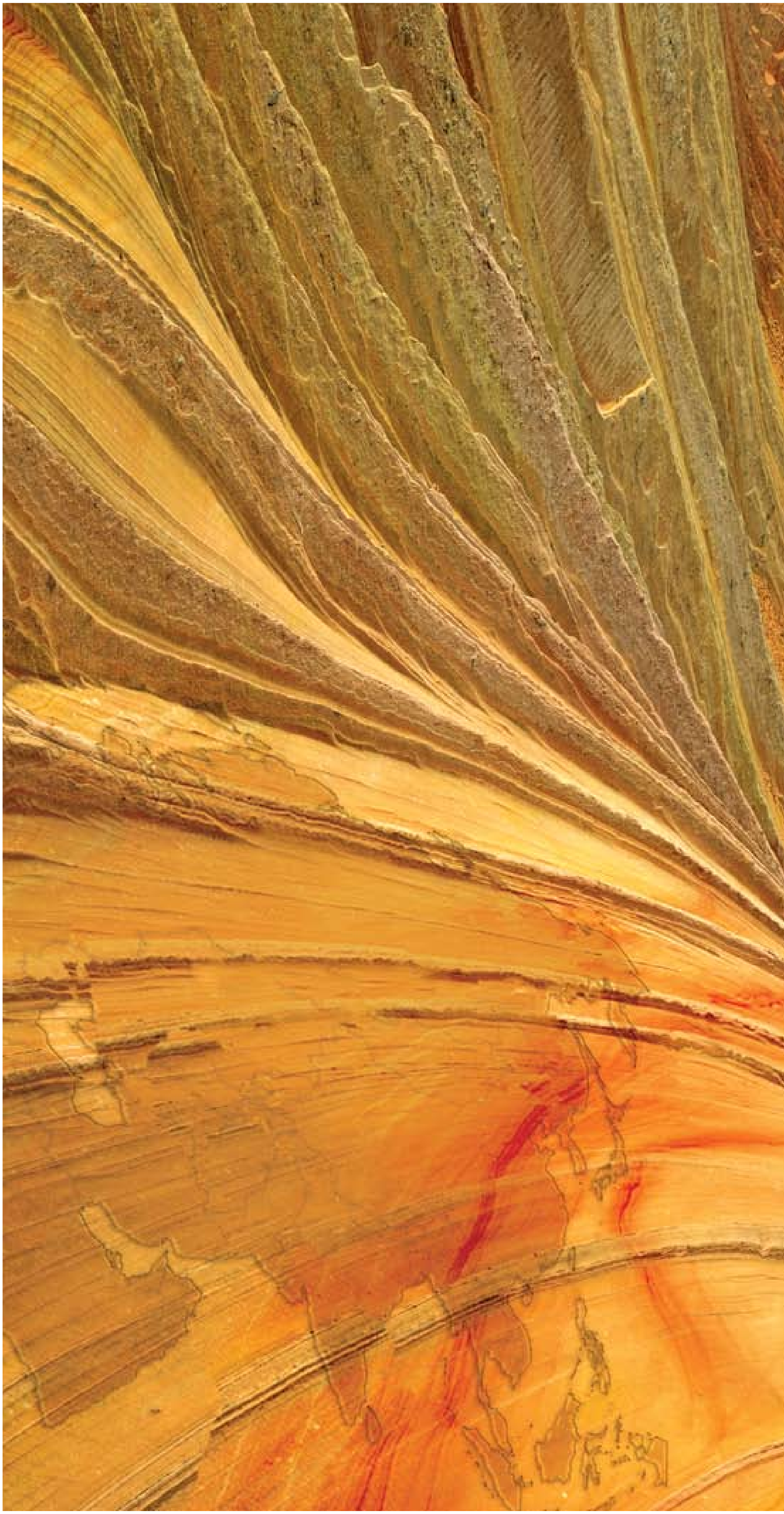
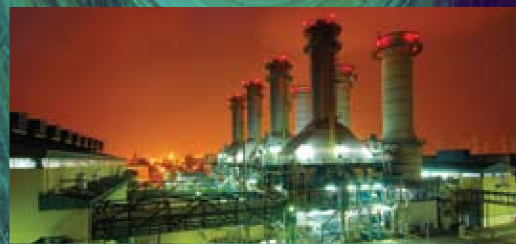
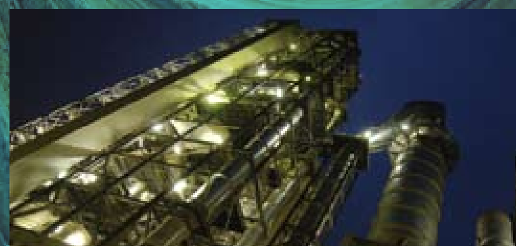
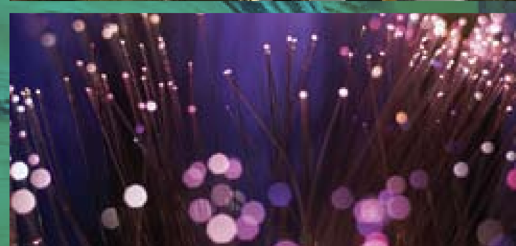


YTL CORPORATION BERHAD 92647-H

the journey continues...



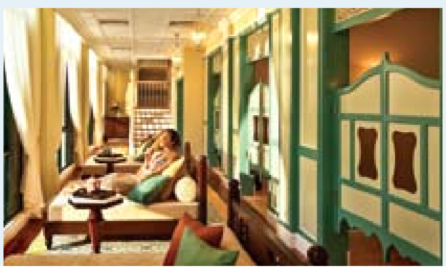




annual report 2009

Contents

YTL CORPORATION BERHAD 92647-H

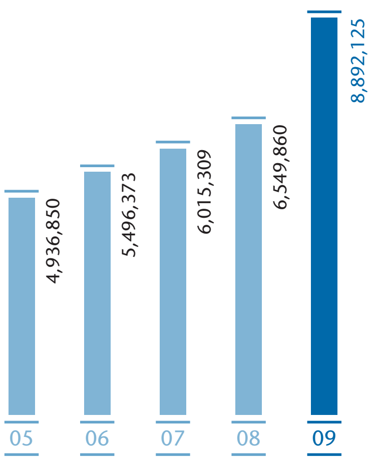


annual report 2009

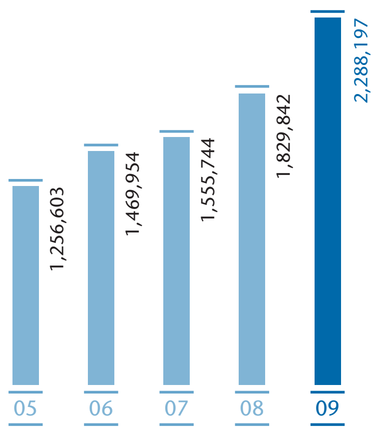
Financial Highlights

	2009	2008	2007	2006	2005
Revenue (RM'000)	**8,892,125**	6,549,860	6,015,309	5,496,373	4,936,850
Profit Before Taxation (RM'000)	**2,288,197**	1,829,842	1,555,744	1,469,954	1,256,603
Profit After Taxation (RM'000)	**1,401,615**	1,376,487	1,340,308	1,190,428	910,716
Profit for the Year Attributable to Shareholders of the Company (RM'000)	**834,472**	769,786	701,371	698,009	558,516
Total Equity Attributable to Shareholders of the Company (RM'000)	**9,447,165**	7,714,420	7,396,831	6,814,678	5,562,388
Earnings per Share (Sen)	**54.10**	51.54	47.72	49.39	39.97
Dividend per Share (Sen)	**2.5**	25	25	7.5	7.5
Total Assets (RM'000)	**45,413,832**	38,458,561	33,912,520	30,370,822	28,980,646
Net Assets per Share (RM)	**5.37**	5.16	4.91	4.74	3.91

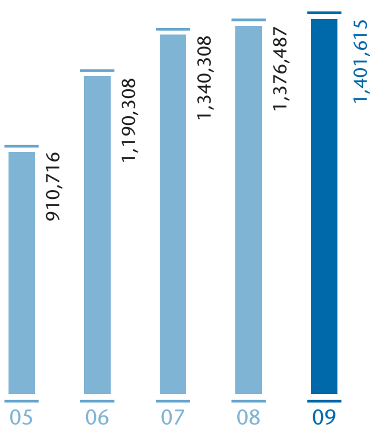
REVENUE
RM'000



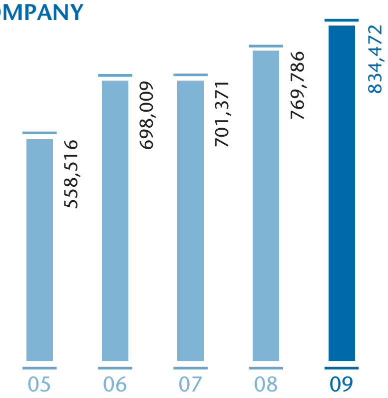
PROFIT BEFORE TAXATION
RM'000



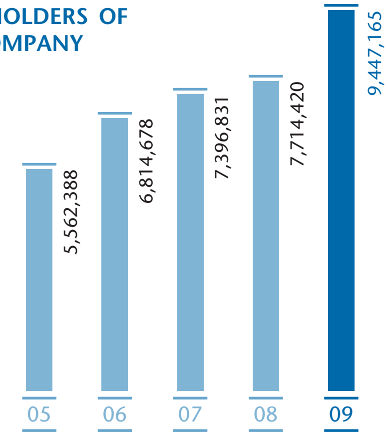
PROFIT AFTER TAXATION
RM'000



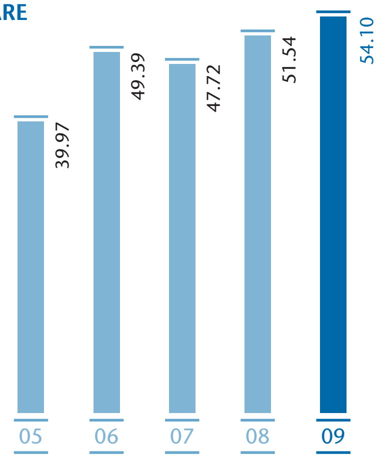
PROFIT FOR THE YEAR ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY
RM'000



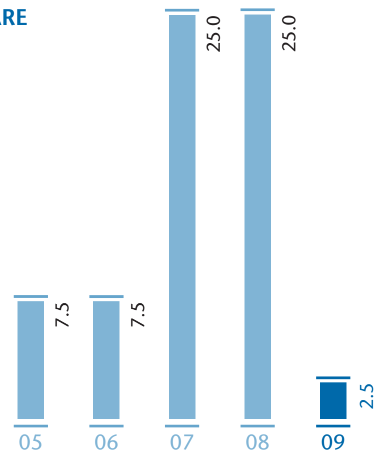
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY
RM'000



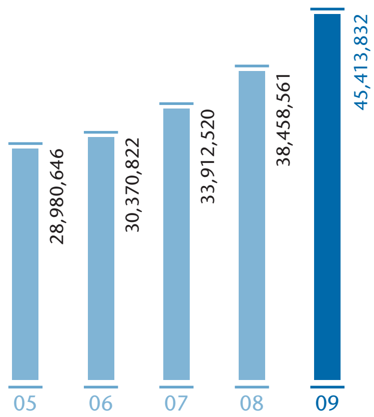
EARNINGS PER SHARE
SEN



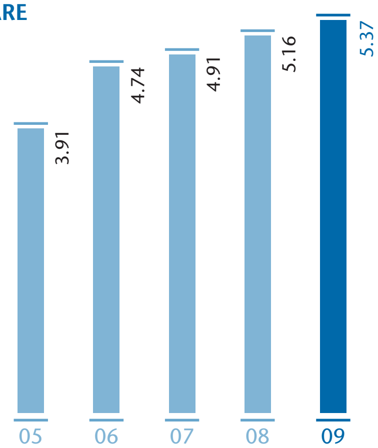
DIVIDEND PER SHARE
SEN



TOTAL ASSETS
RM'000



NET ASSETS PER SHARE
RM



Chairman's Statement
for the financial year ended 30 June 2009

TAN SRI DATO' SERI (DR) YEOH TIONG LAY
Executive Chairman

On behalf of the Board of Directors of YTL Corporation Berhad ("YTL Corp" or the "Company"), I have the pleasure of presenting to you the Annual Report and the audited financial statements of the Company and its subsidiaries ("Group") for the financial year ended 30 June 2009.

OVERVIEW

YTL Corp achieved a robust set of results for the financial year ended 30 June 2009 on the back of acquisition-driven growth in its utilities and property investment divisions, and better selling prices and improved operational performance in its cement division.

Global gross domestic product (GDP) growth stood at an approximately 3.4% for the 2008 calendar year compared to 5.2% in 2007, sustained largely by growth in the first half of 2008. In the second half of the year, the unprecedented developments in the international financial markets triggered a widespread loss of confidence that continues to manifest itself in ongoing volatility in economies around the globe. On the Malaysian front, after recording GDP growth of 4.6% in 2008 (compared to 6.2% in 2007), the domestic economy contracted by an estimated 5.1% in the first half of 2009 *(source: Ministry of Finance quarterly updates; Bank Negara Malaysia quarterly bulletins and annual reports)*.

Despite these difficult economic conditions and ongoing volatility, both locally and internationally, YTL Corp continued to grow organically and also embarked on two significant acquisitions in Singapore during the year under review.

On 31 December 2008, the Group completed its acquisition of a 26% stake in Starhill Global Real Estate Investment Trust ("Starhill Global REIT") and 50% of the holding company of Starhill Global REIT's manager. Listed on the Singapore stock exchange, Starhill Global REIT owns stakes in Ngee Ann City and Wisma Atria, two landmark properties on Singapore's renowned Orchard Road shopping precinct, as well as 7 properties in the prime Tokyo areas of Aoyama, Roppongi, Harajyuku, Meguro and Ebisu, and a premier retail property in Chengdu, China.

Then, in March 2009, the Group acquired a 100% equity interest in PowerSeraya Limited ("PowerSeraya") in Singapore for a purchase consideration of SGD3.6 billion. With a total licensed capacity of 3,100 megawatts, PowerSeraya owns approximately 25% of Singapore's total licensed generation capacity, and also operates oil trading and multi-utility businesses.

Utilities

The addition of PowerSeraya to the Group's utility portfolio represents significant participation in the Singapore energy market and will enable the Group to grow its utility business in the region. As an established industry player with a strong track record in utility investments, the Group has the ability to utilise its expertise and experience to add value to Singapore's electricity market, and PowerSeraya in particular.

