **Associates**

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investment in an associate is accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associate, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investment in an associate is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(vi) **Joint arrangements**

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

The Group adopted MFRS 11, *Joint Arrangements* in the current financial year. As a result, joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as "joint operation" when the Group or the Company has rights to the assets and obligations for the liabilities relating to an arrangement. The Group and the Company account for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.

- A joint arrangement is classified as "joint venture" when the Group has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method.

(vii) **Non-controlling interests**

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(viii) **Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associate and joint venture are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(d) Foreign currencies

Foreign currency translations

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial instrument designated as a hedge of currency risk, which are recognised in other comprehensive income.

(e) Financial instruments

(i) **Initial recognition and measurement**

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) **Financial instrument categories and subsequent measurement**

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(b) Held-to-maturity investments

Held-to-maturity investments category comprises debt instruments that are quoted in an active market and the Group or the Company has the positive intention and ability to hold them to maturity.

Financial assets categorised as held-to-maturity investments are subsequently measured at amortised cost using the effective interest method.

*(c) **Loans and receivables***

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

*(d) **Available-for-sale financial assets***

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iii) **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are classified as deferred income and are amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

(iv) **Derecognition**

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(f) Property, plant and equipment

(i) **Recognition and measurement**

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within 'other income' and 'other expenses' respectively in profit or loss.

(ii) **Subsequent costs**

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) **Depreciation**
Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction is not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows: -

Long-term leasehold land	30 – 32 years
Buildings	31 – 35 years
	%
Plant and machinery	10
Furniture and equipment	10 – 18
Motor vehicles	20
Renovation and fittings	10 – 33

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.

(g) Leased asset

(i) **Finance lease**
Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

(ii) **Operating lease**
Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property and measured using fair value model.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid lease payments.

(h) Goodwill

Goodwill which arises on business combinations is measured at cost less any accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted investees.

Goodwill is not amortised but is tested for impairment annually and whenever there is an indication that it may be impaired.

(i) Investment property

(i) **Investment property carried at fair value**
Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost and subsequently at fair value with any change therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(ii) **Reclassification to/from investment property**
When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings, the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its deemed cost for subsequent accounting.

(j) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is measured based on first-in, first-out basis, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The fair value of inventories acquired in a business combination is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

(k) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(l) Impairment

Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss, investment in subsidiaries and investment in associates) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the financial asset's recoverable amount is estimated.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

Other assets

The carrying amounts of the other assets (except for inventories, amount due from contract customers, deferred tax asset, assets arising from employee benefits, investment property measured at fair value and non-current assets (or disposal groups) classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purposes of impairment testing, is allocated to group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating unit) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that asset's carrying amount does not exceed the carrying amount that amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(m) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

Ordinary shares are classified as equity.

(n) Employee benefits

(i) **Short-term employee benefits**

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) **State plans**

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(o) Provision

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(p) Revenue and other income

(i) **Goods sold**
Revenue from sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(ii) **Services**
Revenue from services rendered is recognised in profit and loss in proportion to the stage of completion of the transaction at the end of the reporting period. The stage of completion is assessed by reference to surveys of work performed.

(iii) **Rental income**
Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income form subleased property is recognised as other income.

(iv) **Interest income**
Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

(q) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing eligible for capitalisation.

(r) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Where investment properties are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Any unutilised portion of a tax incentive that is not a tax base of an asset is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

(s) Earnings per ordinary share

The Group presents basic earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company.

Diluted EPS is not presented as the Group has no shares or other instruments with potential dilutive effects.

(t) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(u) Contingencies

(i) **Contingent liabilities**
Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(ii) **Contingent assets**
Where it is not probable that there is an outflow of economic benefits, or the amount cannot be estimated reliably, the asset is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets unless the probability of inflow of economic benefits is remote.

(v) Fair value measurement

From 1 July 2013, the Group adopted MFRS 13, *Fair Value Measurement* which prescribed that fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

In accordance with the transitional provision of MFRS 13, the Group applied the new fair value measurement guidance prospectively, and has not provided any comparative fair value information for new disclosures. The adoption of MFRS 13 has not significantly affected the measurements of the Group's assets or liabilities other than the additional disclosures.

(w) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

(i) Valuation of investment properties

The Group assessed at each reporting date whether there is any objective evidence that the investment properties are impaired to determine whether there is objective of impairment. The Group considers internal and external factors such as market price of properties within the same vicinity and nature.

The Group assessed the market price of the investment properties based on information available through external research and directors' best estimates. When there is objective evidence, impairment losses are recognised in profit or loss.

(ii) Write down for obsolete or slow moving inventories

The Group writes down its obsolete or slow moving inventories based on assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts could not be recovered. Management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of write down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences would impact the carrying amount of inventories.

(iii) Impairment of receivables

The Group makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses historical bad debt, customer concentration, customer creditworthiness, current economic trends and charges in customer payment terms when making a judgement to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the differences would impact the carrying amount of receivables.

(iv) Impairment of property, plant and equipment

The Group assesses impairment of assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e. the carrying amount of the assets is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate. Projected future cash flows are based on Group's estimates calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information. Where there is objective evidence, impairment losses are recognised in profit or loss.

(v) Impairment of investment in subsidiaries

The Company carried out the impairment test based on a variety estimation of including the value-in-use of the cash-generating unit. Estimating a value-in-use amount requires the Company to make an estimation of the expected future cash flows from the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The management determined the recoverable amount of the investment in subsidiaries based on the individual assets' value-in-use and the probability of the realisation of assets. The present value of the future cash flows to be generated by the asset is the asset's value in use, and it is assumed to be the same as the net worth of the asset as at the reporting date. An impairment loss is recognised immediately in profit or loss if the recoverable amount is less than carrying amount.

3. PROPERTY, PLANT AND EQUIPMENT

Group 2014	As at 1.7.2013 RM	Additions RM	Disposals/ Written off RM	Reclassification RM	As at 30.6.2014 RM
Cost					
Freehold land	4,940,000	-	-	-	4,940,000
Long-term leasehold land	930,000	-	-	-	930,000
Buildings	6,810,000	-	-	-	6,810,000
Plant and machinery	15,578,446	18,000	(79,123)	-	15,517,323
Furniture and equipment	1,929,974	200,725	(11,441)	-	2,119,258
Motor vehicles	1,254,139	260,000	(16,135)	-	1,498,004
Renovation and fittings	6,017,840	923,510	-	-	6,941,350
	37,460,399	1,402,235	(106,699)	-	38,755,935

Group 2014	As at 1.7.2013 RM	Charge for the year RM	Disposals/ Written off RM	Reclassification RM	As at 30.6.2014 RM
Accumulated depreciation					
Long-term leasehold land	210,328	26,291	-	-	236,619
Buildings	801,948	200,487	-	-	1,002,435
Plant and machinery	13,132,690	589,064	(79,113)	-	13,642,641
Furniture and equipment	1,585,342	97,594	(10,953)	-	1,671,983
Motor vehicles	854,784	159,230	(16,118)	-	997,896
Renovation and fittings	3,606,372	496,848	-	-	4,103,220
	20,191,464	1,569,514	(106,184)	-	21,654,794

Group 2013	As at 1.7.2012 RM	Additions RM	Disposals/ Written off RM	Reclassification RM	As at 30.6.2013 RM
Cost					
Freehold land	4,940,000	-	-	-	4,940,000
Long-term leasehold land	930,000	-	-	-	930,000
Buildings	13,570,000	-	-	(6,760,000)	6,810,000
Plant and machinery	15,869,616	167,001	(458,171)	-	15,578,446
Furniture and equipment	1,934,441	45,750	(50,217)	-	1,929,974
Motor vehicles	1,483,762	263,025	(492,648)	-	1,254,139
Renovation and fittings	5,404,933	712,353	(99,446)	-	6,017,840
	44,132,752	1,188,129	(1,100,482)	(6,760,000)	37,460,399

Group 2013	As at 1.7.2012 RM	Charge for the year RM	Disposals/ Written off RM	Reclassification RM	As at 30.6.2013 RM
Accumulated depreciation					
Long-term leasehold land	184,037	26,291	-	-	210,328
Buildings	834,563	200,488	-	(233,103)	801,948
Plant and machinery	12,923,724	596,137	(387,171)	-	13,132,690
Furniture and equipment	1,548,065	83,194	(45,917)	-	1,585,342
Motor vehicles	1,219,395	128,034	(492,645)	-	854,784
Renovation and fittings	3,200,054	455,050	(48,732)	-	3,606,372
	19,909,838	1,489,194	(974,465)	(233,103)	20,191,464

Group	2014 RM	2013 RM
Net carrying amount		
Freehold land	4,940,000	4,940,000
Long-term leasehold land	693,381	719,672
Buildings	5,807,565	6,008,052
Plant and machinery	1,874,682	2,445,756
Furniture and equipment	447,258	344,632
Motor vehicles	500,125	399,355
Renovation and fittings	2,838,130	2,411,468
	17,101,141	17,268,935

In the previous financial year, the Group has transferred 2 units of buildings with net carrying amounts of RM6,526,897 from owner-occupied properties to investment properties, under Paragraph 57(c) of MRFS 140, Investment Property. These properties were no longer used by the Group or the Company and have been leased to third parties.

