

**YONG TAI BERHAD (311186-T)**  
**SELECTED EXPLANATORY NOTES**  
**FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2011**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**A1. Accounting Policies and Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirement of FRS 134 (Interim Financial Reporting) and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30th June 2011. 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 2011.

The significant accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2011 except for those standards, amendments and interpretations which are effective for financial periods beginning on or after 1 July 2011. The adoption of these standards, amendments and interpretations have no material impact to these interim financial statements.

**A2. Audit Report**

The auditors' report for the annual financial statements of the Group for the financial year ended 30<sup>th</sup> June 2011 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 during the financial period.

**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. 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.

**A9. 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.

**A10. Changes in Composition of the Group**

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

**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 30 June 2011.

**A12. Related Party Transactions**

	Current quarter ended 30 September RM'000		Cumulative period ended 30 September RM'000	
	2011	2010	2011	2010
a) Purchases	37	27	37	27
b) Rental expenses	16	16	16	16

Related Party Transactions had been entered into in the ordinary course of business based on normal commercial terms and at arms length.

Other than as disclosed above, there were no other material related party transactions entered into the current quarter and financial year-to-date under review.

### A13. Segment Information

	Trading retailing & manufacturing of garments & related products	Trading of petrol chemical related products	Others	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
<b><u>3 Months ended 30.09.2011</u></b>					
<b>Revenue</b>					
External sales	16,887	37,005	-	-	53,892
Internal sales	1,128	-	30	(1,158)	-
Total	18,015	37,005	30	(1,158)	53,892
<b>Results:-</b>					
Segment result	(331)	438	22	-	129
Unallocated corporate profit					13
Operating profit					142
Finance costs					(640)
Loss before taxation					(498)
Taxation					(58)
Loss after taxation					(556)
Non controlling interest					(193)
Loss for the period					(749)
<b>Other information</b>					
Segment assets	85,167	52,047	2,667	-	139,881
Unallocated corporate assets					976
<b>Total consolidated assets</b>					<b>140,857</b>
Segment liabilities	9,521	38,998	99	-	48,618
Unallocated corporate liabilities					45,741
<b>Total consolidated liabilities</b>					<b>94,359</b>
<b><u>3 Months ended 30.09.2010</u></b>					
<b>Revenue</b>					
External sales	14,544	30,650	-	-	45,194
Internal sales	2,310	-	30	(2,340)	-
Total	16,854	30,650	30	(2,340)	45,194
<b>Results:-</b>					
Segment result	140	469	21	-	630
Unallocated corporate loss					(68)
Operating profit					562
Finance costs					(227)
Profit before taxation					335
Taxation					(74)
Profit after taxation					261
Non Controlling interest					(385)
Loss for the period					(124)

<b>Other information</b>					
Segment assets	88,841	28,823	2,445	-	120,109
Unallocated corporate assets					<u>984</u>
<b>Total consolidated assets</b>					<u><u>121,093</u></u>
Segment liabilities	11,951	16,729	101	-	28,781
Unallocated corporate liabilities					<u>47,211</u>
<b>Total consolidated liabilities</b>					<u><u>75,992</u></u>

**A14. Capital Commitments**

There were no capital commitments for the interim financial statements as at 30 September 2011.

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

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

The Group's revenue was RM53.892 million compared to RM45.194 million in the preceding year's corresponding period. The increase in turnover was mainly attributable to increase revenue generated by both garments retail and petrochemicals industries.

The Group's loss before taxation was RM0.498 million for the three months compared to profit before taxation RM0.335 million in the preceding year's corresponding period. The decline in profit was largely attributable by higher operation cost incurred in garment business and retail business.

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

For the current quarter, the Group's revenue was RM53.892 million compared to RM57.123 million in the immediate preceding quarter. Loss before taxation in the current quarter was RM0.498 million compared to loss before taxation RM0.611 million in the immediate preceding quarter. The decrease in the Group's revenue for the current quarter was mainly due to cyclical result of the garment retail industry.

### **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**

The Group has not provided any profit forecast or profit guarantee in a public document.

### **B5. Taxation**

	Current quarter ended 30.09.2011 RM'000	3-months cumulative for financial year to date 30.09.2011 RM'000
- based on financial year-to-date profit	(7)	(7)
- China Enterprise Tax	(51)	(51)
Tax expense for the period	<u>(58)</u>	<u>(58)</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 Investment Properties**

There were no disposals of unquoted investments and properties during the financial quarter under review.

**B7. 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.

**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 30.09.2011 ( RM'000)
<b><u>Current</u></b>	
Bank overdrafts	12,169
Bankers acceptances	13,250
Term loans	1,029
Hire purchase payable	476
<b>Total</b>	<u>26,924</u>
<b><u>Non-current</u></b>	( RM'000)
Term loans	3,917
Hire purchase payable	682
<b>Total</b>	<u>4,599</u>

All borrowings were secured and denominated in Ringgit Malaysia.

**B10. Derivative Financial Instruments**

The group did not have any derivative financial instruments as at the end of the reporting period.

**B11. Gain and loss arising from Fair Value Changes of Financial Liabilities**

There were no gain and losses arising from fair value changes financial liabilities for the current quarter and current financial year to date.

## **B12 Realised and Unrealised Earnings or Losses Disclosure**

The retained earnings / (accumulated losses) as at 30 September 2011 and 30 June 2011 is analysed as follows:

	30.09.2011 RM'000	30.06.2011 RM'000
Total retained earnings / (accumulated losses) of the company and its subsidiaries:		
- Realised loss	(10,012)	(9,422)
- Unrealised profit	359	531
Less: Consolidation adjustment	13	-
Total group accumulated losses as per consolidated financial statements	<u>(9,640)</u>	<u>(8,891)</u>

## **B13 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.

## **B14 Dividends**

The Directors do not recommend any payment of dividends in respect of the period ended 30 September 2011.

## **B15 Earning Per Share**

### **a. Basic**

Basic loss per share amounts are calculated by dividing net loss 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 30.09.2011	Cumulative period ended 30.09.2011
Net loss attributable to equity holders of the parent for the year (RM'000)	(749)	(749)
Ordinary shares in issue ('000)	40,115	40,115
Basic loss per share (sen)	(1.87)	(1.87)

### **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 24 November 2011.