The Group's diversified income streams continue to provide an optimal buffer against ongoing economic volatility both in Malaysia and abroad and its concentration on the ownership and management of regulated utilities operating under long-term concessions underpins the Group's ability to continue to perform well even in times of global economic uncertainty.

These businesses now encompass power generation in both contracted and merchant markets in Malaysia, Singapore and Indonesia, power transmission in Australia, the provision of water and sewerage services in the United Kingdom ("UK"), and plant operations and maintenance ("O&M").

Foreign operations remain the most significant contributors to the earnings of the Group's utilities division, and the addition of PowerSeraya to the fold during the year under review has reinforced the strength and diversity of the Group's earnings base.

Cement Manufacturing

The Group's cement division delivered another strong set of results for the year under review, sustained by its strategy of organic and acquisition-driven growth, coupled with increased plant and logistical efficiencies.

Following the price liberalisation undertaken by the Government last year, prices have begun to reflect customer preferences and demand and supply equilibrium. The liberalised cost structure has enabled the Group to better manage steeper production costs arising from increases in the costs of raw materials, packaging and transportation, whilst at the same time offering customers the most advantageous terms and the highest quality products. As a result, the Group remains well-positioned in its ability to cater to the requirements of its customer base.

Regionally, the division continued to streamline and improve operations at its China plant, and continued to see increases in export demand during the year under review, enabling the Group to further develop this extensive new market for its products.

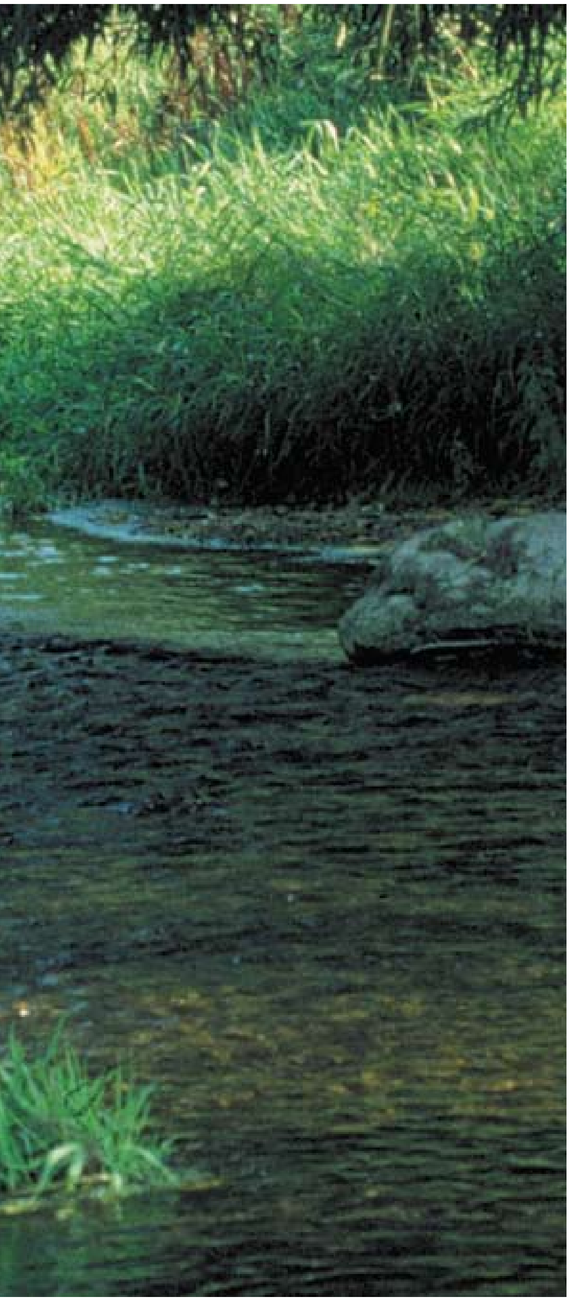
Construction Contracting

The local construction sector recorded a positive growth rate for the second successive year in 2008, with growth of 2.1%, supported by higher activities across the civil engineering, residential and non-residential sub-sectors. In the first half of the 2009 calendar year, the construction industry continued to register higher growth as implementation commenced on projects related to the Government's stimulus packages *(source: Ministry of Finance quarterly updates; Bank Negara Malaysia quarterly bulletins and annual reports).*

The Group's construction division performed steadily throughout the year under review, completing construction on several phases of residential housing projects, and continuing work on the Electrified Double Track Railway Project between Sentul and Batu Caves for Malaysia's Ministry of Transport.

Chairman's Statement

for the financial year ended 30 June 2009



O&M Activities

There has been sound growth in the business development of the Group's O&M activities. Condition monitoring services are currently being provided for the Group's power plants, cement plants and the Express Rail Link ("ERL"), in addition to external clients in the oil and gas, water, chemical engineering and other sectors.

YTL Power Services Sdn Bhd, a wholly-owned subsidiary of the Group, has also seconded engineers and trainers to various projects in countries including the UK, Germany, the Middle East, Australia, Korea, China, Thailand, Korea, Vietnam, Singapore and Indonesia.

The KLIA Ekspres and KLIA Transit services performed well, maintaining ridership in excess of 4 million passengers for the year. YTL Corp holds a 50%-stake in Express Rail Link Sdn Bhd ("ERLSB"), the concession company responsible for constructing and operating the high-speed rail link between Kuala Lumpur Sentral Station and Kuala Lumpur International Airport. ERLSB operates under a 30-year concession from the Malaysian Government (which includes an option to extend for another 30 years) to own and operate the ERL.

Property Development & Investment

The Group's property development activities during the year under review reflected its long-term view and development strategy. Deteriorating conditions in both the global and domestic economies, coupled with inflationary concerns, have affected consumer sentiment, resulting in a far more cautious environment for property developers. The Group's cornerstone projects – Pantai Hillpark, Lake Edge and Sentul – have been designed as complete communities and the Group's long-term view demands each phase is launched according to customer demand and feedback, and to enhance the value and appeal of the existing development.

In light of economic volatility and the tightening in bank lending conditions, the Group proceeded with caution in launching new phases in order to avoid building new phases during a period when consumers have decided to hold back on home ownership decisions. The Group remains committed to its long-term vision for its communities and this strategy has been borne out in the form of appealing and sought-after developments that have demonstrated sustainable capital appreciation, even during downturns in the economy.

In the domestic property markets, performance in the residential segment remained relatively mixed. In the first half of the 2008 calendar year, demand for properties was strong, but began to soften in the second half of 2008 as consumer sentiment started to decline, first as a result of rising inflationary pressures and later, the deteriorating global economic conditions. Demand for properties in the high-end segment was especially affected. As a result, property transactions reversed and declined in the second half of 2008. Whilst the first half of 2009 has seen some signs of recovery in the sector, consumers remain cautious *(source: Ministry of Finance quarterly updates; Bank Negara Malaysia quarterly bulletins and annual reports).*

In November 2008, the Group won two awards at FIABCI's Malaysia Property Awards 2008 for The Maple at Sentul West and Lake Edge in Puchong. On the international stage, The Maple was the second runner-up in the Residential category of the FIABCI Prix d'Excellence Awards 2009, conferred by FIABCI International in May 2009, whilst Lake Edge was the first runner-up in the Master Plan category. The Group also won seven awards at the Asia Pacific Property Awards 2009 (in association with CNBC Arabiya) for three projects – Centrio at Pantai Hillpark, Lake Edge at Puchong and The Maple at Sentul West.

The Group now owns stakes in two listed real estate investment trusts ("REITs"), Starhill REIT in Malaysia and Starhill Global REIT in Singapore. The Group also owns stakes in the management companies of both REITs and has been able to provide both REITs the opportunity and platform to realise greater synergies and create further value for their landmark assets.

Hotel Development & Management

Economic conditions and health concerns during the year under review did not bode well for the tourism sector. Concerns over the spread of the H1N1 influenza virus coupled with the early stages of recession in many major economies resulted in a decrease in the country's tourist arrivals for the year. Nevertheless, the Group's hotels continued to maintain a satisfactory level of performance, bolstered by the unique positioning and the level of service the Group's hotels and resorts provide to their clientele.

Information Technology (IT) Initiatives

The Group's IT and e-Commerce division achieved a satisfactory year, sustained by its digital media and Alternative Voice Service Provider (AVSP) operations. The Group is also well positioned to benefit from its ownership of a 2.3GHz Worldwide Interoperability for Microwave Access ("WiMAX") spectrum, ensuring that it will be at the forefront of the Government's drive to increase broadband penetration, boost the knowledge economy and narrow the digital divide in Malaysia. The Group continued to ready its WiMAX platform for launch, entering into a number of key supplier and strategic alliance agreements with industry leaders for the deployment of its WiMAX infrastructure and services in the country.

Despite ongoing economic volatility, the Government's focus on developing the country's information and communications technology (ICT) infrastructure continued to generate improvements in key indicators such as the broadband penetration rate, which increased to approximately 21.1% by the end of 2008, compared to 14.4% in 2007 *(source: Ministry of Finance quarterly updates; Bank Negara Malaysia quarterly bulletins and annual reports).*

FINANCIAL PERFORMANCE

The Group achieved a 35.8% growth in revenue to RM8,892.1 million for the financial year ended 30 June 2009, compared to RM6,549.9 million for the previous financial year ended 30 June 2008. Profit before taxation grew 25.0% to RM2,288.2 million for the financial year under review, compared to RM1,829.8 million last year, whilst profit for the financial year grew to RM1,401.6 million this year over RM1,376.5 million last year.

The growth in the Group's revenue for the financial year ended 30 June 2009 was due to the consolidation of 4 months' results from PowerSeraya which was acquired in March 2009, whilst the acquisition of its stake in Starhill Global REIT resulted in an increase in profit due to the recognition of the fair value excess of the REIT's identifiable assets and liabilities over the cost of the investment. Improved operational efficiencies and selling prices in the cement division also contributed to the better financial performance for the year under review.

The Group's foreign operations continue to be large earnings contributors, with overseas operations accounting for approximately 63.9% of the Group's revenue and 84.2% of total assets for the 2009 financial year, compared to 49.3% and 63.2%, respectively, for the previous financial year.

DIVIDENDS

The Board of Directors of YTL Corp is pleased to recommend for shareholders' approval a first and final dividend of 15% less Malaysian Income Tax in respect of the financial year ended 30 June 2009. This dividend is recommended in concurrence with the Group's policy of creating value for shareholders through a sustainable dividend policy.

This is the 25th consecutive year that YTL Corp has declared dividends to shareholders since listing on the Main Board of Bursa Securities in 1985.

SIGNIFICANT CORPORATE MATTERS

Corporate Developments

- As reported previously, YTL Cement Berhad, a subsidiary of YTL Corp listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), has received all necessary approvals for its proposal to issue guaranteed exchangeable bonds of up to USD200 million via a wholly-owned subsidiary to be incorporated in the Federal Territory of Labuan. On 18 September 2009, the company submitted an application to the Securities Commission for an extension of time until 4 April 2010 to implement the proposal. The proceeds arising from the bond issue will be utilised to fund future investments and projects.

- On 28 October 2008, YTL Corp entered a sale and purchase agreement with Macquarie Real Estate Singapore Pte Ltd ("MRES") and Macquarie Bank Limited ("MBL") for the acquisition of 247,101,000 units comprising approximately 26% of the total issued units of Macquarie Prime Real Estate Investment Trust (which changed its name to Starhill Global REIT with effect from 31 December 2008) from MRES for a cash consideration of SGD202,622,820 or SGD0.82 per unit.

YTL Corp also entered into a sale and purchase agreement with MBL for the acquisition of, inter alia, 1,500,000 ordinary shares comprising a 50% equity interest in Prime REIT Management Holdings Pte Ltd (which changed its name to YTL Pacific Star REIT Management Holdings Pte Ltd ("YTL Pacific Star") with effect from 1 January 2009). YTL Pacific Star is the holding company of the manager of Starhill Global REIT.

- On 2 December 2008, YTL Power International Berhad ("YTL Power"), a subsidiary of the Group listed on the Main Market of Bursa Securities, together with Sabre Energy Industries Pte Limited (which changed its name to YTL PowerSeraya Pte Limited on 7 April 2009), entered into a share purchase agreement with Temasek Holdings (Private) Limited to acquire 884,971,148 ordinary shares representing a 100% equity interest in PowerSeraya for a purchase consideration of SGD3.6 billion. Upon completion of the acquisition on 6 March 2009, PowerSeraya's wholly-owned subsidiaries, namely Seraya Energy Pte Limited, Seraya Energy & Investment Pte Limited and PetroSeraya Pte Limited, also became subsidiaries of the Group.

Status of Utilisation of Proceeds Raised from Corporate Proposals

- The net proceeds received from the issue of the USD250 Million Zero Coupon Guaranteed Exchangeable Bonds due 2010 by YTL Power Finance (Cayman) Limited, a wholly-owned subsidiary of YTL Power, are currently placed under fixed deposits pending investment in utility assets.

- The net proceeds from the issue of the RM2.2 Billion 3% Non-Guaranteed Redeemable Bonds due 2013 with detachable 2008/2018 Warrants, issued by YTL Power, were utilised to partially fund the acquisition of PowerSeraya.

- Approximately USD209 million of the net proceeds received from the issue of the USD300 Million Zero Coupon Guaranteed Exchangeable Bonds due 2012 by YTL Corp Finance (Labuan) Limited, a wholly-owned subsidiary of YTL Corp, has been utilised for payment in relation to the acquisition of associated companies during the financial year. The unutilised balance of the net proceeds is currently placed under fixed deposits pending investments.

CORPORATE RESPONSIBILITY & SUSTAINABILITY INITIATIVES

For the third consecutive year, YTL Corp has issued its "Sustainability Report 2009" as a separate report, to enable our shareholders and stakeholders to better quantify and assess the Group's sustainability record.

Meanwhile, YTL Corp's statements on corporate governance and internal control, which elaborate further its systems and controls, can be found as a separate section in this Annual Report.