Upon transition into MFRS in prior financial year, the Group has elected to measure land and buildings at the date of transition to their fair values and use those fair values as deemed cost at that date. The cumulative surpluses arising from revaluation of properties, were transferred to retained profits in accordance with the transition provisions under MFRS 1.

The freehold land, long-term leasehold land and buildings of the Group of RM11,440,946 (2013: RM11,667,724) are pledged to licensed banks as security for credit facilities granted to certain Group entities as referred to in Note 12.

Net carrying amount of property, plant and equipment of the Group held under hire purchase arrangement are as follows: -

	Group	
	2014 RM	2013 RM
Plant and machinery	-	1,102,904
Motor vehicles	371,580	304,118
	371,580	1,407,022

4. INVESTMENT PROPERTIES

	Group	
	2014 RM	2013 RM
At fair value		
At beginning of the year	11,740,000	4,980,000
Transfer from property, plant and equipment	-	6,526,897
Fair value adjustment	-	233,103
At end of the year	11,740,000	11,740,000

Investment properties comprise a number of commercial properties that are leased to third parties. Included in investment properties of the Group are buildings amounted to RM1,080,000 (2013: RM2,521,000) held under lease term.

The fair values of all investment properties are determined based on market value.

The following are recognised in profit or loss in respect of investment properties:

	Group 2014 RM	Group 2013 RM
Rental income	432,000	452,000
Direct operating expenses - income generating investment properties	(49,109)	(49,449)

Investment properties of the Group with carrying amount of RM10,660,000 (RM11,740,000) have been charged to licensed banks and a licensed money lender as security for credit facilities granted to certain Group entities as referred to in Note 12.

Fair value of investment properties are categorised as level 2 fair value as described in Note 24(f) to the financial statements.

5. **INVESTMENTS IN SUBSIDIARIES**

	Company 2014 RM	Company 2013 RM
At cost		
Unqouted shares	53,664,514	52,864,514
Less: Impairment loss	(18,962,604)	(3,962,604)
	34,701,910	48,901,910

Details of the subsidiaries are as follows: -

Name of subsidiary	**Country of incorporation**	**Principal activities**	**Effective ownership interest** 2014	2013
Yong Tai Brothers Trading Sdn Bhd	Malaysia	Trading and retailing of textile and garment products	100%	100%
Golden Vertex Sdn Bhd	Malaysia	Manufacturing of textile and garment products	100%	100%
Syarikat Koon Fuat Industries Sdn Bhd	Malaysia	Manufacturing and dyeing of all types of fabric and related products	100%	100%
Yuta Realty Sdn Bhd	Malaysia	Property development and investment holding	100%	100%
The Image Outlet Sdn Bhd	Malaysia	Trading and retailing of textile, garment products and related fashion accesories	100%	100%
YTB Land Sdn Bhd *(Formerly known as YTB Construction Sdn Bhd)*	Malaysia	Dormant	100%	100%
Yong Tai Samchem Sdn Bhd	Malaysia	Investment holding	100%	60%
YTB Development Sdn Bhd	Malaysia	Dormant	100%	100%

Impairment loss recognised

During the financial year, an impairment loss was recognised to write-down the carrying amount attributable to investment in Golden Vertex Sdn. Bhd., amounting to RM15,000,000 (2013: Nil) in statement of profit or loss.

6. DEFERRED TAX ASSETS

	Group	
	2014	2013
	RM	RM
At beginning of the year	52,400	2,200
Recognised in Statements of Profit or Loss and Other Comprehensive Income (Note 19):		
- current year relating to temporary differences	-	8,000
- current year relating to unutilised tax losses	-	33,900
- current year relating to unabsorbed capital allowances	-	13,900
	-	55,800
- overprovision in prior year relating to temporary differences	-	(5,600)
	-	(5,600)
At end of the year	52,400	52,400

The components of deferred tax assets as at the end of the financial year, prior to offsetting are as follows: -

	Group	
	2014	2013
	RM	RM
Tax effect of: -		
Temporary differences in respect of capital allowances	4,600	4,600
Unutilised tax losses	33,900	33,900
Unabsorbed capital allowances	13,900	13,900
Net deferred tax assets	52,400	52,400

7. INVENTORIES

	Group	
	2014	2013
	RM	RM
Raw materials	2,129,180	2,200,656
Work-in-progress	1,948,587	3,040,874
Finished goods	13,771,467	14,005,075
	17,849,234	19,246,605
Recognised in profit or loss: -		
Write-down to net realisable value	-	1,983,771

The write-down and reversal are included in other expenses.

8. OTHER RECEIVABLES

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Sundry receivables	184,441	263,458	-	-
Sundry deposits	3,008,068	2,064,414	1,000	1,000
Prepayments	29,045	547,886	-	-
	3,221,554	2,875,758	1,000	1,000

9. AMOUNT DUE BY/(TO) SUBSIDIARIES

These represent unsecured, interest-free advances with no fixed term of repayment.

10. SHARE CAPITAL

	Group and Company 2014 Number	2014 RM	2013 Number	2013 RM
Ordinary shares of RM1 each: -				
Authorised	50,000,000	50,000,000	50,000,000	50,000,000
Issued and fully paid shares classified as equity instrument	40,115,000	40,115,000	40,115,000	40,115,000

11. RESERVES

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Non-distributable				
Share premium	1,626,071	1,626,071	1,626,071	1,626,071
Distributable				
(Accumulated losses)/Retained profits	(25,993,528)	(18,751,708)	(13,813,940)	1,340,298
	(24,367,457)	(17,125,637)	(12,187,869)	2,966,369

12. LOANS AND BORROWINGS

	Group 2014 RM	Group 2013 RM
Non-current		
Secured		
- Term loans	7,852,928	3,673,275
Current		
Secured		
- Bank overdraft	6,828,472	9,092,550
- Bankers acceptance	999,160	5,705,000
- Letters of credit and trust receipts	-	471,764
- Onshore foreign currency financing	-	1,073,199
- Term loans	9,174,934	2,297,911
	17,002,566	18,640,424
	24,855,494	22,313,699

The loans and borrowings are secured by mean of: -

(a) fixed charge over the freehold land, long-term leasehold land and buildings of the Group as referred to in Note 3;
(b) fixed charge over the investment properties of the Group as referred to in Note 4;
(c) fixed charge over properties of certain directors of the Group;
(d) guarantee by certain directors of the Group jointly and severally; and
(e) corporate guarantee by the Company.

13. HIRE PURCHASE PAYABLES

	Group 2014 RM	Group 2013 RM
Non-current	180,866	87,613
Current	90,149	372,109
	271,015	459,722

2014	Future minimum lease payments RM	Interest RM	Present value of minimum lease payments RM
Less than one year	102,947	(12,798)	90,149
Between one and five years	195,103	(14,237)	180,866
	298,050	(27,035)	271,015
2013			
Less than one year	388,599	(16,490)	372,109
Between one and five years	91,612	(3,999)	87,613
	480,211	(20,489)	459,722

14. OTHER PAYABLES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Sundry payables	1,676,318	2,643,527	20,390	18,150
Accruals	2,733,840	1,464,895	86,000	83,900
Deposit received	124,080	123,600	-	-
	4,534,238	4,232,022	106,390	102,050

15. AMOUNT DUE TO DIRECTORS

This represents unsecured, interest-free advances with no fixed term of repayment.

