

**YONG TAI BERHAD (311186-T)**  
**SELECTED EXPLANATORY NOTES**  
**FOR THE FIRST QUARTER ENDED 30<sup>TH</sup> SEPTEMBER 2007**

Part A – Explanatory Notes Pursuant to FRS 134

**1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirement of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30<sup>th</sup> June 2007. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30<sup>th</sup> June 2007.

The accounting policies and methods of computation are consistent with those adopted for the annual audited financial statement for the year ended 30<sup>th</sup> June 2007.

**2 Changes in Accounting policies**

In the current period, the Group adopted the following new/revised FRSs which are applicable to its financial statement for the current financial year ending 30<sup>th</sup> June 2008 and are relevant to its operations:-

|  |   |
|--|---|
| FRS 107                                  | Cash Flow Statement   |
| FRS 112                                  | Income Taxes  |
| FRS 118                                  | Revenue   |
| FRS 119                                  | Employee Benefits   |
| Amendments to<br>FRS 119 <sub>2004</sub> | Employee Benefits - Actuarial Gains & Losses, Group Plans<br>and Disclosures                |
| Amendments to<br>FRS 121 <sub>2004</sub> | The effects of changes in Foreign Exchange Rates - Net<br>Investment in a Foreign Operation |
| FRS 134                                  | Interim Financial Reporting   |
| FRS 137                                  | Provisions, Contingent Liabilities and Contingent Assets                                    |

The adoption of the above FRSs does not have significant financial impact on the Group.

**3. Audit Report of the Group's Preceding Annual Financial Statements**

The auditors' report for the annual financial statements of the Group for the financial year ended 30<sup>th</sup> June 2007 was not subject to any qualification.

4. **Seasonal or Cyclical Factors**

The Group's garments and related accessories retail business operations are subject to seasonal and festive celebrations in Malaysia.

5. **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 for the current quarter ended 30<sup>th</sup> September 2007.

6. **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.

7. **Valuation of Property, Plant and Equipment.**

Property, plant and equipment, which are stated at revalued amounts, have been brought forward without amendment from previous annual financial statement.

8. **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.

9. **Dividends Paid**

There were no dividends paid for the current financial year to date.

10. **Changes in Composition of the Group**

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

11. **Changes of Contingent Liabilities or Contingent Assets**

There were no additional contingent liabilities or contingent assets during the reporting period.

12. **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.

13. **Sale of Unquoted Investments and/or Properties**

There were no sales of unquoted investments or properties during the financial period under review.

14. **Variance In Profit Forecast**

There was no profit forecasted for the financial year.

15. **Quoted Investments**

(a) There was no purchase or disposal of quoted securities for the current financial period.

(b) Investment in quoted shares for the financial period ended 30th September 2007:

|                                   | As At<br>30.09.2007<br>RM'000 |
|-----------------------------------|-------------------------------|
| (i) At cost                       | 4                             |
| (ii) At carrying value/book value | 4                             |
| (iii) At market value             | 2                             |

The short fall in market value of quoted shares held by the Group is deemed temporary and as such, the Directors do not recommend any allowance for diminution in value of investment.

16. **Group Borrowings**

|   | As At 30.09.2007<br>RM'000 |
|---|----------------------------|
| Short term borrowings<br>(Amount due within one year)   | 31,495                     |
| Long term borrowings<br>(Amount due more than one year) | 1,452                      |
|   | <hr/> <u>32,947</u> <hr/>  |

All borrowings were secured and denominated in Ringgit Malaysia.

17. **Off Balance Sheet Financial Instruments**

There were no financial instruments with off balance sheet risk as at the end of the financial year up to the date of this announcement.

## 18. Segment Information

Segment information was presented in respect of the Group's business segments. Inter-segment pricing is determined based on negotiated prices in the normal course of business.

|                                  | Trading,<br>retailing &<br>manufacturing<br>of garment<br>& related<br>products<br>(RM'000) | Trading<br>of petrol<br>chemical<br>related<br>products<br>(RM'000) | Others<br>(RM'000) | Elimination<br>(RM'000) | Group<br>(RM'000) |
|----------------------------------|---|---|--------------------|-------------------------|-------------------|
| <b>3 Months ended 30.09.2007</b> |   |   |                    |                         |                   |
| <b>REVENUE</b>                   |   |   |                    |                         |                   |
| External sales                   | 13,871  | 32,746  | -                  | -                       | 46,617            |
| Inter-segment sales              | 1,869   | -   | 30                 | (1,899)                 | -                 |
| <b>Total</b>                     | <b>15,740</b>   | <b>32,746</b>   | <b>30</b>          | <b>(1,899)</b>          | <b>46,617</b>     |
| <b>RESULT</b>                    |   |   |                    |                         |                   |
| Segment result                   | 441   | 1,011   | 27                 | -                       | 1,479             |
| Unallocated corporate income     |   |   |                    |                         | 282               |
| Operating profit                 |   |   |                    |                         | 1,761             |
| Finance cost                     |   |   |                    |                         | (737)             |
| Profit before taxation           |   |   |                    |                         | 1,024             |
| Taxation                         |   |   |                    |                         | (154)             |
| Profit after taxation            |   |   |                    |                         | 870               |
| Minority interest                |   |   |                    |                         | (447)             |
| Profit for the period            |   |   |                    |                         | 423               |
| <b>3 Months ended 30.09.2006</b> |   |   |                    |                         |                   |
| <b>REVENUE</b>                   |   |   |                    |                         |                   |
| External sales                   | 13,611  | 27,835  | -                  | -                       | 41,446            |
| Inter-segment sales              | 142   | -   | 30                 | (172)                   | -                 |
| <b>Total</b>                     | <b>13,753</b>   | <b>27,835</b>   | <b>30</b>          | <b>(172)</b>            | <b>41,446</b>     |
| <b>RESULT</b>                    |   |   |                    |                         |                   |
| Segment result                   | (642)   | 357   | 27                 | -                       | (258)             |
| Unallocated corporate income     |   |   |                    |                         | 407               |
| Operating loss                   |   |   |                    |                         | 149               |
| Finance cost                     |   |   |                    |                         | (628)             |
| Loss before taxation             |   |   |                    |                         | (479)             |
| Taxation                         |   |   |                    |                         | (65)              |
| Loss after taxation              |   |   |                    |                         | (544)             |
| Minority interest                |   |   |                    |                         | (100)             |
| Loss for the period              |   |   |                    |                         | (644)             |



23. **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.

24. **Dividends**

The Directors do not recommend any payment of dividends in respect of the period ended 30<sup>th</sup> September 2007.

25. **Corporate Proposals**

There were no corporate proposals announced but not completed as the date of issue of this quarterly report.

26. **Earning Per Share**

**a. Basic**

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the average number of ordinary shares in issue during the period.

|  | Current period<br>ended 30.09.2007 | Cumulative period<br>ended 30.09.2007 |
|--|------------------------------------|---------------------------------------|
| Net profit attributable to equity holders of the<br>parent for the year (RM'000) | 423                                | 423                                   |
| Ordinary shares in issue ('000)  | 40,115                             | 40,115                                |
| Basic earning per share (sen)  | 1.05                               | 1.05                                  |

**b. Diluted**

Not applicable.