FUTURE PROSPECTS

The Malaysian economy, after declining 5.1% in the first half, is expected to perform better in the second half of the 2009 calendar year, with the contraction for the full year expected to level out at an average of 4.0-5.0%. Improvements in domestic economic activities are expected to emanate from the gradual recovery in global growth and the multiplier effect of the stimulus packages. The global economy has also begun to show signs of stabilisation, reflected in rising industrial production and exports, which improved the GDP growth of major economies. However, the sustainability of these improvements, which have been largely attributed to substantive fiscal stimulus and monetary measures undertaken worldwide, remains to be seen *(source: Ministry of Finance quarterly updates; Bank Negara Malaysia quarterly bulletins and annual reports).*

YTL Corp's acquisition-driven growth strategy, supported by strong technical expertise and an established track record in managing investments and improving operational efficiencies, will continue to form the cornerstone of the Group's development and resilience going forward.

The Board of Directors of YTL Corp wishes to thank the Group's shareholders, investors, customers, business associates and the regulatory authorities for their ongoing support. We also extend our gratitude to the management and staff of the Group for their efforts in enabling YTL Corp to deliver another year of strong performance.

TAN SRI DATO' SERI (DR) YEOH TIONG LAY
PSM, SPMS, DPMS, KMN, PPN, PJK

Managing Director's Review

for the financial year ended 30 June 2009

Singapore featured heavily in our activities this year as we embarked on two sizeable acquisitions of prime assets on the island. On the utilities front, the Group acquired PowerSeraya Limited ("PowerSeraya") which has a market share of about 25% of Singapore's electricity market. PowerSeraya is unique in its complement of multi-utility operations that extend from its core electricity generation activities, including trading of physical fuels, oil tank leasing and trading of by-products of the electricity generation process. PowerSeraya adds substantially to the Group's foreign revenue sources and also presents a welcome diversification into the merchant electricity market and new multi-utility businesses.

TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING, CBE, FICE
Managing Director

PowerSeraya is a highly synergistic addition to our portfolio of international utility businesses, adding expertise in the electricity retail and distribution sector to our current matrix of regulated power generation, power transmission and water and sewerage facilities. We also anticipate that we will be able to deploy the Group's extensive operation and maintenance ("O&M") experience for the benefit of PowerSeraya's operations.

We also acquired a 26% stake in Starhill Global Real Estate Investment Trust ("Starhill Global REIT") which has a retail and office portfolio currently valued at SGD1.95 billion and encompasses prime assets in Singapore, Tokyo and China. The Group also acquired a 50% stake in the holding company of the REIT's manager which enables us to add value by leveraging on our long-standing relationships with retail principals of luxury global brands. We acted on this immediately, extending our iconic "Starhill" brand into Singapore. Following a rights issue undertaken by the REIT recently in August 2009, our stake in Starhill Global REIT has increased to approximately 28.9%.

It bears noting that we have, for years, reiterated the long-term view of YTL Corp and its group of companies, and emphasised the importance of our investors and shareholders being in for the long haul with us. This has been a year that has truly reinforced our belief in this path.

The bursting of the credit bubble and the ensuing liquidity crisis throughout 2008 shook the foundations of global financial markets. The contagion spread rapidly to other sectors of our globalised economy and triggered a wave of bankruptcies and collapses, both corporate and financial. Investors, from large-scale institutions to the man on the street, have seen their equity investments impaired.

Whilst recent positive developments in Asia and the better-than-expected performance in major European economies bode well for global growth prospects, the sheer scale of the unknown makes it difficult to sit back and assume that near-term recovery is inevitable. Global growth is expected to rebound in the second half of the 2009 calendar year as the impact of fiscal and monetary measures becomes more entrenched, but we remain cautious and will ensure that the Group is prepared for the challenges that may present themselves in the months and years ahead.

Most of the Group's divisions also continued to perform well this year despite a tough operating environment and this is where our concentration on developing and refining the Group's technical expertise and intellectual capital has paid off. In an increasingly competitive cement industry, following the liberalisation of pricing controls by the Government, our cement division continues to be able to surpass past years' performance, winning the loyalty and raising the expectations of our customers in the industry who have continued to demand higher standards and a better quality of product.

Our ongoing enthusiasm for continuously improving plant O&M throughout our power stations, water and sewerage facilities and cement plants has enabled us to operate lean during tough times, promote cost savings and deliver solid results to our shareholders and investors.

The Group has been fortunate as the protective measures borne from lessons learned decades ago, from ensuring a healthy cash reserve and matching the financing of projects to their operating currencies, to ensuring that the organisation is not bound by a herd mentality and the myopia of short-term performance, shielded us from the worst of the Asian financial crisis in 1997, and these defences continued to hold ten years later during the global financial crisis.

As we look to the year ahead, and whilst the economic climate continues to fluctuate between expectations of further problems and hopes for recovery, the Group remains focused on its path – the long-term view that has brought us to this stage and will continue to form the foundations of our journey forward to continue to build a stronger brand for our customers, a stronger corporate citizen for our economy and a stronger corporation for our shareholders and investors.

Thank you to all our stakeholders and God bless all of you.

TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING
PSM, FICE, CBE, SIMP, DPMS, DPMP, JMN, JP

Operations Review

The Group's utilities continued to perform well during the year under review. These businesses now encompass power generation in both contracted and merchant markets in Malaysia, Singapore and Indonesia, power transmission in Australia, the provision of water and sewerage services in the United Kingdom ("UK"), and power plant operation and maintenance ("O&M").

POWER GENERATION & TRANSMISSION

The Group's power generation and transmission activities encompass two power stations in Malaysia owned by YTL Power Generation Sdn Bhd ("YTL Power Generation"), a wholly-owned subsidiary of the Group, a 100% interest in PowerSeraya Limited ("PowerSeraya") in Singapore acquired during the year under review, a 35% stake in P.T. Jawa Power ("Jawa Power") in Indonesia and an indirect investment of 33.5% in ElectraNet Pty Ltd ("ElectraNet") in Australia.

YTL Power Generation

The Group's Malaysian power stations registered average station availability of 96.4% for the year under review, compared to 97.8% last year. Paka Power Station recorded average availability of 96.2% for the year ended 30 June 2009, compared to 96.7% last year, whilst Pasir Gudang Power Station registered average availability of 96.8% this year compared to 99.0% last year. Major inspections of two steam turbines at Paka, ST10 and ST20, were carried out as they had reached the 100,000 operating hours threshold, whilst minor inspections were carried out on three gas turbines at Paka and two at Pasir Gudang during the year.

Located in Paka, Terengganu, and Pasir Gudang, Johor, the Group's two combined-cycle, gas-fired power stations have a total generating capacity of 1,212 MW – 808 MW at Paka Power Station and 404 MW at Pasir Gudang Power Station. The Group has a 21-year power purchase agreement with Tenaga Nasional Berhad, which is effective until 2015. O&M for the Paka and Pasir Gudang power stations continues to be undertaken by YTL Power Services Sdn Bhd, a wholly-owned subsidiary of the Group, under an O&M agreement entered into in December 2001.

PowerSeraya

PowerSeraya's activities encompass a large portion of the value chain involved in the generation of electricity. These include the generation and sale of electricity to both wholesale and retail markets, as well as oil trading and oil tank leasing through its subsidiaries.

PowerSeraya has a generation market share of approximately 25% of the Singapore market and owns generation assets with a licensed capacity of 3,100 MW, comprising oil-fired steam turbines, gas-fired combined cycle plants and diesel-fired open cycle gas turbine plants. PowerSeraya is also in the process of constructing 758 MW of new gas-fired co-generation combined cycle plants, which are expected to be operational in 2010.

Singapore operates a liberalised electricity market under a well established regulatory framework. Electricity generated from the various generation companies is sold into the Pool, a competitive wholesale market operated and administered by the Energy Market Company Pte Ltd. Electricity is sold to retail customers by retail energy suppliers and Seraya Energy Pte Ltd, a wholly owned subsidiary of PowerSeraya, is a leading supplier in the country.

PowerSeraya is well on track on its growth path to become an integrated energy company based in Singapore. With a diversified energy portfolio – which includes a 10,000 m^3 Seawater Reverse Osmosis Desalination Plant, as well as the new 758 MW Co-Generation Combined Cycle Plant expected to come on-stream in 2010 – the company is well poised to strengthen and expand its core multi-utilities business to offer competitive bundled sales that include electricity, steam and water.

While the economic downturn which started towards the end of 2008 has slowed down the demand for electricity across various industries, the strategies undertaken by PowerSeraya have allowed it to secure a steady share of the generation market in Singapore.

Improvements made to the gas reception facilities and investment of SGD800 million in the new 758 MW Co-Generation Combined Cycle Plant will place greater emphasis on the use of natural gas as a fuel source for power generation, in addition to generating additional revenue streams. The company successfully entered the Singapore gas market last year and gained experience as a gas shipper to further its capabilities in this sector. PowerSeraya is keen to explore the purchase of Liquefied Natural gas ("LNG") when the Singapore government completes the LNG terminal in 2013.

Additionally, the recent completion of two new oil blending tanks will enhance the capability of the physical oil trading arm of PowerSeraya. Its strategic location on Jurong Island in Singapore also allows the company to make use of its fuel-related assets such as tank farms, pipelines and deep water jetties to boost its whole energy value chain. PowerSeraya's fuel oil testing laboratory received the ISO/IEC 17025:2005 laboratory accreditation in June 2008, a testament to its proficiency and expertise in oil testing and calibrations.

On the retail front, the company kept its focus on ensuring good customer relationships, constantly seeking innovative solutions to meet the needs of its customers. Several initiatives were launched during the year under review to enhance the customer experience within the SEnergy portal, a retail billing system and customer e-portal. The portal had added customised features to allow customers to better analyse their electricity consumption patterns for up to six months, and paperless billing has also been introduced to customers through the e-portal with SMS or email notifications.

UTILITIES

Operations Review

Jawa Power

In Indonesia, Jawa Power continues to operate at optimal levels to meet Indonesia's demand for electricity. For its financial year ended 31 December 2008, Jawa Power posted another year of strong operational performance with average availability of 90.6%, well in excess of the 83% rate contracted under its power purchase agreement. The station generated 8,685 gigawatt hours ("GWh") of electricity compared to 9,162 GWh last year due to lower despatch by the national utility, P.T. Perusahaan Listrik Negara ("PLN"). For the six months ended 30 June 2009, the plant posted an availability of 89.5%.

Jawa Power is the owner of a 1,220 MW coal-fired power station consisting of two electricity generation units with a net installed capacity of 610 MW each. The plant is located at the Paiton Power Generation Complex on Indonesia's most developed and populated island, Java, and supplies power to PLN under a 30-year power purchase agreement. O&M for Jawa Power continues to be carried out by P.T. YTL Jawa Timur ("Jawa Timur"), a wholly-owned subsidiary of the Group, under a 30-year agreement.

ElectraNet

In Australia, ElectraNet continued to perform well during the year under review, maintaining transmission circuit availability in excess of 99%. ElectraNet is a regulated transmission network service provider in Australia's National Electricity Market ("NEM") and owns South Australia's high voltage electricity transmission network, which transports electricity from electricity generators to receiving end-users across the state. ElectraNet's network covers approximately 200,000 square kilometres of South Australia via more than 5,700 circuit kilometres of transmission lines and 76 high voltage substations. The company also provides the important network link from South Australia to the NEM via two regulated interconnectors, one of which is owned by ElectraNet. The Group also has a 33.5% investment in ElectraNet Transmission Services Pty Limited, which manages ElectraNet's transmission assets.

ElectraNet is regulated by the Australian Energy Regulator (AER) which sets revenue caps based on the company's expected capital expenditure requirements for a five-year regulatory period. The current revenue cap became effective on 1 July 2008 and is valid for a period of five years until 30 June 2013.

WATER & SEWERAGE OPERATIONS

The Group's water and sewerage operations are carried out by its 100%-owned subsidiary, Wessex Water Limited ("Wessex Water"), in the UK.

Wessex Water

Wessex Water achieved record levels of quality, compliance and customer service, achieving its highest ever score of 98% in the annual service league tables complied by Ofwat, the UK water industry regulator. Over its past four regulatory years, which end on 31 March of each year, Wessex Water has been the UK's most consistent top performing water and sewerage company, and the most efficient. The company also became the first UK utility to be awarded the UK government's Customer Service Excellence award this year, and topped Ofwat's telephone satisfaction survey.

Wessex Water achieved these targets despite an increasingly challenging operating environment which has seen a combination of volatile retail, commodity and capital price inflation along with falling demand from business and industry, and rising bad debts amongst customers. The company continued to improve the resilience of its network, reduced the number of customers served by single sources of supply and further reduced the number of properties at risk of sewage flooding.

Wessex Water's innovative approach to delivering its capital investment programme and controlling operating costs has enabled it to continue to outperform its regulatory targets and pass these efficiency-generated savings on to customers. Operating under a stringent set of national and European environmental directives and regulations, Wessex Water's key long-term goal is to become a sustainable water company. Its comprehensive programme to achieve this goal has ensured that all compliance rates for drinking water, sewage treatment and bathing water have not only been met but are amongst the best in the UK.

Wessex Water provides water services to 1.3 million customers and sewerage facilities to 2.6 million customers over an area of approximately 10,000 square kilometres in the south west of England and operates under a rolling 25-year licence granted by the UK Government. The company undertakes a complex set of operations, from collecting and treating raw water, and storing and transporting high quality drinking water to households and businesses all around the region, to collecting, treating and disposing of sewage safely back into the environment.

Wessex Water's regulated asset base ("RAB") increased moderately by 2.7% to £2,171 million (RM12.31 billion, based on the average exchange rate of £1.00: RM5.67 for the financial year ended 30 June 2009) for its regulatory year ended 31 March 2009, compared to £2,114 million (RM11.99 billion) for its previous regulatory year. As at 30 June 2009, Wessex Water's RAB had grown to approximately £2,179 million (RM12.35 billion).

CEMENT MANUFACTURING

The Group continued to meet all key performance targets in its programme to improve operational performance by reducing costs and leveraging on the geographic diversity of the Group's plants to meet customers' demands. The division's fully-integrated production and supply chain continued to generate cost savings and economies of scale on the back of the Group's annual production capacity of 6.0 million metric tonnes for clinker and 8.0 million metric tonnes for cement.

The Group continued to focus on mitigating the effects of escalating operational costs arising from the energy-intensive nature of the industry, which has been impacted by volatility in the costs of coal, petroleum and electricity. The division continued to pursue operational and logistical efficiencies, including the utilisation of alternatives fuels and energy sources to reduce the effects of increases in costs.