16. REVENUE

Revenue of the Group represents invoiced value of sales less trade discounts and returns.

17. FINANCE COSTS

	Group	
	2014	2013
	RM	RM
Interest expense of financial liabilities that are not at fair value through profit or loss:		
- Bank overdraft	663,454	767,546
- Short-term borrowings	197,505	384,302
- Term loan	1,206,004	695,515
- Hire purchase	19,010	38,817
	2,085,973	1,886,180

18. LOSS BEFORE TAX

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Loss before tax are stated after charging/(crediting): -				
Auditors' remuneration				
- current year	70,977	83,300	10,000	10,000
- overprovided in prior years	-	(4,500)	-	-
Allowance for specific doubtful debts	-	724,904	-	-
Bad debts written off	2,684,279	-	-	-
Depreciation of property, plant and equipment	1,569,514	1,489,194	-	-
Directors' remuneration				
- fees	64,000	64,000	64,000	64,000
- other emoluments	1,475,507	1,352,957	-	-
Incorporation fees	-	2,400	-	-
Impairment of investment in a subsidiary	-	-	15,000,000	-
Written down of inventories	-	1,983,771	-	-
Property, plant and equipment written off	515	55,039	-	-
Rental of :				
- booths	13,674	19,069	-	-
- machinery	76,656	115,362	-	-
- hostel	125,630	113,450	-	-
- land	36,000	18,000	-	-
- premises	4,691,861	3,889,991	-	-
Staff costs (excludes directors' remuneration):				
- wages, salaries and others	13,746,683	12,058,119	-	-
- contribution to state plans	1,023,221	951,701	-	-
- other personnel costs	826,169	737,365	-	-
Fair value adjustment	-	(233,103)	-	-
Gain on disposal of investment properties	-	(259,982)	-	-
Gain on disposal of property, plant and equipment	-	(240,022)	-	-
Foreign exchange:				
- unrealised loss	-	40,396	-	-
- realised gain	(73,290)	(300,875)	-	-
- unrealised gain	(12,306)	-	-	-
Rental income from property	(447,850)	(470,000)	-	-

The estimated monetary value of directors' benefit-in-kind is RM6,600 (2013: RM5,550).

The number of employees of the Group (including directors) at the end of the financial year was 664 (2013: 646). There were no employees (other than the directors) for the Company as at the end of the financial year.

19. INCOME TAX EXPENSE

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Reconciliation of tax expense: -				
Current tax expense: -				
Malaysian - current year	28,000	28,191	-	-
- overprovision in prior years	-	(703)	-	-
	28,000	27,488	-	-
Deferred tax expense: -				
Origination and reversal of temporary differences	-	(55,800)	-	-
Underprovision in prior years	-	5,600	-	-
	-	(50,200)	-	-
Total income tax expense	28,000	(22,712)	-	-
Reconciliation of tax expense: -				
Loss before tax	(7,246,795)	(7,960,875)	(15,154,238)	(139,316)
Income tax calculated using Malaysian tax rate of 25% (2013: 25%)	(1,810,988)	(1,990,219)	(3,788,000)	(34,800)
Non-deductible expenses	771,488	4,336,662	3,788,000	34,800
Income not subject to tax	(108,000)	(4,277,432)	-	-
Tax savings arising from utilisation of unrecognised unabsorbed capital allowances brought forward	(26,800)	-	-	-
Deferred tax assets on current year temporary differences not recognised	1,202,300	1,903,380	-	-
Under provided in prior years	-	4,897	-	-
Tax expense for the year	28,000	(22,712)	-	-

* The Malaysian Budget 2014 announced the reduction of corporate tax rate to 24% with effect from Year of Assessment 2016. Consequently, deferred tax assets and liabilities which are expected to reverse in year 2016 and beyond are measured using the tax rate of 24%.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group 2014 RM	Group 2013 RM
Unutilised tax losses	10,190,700	9,566,600
Unabsorbed reinvestment allowances	507,200	507,100
Other deductible temporary differences	1,581,300	2,514,500
	12,279,200	12,588,200

The unabsorbed capital allowances, reinvestment allowances and unutilised tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits there from.

20. LOSS PER ORDINARY SHARE

Basic loss per ordinary share

The calculation of basic loss per ordinary share at 30 June 2014 was based on the loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group 2014 RM	Group 2013 RM
Loss attributable to ordinary shareholders	(7,274,795)	(7,938,163)
Weighted average number of ordinary shares at 30 June	40,115,000	40,115,000
Basic loss per ordinary share	(18.1)	(19.8)

Diluted loss per ordinary share

There are no dilutive potential ordinary shares.

21. ACQUISITION OF NON-CONTROLLING INTERESTS

In February 2014, the Group acquired an additional 40% interest in Yong Tai Samchem Sdn Bhd for RM800,000 in cash, increasing its ownership from 60% to 100%. The carrying amount of Yong Tai Samchem Sdn Bhd's net assets in the Group's financial statements on the date of the acquisition was RM2,078,669. The Group recognised a decrease in non-controlling interests of RM831,467 and an increase in retained profits of RM31,467.

The following summarises the effect of changes in the equity interest in Yong Tai Samchem Sdn Bhd that is attributable to owners of the Company:

	Group 2014 RM
Equity interest at 1 July 2013	1,249,463
Effect of increase of Company's ownership interest	831,467
Share of comprehensive expense	(2,261)
	2,078,669

22. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group	
	2014 RM	2013 RM
Additions during the year (Note 3)	1,402,235	1,188,129
Financed by hire purchase agreement	(200,000)	(132,000)
	1,202,235	1,056,129

23. OPERATING SEGMENTS

The Group has three reportable segments, as described below, which are offer different products and services. For each of the business segments, the Group Managing Director reviews the internal management reports on monthly basis. The following summary describes the operations in each of the Group's reportable segments:

(i) *Retailing* - Retailing and trading of textile and garments products
(ii) *Manufacturing* - Manufacturing of garments
(iii) *Dyeing* - Manufacturing and dyeing of fabric and related products

Other operating segment comprises investment and property holding.

Performance is measured based on revenue and operating profit as the management believes that such information is the most relevant in evaluating the results of the operation.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

Segment assets
The total of segment asset is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Group Managing Director. Segment total asset is used to measure the return of assets of each segment.

Segment liabilities
Segment liabilities information is also included in the internal management reports provided to the Group Managing Director.

Segment capital expenditure
Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment and investment properties.

Group	Retailing RM	Manufacturing RM	Dyeing RM	Others RM	Elimination RM	Total RM
2014						
Revenue						
External customers	37,009,107	15,346,577	11,451,702	-	-	63,807,386
Inter-segment	256,029	-	-	120,000	(376,029)	-
	37,265,136	15,346,577	11,451,702	120,000	(376,029)	63,807,386
Results						
Segment results	(766,535)	(4,271,421)	636,189	(759,055)	-	(5,160,822)
Finance cost						(2,085,973)
Income tax						(28,000)
Net loss for the year						(7,274,795)
Other information						
Segment assets	34,295,896	6,610,347	15,304,756	13,946,838		70,157,837
Unallocated corporate assets						1,008,987
Consolidated total assets						71,166,824
Segment liabilities	11,973,258	2,825,297	2,206,325	403,224		17,408,104
Unallocated corporate liabilities						38,011,177
Consolidated total liabilities						55,419,281
Bad debts written off	-	2,684,279	-	-		2,684,279
Capital expenditure	911,475	22,299	240,000	228,461		1,402,235
Depreciation of property, plant and equipment	590,763	99,732	846,883	32,136		1,569,514
Property, plant and equipment written off	480	-	35	-		515

Group	Retailing RM	Manufacturing RM	Dyeing RM	Others RM	Elimination RM	Total RM
2013						
Revenue						
External customers	34,275,167	21,991,264	11,048,914	-	-	67,315,345
Inter-segment	1,940,385	-	2,696	-	(1,943,081)	-
	36,215,552	21,991,264	11,051,610	-	(1,943,081)	67,315,345
Results						
Segment results	(5,403,781)	(1,363,237)	22,787	331,252	338,284	(6,074,695)
Finance cost						(1,886,180)
Income tax						22,712
Net loss for the year						(7,938,163)
Other information						
Segment assets	32,744,095	9,578,912	15,230,597	13,701,490		71,255,094
Unallocated corporate assets						871,440
Consolidated total assets						72,126,534
Segment liabilities	10,271,093	2,170,855	1,802,307	112,711		14,356,966
Unallocated corporate liabilities						33,947,230
Consolidated total liabilities						48,304,196
Allowance for specific doubtful debts	505,454	219,450	-	-		724,904
Capital expenditure	735,760	256,808	195,561	-		1,188,129
Depreciation of property, plant and equipment	558,027	130,190	800,977	-		1,489,194
Fair value adjustment	(233,103)	-	-	-		(233,103)
Written down of inventories	1,069,513	914,258	-	-		1,983,771
Property, plant and equipment written off	54,981	-	58	-		55,039

Geographical segments

The Group's operations are located mainly in Malaysia. In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of segment assets do not include current and deferred tax assets.

