

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

**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. 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.

**A13. Capital Commitments**

There were no capital commitments for the financial statements as at 30 June 2014.

**A14. Significant Related Party Transaction**

There were no significant related party transactions in the current quarter.

## A15. Segment Information

	Trading, retailing & manufacturing of garment related product RM'000	Property development RM'000	Investment holding and Others RM'000	Elimination RM'000	Total group RM'000
<b><u>3 months ended 30.09.2014</u></b>					
<b>Revenue</b>					
External sales	11,174	14,589	-	-	25,763
Inter-segment sales	90	-	30	(120)	-
<b>Total</b>	<b>11,264</b>	<b>14,589</b>	<b>30</b>	<b>(120)</b>	<b>25,763</b>
<b>Results:-</b>					
Segmental result	306	1,308	20	-	1,634
Unallocated corporate income					1,930
Operating loss					3,564
Finance costs					(791)
Profit before taxation					2,773
Taxation					(515)
Profit after taxation					2,258
Non-controlling interest					-
Profit for the period					2,258
<b>Other information</b>					
Segment assets	66,839	25,380	1,958	-	94,177
Unallocated corporate assets					1,066
<b>Total consolidated corporate assets</b>					<b>95,243</b>
Segment liabilities	17,042	21,713	184	-	38,939
Unallocated corporate liabilities					38,299
<b>Total consolidated corporate liabilities</b>					<b>77,238</b>
<b><u>3 months ended 30.09.2013</u></b>					
<b>Revenue</b>					
External sales	13,105	-	-	-	13,105
Inter-segment sales	562	-	30	(592)	-
<b>Total</b>	<b>13,667</b>	<b>-</b>	<b>30</b>	<b>(592)</b>	<b>13,105</b>
<b>Results:-</b>					
Segmental result	349	(284)	2	-	67
Unallocated corporate income					-
Operating profit					67
Finance costs					(364)
Loss before taxation					(297)
Taxation					(132)
Loss after taxation					(429)
Non-controlling interest					1
Loss for the period					(428)
<b>Other information</b>					
Segment assets	69,264	384	1,954	-	71,602
Unallocated corporate assets					923
<b>Total consolidated corporate assets</b>					<b>72,525</b>
Segment liabilities	13,178	237	100	-	13,515
Unallocated corporate liabilities					35,617
<b>Total consolidated corporate liabilities</b>					<b>49,132</b>

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

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

The Group's revenue was RM25.763 million compared to RM13.105 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 RM2.773 million for the three months compared to loss before taxation RM0.297 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 RM11.174 million for the financial period ended 30 September 2014 compared to RM13.105 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 first quarter of 2014, the Company's property development division operated by YTB Land Sdn Bhd, has recorded a revenue level of RM14.589 million, representing 56.6% of the Group's total revenue of RM25.763 million. The Group has recognised the revenue of RM14.589 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 Quarter**

For the current quarter, the Group's revenue was RM25.763 million compared to RM16.301 million in the immediate preceding quarter. Profit before taxation in the current quarter was RM2.773 million compared to loss before taxation RM5.625 million in the immediate preceding quarter.

**B2. Material Changes in the Quarterly Results as Compared with the Preceding Quartered (cont'd)**

The increased in Group's revenue and profit before tax for the current quarter was mainly due to higher profit recognition from the property segment division as well as higher revenue generated from project in Melaka, 99 Residence.

**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 mid-October 2014, with the structural work of the building has reached 28<sup>th</sup> floor and architectural work has reached 16th floor. In addition, PTS Properties Sdn Bhd has sold 97% of the condominium hotel rooms as at end-October 2014. The construction of 99 Residences is expected to be completed by April 2015 and 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. Corporate Proposals**

There were no corporate proposals announced but not completed as at the date of this announcement.

**B7. Sales of Unquoted Investments and/or Investment Properties**

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

## B8. Taxation

	Quarter Ended		Year To date Ended	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
	RM'000	RM'000	RM'000	RM'000
Tax comprises:-				
-Malaysia Income Tax	515	132	515	132
- Deferred Tax	-	-	-	-
Tax expenses for the period	<u>515</u>	<u>132</u>	<u>515</u>	<u>132</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.

## B9. Group Borrowings

	As at 30.09.2014 ( RM'000)
<b><u>Current (Secured)</u></b>	
Bank overdraft	6,601
Trust Receipt	999
Term loans	8,433
Hire purchase payable	89
<b>Total</b>	<u>16,122</u>
<b><u>Non-current (Secured)</u></b>	
Term loans	5,468
Hire purchase payable	164
<b>Total</b>	<u>5,632</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. 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.

## B12. Notes to Statements of Comprehensive Income

	Current quarter		Cumulative quarter	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
	RM'000	RM'000	RM'000	RM'000
Profit before taxation for the period is arrived at after charging /(crediting) the following:				
interest expenses	791	364	791	364
Depreciation of property, plant and equipment	423	573	423	573
(Gain)/loss on foreign currency exchange-realised	30	4	30	4
Gain from a bargain purchase	(1,930)	-	(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.

## B13. Dividends

The Directors has not recommended any payment of dividends in respect of the financial period ended 30 September 2014.

## B14. Realised and Unrealised Earnings or Losses Disclosure

The (accumulated losses)/unappropriated profits as at 30 September 2014 and 30th June 2014 is analysed as follows:

	30.09.2014	30.06.2014
	RM'000	RM'000
Total (accumulated losses)/unappropriated profits of the company and its subsidiaries:		
- Realised loss	(23,736)	(26,006)
- Unrealised profit	-	12
Total group accumulated losses as per consolidated financial statements	<u>(23,736)</u>	<u>(25,994)</u>

## **B15. Earnings / (Loss) Per Share**

### **a. Basic**

Basic earnings/(loss) per share is calculated by dividing net profit/(loss) 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	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
Net earnings/(loss) attributable to equity holders of the Company (RM'000)	2,258	(428)	2,258	(428)
Weighted average number of ordinary shares in issue ('000)	<u>40,115</u>	<u>40,115</u>	<u>40,115</u>	<u>40,115</u>
Basic earnings/(loss) per share attributable to equity holders of the Company (Sen)	<u>5.63</u>	<u>(1.07)</u>	<u>5.63</u>	<u>(1.07)</u>

### **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 19 November 2014.