The Group maintained its market share during the year under review, with its nation-wide distribution network enabling the division to serve customers more effectively. Demand remained strong for the whole spectrum of the Group's products as it continues to be the only Malaysian cement manufacturer with the ability to produce the range of products required by increasingly discerning customers. Customers are now better able to differentiate between producers and have become more demanding of higher quality building materials and products to meet increasingly higher and more sophisticated engineering specifications. The sustained track record for high quality, performance and reliability of special products has ensured that they continue to command premiums in the market, driving strong sales levels.

In Singapore, the Group is gratified to have been selected as the sole supplier to the biggest integrated resort development on Singapore's iconic Sentosa Island. The division has now expanded ready-mix operations to four additional locations and has successfully implemented a fully-integrated, vertical supply chain, ensuring a cohesive and fully-operational division to meet Singapore's growing demand. Singapore's construction sector experienced remarkable growth levels of 20.3% in 2007 and 17.9% in 2008 *(source: Ministry of Trade & Industry Singapore economic updates)* and continues to present a significant growth opportunity for the Group's products.

The Group continued to implement production and logistics improvements at its plant in China, which has production capacities for 1.55 million tonnes per annum of clinker and 2.00 million tonnes per annum of cement. The plant is the largest cement manufacturer in the Lin'an district of the Zhejiang Province in China and is one of the top 5 cement suppliers in the wider Hangzhou market. During the year, operations commenced at the waste-heat treatment plant the Group implemented last year in order to save on electricity costs and improve its carbon footprint in the area.

CONSTRUCTION CONTRACTING

The Group's construction division continued its steady performance during the year under review as work progressed on its portfolio of contracts for infrastructure development projects and residential and commercial properties. Escalating costs continue to affect the construction industry with increases in the prices of steel and other building materials but the Group has been able to leverage on its decades of experience in the construction sector to manage these developments.

Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd ("SPYTL"), a wholly-owned subsidiary and the flagship construction company of YTL Corp, continued work on the Electrified Double Track Railway Project between Sentul and Batu Caves which is on track for completion in early-2010.

The project involves a 7.5km extension from Sentul to Batu Caves comprising the construction of an electrified double track railway line, including the installation of a new signalling, communication and electrification system, four stations and five road bridges. SPYTL was awarded the contract for the design, construction, completion, testing, commissioning and maintenance of the project by the Ministry of Transport in November 2006.

Upon completion, the Sentul–Batu Caves line is expected to alleviate congestion, benefiting tourists visiting Batu Caves and residents along the railway corridor. Sentul is currently the terminus for KTM Komuter's Sentul-Port Klang Line and the extension will enable the commuter train service to be extended to Batu Caves.

On the residential property front, progress continued during the year under review on new phases of the Group's Sentul development. These include d6 and d7 at Sentul East, comprising boutique offices and shop lots, which are on target for completion in early 2010. To date, the Group has completed construction ahead of schedule on three residential phases of Sentul, namely, The Tamarind and The Saffron at Sentul East, and The Maple at Sentul West. The d6 and d7 offices comprise the first phase of commercial development at Sentul.

During the year under review, construction was completed several months ahead of schedule on Phase 4B1 of the Taman Pakatan Jaya development in Tambun, Perak, comprising 133 units of double storey terrace houses, which is being developed by PYP Sendirian Berhad, also a wholly-owned subsidiary of YTL Corp. Meanwhile, progress continued on 138 units making up Phase 4B2 and this is on schedule for completion in late 2009.

At SPYTL's Lake Fields development in Sungei Besi, construction continued on an 18-storey block comprising 308 condominiums in Phase 2, Midfields, which is scheduled to be completed in mid-2010. Work on The Trillium, consisting of a further 246 units of offices and shop lots in Phase 2A at Lake Fields, Sungei Besi, is progressing on schedule and expected to be completed by the mid-2010.

Construction is also nearing completion on Centrio, the latest phase of the Group's Pantai Hillpark development. Centrio consists of 3 office blocks and an 11-storey commercial podium containing 21 units of shop-lots, 24 office units and 268 SOHO (small office, home office) units. This unique development concept is being undertaken by YTL Corp's wholly-owned subsidiary, Syarikat Kemajuan Perumahan Negara Sdn Bhd.

Meanwhile, as reported last year, construction is also ongoing on two 20-storey blocks comprising 160 units of condominiums for Sunway City Bhd in Sri Hartamas in Kuala Lumpur, which is scheduled for completion in early-2010.

PROPERTY DEVELOPMENT & INVESTMENT

Ongoing economic volatility and moderation in buyer sentiment prompted the Group to proceed with caution in launching new phases during the year under review as the Group remained focus on its commitment to a long-term development strategy to ensure that it develops appealing and sought-after communities with a demonstrated track record for sustainable capital appreciation.

Sentul East & Sentul West

The development of boutique offices, d6 at Sentul East and d7 at Sentul East, is well underway and Sentul continues to shape itself as a business precinct to complement its development of high quality homes. Sentul's d6 and d7 concepts redefine traditional office spaces with a new class of architecturally stunning offices for the next generation, and businesses have come to recognise the allure of this vibrant new genre of offices. Featuring unique boutique offices, both developments are linked through a sky bridge that stretches over Jalan Sentul, offering a dynamic complement to Sentul East's stylish, cosmopolitan environment.

Three developments, The Tamarind and The Saffron at Sentul East and The Maple at Sentul West, have now been successfully completed and handed over to buyers. Signature features such as pristine landscaping, themed gardens, parks and other green spaces, as well as the development's close proximity and easy access to the Kuala Lumpur city centre have all combined to offer homeowners a thriving and vibrant residential community, in addition to enhanced capital appreciation on the value of these properties.

Lake Edge, Puchong

The Group's Lake Edge development has also successfully established itself as a preferred address due to its distinctive architecture and its design as an entire, holistic lifestyle concept, creating an enclave of high-quality homes within a thriving gated community. To date, the four phases of Lake Edge launched have achieved excellent take-up rates, namely Courtyard Homes, Pavilion Terraces, Garden Terraces and Promenade Homes. Meanwhile, new phases include Parkville, which has been completed, and Waterville, which is nearing completion. These two new phases comprise exclusive bungalows and semi-detached units, and Waterville homes have the unique and distinct feature of a private lap pool for each unit.

Pantai Hillpark

Development is well underway at Centrio, the Group's most recent phase within its highly successful Pantai Hillpark development in the heart of Kuala Lumpur. Featuring an eclectic mix of SOHO (small office/home office) suites, retail stores and boutique offices, these units have proven highly popular with young buyers from creative and entrepreneurial fields, attracted by Centrio's unique features. These include floor-to-ceiling windows, spacious rooftop gardens and illuminating skylights, as well as open sundecks above units, all of which are unheard of in other comparably-sized SOHO developments in the market.

Lake Fields, Sungei Besi

Lake Fields continues to attract buyers. In May 2009, the Group launched The Trillium, the newest commercial phase of this development, with all 60 units of 3-storey shop offices sold within a week of the official launch. The Trillium has been designed to redefine Sungei Besi's retail and commercial landscape, with its modern take on traditional shop offices. In addition to spacious built-up areas that start from 4,805 sq. ft., The Trillium's draw is its strategic location that places the development within immediate reach of both the Kuala Lumpur city centre and Petaling Jaya.

The new business precinct is located within easy reach of five highways – the MRR2, the Besraya Highway, the Kesas Highway, the New Pantai Expressway and the new Maju Expressway which provides direct access to Putrajaya and the Kuala Lumpur International Airport. Public transportation is also readily available via the Sungei Besi LRT station, which is within walking distance, and the Serdang KTM Komuter station, which is 10 minutes away. The new Bandar Tasik Selatan Integrated Transport Terminal, expected to be completed by the end of 2010, will further enhance connectivity,

The Trillium's success is just the latest for the Group's Lake Fields project. The first phase, Meadows & Glades, was launched in 2005 with over 500 units of these 3-storey terrace homes sold in just 2 months. Buyers were drawn to the gated development concept and its unusually spacious homes set within a green landscape of parks, overlooking a picturesque 15-acre lake. Subsequently, in 2008 the Group launched Midfields, a 23-acre mixed development project offering stylishly designed condominium units, retail lots and offices, a runaway success with 300 units sold out in the first weekend of its debut.

Real Estate Investment Trusts ("REITs")

During the year under review, the Group acquired a stake in Singapore's Starhill Global REIT which currently stands at 28.9%, as well as a 50% interest in the holding company of the REIT's manager, YTL Pacific Star REIT Management Limited. Starhill Global REIT owns a property portfolio valued at SGD1.95 billion, comprising a 74.23% strata title interest in Wisma Atria and a 27.23% strata title interest in Ngee Ann City, both located on Singapore's famed Orchard Road, as well as seven properties in the prime areas of Tokyo, Japan, and a premier retail property in Chengdu, China.

Meanwhile, Starhill REIT in Malaysia, performed well during the year under review with a total distribution per unit of 6.9121 sen per unit for the financial year ended 30 June 2009, increasing marginally from 6.8936 sen per unit for the financial year ended 30 June 2008.

Starhill REIT owns four prime properties in the heart of Kuala Lumpur's Golden Triangle, located in the renowned Bintang Walk area, namely 137 parcels and 2 accessory parcels of retail, office, storage and other spaces within Lot 10 Shopping Centre, Starhill Gallery and the adjacent JW Marriott Hotel Kuala Lumpur, as well as 60 units of serviced apartments, 4 levels of commercial podium and 2 levels of car parks located within The Residences at The Ritz-Carlton, Kuala Lumpur.

HOTEL DEVELOPMENT & MANAGEMENT

Overall the operating results of the Group's hotels in Malaysia have fared better in the current international financial crisis than those in neighbouring countries through June of this year. The resorts have managed to maintain their occupancies and revenues, with city hotels marginally down from the previous year. The unfortunate events in Mumbai and Thailand have probably brought about a downturn in bookings.

Malaysia Airlines' subsidiary, Firefly, launched direct flights from Singapore to Ipoh and Kuala Terengganu, providing increased connectivity for the Pangkor Laut and Tanjong Jara Resorts. These new air services, direct from this region's most important airline hub, Singapore, promise to resolve that critical component of destination marketing that has been missing in the travel equation to these destinations since their inception. Preliminary responses by overseas booking sources are positive.

The Group has embarked on a concerted effort to grow internationally and further bolster its global operations. In this regard, the Group intends to increase its portfolio of hotels worldwide in a manner that creates a strong marketing and financial position. While this portfolio is being developed, the Group will be conducting a campaign to establish a strong brand identity to support this strategic growth. A series of advertorials highlighting the distinctiveness of each of its resorts launched this initiative in the Singapore Business Times and the Asia-Pacific edition of the International Herald Tribune.

Muse, Saint Tropez

The Group will expand its operations to Europe when Muse, a new luxury boutique hotel, opens its doors in St. Tropez, France in June 2010. The Muse will feature many unique characteristics in design, personal comfort and service attention and is the first of a new product brand to the Group's hotels. The Muse in Saint Tropez features a facade typical to the architecture found in the South of France. However, the interior of this hotel's 11 suites and 5 super deluxe guest rooms has been designed to be among the most contemporary in St. Tropez. Muse represents a completely new concept in luxury hotel products, providing guests with a sense of high style, featuring amenities from private pools to wine cellars, and even dedicated private spa treatment areas. By limiting the number of rooms in each property, Muse will provide guests with experiences of privacy and individualised attention unparalleled in the contemporary luxury market.

Sabah

The Group's next hotel project in Malaysia is the development of two islands off the coast of Sabah. The company has received the environmental impact assessment all-clear to develop Pulau Gaya, the largest island in the Tunku Abdul Rahman Marine Park, and Pulau Tiga, which was the site for a season of episodes of the reality television series "Survivor". The resorts will be positioned as deluxe jungle hideaways, surrounded by ancient rainforests and featuring water-related activities, making full use of surrounding crystal clear waters teeming with marine life.

The resort on Pulau Gaya, 5 nautical miles off the coast of Kota Kinabalu, will consist of 132 Hill and Beach Villas with extensive outdoor decks. The resort will feature elements of traditional Sabahan architecture, a swimming pool, a Feast Village showcase restaurant paired with an epicurean fine dining restaurant, and a Spa Village. Only 35% of the total 40 acre site is being developed, in order to preserve the natural environment of rainforest and mangrove tracts, sandy beaches and coral reefs. The Spa Village will be one of the only spas in the world with a mangrove setting, allowing guests to uniquely experience an aspect of Sabah's natural heritage.

Pulau Tiga is 48 kilometres south of Kota Kinabalu and is part of the Pulau Tiga National Park. The island is famous for its volcanic mud pools and its mineral rich mud, said to be therapeutic for the skin. The pristine natural environment is home to varied species of wildlife and a number of trails have been laid out permitting access for trekking. The resort will feature 65 luxury one and two bedroom villas, each with a private pool and a dedicated spa treatment area, as well as a Feast Village showcase restaurant, a specialty restaurant, tennis courts, gymnasium, lap pool, and dive centre complete the facilities. Both resorts are expected to open in 2011.

Pangkor Laut Resort

Pangkor Laut continues to enjoy the recognition of being one of the finest resorts in the world, and is keenly interested in developing this image into further commercial success. Increasingly international travel interest focuses on environmental issues, aligning these with efforts taken by individual resorts to enhance and preserve the sustainability of their environments. These actions taken in an appropriate manner, and validated by environmental agencies and authorities, substantially improve the commercial acceptability of resorts as being in concert with their natural surroundings.

Acting to preserve and enhance the Pangkor Laut Island corals in a responsible manner has led to the Resort's collaboration with the Reef Check Malaysia organisation to clean up surrounding reef ecosystems and launch an education programme in neighbouring island schools. The programme at Pangkor Laut Resort included educational talks for the resort's staff on the conservation of the marine eco-system around the island and methodologies that needed to be observed in the reef cleanup activities mounted by Pangkor Laut Resort personnel. Invited primary school students and faculty participated in practical workshops which included a visit to snorkelling sites.

Pangkor Laut Resort added the following awards and accolades to its name. Members of The Club of Small Luxury Hotels of The World voted the resort "Best Hotel 2009" out of 500 exclusive hotels worldwide. This award is presented for exceptional delivery of privileges and personalised service, which has left a lasting and memorable impression on Club members. Pangkor Laut Resort also received Excellence Awards for "Best Beach Resort" and "Best Spa Resort" from Expatriate Lifestyle Magazine's The Best of Malaysia Travel Awards. Most recently Germany's VIP International Traveller presented the Readers Travel Award for No. 2 "Most Beautiful Wellness Resort in the World".