Group	Revenue RM	Segment assets RM	Capital expenditure RM
2014			
Malaysia	51,853,333	68,560,501	1,402,235
Europe	11,954,053	1,597,336	-
Consolidated	63,807,386	70,157,837	1,402,235
2013			
Malaysia	46,008,822	67,547,381	1,188,129
Europe	21,306,523	3,707,713	-
Consolidated	67,315,345	71,255,094	1,188,129

24. FINANCIAL INSTRUMENTS

(a) **Categories of financial instruments**

The table below provides an analysis of financial instruments categorised as follows:

(i) Loans and receivables ('L&R')
(ii) Financial liabilities measured at amortised cost ('FL')

	Group		Company	
	Carrying amount RM	L&R/(FL) RM	Carrying amount RM	L&R/(FL) RM
30 June 2014				
Financial assets				
Trade receivables	19,221,755	19,221,755	-	-
Other receivables	3,192,509	3,192,509	1,000	1,000
Amount due by subsidiaries	-	-	3,576,230	3,576,230
Cash and bank balances	1,024,153	1,024,153	410	410
	23,438,417	23,438,417	3,577,640	3,577,640
Financial liabilities				
Trade payables	(12,602,851)	(12,602,851)	-	-
Other payables	(4,534,238)	(4,534,238)	(106,390)	(106,390)
Amount due to subsidiaries	-	-	(10,294,289)	(10,294,289)
Amount due to directors	(13,155,262)	(13,155,262)	-	-
Loans and borrowings	(24,855,494)	(24,855,494)	-	-
Hire purchase payables	(271,015)	(271,015)	-	-
	(55,418,860)	(55,418,860)	(10,400,679)	(10,400,679)

	Group		Company	
	Carrying amount	L&R/(FL)	Carrying amount	L&R/(FL)
	RM	RM	RM	RM
30 June 2013				
Financial assets				
Trade receivables	19,318,906	19,318,906	-	-
Other receivables	2,327,872	2,327,872	1,000	1,000
Amount due by subsidiaries	-	-	3,400,840	3,400,840
Cash and bank balances	804,890	804,890	2,530	2,530
	22,451,668	22,451,668	3,404,370	3,404,370
Financial liabilities				
Trade payables	(10,124,944)	(10,124,944)	-	-
Other payables	(4,232,022)	(4,232,022)	(102,050)	(102,050)
Amount due to subsidiaries	-	-	(9,171,121)	(9,171,121)
Amount due to directors	(11,173,113)	(11,173,113)	-	-
Loans and borrowings	(22,313,699)	(22,313,699)	-	-
Hire purchase payables	(459,722)	(459,722)	-	-
	(48,303,500)	(48,303,500)	(9,273,171)	(9,273,171)

(b) **Financial risk management**

The Group has exposure to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk

(c) **Credit risk**

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries.

(i) **Receivables**

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 60 days, which are deemed to have higher credit risks, are monitored individually.

The balance of trade receivables are not secured by any collateral or supported by any other credit enhancements.

Impairment losses
The Group maintains an ageing analysis in respect of trade receivables only. The ageing of trade receivables as at the end of the reporting period was:

	Gross RM	Individual impairment RM	Collective impairment RM	Net RM
Group				
2014				
Not past due	6,712,060	-	-	6,712,060
Past due 0 - 1 month	317,082	-	-	317,082
Past due 1 - 2 months	103,123	-	-	103,123
Past due more than 2 months	16,380,293	(4,290,804)	-	12,089,489
	23,512,558	(4,290,804)	-	19,221,754
Group				
2013				
Not past due	7,326,283	-	-	7,326,283
Past due 0 - 1 month	467,305	-	-	467,305
Past due 1 - 2 months	65,470	-	-	65,470
Past due more than 2 months	22,303,422	-	(10,843,574)	11,459,848
	30,162,480	-	(10,843,574)	19,318,906

The movements in the allowance for impairment losses of trade receivables during the financial year were:

	Group 2014 RM	Group 2013 RM
At 1 July	10,843,574	10,146,129
Impairment loss recognised	-	697,445
Impairment loss written off	(6,552,770)	-
At 30 June	4,290,804	10,843,574

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

(ii) **Financial guarantees**

Risk management objectives, policies and processes for managing the risk
The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayment made by the subsidiaries.

Exposure to credit risk, credit quality and collateral
The maximum exposure to credit risk amounts to RM14,356,380 (2013: RM21,922,597) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

(iii) **Inter-company loans and advances**

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Impairment losses

As at the end of the reporting period, there was no indication that the loans and advances to the subsidiaries are not recoverable. The Company does not specifically monitor the ageing of current advances to the subsidiaries.

(d) **Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments.

Group 2014	Carrying amount RM	Contractual interest rate RM	Contractual cash flows RM	Under 1 year RM	1-5 years RM
Non-derivative financial liabilities					
Trade payables	12,602,851	-	12,602,851	12,602,851	-
Other payables	4,534,238	-	4,534,238	4,534,238	-
Amount due to directors	13,155,262	-	13,155,262	13,155,262	-
Bank overdraft	6,828,472	8.2%	6,828,472	6,828,472	-
Short-term borrowings	999,160	5.6%	999,160	999,160	-
Term loans	17,027,862	16.3%	20,750,102	11,680,030	9,070,072
Hire purchase payables	271,015	5.1%	298,050	102,947	195,103
	55,418,860		59,168,135	49,902,960	9,265,175
Group 2013					
Non-derivative financial liabilities					
Trade payables	10,124,944	-	10,124,944	10,124,944	-
Other payables	4,232,022	-	4,232,022	4,232,022	-
Amount due to directors	11,173,113	-	11,173,113	11,173,113	-
Bank overdraft	9,092,550	8.3%	9,092,550	9,092,550	-
Short-term borrowings	7,249,963	5.6%	7,249,963	7,249,963	-
Term loans	5,971,186	10.2%	6,760,650	2,484,744	4,275,906
Hire purchase payables	459,722	4.6%	480,211	388,599	91,612
	48,303,500		49,113,453	44,745,935	4,367,518

	Carrying amount RM	Contractual interest rate RM	Contractual cash flows RM	Under 1 year RM	1-5 years RM
Company					
2014					
Non-derivative financial liabilities					
Other payables	106,390	-	106,390	106,390	-
Amount due to subsidiaries	10,294,289	-	10,294,289	10,294,289	-
	10,400,679		10,400,679	10,400,679	-
Company					
2013					
Non-derivative financial liabilities					
Other payables	102,050	-	102,050	102,050	-
Amount due to subsidiaries	9,171,121	-	9,171,121	9,171,121	-
	9,273,171		9,273,171	9,273,171	-

(e) **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Group's financial position or cash flows.

(i) **Currency risk**

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currency of the Group entities. The currency giving rise to this risk are primarily U.S. Dollar ("USD").

