

YONG TAI BERHAD (311186-T)
SELECTED EXPLANATORY NOTES
FOR THE THIRD QUARTER ENDED 31 MARCH 2008

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 30th 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 30th June 2007.

The accounting policies and methods of computation are consistent with those adopted for the annual audited financial statement for the year ended 30th 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 30th 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 FRS 119 ₂₀₀₄	Employee Benefits - Actuarial Gains & Losses, Group Plans and Disclosures
Amendments to FRS 121 ₂₀₀₄	The effects of changes in Foreign Exchange Rates - Net 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 30th 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 31 March 2008.

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 Securities**

(a) The dealings in quoted securities for the current quarter and current financial period ended 31 March 2008 are as follows :-

	Current Quarter RM'000	Current financial Year- to-date RM'000
Total purchases at cost	-	-
Total disposal proceeds	-	2
Total loss on disposal	-	2

(b) There is no investment in quoted securities as at 31 March 2008.

16. **Group Borrowings**

	As At 31.03.2008 RM'000
Short term borrowings (Amount due within one year)	30,515
Long term borrowings (Amount due more than one year)	1,267
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	31,782

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, retailing & manufacturing of garment & related products (RM'000)	Trading of petrol chemical related products (RM'000)	Others (RM'000)	Elimination (RM'000)	Group (RM'000)
9 Months ended 31.03.2008					
REVENUE					
External sales	39,938	95,172	-	-	135,110
Inter-segment sales	4,647	-	90	(4,737)	-
Total	44,585	95,172	90	(4,737)	135,110
RESULT					
Segment result	485	2,581	22	-	3,088
Unallocated corporate income					269
Operating profit					3,357
Finance cost					(1,913)
Profit before taxation					1,444
Taxation					(410)
Profit after taxation					1,034
Minority interest					(1,244)
Loss attributable to equity holders of the parent for the period					(210)
9 Months ended 31.03.2007					
REVENUE					
External sales	41,187	76,653	-	-	117,840
Inter-segment sales	3,927	-	90	(4,017)	-
Total	45,114	76,653	90	(4,017)	117,840
RESULT					
Segment result	(266)	1,019	38	-	791
Unallocated corporate income					395
Operating profit					1,186
Finance cost					(1,786)
Loss before taxation					(600)
Taxation					(251)
Loss after taxation					(851)
Minority interest					(458)
Loss attributable to equity holders of the parent for the period					(1,309)

On 11 February 2008, Yong Tai Brothers Trading Sdn. Bhd. (“YTBT”) a wholly-owned subsidiary company of the Group was served a Writ of Summons by Pujian Development Sdn. Bhd. (“PD”) for a claim of RM0.922 million with interest for amongst others, arising from the alleged loss of rental income. The solicitor of the subsidiary has filed a statement of defence against the claim on 14th April 2008. No provision has been made in the financial statement in respect of claim by PD as it is not probable that the liability will crystallise.

24. **Dividends**

The Directors do not recommend any payment of dividends in respect of the period ended 31st March 2008.

25. **Corporate Proposals**

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

26. **Loss 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 ended 31.03.2008	Cumulative period ended 31.03.2008
Net loss attributable to equity holders of the parent for the year (RM'000)	(640)	(210)
Ordinary shares in issue ('000)	40,115	40,115
Basic loss per share (sen)	(1.60)	(0.52)

b. Diluted

Not applicable.