Tanjong Jara Resort

Tanjong Jara Resort continues to address issues to improve its competitive position. Key among these is the enhancement of its image as offering a premier diving experience at the nearby Tenggol Island. Tenggol Island, offering twenty dive sites, is one of a cluster of 5 islands at the southern end of the Terengganu Marine Park and is considered the best diving location in the area. To this end, the Tanjong Jara Resort has embarked on a project with the exclusive watch brand IWC Schaffhausen, the internationally recognised diving organisation PADI, and Reef Check Malaysia, part of the international Reef Check Foundation. This project involves the participation of divers in a cleanup exercise to preserve the dive environment off Tenggol Island. This project is being promoted in newspapers, electronic mailers sent to lists provided by the organisers, and in IWC Boutiques.

Over the past year, Tanjong Jara has added to its stable of awards, with its Spa Village being named in Elle UK's "Top Ten Super Spas 2009". The resort was also named "Best Spa Resort" in Expatriate Lifestyle's The Best of Malaysia Travel Awards.

Cameron Highlands Resort

Cameron Highlands Resort stands alone in its class. It is a quality retreat for both leisure and business travellers, which year on year builds its reputation for its architecture and guest room design. Based on customer comments and testimonials, the quality of its personalised service and customer recognition remains unparalleled in the Cameron Highlands. The Resort appeared as the featured destination in the popular Australian television travel programme, Getaway, earlier this year.

The resort has won a number of awards in the past year, including several for its unique spa treatments. These are "Best Spa Experience" from Malaysia Spa & Wellness Awards 2008 and "Best Signature Experience" from Spa Asia Crystal Awards 2008. Cameron Highlands Resort was also named "Best Non-Beach Resort" by Expatriate Lifestyle's The Best of Malaysia Travel Awards and received the Five Star Diamond Award for the third consecutive year from The American Academy of Hospitality Sciences.

The Majestic Malacca

The Majestic Malacca continues to prove a popular destination and is establishing itself as the best hotel in the city. This 54-room hotel is developing a reputation for small business meetings and conferences and to this end, meeting facilities have been remodelled to accommodate receptions for up to 100 attendees and seats up to 80 diners. This hotel is popular with leisure travellers over weekends, and marketing efforts in addressing small corporate meetings have improved the hotel's operating performance.

UNESCO, the United Nation Educational Scientific and Cultural Organisation, named the city of Malacca a World Heritage Site. This recognition has led to a great deal of international media interest in Malacca this year, and the Majestic Malacca as the most architecturally authentic and historic hotel has featured prominently in publications featuring Malacca and its historic significance. Among the promotional coups was The Majestic Malacca featured on the dedicated television travel programmes, "Rick Stein's Far Eastern Odyssey" in the United Kingdom, and "Getaway" in Australia earlier this year.

Of special note are the first awards won by The Majestic Malacca and its Spa Village, recognising the hotel as South East Asia's "Best Signature Boutique Hotel" presented at the Hospitality Asia Platinum Awards; and Spa Village for the "Best Signature Treatment" at the Malaysia Spa & Wellness Awards presentation.

Spa Village Resort Tembok, Bali

Spa Village Resort Tembok, Bali is successfully establishing its reputation as a quality spa retreat on the northeast coast of this famous Indonesian island. Occupancy in this its second year of operation has improved considerably over the previous year. The guest experience at the resort is crafted to appeal to the discerning traveller who prefers specially designed personalised spa treatments in an environment of privacy and tranquillity. Treatments and activities in the Resort are designed as a choice of four "Discovery Paths", each of which integrate the Balinese culture into every aspect of the guest experience. The Spa Village Resort Tembok Bali was also featured for the second consecutive year in the UK Tatler Spa Guide's "Best 101 Spas in the World"; and was named, "New Spa of the Year" at the AsiaSpa Awards 2008.

During this second year of operations, the Spa Village activity programmes were refined to include guest participation in classes for the preparation and mixing techniques of the ingredients for the "Boreh" body scrub, and the various "Jamu", traditional herbal tonics, that are believed to restore a feeling of well being to the individual. Also, cooking classes in the preparation of Balinese specialties, and in the preparation of the special dough and crafting techniques used to create the food sculpture, "Jajan Suci", were added to the Resort's activity schedule.

The Ritz-Carlton, Kuala Lumpur

The Ritz-Carlton continues to reinforce its claim of being the pre-eminent luxury hotel in Kuala Lumpur, by acquiring recognition through awards and accolades. This year The Ritz-Carlton has been named, "Hotel of The Year 2008 – 2010" Hospitality Asia Platinum Awards/HAPA – Regional Series (2008); "Best Serviced Residence" – The Best of Malaysia Travel Awards 2008 by Expatriate Lifestyle (2008); and "Best City Spa" – The Best of Malaysia Travel Awards 2008 by Expatriate Lifestyle (2008). Additionally, The Ritz-Carlton was again recognised as "Best Employer in Malaysia 2009" by Hewitt Associates in partnership with Asian Strategy and Leadership Institute (ASLI), The Edge Malaysia and The Edge Financial Daily.

Rebranded as "Cesar's", the hotel's restaurant is being renovated to feature an "open kitchen" to prepare and serve brasserie style breakfasts, very different from the conventional breakfast buffet offered by so many. This renovation and change in dining style will give The Ritz-Carlton a more contemporary image in its public spaces while maintaining its focus on personalised luxury service.

JW Marriott Hotel Kuala Lumpur

The JW Marriott Hotel Kuala Lumpur continues to grow from strength to strength in the meetings, conferences and special events market in Kuala Lumpur, developing a reputation of effectiveness, dependability and efficiency for performance. Guest room amenities were further improved with an upgrade to new flat screen televisions and safe deposit boxes earlier this year. The flexibility and choice of dining options at the Feast Village in Starhill Gallery remains an advantage for hotel guests. Breakfast operations have moved to the Shook! restaurant, upgrading the hotel's image and guest experience considerably. Room service menus now feature selections from five premier restaurants in the Feast Village: Shook!, Fisherman's Cove, Vansh, Enak, and Tarbush, introducing a completely innovative concept to in-room dining. Guests have responded enthusiastically to these upgrades.

The hotel has been named "Favourite Hotel" in the Diplomatic Tourism Awards, organised in conjunction with all diplomatic missions in Kuala Lumpur. The Shanghai Restaurant has been awarded "Most Exquisite Palate Experience" (Chinese Cuisine) in the Hospitality Asia Platinum Awards (HAPA) 2008–2010, Regional Series 2008.

Spa Village

Spa Village continues to enjoy an excellent reputation for authenticity and exquisitely crafted treatments. The Spa Village brand clinched the award for "Best Spa Group" at the Malaysia Spa & Wellness Awards, 2008. For the third consecutive year, the Spa Village promoted its products and services in Paris, France. The Spa Village brand, therapies and products were again showcased for one month at the world-renowned Alexandre Zouari Hair and Beauty Salon which caters to visiting royalty, celebrities and the glitterati of Paris.

Spa Village also participated in a Malaysian Spa Festival at Thermae Bath Spa in the UK. In addition to promoting spa treatments, a Malaysian Chef prepared specialities daily. The month long festival at this historic British Spa was well received and enjoyed a good turnout from the media, providing publicity not only for the brand but for the resorts.

YTL Travel Centre

The YTL Travel Centre is the central reservations service for the Group's resorts, and in addition to processing travel industry generated reservations, provides customers booking directly with the Group's hotels, with consultative services in planning their stays at each resort. The Travel Centre is also capable of booking and coordinating both international and domestic airline reservations. As reported earlier, resort sales maintained levels of the previous year.

As is required of a professional contact centre for all reservations for the resorts, a great deal of focus is directed to operational efficiency and proficient customer service, with the intent to engage and influence the customer and cross sell resort products. Training and the development of sales and interpersonal skills is a critical component of successful operations. This year training emphasised building professionalism, and included cross exposure to operations of individual resorts.

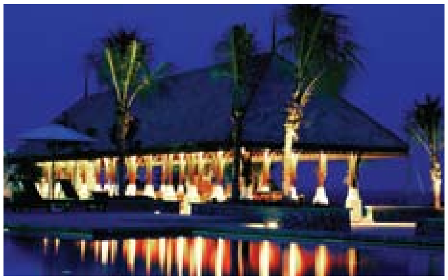
Vistana Group of Hotels

The Vistana Hotels continue to perform successfully, consolidating their reputations for consistent product performance amongst competing hotels in their respective cities and maintaining high levels of customer loyalty. Upgrades to guest rooms were completed at the end of 2008. Guest rooms are now modern and contemporary in design, featuring Internet broadband access. Further upgrades included LCD widescreen televisions, feather pillows, duvets, feather-filled mattress toppers and baths equipped with rain shower heads. Among initiatives taken to generate awareness of the new look rooms was a national advertising campaign and the redesign of the Vistana Hotels website, which now includes photographs of upgraded guest rooms and an online reservation service.

Eastern & Oriental Express

The past 12 months have brought new challenges to E&O as the company addressed the dramatic changes in market conditions. However, E&O's traditional markets have been resilient and the train began 2009 with an exclusive charter for a U.S. client which featured the E&O as the Southeast Asian highlight of a round-the-world tour by private jet. In a continuing effort to enhance the guest experience, new on board activities have been included to bring elements of Asian culture and history to the E&O journey. On selected departures passengers may indulge in Thai foot massage, enjoy an introduction to tropical fruits, or meet a prominent local author. All guests now receive a comprehensive journey guide which provides detailed information on the history and culture of the destinations the E&O travels through.

In February 2010 the Eastern & Oriental Express will make its first crossing of the Friendship Bridge which spans the Mekong River between Thailand and Laos. This inaugural journey will bring the E&O into the newly-opened Thanaleng Station – the first railway station in Laos. The outlook for 2010 is promising with a series of four back-to-back charters confirmed in March giving the E&O a strong start. The company is in a good position to see positive results in the year ahead.



IT & E-COMMERCE INITIATIVES

The Group's main operations continued to perform well during the year under review. These comprise AVSP services carried out by Extiva Communications Sdn Bhd ("Extiva"), and digital media applications under Infoscreen Networks Plc and its wholly-owned subsidiary, YTL Info Screen Sdn Bhd ("YTLIS").

The Group has also progressed well in its Worldwide Interoperability for Microwave Access ("WiMAX") and broadband initiatives during the year under review. The 2.3GHz WiMAX spectrum owned by Y-Max Networks Sdn Bhd, a subsidiary of the Group, will facilitate WiMAX mobility services to be rolled out in Malaysia, enabling end-users to enjoy a significantly enhanced roaming experience, making WiMAX a major platform for next generation converged communication services, capable of delivering fast, wide-coverage, and ubiquitous and always-connected voice, data and video services.

Meanwhile the Group successfully integrated and consolidated its former "Bizsurf" branded fixed wireless broadband operations with those of Airzed Services Sdn Bhd, the Group's fixed wireless broadband operation, cutting costs and creating significant operational efficiencies in the process.

In the Group's digital media division, YTLIS, an innovator of the digital narrowcast media sector in Malaysia, achieved good levels of advertising revenue during the year under review, derived primarily from advertising via its digital narrowcast media networks in the Bintang Walk area of Kuala Lumpur, including shopping centres such as Sungei Wang Plaza, and on the Kuala Lumpur Express Rail Link (KLIA Ekspres) trains.

Globally, advertising expenditure ("adex") in digital media has been amongst the fastest growing sub-sectors and Malaysian digital media adex growth has been no exception. With the rapid growth of convergence between the telecommunications and media technologies, the indications are that this trend is likely to continue, especially with the advent of the WiMAX era. YTLIS has provided the Group with a solid platform from which to leverage on the many opportunities expected to materialise in this space over next 5 years.

Extiva, a pioneer in the AVSP market in Malaysia, meanwhile, performed well in the challenging conditions prevailing in the AVSP market. The division's cost cutting strategy ensured that the company achieved a satisfactory level of performance during the year under review, and continued to earn the Group a substantial return on its equity investment. In cognizance of the challenging competitive market conditions prevailing today mostly from the incumbent Tier 1 telcos, Extiva continues to explore new technologies and initiatives that are synergistic to its current services.

Corporate Events

12 NOVEMBER 2008
FIABCI'S MALAYSIA PROPERTY AWARDS 2008
RESIDENTIAL DEVELOPMENT CATEGORY (HIGH-RISE) – THE MAPLE AT SENTUL WEST
RESIDENTIAL DEVELOPMENT CATEGORY (LOW-RISE) – LAKE EDGE, PUCHONG

Dato' Yeoh Seok Kian, Deputy Managing Director of YTL Corporation Berhad (fourth from left) received the awards from Yang di-Pertuan Agong Tuanku Mizan Zainal Abidin (third from left) at the awards ceremony. The Maple at Sentul West was also the second runner-up in the Residential category of the FIABCI Prix d'Excellence Awards 2009, conferred by FIABCI International in May 2009, whilst Lake Edge was the first runner-up in the Master Plan category.

27 NOVEMBER 2008
YTL-CISCO WIMAX STRATEGIC COLLABORATION

The YTL Group and Cisco signed a strategic collaboration agreement to establish the YTL Group's WiMAX core network including the internet protocol (IP) core, operating support systems, billing systems and a proactive network operating centre.

From left to right, Dato' Sri Michael Yeoh Sock Siong, Executive Director, YTL Corporation Berhad; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director, YTL Corporation Berhad; Mr Wim Elfrink, Executive Vice President, Cisco Services & Chief Globalisation Officer, Cisco Systems, Inc.; and Ms Anne Abraham, Managing Director, Cisco Systems (Malaysia) Sdn Bhd.

2 DECEMBER 2008
ACQUISITION OF 100% STAKE IN POWERSERAYA LIMITED BY YTL POWER INTERNATIONAL BERHAD

On 2 December 2008, YTL Power International Berhad, a listed subsidiary of YTL Corporation Berhad, entered into a share purchase agreement with Temasek Holdings (Private) Limited ("Temasek") to acquire a 100% interest in PowerSeraya Limited in Singapore.

From left to right, Dato' Mark Yeoh Seok Kah, Executive Director of YTL Corporation Berhad, Dato' Yeoh Seok Hong, Executive Director of YTL Corporation Berhad, Mr Wong Kim Yin, Managing Director of Investments, Temasek, and Ms Gwendal Tung, Director of Investments, Temasek, at the Signing Ceremony on 2 December 2008.

31 DECEMBER 2008
ACQUISITION OF 26% STAKE IN STARHILL GLOBAL REIT

YTL Corporation Berhad acquired an interest of approximately 26% in Singapore's Starhill Global REIT and a 50% interest in the holding company of the REIT's manager.