Risk management objectives, policies and processes for managing the risk

In respect of monetary assets and liabilities held in currencies other than Ringgit Malaysia, the Group does not hedge this exposure. However, the Group keeps this policy under review.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Group *Denominated in USD* 2014	Group *Denominated in USD* 2013
In RM		
Trade receivables	1,597,335	3,349,917
Cash and bank balances	20,774	-
Trade payables	(1,116,219)	(926,372)
Loans and borrowings	-	(1,544,964)
Net exposure	501,890	878,581

Currency risk sensitivity analysis

A 5% (2013: 5%) strengthening of the Ringgit Malaysia against U.S. Dollar at the end of the reporting period would have decreased pre-tax profit or loss by RM25,000 (2013: RM43,929). This analysis is based on foreign currency exchange rate variances that the

Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant.

A 5% (2013: 5%) weakening of Ringgit Malaysia against the above currency at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

(ii) **Interest rate risk**

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group management interest rate risk through effective use of its floating and fixed rate debts.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Fixed rate instruments				
Financial liabilities	10,743,237	3,626,389	-	-
Floating rate instruments				
Financial liabilities	14,383,272	19,147,032	-	-

Interest rate risk sensitivity analysis

- *Fair value sensitivity analysis for fixed rate instruments*
  The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Company does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

- *Cash flow sensitivity analysis for variable rate instruments*
  A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) pre-tax profit or loss by RM143,800 (2013: RM228,000).

(f) **Fair value of financial instruments**

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

The carrying amount of floating rates term loans approximate its fair value as their effective interest rate changes accordingly to movements in the market interest rate.

Fair value information

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Level 3 fair value is estimated using unobservable input for the financial assets and liabilities. The fair value of the loans and borrowings is calculated using discounted cash flows where the market rate of interest is determined by reference to similar borrowing arrangements.

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer. There has been no transfer between Level 1 and Level 2 fair value during the current and prior financial years.

25. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The debt-to-equity ratios were as follows:

	Group	
	2014	2013
	RM	RM
Total loans and borrowings (Note 12)	24,855,494	22,313,699
Hire purchase payables (Note 13)	271,015	459,722
Less: Cash and cash equivalents	(1,024,153)	(804,890)
Net debt	24,102,356	21,968,531
Total equity	15,747,543	22,989,363
Debt-to-equity ratio	1.53	0.96

There was no change in the Group's approach to capital management during the financial year, except for disregarded various payables and amount due to subsidiaries and directors as debt.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

The Group is not subject to any externally imposed capital requirements.

26. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the directors of the Group, and certain members of senior management of the Group.

The Group has related party relationship with its subsidiaries, significant investors, directors and key management personnel.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and the Company are shown below:

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
A. Companies in which certain directors have interest				
Rental of premises	125,600	60,000	-	-
B. Key management personnel				
Directors' remuneration	1,539,507	1,416,957	64,000	64,000

Significant related party balances

Significant related party balances as at reporting date are shown below:

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
A. Companies in which certain directors have interest				
Amount payable				
- Trade	1,523	163,879	-	-
- Non-trade	374,293	329,263	-	-

27. **COMPARATIVE FIGURES**

The financial statements of previous year which are presented for comparative purposes were examined and reported on by another firm of auditors. Certain comparative figures have been reclassified where necessary to conform to the current year's presentation.

28. **SIGNIFICANT EVENT**

On 29 April 2014, the Company's wholly-owned subsidiary, YTB Land Sdn. Bhd. has entered into a conditional Project Collaboration Agreement with PTS Properties Sdn. Bhd. for the construction of a condominium hotel. This agreement will result in the diversification of the business of the Group into property development business segment. The Company had obtained shareholders' approval during the Extraordinary General Meeting held on 24 July 2014.

29. SUPPLEMENTARY FINANCIAL INFORMATION ON THE BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of the retained earnings of the Group and of the Company as at 30 June, into realised and unrealised profits, pursuant to Paragraph 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Total (accumulated losses)/ retained profits of the Company and its subsidiaries				
- Realised	(26,102,945)	(18,808,423)	(13,813,940)	1,340,298
- Unrealised	109,417	56,715	-	-
Total retained earnings	(25,993,528)	(18,751,708)	(13,813,940)	1,340,298

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

UNAUDITED INTERIM FINANCIAL STATEMENTS OF OUR GROUP FOR FPE 31 DECEMBER 2014

CERTIFIED TRUE COPY

08 APR 2015

COMPANY SECRETARY
JAUHARI BIN HASSAN
(LS 03681)

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER 31 DECEMBER 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To date	Preceding Year Corresponding Period
	31.12.2014 (RM'000)	31.12.2013 (RM'000)	31.12.2014 (RM'000)	31.12.2013 (RM'000)
Revenue	25,155	17,624	50,918	30,729
Cost of sales	(20,423)	(13,307)	(40,201)	(21,682)
Gross profit /(loss)	4,732	4,317	10,717	9,047
Other income	139	212	2,300	436
Other expenses	(5,794)	(4,826)	(10,376)	(9,713)
Finance costs	(471)	(564)	(1,262)	(928)
(Loss)/Profit before taxation	(1,394)	(861)	1,379	(1,158)
Taxation	(119)	43	(634)	(89)
(Loss)/Profit for the period	(1,513)	(818)	745	(1,247)
Total comprehensive (expenses)/ income	(1,513)	(818)	745	(1,247)
Net (loss)/profit attributable to equity holders of the Company				
Owners of the parent	(1,513)	(818)	745	(1,246)
Non-controlling interest	-	-	-	(1)
	(1,513)	(818)	745	(1,247)
Total comprehensive (expenses)/income attributable to:				
Equity holders of the Company	(1,513)	(818)	745	(1,246)
Non-controlling interest	-	-	-	(1)
	(1,513)	(818)	745	(1,247)
Basic (loss)/earning per share attributable to equity holders of the Company				
-Basic (sen)	(3.77)	(2.04)	1.86	(3.11)
-Diluted (sen)	N/A	N/A	N/A	N/A

Company No. 311186-T

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08 APR 2015

COMPANY SECRETARY
JAUHARI BIN HASSAN
(LS 03681)

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE SECOND QUARTER 31 DECEMBER 2014

	31.12.2014 Unaudited RM'000	30.06.2014 Audited RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	16,865	17,101
Investment properties	11,740	11,740
Deferred tax assets	52	52
	28,657	28,893
Current Assets		
Inventories	17,073	17,849
Property development cost	1,187	-
Trade receivables	20,727	19,222
Other receivables	19,501	3,222
Tax in credit	1,075	956
Cash and bank balances	3,079	1,024
	62,642	42,273
TOTAL ASSETS	91,299	71,166
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share Capital	40,115	40,115
Reserves		
Share premium	1,626	1,626
Accumulated losses	(25,249)	(25,994)
	16,492	15,747
Non-Controlling Interest	-	-
Total equity	16,492	15,747
Non-Current Liability		
Borrowings	4,453	8,034
	4,453	8,034
Current Liabilities		
Trade payables	27,584	12,603
Other payables	10,677	4,534
Amount due to directors	16,794	13,155
Bank overdraft	6,576	6,828
Borrowings	8,089	10,264
Provision for taxation	634	1
	70,354	47,385
Total Liabilities	74,807	55,419
TOTAL EQUITY AND LIABILITIES	91,299	71,166
Net Assets per share (RM)	0.41	0.39

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30th June 2014)

Company No. 311186-T

YONG TAI BERHAD
UNAUDTIED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER 31 DECEMBER 2014

