

**YONG TAI BERHAD (311186-T)  
SELECTED EXPLANATORY NOTES  
FOR THE FORTH QUARTER ENDED 30 JUNE 2009**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**A. EXPLANATORY NOTES PURSUANT TO FRS 134**

**A1. Accounting Policies and 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 June 2008. 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 June 2008.

The accounting policies and methods of computation are consistent with those adopted for the annual audited financial statement for the year ended 30 June 2008.

The Group has not made an early adoption of FRS 139 (Financial Instruments: Recognition and Measurement) which is effective for accounting periods beginning on or after 1 January 2010 and has applied the transitional provision in FRS 139 which exempts entities from disclosing the possible impact arising from the initial application of this standard on the financial statements of the Group.

**A2. Audit Report**

The auditors' report for the annual financial statements of the Group for the financial year ended 30 June 2008 was not subject to any qualification.

**A3. Seasonal or Cyclical Factors**

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

**A4. 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 June 2009.

## A5. 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.

## A6. 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.

## A7. Dividends Paid

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

## A8. 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 garments & related products (RM'000)	Trading of petrol chemical related products (RM'000)	Others (RM'000)	Elimination (RM'000)	Group (RM'000)
<b>12 Months ended 30.06.2009</b>					
<b>REVENUE</b>					
External sales	51,033	98,645	-	-	149,678
Internal sales	5,305	-	340	(5,645)	-
Total	<u>56,338</u>	<u>98,645</u>	<u>340</u>	<u>(5,645)</u>	<u>149,678</u>
<b>RESULT</b>					
Segment result	(5,041)	3,839	762	(259)	(699)
Unallocated corporate income					<u>248</u>
Operating loss					(451)
Finance cost					<u>(2,386)</u>
Loss before taxation					<u>(2,837)</u>
Taxation					<u>(430)</u>
Loss after taxation					<u>(3,267)</u>
Minority interest					<u>(1,870)</u>
Loss for the period					<u><u>(5,137)</u></u>
<b>12 Months ended 30.06.2008</b>					
<b>REVENUE</b>					
External sales	51,377	128,222	-	-	179,599
Internal sales	5,256	-	280	(5,536)	-
Total	<u>56,633</u>	<u>128,222</u>	<u>280</u>	<u>(5,536)</u>	<u>179,599</u>

RESULT					
Segment result	(2,184)	3,704	926	125	2,571
Unallocated corporate income					<u>285</u>
Operating profit					<u>2,856</u>
Finance cost					<u>(2,699)</u>
Profit before taxation					157
Taxation					<u>(191)</u>
Loss after taxation					(34)
Minority interest					<u>(1,657)</u>
Loss for the period					<u>(1,691)</u>

#### **A9. Valuation of Property, Plant and Equipment**

There is valuation of land and buildings of the Group in this current financial quarter based on the opinion of value expressed by an independent firm of external professional valuer using generally “open market value basis”. It has increased the revaluation surplus of the Group by RM1.610 million.

#### **A10. Material Events Subsequent to the End of Reporting Period**

On 29 July 2009, there is an additional corporate guarantee of RM2.0 million for the bank credit facilities granted to a subsidiary company, Yong Tai Brothers Trading Sdn. Bhd.

There were no other material events subsequent to the end of the financial period under review that have not been reflected in the quarterly financial statements.

#### **A11. Changes in Composition of the Group**

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

#### **A12. Changes of Contingent Liabilities or Contingent Assets**

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet as at 30 June 2008, except for :-

a) the additional corporate guarantee amounting to RM1.076 million given to a financial institution for credit facility granted to a subsidiary company for the purchase of plant and machinery.

b) the additional corporate guarantee as disclosed in Note A10 above.

## **B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD**

### **B1. Review of Performance**

The Group's revenue was RM149.678 million for the year ended 30 June 2009 compared to RM179.599 million in the last corresponding year. The decrease in turnover was mainly attributable to a decrease in consumer demand in both the garments retail and petrochemicals industries.

The Group's loss before taxation was RM2.837 million for the financial year ended 2009 as compared to profit before taxation RM0.157 million in the last corresponding year. The decrease in profit was due to the poor performance of the garments business and retail business which faces stiff competition in the region.

### **B2. Material Changes in the Quarterly Results as Compared with the Preceding Quarter**

For the current quarter, the Group's revenue was RM32.040 million compared to RM30.970 million in the immediate preceding quarter. Profit before taxation in the current quarter was RM0.624 million compared to loss before taxation RM3.751 million in the immediate preceding quarter. The Group profit before tax increase as compare to immediate preceding quarter is mainly due to the contribution from the trading of petrol – chemical related products in China.

### **B3. Current Financial Year Prospect**

The Board of Directors are of the opinion that the Group's performance is expected to be moderate for the next quarter.

### **B4. Profit Forecast and Profit Guarantee**

There was no profit forecasted for the financial year.

### **B5. Taxation**

	Current quarter ended 30.06.2009 RM'000	12-months cumulative for financial year to date 30.06.2009 RM'000
- based on financial year-to-date profit	4.1	477.1
- over provision in prior years	(2.9)	(2.9)
- deferred taxation : current year	(39.6)	(39.6)
- over provision in prior year	(4.6)	(4.6)
Tax expense for the period	<u>(43.0)</u>	<u>430.0</u>

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.

**B6. Sale of Unquoted Investments and/or Properties**

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

**B7. Quoted Securities**

(a) There were no purchases or disposal of quoted securities for the current quarter and financial period to date.

(b) There is no investment in quoted securities as at 30 June 2009.

**B8. Corporate Proposals**

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

**B9. Group Borrowings**

	As at 30.06.2009 RM'000
Short term borrowings (Amount due within one year)	33,772
Long term borrowings (Amount due more than one year)	1,462
	<hr/> <u>35,234</u>

All borrowings were secured and denominated in Ringgit Malaysia.

**B10. 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.

**B11. Changes in Material Litigation**

There is no pending material litigation since the end of the last financial year up to the

date of this announcement except as follows:

On 11 February 2008, Pujian Development Sdn. Bhd.(“PD”) took a civil action for alleged loss of rental income against Yong Tai Brothers Trading Sdn. Bhd.(“YTBT”) a wholly-owned subsidiary company of the Group for an amount of RM0.922 million.

On 9 January 2009, both parties reached out of court settlement whereby RM160,500 is payable by YTBT to PD as full and final settlement. The said civil action has been withdrawn on 19 May 2009.

## **B12. Dividends**

The Directors do not recommend any payment of dividends in respect of the period ended 30 June 2009.

## **B13. Earning/(Loss) Per Share**

### **a. Basic**

Basic earning/(loss) 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 30.06.2009	Cumulative period ended 30.06.2009
Net profit/(loss) attributable to equity holders of the parent for the year (RM'000)	192	(5,137)
Ordinary shares in issue ('000)	40,115	40,115
Basic earning/(loss) per share (sen)	0.48	(12.81)

### **b. Diluted**

Not applicable.

## **B14. 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 20 August 2009.