Listed on the Singapore stock exchange, Starhill Global REIT owns stakes in Ngee Ann City and Wisma Atria, located in Singapore's famed Orchard Road shopping and tourist district, as well as 7 properties in the prime areas of Aoyama, Roppongi, Harajyuku, Meguro and Ebisu in Tokyo, Japan, and a premier retail property in Chengdu, China.

6 JANUARY 2009
CORPORATE VISIT TO WATCH GROUP

From left to right, Mr Jacob Yeoh Keong Yeow, Executive Director of YTL e-Solutions Berhad, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad, Mr Nick Hayek Jr., Chief Executive Officer of Watch Group, and Mr Joshua Yeoh Keong Junn.

4 MARCH 2009
COURTESY VISIT TO THE MAYOR OF HUANGPU DISTRICT, SHANGHAI

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad, and Mr Zhou Wei, Mayor of Huangpu District in Shanghai.

5 MARCH 2009
CLOSING DINNER FOR THE SGD2.25 BILLION FACILITY ARRANGED BY DBS BANK LTD FOR THE ACQUISITION OF POWERSERAYA LIMITED

From left to right, Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Executive Chairman of YTL Corporation Berhad, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad, Mr Koh Boon Hwee, Chairman of DBS Bank Ltd, and Ms Jeanette Wong, Group Executive, Institutional Banking Group, DBS Bank Ltd, at the celebration dinner hosted by DBS Bank Ltd at The Fullerton Singapore on 5 March 2009.

6 MARCH 2009
CLOSING DINNER FOR THE ACQUISITION OF POWERSERAYA LIMITED

From left to right, Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Executive Chairman of YTL Corporation Berhad, Ms Ho Ching, Executive Director and Chief Executive Officer of Temasek Holdings (Private) Limited, and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad, at the closing dinner for the acquisition on 6 March 2009.

Corporate Events

25 MARCH 2009
THE ASIA SOCIETY LUNCHEON

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad, and Mr Ronnie Chan, Chairman of Hang Lung Group Limited, Vice Chairman of the Asia Society and Chairman of its Hong Kong Centre, at The Asia Society Luncheon in Hong Kong.

26 MARCH 2009
CREDIT SUISSE-ASIAN INVESTMENT CONFERENCE

From left to right, Mr Brady W. Dougan, Chief Executive Officer, Credit Suisse; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director, YTL Corporation Berhad; and Ms Ruth Yeoh Pei Cheen, Director of Investments, YTL Corporation Berhad.

1 APRIL 2009
CORPORATE VISIT TO PRR/GUCCI GROUP

Mr Francois Henri Pinault, Chief Executive Officer of PRR/Gucci Group, and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad, during a corporate visit in Paris, France.

23 APRIL 2009
YTL-SAMSUNG MOBILE WIMAX DEPLOYMENT AGREEMENT

The YTL Group and Samsung Electronics Co Ltd ("Samsung") entered into an agreement for the implementation of the YTL Group's mobile internet network, including base stations, end-to-end internet protocol (IP) multimedia service and a range of mobile internet devices.

From left to right, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad; YB Senator Puan Heng Seai Kie, Deputy Minister for Information, Communication & Culture; Datuk Dr Halim Shafie, Chairman of the Malaysian Communications & Multimedia Commission; and Mr WoonSub Kim, Executive Vice President & General Manager of Telecommunications Systems Division of Samsung.

24 APRIL 2009
COURTESY VISIT WITH THE MAYOR OF LIN'AN CITY

From left to right, Dato' Yeoh Soo Keng, Executive Director of YTL Corporation Berhad, H.E. Mr Wang Hong, Mayor of Lin'An City, Zhejiang Province, China, Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Executive Chairman of YTL Corporation Berhad, and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad, during a briefing held at the YTL Group's headquarters in Kuala Lumpur.

16 JULY 2009
ASIA PACIFIC PROPERTY AWARDS 2009

YTL Land & Development Berhad, a listed subsidiary of YTL Corporation Berhad, won seven awards at the Asia Pacific Property Awards 2009 (in conjunction with CNBC Arabiya) for its iconic developments – Centrio at Pantai Hillpark, The Maple at Sentul West and Lake Edge, Puchong.

YTL Singapore Pte Ltd, a wholly-owned subsidiary of YTL Corporation Berhad, also picked up two awards for Sandy Island, a luxury development in Sentosa Cove, Singapore.

20 AUGUST 2009
ASIA PACIFIC ENTREPRENEURSHIP AWARDS 2009

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Executive Chairman of YTL Corporation Berhad (seen here with his wife, Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong), was honoured with the Lifetime Achievement Award at the Asia Pacific Entrepreneurship Awards 2009, for outstanding entrepreneurial achievements and contribution toward the development of the nation. The awards are an initiative of Enterprise Asia, a non-governmental organisation dedicated to the pursuit and promotion of entrepreneurial development across the region.

30 SEPTEMBER 2009
OPENING OF WESSEX WATER SERVICES LTD'S NEW TREATMENT WORKS

Wessex Water Services Ltd, a wholly-owned subsidiary of YTL Power International Berhad, opened its new GBP25 million treatment works at Maundown, near Wiveliscombe in Somerset. The new facility replaces the previous one, which was over 40 years old, and will supply water to over 200,000 customers in Taunton, Minehead, Bridgwater and Yeovil.

From left to right, Mr Mark Lloyds, Contacts Manager, Wessex Water Services Ltd, Mr Colin Skellett, Chairman of Wessex Water Services Ltd, and Dato' Yeoh Seok Hong, Executive Director of YTL Corporation Berhad, at the official opening of the treatment works.

"We must ensure that development of the arts keeps pace with our progress in other areas. For the arts help to define us, reflecting our values, our history and our aspirations. It is also our hope, through our unwavering passion for the arts, that one day, Malaysian artists and performers can stand proud on the world stage."

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping CBE, FICE
Managing Director of YTL Corporation Berhad

PROMOTION OF ARTS & CULTURE

PROTECTION OF THE ENVIRONMENT

"Our generation is facing one of the greatest challenges of modern times – climate change – and with it chronic food, energy and water security issues, not to mention the mass extinction of species due to human folly. Nevertheless, let us recognise that this same challenge is also the greatest opportunity for our generation. We can be the ones who turn the tide against climate change, and prevent the thoughtless and irreversible extinction of thousands of species, which eventually will include humans as well."

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping CBE, FICE
Managing Director of YTL Corporation Berhad

Corporate Events

4 DECEMBER 2008
"A JOURNEY THROUGH TIME" & FORBES NIGHT GALA DINNER

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad, and Mr Christopher Forbes, Vice Chairman of Forbes, Inc, at the Forbes Night Gala dinner held in conjunction with Starhill Gallery's "A Journey Through Time" luxury watch and jewellery exhibition.

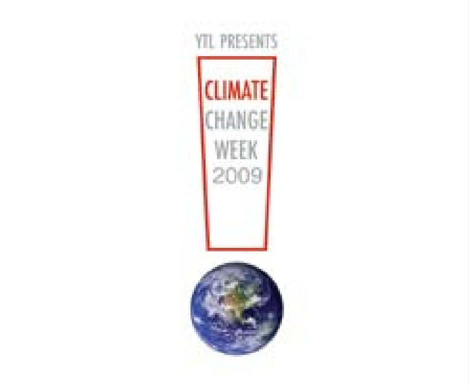
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping with renowned British tenor, Russell Watson, at the Forbes Night Gala dinner.

28 MARCH 2009
YTL GROUP PARTICIPATES IN EARTH HOUR 2009

Over 20 properties owned by or affiliated with the YTL Group in Malaysia and Singapore participated in WWF-Malaysia's Earth Hour 2009, turning their lights off for one hour to mark the importance of protecting the environment. Events held in Kuala Lumpur included performances by Tree Theatre Group, a story-telling session by Dato' Dr Sheikh Muszaphar Shukor and performances by Sean Ghazi, Deanna Yusoff, Jes Ebrahim and Wayang Lampu by Five Arts Centre.

From left to right: Mr Jes Ebrahim, environmental activist and performer; Mr Fahmi Fadzil, Five Arts Centre; Mr Devan Subramaniam, Earth Hour Project Manager for WWF Malaysia; and Ms Ruth Yeoh Pei Cheen, Director of Investments, YTL Corporation Berhad.

MAY – JUNE 2009
CLIMATE CHANGE WEEK 2009



YTL Corporation Berhad organised and sponsored Climate Change Week for the 3rd consecutive year. Climate Change Week 2009 featured the televised screening of the National Geographic Channel's "Strange Days on Planet Earth" series for the first time ever in Malaysia and Asia.

Ms Ruth Yeoh Pei Cheen, Director of Investments, YTL Corporation Berhad, and Mr Basil Chua, Territory Director (Singapore, Malaysia & Indonesia), National Geographic Channel Asia, at the launch of Climate Change Week 2009.

6 MAY 2009
DONATION TO KUEN CHENG HIGH SCHOOL

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Executive Chairman of YTL Corporation Berhad (4th from left), presenting the cheque to members of the board of directors and academic staff of Kuen Cheng High School.

28 JULY 2009
ACCA SINGAPORE AWARDS FOR SUSTAINABILITY REPORTING 2008
POWERSERAYA LIMITED – BEST FIRST TIME REPORT & BEST SUSTAINABILITY REPORTING

PowerSeraya Limited, a wholly-owned subsidiary of YTL Power International Berhad, won the awards for 'Best First Time Report' and 'Best Sustainability Reporting' at the ACCA Singapore Awards for Sustainability Reporting 2008.

Dr Yaacob Ibrahim (left), Singapore's Minister for the Environment and Water Resources, presents the awards to Mr John Ng (right), Chief Executive Officer of PowerSeraya Limited.

"At the heart of YTL, we are still builders. With our projects, the primary aim has never merely been to build houses, it has been to create communities and to provide a lifestyle for them to grow into. Today, we fill what we built with communities. We make them into the best resorts on the globe. We make our shopping premises into an unprecedented gallery of rich experiences. We also build trains that speed millions from the Kuala Lumpur airport to the centre of town. We build power plants that help our country and our region deal with the challenges of rising demand for electricity. And we never stop thinking about how to ensure our building improves the quality of life for Malaysians, and those who come here."

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping CBE, FICE
Managing Director of YTL Corporation Berhad

SUPPORTING EDUCATION & COMMUNITY DEVELOPMENT

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Sixth Annual General Meeting of YTL Corporation Berhad will be held at Starhill 2, Level 4, JW Marriott Hotel Kuala Lumpur, 183, Jalan Bukit Bintang, 55100 Kuala Lumpur on Tuesday, the 1st day of December, 2009 at 3.00 p.m. to transact the following business:-

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2009 together with the Reports of the Directors and Auditors thereon; **Resolution 1**

2. To sanction the declaration of a First and Final Dividend of 15% gross less Malaysian Income Tax in respect of the financial year ended 30 June 2009; **Resolution 2**

3. To re-elect the following Directors who retire pursuant to Article 84 of the Company's Articles of Association:-

   i) Tan Sri Dato' (Dr) Francis Yeoh Sock Ping **Resolution 3**
   ii) Dato' Sri Michael Yeoh Sock Siong **Resolution 4**
   iii) Dato' Yeoh Soo Keng **Resolution 5**

4. To consider and if thought fit, pass the following Ordinary Resolutions in accordance with Section 129(6) of the Companies Act, 1965:-

   i) "THAT Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." **Resolution 6**

   ii) "THAT Dato' (Dr) Yahya Bin Ismail, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." **Resolution 7**

   iii) "THAT Mej Jen Dato' Haron Bin Mohd Taib (B), retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." **Resolution 8**

   iv) "THAT Eu Peng Meng @ Leslie Eu, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." **Resolution 9**

5. To approve the payment of Directors' fees amounting to RM278,000 for the financial year ended 30 June 2009; **Resolution 10**

6. To re-appoint the Auditors and to authorise the Directors to fix their remuneration. **Resolution 11**

AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolutions:-

ORDINARY RESOLUTION 1

7. **PROPOSED AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965**

   "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad." **Resolution 12**

ORDINARY RESOLUTION 2

8. **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

   "THAT subject to the Company's compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to buy-back and/or hold from time to time and at any time such amount of ordinary shares of RM0.50 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company ("the Proposed Share Buy-Back") provided that:-

i) The maximum number of shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities provided always that in the event that the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellation of shares, sale of shares on the market of Bursa Securities or distribution of treasury shares to shareholders as dividend in respect of shares bought back under the previous shareholders' mandate for share buy-back which was obtained at the Annual General Meeting held on 2 December 2008, the Company shall be entitled to further purchase and/or hold such additional number of shares as shall (in aggregate with the shares then still held by the Company) not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities;

ii) The maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy-Back shall not exceed the sum of Retained Profits and the Share Premium Account of the Company based on its latest audited financial statements available up to the date of a transaction pursuant to the Proposed Share Buy-Back. As at 30 June 2009, the audited Retained Profits and Share Premium Account of the Company were RM2,980,891,000 and RM1,503,558,000 respectively; and

iii) The shares purchased by the Company pursuant to the Proposed Share Buy-Back may be dealt with by the Directors in all or any of the following manner:-

   a) the shares so purchased may be cancelled; and/or

   b) the shares so purchased may be retained in treasury for distribution as dividend to the shareholders and/or resold on the market of Bursa Securities and/or subsequently cancelled; and/or

   c) part of the shares so purchased may be retained as treasury shares with the remainder being cancelled.

AND THAT such authority shall commence upon the passing of this resolution, until the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required by law to be held unless revoked or varied by Ordinary Resolution of the shareholders of the Company in general meeting, whichever occurs first, but so as not to prejudice the completion of a purchase made before such expiry date;

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect to the Proposed Share Buy-Back with full powers to amend and/or assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time and with full power to do all such acts and things thereafter in accordance with the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the Main LR of Bursa Securities and all other relevant governmental/regulatory authorities."