	6 months ended 31.12.2014 (RM'000)	6 months ended 31.12.2013 (RM'000)
Cash flows from operating activities		
Profit/(loss) before taxation	1,379	(1,158)
Adjustments for non-cash items:-		
Depreciation of property, plant and equipment	870	1,149
Interest expenses	1,262	928
Property, plant and equipment written off	197	-
Operating profit before changes in working capital	3,708	919
Decrease /(increase) in working capital		
Inventories	776	(3,167)
Receivables	(17,785)	(2,460)
Property development cost	(1,187)	-
Payables	21,124	3,245
Amount due to Directors	3,639	50
Cash generated from /(used in) operations	10,275	(1,413)
Interest paid	(1,262)	(928)
Net tax (paid)/refunded	(120)	(122)
Net cash from /(used in) operating activities	8,893	(2,463)
Cash flows from investing activities		
Purchase of property, plant and equipment	(831)	(300)
Investment in subsidiary company	(1,000)	-
Net cash (used in) investing activities	(1,831)	(300)
Cash flows from financing activities		
Net repayment of short term borrowings	-	(2,451)
Proceed from insurance new ordinary share	1,000	-
Repayment of hire purchase creditors	(35)	(218)
Net proceeds from/(repayment of) term loans	(5,720)	6,330
Net (used in) /cash from financing activities	(4,755)	3,661
Net increase in cash and cash equivalents	2,307	898
Cash and cash equivalents at beginning of period	(5,804)	(8,287)
Cash and cash equivalents at end of period	(3,497)	(7,389)
Cash and cash equivalents comprise:		
Cash and bank balances	3,079	528
Bank overdrafts	(6,576)	(7,917)
	(3,497)	(7,389)

(The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30th June 2014)

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08 APR 2015

COMPANY SECRETARY
JAUHARI BIN HASSAN
(LS 03681)

YONG TAI BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE SECOND QUARTER 31 DECEMBER 2013

	Attributable to equity holders of the Company							
	Non-distributable				Distributable			
	Share Capital (RM'000)	Share Premium (RM'000)	Revaluation reserve (RM'000)	Other reserve (RM'000)	Retained Earnings (RM'000)	Total (RM'000)	Non-Controlling Interest (RM'000)	Total Equity (RM'000)
At 1st July 2013	40,115	1,626	-	-	(18,752)	22,989	833	23,822
Comprehensive income								
Net loss for the period	-	-	-	-	(1,246)	(1,246)	(1)	(1,247)
At 31 December 2013	40,115	1,626	-	-	(19,998)	21,743	832	22,575

FOR THE SECOND QUARTER 31 DECEMBER 2014

	Attributable to equity holders of the Company							
	Non-distributable				Distributable			
	Share Capital (RM'000)	Share Premium (RM'000)	Revaluation reserve (RM'000)	Other reserve (RM'000)	Retained Earnings (RM'000)	Total (RM'000)	Non-Controlling Interest (RM'000)	Total Equity (RM'000)
At 1st July 2014	40,115	1,626	-	-	(25,994)	15,747	-	15,747
Comprehensive income								
Net profit for the period	-	-	-	-	745	745	-	745
Transaction with owners								
Acquisition of non-controlling interests of subsidiary	-	-	-	-	-	-	-	-
At 31 December 2014	40,115	1,626	-	-	(25,249)	16,492	-	16,492

(The unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30th June 2014)

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08 APR 2015

COMPANY SECRETARY
JAUHARI BIN HASSAN
(LS 03681)

YONG TAI BERHAD (311186-T)
SELECTED EXPLANATORY NOTES
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2014
PART A -EXPLANATION NOTES TO MFRS 134

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134, "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The unaudited interim financial statements should be read in conjunction with the Group's annual audited financial statements for the year ended 30 June 2014.

A2. Accounting Policies

The accounting policies and methods of computation used in the preparation of the financial statements are consistent with those adopted in the audited financial statements for the year ended 30 June 2014.

The Group has not early adopted new and revised standards and amendments to standards that have been issued but not yet effective for the Group's accounting period beginning 1 July 2014 except as mentioned below:

MFRS 15, Revenue from Contracts with Customers

The initial application of the accounting standards, amendments and interpretations are not expected to have any material financial impacts to the current and prior period financial statements of the Group and the Company.

A3. Audit Report

The auditors' report for the annual financial statements of the Group for the financial year ended 30th June 2014 was not subject to any qualification.

A4. Seasonal or Cyclical Factors

The Group's garments and related accessories retail business operations are subject to seasonal and festive celebrations in Malaysia.

A5. Unusual Items

During the current quarter under review, there were no items or events that arose, which affected the assets, liabilities, equity, net income or cash flows during the financial period.

A6. Changes in Estimates

There were no changes in estimates of amount reported that have material effect on the results for the current quarter under review.

A7. Debt And Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of either debt or equity securities during the current quarter and financial year to date.

A8. Dividends Paid

There were no dividends paid for the current financial period to date.

A9. Valuation of Property, Plant and Equipment

There has been no valuation taken for the Group's property, plant and equipment for the current quarter under review.

A10. Changes in Composition of the Group

There were no changes in the composition of the Group during the financial period for the current quarter, except the following:-

On 17 November 2014, Yong Tai Berhad ("YTB") has incorporated a wholly-owned subsidiary known as YTB Apple Sdn. Bhd. ("YTB Apple"). The authorised share capital of YTB Apple capital is RM400,000.00 divided into 400,000 ordinary shares of RM1.00 each and the initial paid-up capital is RM2.00 divided into 2 ordinary shares of RM1.00 each.

The intended principal activities of YTB Apple are property development and investment holding.

A11. Changes of Contingent Liabilities or Contingent Assets

There were no changes in contingent liability and contingent asset of the Group since the end of the previous financial year 30th June 2014.

A12. Capital Commitments

There were no capital commitments for the financial statements as at 31 December 2014.

A13. Segment Information

	Trading, retailing & manufacturing of garment related product	Property development	Investment holding and Others	Elimination	Total group
	RM'000	RM'000	RM'000	RM'000	RM'000
6 months ended 31.12.2014					
Revenue					
External sales	23,655	27,263	-	-	50,918
Inter-segment sales	215	-	60	(275)	-
Total	23,870	27,263	60	(275)	50,918
Results:-					
Segmental result	(496)	1,451	(244)	-	711
Unallocated corporate income					1,930
Operating profit					2,641
Finance costs					(1,262)
Profit before taxation					1,379
Taxation					(634)
Profit after taxation					745
Non-controlling interest					-
Profit for the period					745
Other information					
Segment assets	68,713	20,545	2,041	-	91,299
Unallocated corporate assets					-
Total consolidated corporate assets					91,299
Segment liabilities	56,048	18,669	90	-	74,807
Unallocated corporate liabilities					-
Total consolidated corporate liabilities					74,807
6 months ended 31.12.2013					
Revenue					
External sales	30,729	-	-	-	30,729
Inter-segment sales	666	-	60	(726)	-
Total	31,395	-	60	(726)	30,729
Results:-					
Segmental result	151	(402)	21	-	(230)
Unallocated corporate income					-
Operating loss					(230)
Finance costs					(928)
Loss before taxation					(1,158)
Taxation					(89)
Loss after taxation					(1,247)
Non-controlling interest					1
Loss for the period					(1,246)
Other information					
Segment assets	74,453	265	2,028	-	76,746
Unallocated corporate assets					-
Total consolidated corporate assets					76,746
Segment liabilities	53,396	669	106	-	54,171
Unallocated corporate liabilities					-
Total consolidated corporate liabilities					54,171

A14. Material Events Subsequent to the End of Reporting Period

There were no material events subsequent to the end of the financial quarter under review and the date of this announcement.

A15. Significant Related Party Transaction

There were no significant related party transactions in the current quarter.

PART B -ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

The Group's revenue was RM50.918 million compared to RM30.729 million in the preceding year's corresponding period. The increase in turnover was mainly attributable to revenue recognition from on-going project in the Property Development segment.

The Group's profit before taxation was RM1.379 million for the six months compared to loss before taxation RM1.158 million in the preceding year's corresponding period. The increase in profit before tax is mainly arising from the contribution through a joint operation in the property development business.

The Group's performance was contributed by the following segment:-

a) Trading, retailing & manufacturing of garment segment

Retail business segment registered revenue of RM23.655 million for the financial period ended 31 December 2014 compared to RM30.729 million in the previous year corresponding period. The decrease in turnover was mainly attributable to a decrease in consumer demand in trading, retailing and manufacturing of garments segment.

b) Property development segment

The Company's wholly-owned subsidiary, YTB Land Sdn Bhd had on 29 April 2014 entered into a Project Collaboration Agreement with PTS Properties Sdn Bhd. The Collaboration resulted in the diversification of the business of YONGTAI into property development business segment ("Diversification"). The Company had diversified into property development business segment after obtaining shareholders' approval on 24 July 2014.

For the second quarter of 2014, the Company's property development division operated by YTB Land Sdn Bhd, has recorded a revenue level of RM27.263 million, representing 53.54% of the Group's total revenue of RM50.918 million. The Group has recognised the revenue of RM27.263 million based on the construction progress for its property development project in Melaka, namely 99 Residences.

B2. Material Changes in the Quarterly Results as Compared with the Preceding Quartered

For the current quarter, the Group's revenue was RM25.155 million compared to RM25.763 million in the immediate preceding quarter. Loss before taxation in the current quarter was RM1.394 million compared to profit before taxation RM2.773 million in the immediate preceding quarter.

B2. Material Changes in the Quarterly Results as Compared with the Preceding Quartered (cont'd)

The Group's loss before tax for the current quarter of RM1.394 million was due to higher operating cost in trading, retailing, manufacturing of garment segment.

B3. Current Financial Year Prospect

The Board of Directors are of the opinion that the Group envisaged the property development segment will continue its growth and contribute positively to the Group's performance for the remaining quarters.

As at December 2014, with the structural work of the building has reached 28^{th} floor and architectural work has reached 25th floor. In addition, PTS Properties Sdn Bhd has sold 100% of the condominium hotel rooms as at end-December 2014. The construction of 99 Residences is expected to be completed by April 2015 and the hotel operation is expected to be officially opened by June 2015.

B4. Profit Forecast and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in a public document.

B5. Quoted Securities

(a) There was no purchase or disposal of quoted securities for the current quarter and financial period to date.

(b) There is no investment in quoted securities as at the end of the quarter under review.

B6. Sales of Unquoted Investments and/or Investment Properties

There were no sales of unquoted investments and properties during the financial quarter under review.

B7. Derivative Financial Instruments

The group did not have any derivative financial instruments as at the end of the reporting period.

B8. Corporate Proposals

There were corporate proposals announced on 04 and 23 December 2014, but not completed as at the date of this quarterly report.

The announcements were as follows;-

(a) Proposed joint venture via the joint operations agreement dated 4 December 2014 between YTB Apple Sdn Bhd, a wholly-owned subsidiary of Yongtai ("YTB Apple" or "Project Manager") and Apple 99 Development Sdn Bhd ("A99DSB" or "Project Developer") for the construction and development of a mixed development project comprising inter-alia a sixteen (16)-storey luxury hotel known as "Courtyard by Marriott" and a thirty-two (32) storey block of service apartments and an eight(8)-storey podium on a piece of land held under Lot No. 2005 held under master title number GRN 45957, Kawasan Bandar XXI, District of Melaka Tengah, State of Melaka ("Proposed Joint Venture");

(b) Proposed par value reduction of the existing issued and paid-up share capital of YONGTAI of RM40,115,000 comprising 40,115,000 ordinary shares of RM1.00 each in YONGTAI to RM20,057,500 comprising 40,115,000 ordinary shares of RM0.50 each in YONGTAI ("YONGTAI Shares" or "Shares") via the cancellation of RM0.50 from the par value of each existing ordinary shares of RM1.00 each in YONGTAI pursuant to Section 64 the Companies Act, 1965 ("Act") ("Proposed Par Value Reduction");

(c) Proposed renounceable rights issue of 80,230,000 new YONGTAI Shares ("Rights Shares") together with 40,115,000 free detachable warrants ("Warrants") at an indicative issue price of RM0.50 per Rights Share after the Proposed Par Value Reduction on the basis of two (2) Rights Shares for every one (1) Share held together with one (1) Warrant for every two (2) Rights Shares subscribed at an entitlement date to be determined later ("Proposed Rights Issue with Warrants");

(d) Proposed special issue of up to 40,000,000 new YONGTAI Shares ("Special Issue Shares") to independent third party investor(s) to be identified ("Proposed Special Issue");

(e) Proposed increase in the authorised share capital of the Company from RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each in YONGTAI to RM1,000,000,000 comprising 2,000,000,000 YONGTAI Shares ("Proposed IASC"); and

(f) Proposed amendments to the Memorandum and/or Articles of Association of the Company to facilitate the Proposed IASC ("Proposed Amendments").

(Collectively, the "Proposals")

Kindly refer to the announcements dated 4 December 2014 and 6 February 2015 for further information in relation to the Proposals.

B9. Taxation

	Quarter Ended		Year To date Ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Tax comprises:-				
-Malaysia Income Tax	119	(43)	634	89
- Deferred Tax	-	-	-	-
Tax expenses for the period	119	(43)	634	89

The effective tax rate for the current quarter and financial year-to-date was higher than the effective statutory tax rate as there is no group's tax relief and certain expenses are not deductible for tax purposes.

B10. Group Borrowings

	As at 31.12.2014 (RM'000)
Current (Secured)	
Bank overdraft	6,576
Trust Receipt	1,000
Term loans	7,002
Hire purchase payable	87
Total	14,665
Non-current (Secured)	
Term loans	4,305
Hire purchase payable	148
Total	4,453

All borrowings were secured and denominated in Ringgit Malaysia.

B11. Notes to Statements of Comprehensive Income

	Current quarter		Cumulative quarter	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Profit before taxation for the period is arrived at after charging /(crediting) the following:				
interest expenses	471	564	1,262	928
Depreciation of property, plant and equipment	447	576	870	1,149
(Gain)/loss on foreign currency exchange-realised	(26)	(23)	(56)	(27)
Gain from a bargain purchase	-	-	(1,930)	-

Other than the above, the items listed under Appendix 9B Note 16 of the listing Requirement of Bursa Malaysia Securities Berhad are not applicable.

B12 Changes in Material Litigation

There was no pending material litigation as at the end of the financial year up to the date of this announcement.

B13. Dividends

The Directors has not recommended any payment of dividends in respect of the financial period ended 31 December 2014.

B14. Realised and Unrealised Earnings or Losses Disclosure

The (accumulated losses)/unappropriated profits as at 31 December 2014 and 30th June 2014 is analysed as follows:

	31.12.2014 RM'000	30.06.2014 RM'000
Total (accumulated losses)/unappropriated profits of the company and its subsidiaries:		
- Realised loss	(25,249)	(26,006)
- Unrealised profit	-	12
Total group accumulated losses as per consolidated financial statements	(25,249)	(25,994)

B15. Earnings / (Loss) Per Share

a. Basic

Basic (loss)/earnings per share is calculated by dividing net (loss)/profit for the financial period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the financial period.

	Quarter Ended		Year To Date Ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Net (loss)/earnings attributable to equity holders of the Company (RM'000)	(1,513)	(818)	745	(1,246)
Weighted average number of ordinary shares in issue ('000)	40,115	40,115	40,115	40,115
Basic (loss)/earnings per share attributale to equity holders of the Company (Sen)	(3.77)	(2.04)	1.86	(3.11)

b. Diluted

Not applicable.

B16. Authorised For Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 12 February 2015.

DIRECTORS' REPORT

YONG TAI BERHAD
(INCORPORATED IN MALAYSIA)
No. Syarikat : 311186-T
No. 3, Jalan Kapal, Kawasan Perindustrian Tongkang Pecah,
83010 Tongkang Pecah, Batu Pahat, Johor.
Tel: 07-415 1297 (Hunting Line) Fax: 07-415 6897
E-mail: hqyt@yongtai.com.my / ytb@yongtai.com.my

Registered Office:
Ground Floor
8, Lorong Universiti B
Section 16
46350 Petaling Jaya
Selangor Darul Ehsan

Date: 25 MAY 2015

To: The Entitled Shareholders of Yong Tai Berhad

Dear Sir/Madam,

On behalf of the Board of Directors ("Board") of Yong Tai Berhad (the "Company"), I wish to report that, after due inquiries in relation to the Company and its subsidiaries ("Group") during the period between 30 June 2014, being the date on which the latest audited consolidated statements have been made up, and the date hereof, being a date not earlier than fourteen (14) days before the issue of this Abridged Prospectus, that:-

(a) the business of the Group has, in the opinion of the Board, been satisfactorily maintained;

(b) in the opinion of the Board, no circumstances have arisen since the last audited consolidated financial statements of the Group which have adversely affected the trading or the value of the assets of the Group;

(c) the current assets of the Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(d) there are no any contingent liabilities which have arisen by reason of any guarantees or indemnities given by any company within the Group;

(e) since the last audited consolidated financial statements of the Group, there has been no default or any known event that could give rise to a default situation, in respect of payment of either interest and/or principal sums in relation to any borrowings; and

(f) there have been no material changes in the published reserves or any unusual factors affecting the profits of the Group since the last audited consolidated financial statements of the Group.