Resolution 13

ORDINARY RESOLUTION 3

9. **PROPOSED RENEWAL OF SHAREHOLDER MANDATE AND NEW SHAREHOLDER MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

"THAT the Company and/or its subsidiaries be and is/are hereby authorised to enter into recurrent related party transactions from time to time with Related Parties who may be a Director, a major shareholder of the Company and/or its subsidiaries or a person connected with such a Director or major shareholder, as specified in section 2.1.2 (a) & (b) of the Circular to Shareholders dated 9 November 2009 subject to the following:-

i) the transactions are of a revenue or trading in nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries and are transacted on terms consistent or comparable with market or normal trade practices and/or based on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and

ii) disclosure is made in the annual report of the aggregate value of transactions conducted during the financial year pursuant to the shareholders' mandate in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

THAT the mandate given by the shareholders of the Company shall only continue to be in force until the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (the "Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); unless revoked or varied by Ordinary Resolution of the shareholders of the Company in general meeting, whichever is the earlier;

AND THAT the Directors of the Company be authorised to complete and do such acts and things as they may consider expedient or necessary to give full effect to the shareholders' mandate." **Resolution 14**

NOTICE OF BOOK CLOSURE

Notice is hereby given that the Register of Members of the Company will be closed at 5.00 p.m. on 8 December 2009 for the entitlement of the following:-

Proposed First and Final Dividend of fifteen percent (15%) gross less Malaysian Income Tax in respect of the financial year ended 30 June 2009 as recommended by the Directors on 20 August 2009.

A Depositor shall qualify for entitlement to the Proposed First and Final Dividend only in respect of:-

a) shares transferred into the Depositor's Securities Account before 4.00 p.m. on 8 December 2009 in respect of transfers; and

b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

Notice is also hereby given that the Dividend Payment Date of the Proposed First and Final Dividend of fifteen percent (15%) gross less Malaysian Income Tax in respect of the financial year ended 30 June 2009, if approved by the shareholders at the forthcoming Twenty-Sixth Annual General Meeting, shall be on 24 December 2009.

By Order of the Board,

HO SAY KENG
Company Secretary

KUALA LUMPUR
9 November 2009

NOTES:

A member entitled to attend and vote at the meeting may appoint a proxy to vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member other than an Authorised Nominee shall not be entitled to appoint more than one proxy to attend and vote at the same meeting and where such member appoints more than one proxy to attend and vote at the same meeting, such appointment shall be invalid. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or his attorney and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised in writing. An instrument appointing a proxy shall be deposited at the Registered Office of the Company at least 48 hours before the appointed time for holding the meeting. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 60(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 23 November 2009. Only a depositor whose name appears on the General Meeting Record of Depositors as at 23 November 2009 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.

Resolution pursuant to Section 132D of the Companies Act, 1965

The Company is actively pursuing business opportunities in prospective areas so as to broaden the operating base and earnings potential of the Company. Such expansion plans may require the issue of new shares not exceeding ten per centum of the Company's issued share capital. With the passing of the Resolution 12 mentioned above by the shareholders of the Company at the forthcoming Annual General Meeting, the Directors would avoid delay and cost of convening further general meetings to approve issue of such shares for such purposes.

Resolution pertaining to the renewal of Authority To Buy-Back Shares of the Company

For Resolution 13, further information on the Share Buy-Back is set out in the Share Buy-Back Statement dated 9 November 2009 which is despatched together with the Company's Annual Report 2009.

Resolution pertaining to the Recurrent Related Party Transactions

For Resolution 14, further information on the Recurrent Related Party Transactions is set out in the Circular to Shareholders dated 9 November 2009 which is despatched together with the Company's Annual Report 2009.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTORS

No individual is seeking election as a Director at the Twenty-Sixth Annual General Meeting of the Company.

Corporate Information

BOARD OF DIRECTORS

Executive Chairman

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay
PSM, SPMS, DPMS, KMN, PPN, PJK
Hon DEng (Heriot-Watt), DBA (Hon) (UMS),
Chartered Builder
FCIOB, FAIB, FFB, FBIM, FSIET, FBGAM, FMID

Managing Director

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping
PSM, CBE, FICE, SIMP, DPMS, DPMP, JMN, JP
Hon DEng (Kingston), BSc (Hons) Civil
Engineering, FFB, F Inst D, MBIM, RIM

Deputy Managing Director

Dato' Yeoh Seok Kian
DSSA
BSc (Hons) Bldg, MCIOB, FFB

Directors

Dato' (Dr) Yahya Bin Ismail
DPMJ, DPCM, DPMP, KMN, PPT
Bachelor of Veterinary Science

Mej Jen Dato' Haron Bin Mohd Taib (B)
PSAT, DPMJ, DPMT, DPMK, JMN, PMK, SMT, PIS,
PJK, PKB, psc

Dato' Cheong Keap Tai

Dato' Yeoh Soo Min
DSPN, DPMP
BA (Hons) Accounting

Dato' Yeoh Seok Hong
DSPN, JP
BE (Hons) Civil & Structural Engineering, FFB

Dato' Sri Michael Yeoh Sock Siong
DIMP, SSAP
BE (Hons) Civil & Structural Engineering, FFB

Dato' Yeoh Soo Keng
DIMP
BSc (Hons) Civil Engineering

Dato' Mark Yeoh Seok Kah
DSSA
LLB (Hons)

Eu Peng Meng @ Leslie Eu
BCom, FCILT

Syed Abdullah Bin Syed Abd. Kadir
BSc (Engineering Production), BCom (Economics)

COMPANY SECRETARY

Ho Say Keng

REGISTERED OFFICE

11th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel • 603 2117 0088
603 2142 6633
Fax • 603 2141 2703

BUSINESS OFFICE

11th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel • 603 2117 0088
603 2142 6633
Fax • 603 2141 2703

REGISTRAR

11th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel • 603 2117 0088
603 2142 6633
Fax • 603 2141 2703

SOLICITORS

Dorairaj, Low & Teh
Lee, Perara & Tan
Shook Lin & Bok
Slaughter & May

AUDIT COMMITTEE

Dato' (Dr) Yahya Bin Ismail
(Chairman and Independent Non-Executive Director)

Mej Jen Dato' Haron Bin Mohd Taib (B)
(Independent Non-Executive Director)

Dato' Cheong Keap Tai
(Independent Non-Executive Director)

AUDITORS

HLB Ler Lum (AF 0276)
Chartered Accountants
(A member of HLB International)

PRINCIPAL BANKERS OF THE GROUP

Affin Bank Berhad
Banco Bilbao Vizcaya Argentina, S.A.
Bank Islam Malaysia Berhad
Bank of America
Bank of China Limited
Bank of China (Malaysia) Berhad
Barclays Bank Plc
Bayerische Landesbank
BNP Paribas
Calyon
Cathay United Bank
Chinatrust Commercial Bank
CIMB Bank Berhad
CIMB Bank (L) Limited
Citibank Berhad
Citibank Malaysia (L) Limited
DBS Bank Ltd
DBS Bank (China) Limited
Deutsche Bank (Malaysia) Berhad
DZ Bank AG Deutsche Zentral –
Genossenschaftbank Frankfurt Am Main
European Investment Bank
Fortis Bank S.A./N.V.
Great Eastern Life Assurance (Malaysia)
Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
HSBC Bank Plc
ING Bank N.V.
Malayan Banking Berhad
Mega International Commercial Bank
Co Ltd
Mizuho Corporate Bank Ltd
National Australia Bank Limited
Natixis
OCBC Bank (Malaysia) Berhad
Oversea-Chinese Banking Corporation
Limited
Standard Chartered Bank Malaysia Berhad
Standard Chartered Bank Singapore
Sumitomo Mitsui Banking Corporation
The Bank of East Asia Limited
The Bank of Nova Scotia Berhad
The Bank of Tokyo-Mitsubishi UFJ, Ltd
The Royal Bank of Scotland plc
United Overseas Bank Limited
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market (3.4.1985)

Tokyo Stock Exchange
Foreign Section (29.2.1996)

TAN SRI DATO' SERI (DR) YEOH TIONG LAY

Malaysian, aged 79, was appointed to the Board on 24 June 1984 and has been the Executive Chairman since 24 January 1985. His contributions are well recognised with the conferment of the title of Doctor of Engineering by Heriot-Watt University, Edinburgh and his appointment as Honorary Life President of the Master Builders Association of Malaysia in 1988. He is the co-founder and the first Chairman of the ASEAN Constructors' Federation. On 26 October 2002, Tan Sri Yeoh Tiong Lay was conferred the Honorary Doctorate in Philosophy (Business Administration) by Universiti Malaysia Sabah. He was installed as Pro-Chancellor for Universiti Malaysia Sabah on 1 July 2005. He is the past President and Lifetime member of the International Federation of Asian and Western Pacific Contractors Association. Tan Sri Yeoh Tiong Lay is currently an EXCO member of the Malaysian Crime Prevention Foundation. On 19 January 2008, Tan Sri Yeoh Tiong Lay was conferred the prestigious Order of the Rising Sun, Gold Rays with Neck Ribbon by the Emperor of Japan in recognition of his outstanding contribution towards the economic co-operation and friendship between Japan and Malaysia, including his efforts as an executive member and Vice President of the Malaysia-Japan Economic Association. On 20 August 2009, Tan Sri Yeoh Tiong Lay was accorded with Lifetime Achievement Award in the Asia Pacific Entrepreneurship Awards 2009 (APEA 2009) in recognition of his outstanding entrepreneurial achievements and contribution towards the development of the nation. He is also the Honorary Chairman of Tung Shin Hospital and is on the board of Governors for several schools. Tan Sri Yeoh Tiong Lay is also the Executive Chairman of YTL Power International Berhad and YTL Cement Berhad, both listed on the Main Market of Bursa Malaysia Securities Berhad and a board member of other public companies such as YTL Industries Berhad, YTL Foundation, and Wessex Water Limited (a private utilities company in UK).

TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING

Malaysian, aged 55, was appointed to the Board on 6 April 1984 as an Executive Director and has been the Managing Director of the Company since April 1988. Tan Sri Francis studied at Kingston University, UK, where he obtained a Bachelor of Science (Hons) in Civil Engineering and was conferred an Honorary Doctorate of Engineering in 2004. He became the Managing Director of YTL Corporation Berhad Group in 1988 which under his stewardship, has grown from a single listed entity into a force comprising six listed entities ie. YTL Corporation Berhad, YTL Power International Berhad, YTL Cement Berhad, YTL Land & Development Berhad, YTL e-Solutions Berhad and Starhill Real Estate Investment Trust. He is presently Managing Director of YTL Power International Berhad, YTL Cement Berhad and YTL Land & Development Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad. Tan Sri Francis is also the Executive Chairman and Managing Director of YTL e-Solutions Berhad which is listed on the ACE Market of Bursa Malaysia Securities Berhad, and YTL Pacific Star REIT Management Limited, which is the Manager for Starhill Global REIT, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST). Besides the listed entities in YTL Group, Tan Sri Francis also sits on the board of several public companies such as YTL Industries Berhad, YTL Foundation and the prominent private utilities companies in United Kingdom, Wessex Water Limited and Wessex Water Services Limited. He is also a director and Chief Executive Officer of Pintar Projek Sdn Bhd, the Manager of Starhill Real Estate Investment Trust.

He is a Founder Member of the Malaysian Business Council and The Capital Markets Advisory Council. He is also a member of The Nature Conservancy Asia Pacific Council, the Asia Business Council and Trustee of the Asia Society. He is also a member of the Advisory Council of London Business School, Wharton School and INSEAD.

He was ranked by both Fortune Magazine and Business Week Magazine as Asia's 25 Most Powerful and Influential Business Personalities. He won the inaugural Ernst & Young's Master Entrepreneur in Malaysia in 2002 and CNBC Asia Pacific named him Malaysia CEO of the Year in 2005.

He was appointed as member of Barclays Asia-Pacific Advisory Committee in 2005. In 2006, he was awarded the Commander of the Most Excellent Order of the British Empire (CBE) by Her Majesty Queen Elizabeth II. In 2008, he was appointed Chairman for South East Asia of the International Friends of Louvre and he also received a pretigious professional accolade when made a fellow of the Institute of Civil Engineers in London. He was named one of Asia's Top Executives in 2008 by Asiamoney.

Profile of the Board of Directors

DATO' YEOH SEOK KIAN

Malaysian, aged 52, was appointed to the Board on 24 June 1984 as an Executive Director. He is currently the Deputy Managing Director of the Company. He graduated from Heriot-Watt University, Edinburgh, United Kingdom in 1981 with a Bachelor of Science (Hons) Degree in Building. He attended the Advance Management Programme conducted by Wharton Business School, University of Pennsylvania in 1984. Dato' Yeoh Seok Kian is a Fellow of the Faculty of Building, United Kingdom as well as a Member of the Chartered Institute of Building (UK). He is also the Deputy Managing Director of YTL Power International Berhad and the Executive Director of YTL Cement Berhad and YTL Land & Development Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad. Dato' Yeoh Seok Kian also serves on the board of several other public companies such as YTL Industries Berhad, The Kuala Lumpur Performing Arts Centre and private utilities company, Wessex Water Limited, as well as YTL Pacific Star REIT Management Limited, which is the Manager for Starhill Global REIT, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST). He is also an Executive Director of Pintar Projek Sdn Bhd, the Manager of Starhill Real Estate Investment Trust.

DATO' (DR) YAHYA BIN ISMAIL

Malaysian, aged 81, was appointed to the Board on 6 April 1984 as an Independent Non-Executive Director. He is also the Chairman of the Audit Committee. He was formerly with the Government and his last appointment was as Director General of the National Livestock Authority Malaysia. He was also with the Totalisator Board Malaysia from 1982 to 1990 and served as its Chairman from 1986. Dato' Yahya is a director of YTL Power International Berhad which is listed on the Main Market of Bursa Malaysia Securities Berhad. He also sits on the Board of Metroplex Berhad and Pintar Projek Sdn Bhd, the Manager of Starhill Real Estate Investment Trust.

MEJ JEN DATO' HARON BIN MOHD TAIB (B)

Malaysian, aged 74, was appointed to the Board on 3 July 1990 as an Independent Non-Executive Director. He is also a member of the Audit Committee. He was enlisted as an officer cadet at the Royal Military College in Sungei Besi, Kuala Lumpur in 1954 and was commissioned as a Second Lieutenant at Royal Military Academy Sandhurst, England in 1957. Some of his notable appointments include Director of Manpower Planning in the Ministry of Defence in 1972, Chief of Logistic Staff in 1986 and Commander of Army Logistic Command in 1987. He has been a Director of YTL Power International Berhad since 31 October 1996.