Yours faithfully,
For and on behalf of the Board
YONG TAI BERHAD

Wong Siew Lin@Liew Fat Lin
Director

ADDITIONAL INFORMATION

1. SHARE CAPITAL

(a) Save for the Rights Shares, Warrants and the new Shares to be issued pursuant to the exercise of the Warrants, no securities shall be allotted or issued on the basis of this Abridged Prospectus later than twelve (12) months after the date of the issuance of this Abridged Prospectus.

(b) As at the date of this Abridged Prospectus, there is no founder, management, deferred shares or preference shares in the share capital of our Company. There is only one (1) class of shares in our Company, namely ordinary shares of RM0.50 each, all of which rank *pari passu* with one another.

(c) All the Rights Shares and the new Shares to be issued pursuant to the exercise of Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing issued and paid-up ordinary share capital, save and except that such Shares shall not be entitled to any dividend, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of such Shares.

(d) As at the LPD, save for the:-

(i) Entitled Shareholders who will be provisionally allotted the Rights Shares together with Warrants under the Rights Issue with Warrants; and

(ii) Up to 40,000,000 new YONGTAI Shares to be issued pursuant to the Special Issue,

no person(s) has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of our Company or our subsidiaries as of the date of this Abridged Prospectus.

(e) Save for the Rights Issue with Warrants, Special Issue, new YONGTAI Shares to be issued pursuant to the exercise of the Warrants and as disclosed in **Appendix III** of this Abridged Prospectus, none of our securities have been issued or agreed to be issued either as fully or partly paid-up otherwise than in cash, within the two (2) years immediately preceding the date of this Abridged Prospectus.

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2. ARTICLES OF ASSOCIATION

The provisions in our Articles of Association in relation to the remuneration of our Directors are as follows:-

Article 89

The Directors shall be paid by way of remuneration for their services such fixed sum (if any) as shall from time to time be determined by a resolution of the Company in general meeting and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may agree. Provided always that:-

(a) fees payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits turnover.

(b) salaries payable to Directors who do hold an executive office in the Company may not include a commission on or percentage of turnover.

(c) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting.

(d) any fee paid to an alternate Director shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Article 90

The Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending Board meetings of the Company.

Article 91

If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of profits or turnover) as may be determined by the Company in general meeting and such remuneration may be either in addition to or in substitution for his or their share in the remuneration from time to time provided for the Directors.

3. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by our Group within the past two (2) years preceding the date of this Abridged Prospectus:

(a) Sale and purchase agreement dated 6 February 2014 entered into between our Company and Samchem Sdn Bhd for the acquisition of the remaining 40% of the issued and paid-up share capital of Yong Tai Samchem Sdn Bhd comprising 800,000 ordinary shares of RM1.00 each from Samchem Sdn Bhd for a total cash consideration of RM800,000;

(b) The project collaboration agreement dated 29 April 2014 entered into between YTB Land and PTS Properties for the development and construction of 99 Residences property development project;

(c) The guarantee agreement entered into between YTB Land and PTS Properties dated 29 April 2014, wherein PTS guarantees to pay YTB Land a sum of RM7,974,072 pursuant to the Project Collaboration Agreement;

(d) The letter dated 30 May 2014 entered into between PTS Properties and YTB Land in relation to the extension of date for the payment of the YTB Land's entitlement of sixty per centum (60%) of RM13,290,120 pursuant to the Project Collaboration Agreement;

(e) The letter dated 30 June 2014 entered into between PTS Properties and YTB Land Sdn Bhd on the payment structure for the payment terms of the contribution sum of up to RM4,400,000 in the 99 Residences property development project and to clarify the rights of PTS Properties in the event of a default by YTB Land;

(f) The joint operation agreement dated 4 December 2014 entered into between YTB Apple and A99DSB to regulate their rights in relation to their joint participation and operations in the construction and development of The Apple;

(g) The letter dated 17 February 2015 entered into between A99DSB and YTB Apple on the set off on the refund amount against the YTB Apple's Participating Contribution as YTB Apple's maximum aggregate liability under the Joint Operation Agreement shall not exceed RM35,000,000.00;

(h) Underwriting agreement dated 14 May 2015 entered into between our Company and the Underwriter in relation to the Underwriting; and

(i) The deed poll dated 19 May 2015 executed by our Company constituting the Warrants.

4. MATERIAL LITIGATION

As at the LPD, our Group is not engaged in and/or subjected to any material litigation, claim or arbitration, either as plaintiff or defendant, which may have a material effect on our financial position and our Directors do not have any knowledge of any proceeding, pending or threatened, against our Group, or any facts which is likely to give rise to any proceeding which might materially and adversely affect the financial position and/or business of our Group.

5. GENERAL

(a) The nature of our business is set out in **Section 1, Appendix III** of this Abridged Prospectus. There are no corporations that are related to our Company by virtue of Section 6 of the Act as at the date of this Abridged Prospectus.

(b) The total estimated expenses of or in connection with the Rights Issue with Warrants including professional fees, fees payable to the relevant authorities, registration and other incidental expenses of approximately RM3,000,000 will be borne by our Company.

(c) None of our Directors have any existing or proposed service contracts with our Company or our subsidiaries, excluding contracts expiring or determinable by the employing company without payment or compensation (other than statutory compensation) within one (1) year of the date of this Abridged Prospectus.

(d) Save as disclosed in this Abridged Prospectus, our Directors are not aware of any material information including trade factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Group.

(e) Save as disclosed in this Abridged Prospectus and to the best knowledge of our Board, the financial conditions and operations of our Group are not affected by any of the following:-

 (i) known trends or known demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;

 (ii) material commitments for capital expenditure;

 (iii) unusual of infrequent events or transactions or significant economic changes that will materially affect the amount of reported income from operations;

 (iv) known trends or uncertainties that have had or that our Group reasonably expects to have a material favourable or unfavourable impact of our Group's revenue or operating income; and

 (v) substantial increase in revenue.

6. WRITTEN CONSENTS

The written consents of the Adviser, Underwriter, Company Secretaries, Principal Banker, Share Registrar and the Solicitors for the Rights Issue with Warrants to the inclusion in this Abridged Prospectus of their names in the form and context in which they appear have been given before issuance of this Abridged Prospectus and have not subsequently been withdrawn.

The written consent of the Auditors/Reporting Accountants to the inclusion in this Abridged Prospectus of their names and letters relating to the audited consolidated financial statements of our Group for the FYE 2014 and the pro forma consolidated statements of financial position of our Group as at 30 June 2014 respectively, in the form and context in which they appear have been given before the issuance of this Abridged Prospectus and have not subsequently been withdrawn.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents are made available for inspection at our Registered Office at Ground Floor, 8, Lorong Universiti B, Section 16, 46350 Petaling Jaya, Selangor Darul Ehsan during normal business hours from Monday to Friday (except public holidays) for a period of twelve (12) months from the date of this Abridged Prospectus:-

(a) Our Memorandum and Articles of Association;

(b) Our audited consolidated financial statements for the FYEs 2012, 2013 and 2014;

(c) Our unaudited interim financial statements for the FPE 31 December 2013 and FPE 31 December 2014;

(d) The pro forma consolidated statements of financial position of our Group as at 30 June 2014 together with the notes and Reporting Accountants' letter thereon as set out in **Appendix V** of this Abridged Prospectus;

(e) The Deed Poll;

(f) The Directors' Report as set out in **Appendix VIII** of this Abridged Prospectus;

(g) The consent letters referred to in **Section 6 of this Appendix**;

(h) The Underwriting Agreement; and

(i) The material contracts referred to in **Section 3 of this Appendix**; and

8. RESPONSIBILITY STATEMENT

This Abridged Prospectus together with its accompanying documents have been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.

M&A Securities, being the Adviser and Underwriter for the Rights Issue with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning this Rights Issue with Warrants.

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