DATO' CHEONG KEAP TAI

Malaysian, aged 61, was appointed to the Board on 30 September 2004 as an Independent Non-Executive Director. He is also a member of the Audit Committee. Dato' Cheong graduated from the University of Singapore with a Bachelor of Accountancy. He is a Chartered Accountant of Malaysian Institute of Accountants, a Member of the Malaysian Institute of Certified Public Accountants, Member of Malaysian Institute of Taxation and Licensed Tax Agent and a Member of the Institute of Chartered Secretaries and Administrators. Dato' Cheong was the Executive Director and Partner of Coopers & Lybrand and upon its merger with Price Waterhouse was the Executive Director and Partner of PricewaterhouseCoopers until his retirement in December 2003. Currently, he is a director of YTL Land & Development Berhad, YTL e-Solutions Berhad, Gromutual Berhad and several private limited companies.

DATO' YEOH SOO MIN

Malaysian, aged 53, was appointed to the Board on 24 June 1984 as an Executive Director. She graduated with a Bachelor of Art (Hons) Degree in Accounting from University of North London in 1980. She did her Articleship at Leigh Carr and Partners, London and has gained vast experience in accounting and management. She was responsible for the setting up of the Travel Division of the YTL Group in December 1990. Dato' Yeoh Soo Min is currently responsible for the accounting and finance systems for the YTL Group. She is a Member of the Malaysian Institute of Management. She was the past President of the Women in Travel Industry. She is currently one of the Governors of International Students House, London since 1995 and is a Trustee of Yayasan Tuanku Fauziah. She also holds directorships in YTL Power International Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad, YTL Industries Berhad and YTL Vacation Club Berhad.

DATO' YEOH SEOK HONG

Malaysian, aged 50, was appointed to the Board on 19 June 1985 as an Executive Director. He obtained his Bachelor of Engineering (Hons) Civil & Structural Engineering Degree from the University Bradford, United Kingdom in 1982. He is a member of the Faculty of Building, United Kingdom. Dato' Yeoh Seok Hong has vast experience in the construction industry, being the Executive Director responsible for the YTL Group construction division. He was the project director responsible for the development and the construction of the two Independent Power Producer power stations owned by YTL Power Generation Sdn Bhd. His other achievements include the construction of the Express Rail Link between the Kuala Lumpur International Airport and the Kuala Lumpur Sentral Station. He is also responsible for developing the power and utility businesses of the YTL Power International Berhad Group. He is a director of YTL Power International Berhad, YTL Cement Berhad and YTL Land & Development Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad and YTL e-Solutions Berhad, a company listed on the ACE Market of Bursa Malaysia Securities Berhad. Dato' Yeoh Seok Hong also sits on the board of YTL Industries Berhad, YTL Foundation, Wessex Water Limited, Wessex Water Services Limited and PowerSeraya Limited.

DATO' SRI MICHAEL YEOH SOCK SIONG

Malaysian, aged 49, was appointed to the Board on 19 June 1985 as an Executive Director. He graduated from Bradford University, United Kingdom in 1983 with a Bachelor of Engineering (Hons) Civil & Structural Engineering Degree. Dato' Sri Michael Yeoh is primarily responsible for the YTL Group Manufacturing Division which activities involve cement manufacturing and other building material industries. He is also a director of YTL Power International Berhad, YTL Cement Berhad, YTL Land & Development Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad and YTL e-Solutions Berhad, a company listed on the ACE Market of Bursa Malaysia Securities Berhad. He also sits on the board of other public companies such as YTL Industries Berhad, Sentul Raya Golf Club Berhad and private utilities company, Wessex Water Limited as well as Jurong Cement Limited.

DATO' YEOH SOO KENG

Malaysian, aged 46, was appointed to the Board on 16 May 1996 as an Executive Director. She graduated with a Bachelor of Science (Hons) in Civil Engineering from Leeds University, United Kingdom in 1985. She was the project director for the construction of the British High Commissioner's residence, Kuala Lumpur; the Design & Build of the National Art Gallery in Kuala Lumpur and the Selangor Medical Centre in Shah Alam. She was also in charge of a few turnkey projects such as the construction and completion of Yeoh Tiong Lay Plaza, Pahang Cement plant in Pahang and Slag Cement plants in Selangor and Johor. Dato' Yeoh Soo Keng is the purchasing director responsible for bulk purchases of building materials and related items for the construction, hotels and resorts, and property development divisions of the YTL Group. She is instrumental in the sales and marketing of cement and related products for YTL Cement Berhad, Pahang Cement Marketing Sdn Bhd and Perak-Hanjoong Simen Sdn Bhd. She is also a director of YTL Power International Berhad and YTL Cement Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad.

DATO' MARK YEOH SEOK KAH

Malaysian, aged 44, was appointed to the Board on 22 June 1995. He graduated from King's College, University of London with a LLB (Hons) and was subsequently called to the Bar at Gray's Inn, London in 1988. Dato' Mark Yeoh joined YTL Group in 1989 and is presently the Executive Director responsible for the YTL Hotels and Resorts Division. In addition, he is also part of YTL Power's Mergers & Acquisitions Team and was involved in the acquisition of ElectraNet SA (Australia), Wessex Water Limited (UK), P.T. Jawa Power (Indonesia) and PowerSeraya Limited (Singapore). He serves on the board of YTL Power International Berhad, YTL Cement Berhad, YTL Land & Development Berhad, all listed on the Main Market of the Bursa Malaysia Securities Berhad and YTL e-Solutions Berhad, a company listed on the ACE Market of Bursa Malaysia Securities Berhad. He is also a board member of YTL Vacation Club Berhad and private utilities company, Wessex Water Limited, as well as PowerSeraya Limited.

Profile of the Board of Directors

EU PENG MENG @ LESLIE EU

Malaysian, aged 74, was appointed to the Board on 31 March 2003 as an Independent Non-Executive Director. Mr Leslie Eu graduated with a Bachelor of Commerce degree from the Republic of Ireland. He is a Fellow of the Chartered Institute of Logistics and Transport and was one of the founding directors of Global Maritime Ventures Berhad. He has been in the shipping business for more than 40 years. He was the first Chief Executive Officer of Malaysian International Shipping Corporation Berhad from the company's inception in 1969 until his early retirement in 1985. Mr Leslie Eu was a Board Member of Lembaga Pelabuhan Kelang from 1970 to 1999. In 1995, he was presented the Straits Shipper Transport Personality award by the Minister of Transport. He was appointed by the United Nations Conference on Trade and Development as one of the 13 experts to assist the developing nations in establishing their maritime fleets. Mr Leslie Eu presently serves on the board of public companies such as YTL Cement Berhad and YTL Land & Development Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad, and Lloyd's Register of Shipping (Malaysia) Bhd. He is also a director of Pintar Projek Sdn Bhd, the Manager of Starhill Real Estate Investment Trust.

SYED ABDULLAH BIN SYED ABD. KADIR

Malaysian, aged 55, was appointed to the Board on 20 October 1999 as an Executive Director. He graduated from the University of Birmingham in 1977 with a Bachelor of Science (Engineering Production) and a Bachelor of Commerce (Economics) Double Degree. He has extensive experience in banking and financial services, having been with Bumiputra Merchant Bankers Berhad from 1984 to 1994, holding the position of general manager immediately prior to his departure from the bank. Prior to joining YTL Corporation Berhad Group, he was, from November 1994 to February 1996, the general manager of Amanah Capital Partners Berhad, a public listed company with subsidiaries involved in, *inter alia*, discount, money broking, unit trusts, finance and fund management operations. He also serves on the board of YTL Power International Berhad, YTL e-Solutions Berhad, Iris Corporation Berhad, and Versatile Creative Berhad.

Notes:

1. **Family Relationship with Director and/or Major Shareholder**
   Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay who is a deemed major shareholder of the Company, is the father of Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Dato' Yeoh Seok Kian, Dato' Yeoh Soo Min, Dato' Yeoh Seok Hong, Dato' Sri Michael Yeoh Sock Siong, Dato' Yeoh Soo Keng and Dato' Mark Yeoh Seok Kah. Save as disclosed herein, none of the Directors has any family relationship with any director and/or major shareholder of the Company.

2. **Conflict of Interest**
   None of the Directors has any conflict of interest with the Company.

3. **Conviction of Offences**
   None of the Directors has been convicted of any offences in the past ten (10) years.

DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

During the financial year, a total of 5 Board meetings were held and the details of attendance are as follows:-

	Attendance
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	5
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping	5
Dato' Yeoh Seok Kian	4
Dato' (Dr) Yahya Bin Ismail	5
Mej Jen Dato' Haron Bin Mohd Taib (B)	5
Dato' Cheong Keap Tai	5
Dato' Yeoh Soo Min	3
Dato' Yeoh Seok Hong	5
Dato' Sri Michael Yeoh Sock Siong	4
Dato' Yeoh Soo Keng	5
Dato' Mark Yeoh Seok Kah	5
Eu Peng Meng @ Leslie Eu	5
Syed Abdullah Bin Syed Abd. Kadir	5

Statement of Directors' Responsibilities

The Directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year then ended.

The Directors consider that, in preparing the financial statements for the financial year ended 30 June 2009, the Group has used appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent. The Directors also consider that all applicable approved accounting standards have been followed and confirm that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1965 and MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities.

Audit Committee Report

MEMBERS

Dato' (Dr) Yahya Bin Ismail
(Chairman/Independent Non-Executive Director)

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping
(Member/Managing Director)
(Resigned on 22 January 2009)

Mej Jen Dato' Haron Bin Mohd Taib (B)
(Member/Independent Non-Executive Director)

Dato' Cheong Keap Tai
(Member/Independent Non-Executive Director)

TERMS OF REFERENCE

Primary Purposes

The Committee shall:-

1. Provide assistance to the Board in fulfilling its fiduciary responsibilities relating to the corporate accounting and practices for YTL Corporation Berhad and all its wholly and majority owned subsidiaries ("Group").

2. Improve the Group's business efficiency, the quality of the accounting function, the system of internal controls and audit function and strengthen the confidence of the public in the Group's reported results.

3. Maintain through regularly scheduled meetings, a direct line of communication between the Board and the external auditors as well as internal auditors.

4. Enhance the independence of both the external and internal auditors' function through active participation in the audit process.

5. Strengthen the role of the Independent Directors by giving them a greater depth of knowledge as to the operations of the Company and of the Group through their participation in the Committee.

6. Act upon the Board of Directors' request to investigate and report on any issues or concerns in regard to the management of the Group.

7. Review existing practices and recommend to Management to formalise an ethics code for all executives and members of the staff of the Group.

8. Create a climate of discipline and control which will reduce opportunity of fraud.

Membership

1. The Committee shall be appointed by the Board from amongst their number and shall be composed of no fewer than three (3) members, all of whom must be non-executive directors, with a majority of them being Independent Directors.

2. At least one member of the Audit Committee:-

   (a) must be a member of the Malaysian Institute of Accountants; or

   (b) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-

      (i) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or

      (ii) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or

   (c) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities").

3. The Board must ensure that no alternate Director is appointed as a member of the Audit Committee.

4. The members of the Committee shall elect a Chairman from amongst their number who shall be an Independent Director.

Authority

The Committee shall in accordance with the procedure determined by the Board and at the cost of the Company:-

1. have authority to investigate any matter within its terms of reference;

2. have the resources which are required to perform its duties;

3. have full and unrestricted access to any information pertaining to the Company;

4. have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;

5. be able to obtain independent professional or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and

6. be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

Functions And Duties

The Committee shall, amongst others, discharge the following functions:-

1. Review the following and report the same to the Board of the Company:-
   (a) the audit plan with the external auditors;
   (b) the evaluation by the external auditors of the quality and effectiveness of the entire accounting system, the adequacy and the integrity of the internal control system and the efficiency of the Group's operations and efforts and processes taken to reduce the Group's operational risks;
   (c) the audit report with the external auditors;
   (d) the assistance given by the employees of the Company to the external auditors;
   (e) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
   (f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
   (g) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focussing particularly on:-
      - changes in or implementation of major accounting policy changes
      - significant and unusual events
      - the accuracy and adequacy of the disclosure of information essential to a fair and full presentation of the financial affairs of the Group
      - compliance with accounting standards, other statutory and legal requirements and the going concern assumption;
   (h) any related party transaction and conflict of interest situation that may arise within the Company/Group and any related parties outside the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
   (i) any letter of resignation from the external auditors of the Company;
   (j) whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment; and
   (k) any significant audit findings, reservations, difficulties encountered or material weaknesses reported by the external and internal auditors.
2. Recommend the nomination of a person or persons as external auditors and the external audit fee.
3. Promptly report to Bursa Securities on any matter reported by it to the Board of the Company which has not been satisfactorily resolved resulting in a breach of Bursa Securities Main Market Listing Requirements ("Main LR").
4. Carry out any other function that may be mutually agreed upon by the Committee and the Board which would be beneficial to the Company and ensure the effective discharge of the Committee's duties and responsibilities.

Meetings

1. To form a quorum in respect of a meeting of the Committee, the majority of members present must be Independent Directors.
2. The Committee shall meet at least five (5) times a year, although additional meetings may be called at any time at the Audit Committee Chairman's discretion. An agenda shall be sent to all members of the Committee and any other persons who may be required/invited to attend. All meetings to review the quarterly results and annual financial statements, shall be held prior to such quarterly results and annual financial statements being presented to the Board for approval.
3. Notwithstanding paragraph 2 above, upon the request of any member of the Committee, the external auditors or the internal auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider any matter which should be brought to the attention of the Directors or shareholders.
4. The external auditors have the right to appear and be heard at any meeting of the Committee and shall appear before the Committee when required to do so by the Committee.
5. The Committee may invite any Board member or any member of the Management within the Company who the Committee thinks fit to attend its meetings to assist in resolving and clarifying matters raised in audit reports.
6. The internal auditors shall be in attendance at meetings of the Committee to present and discuss the audit reports of

findings and the recommendations relating thereto and to follow up on decisions made at these meetings.

7. The Committee may establish any regulations from time to time to govern its administration.

Retirement And Resignation

In the event of any vacancy in the Audit Committee resulting in the non-compliance of subparagraph 15.09(1) of the Main LR, the Company must fill the vacancy within 3 months.

Minutes

1. The Secretary shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated.

2. Minutes of each meeting shall also be distributed to the members of the Committee prior to each meeting.

3. Detailed minutes of the Committee's meetings will be made available to all Board members. A summary of significant matters and resolutions will be reported to the Board by the Committee.

4. The books containing the minutes of proceedings of any meeting of the Committee shall be kept by the Company at the registered office of the Company and shall be opened to the inspection of any member of the Committee and of the Board.

Secretary

The Secretary to the Committee shall be the Company Secretary.

ACTIVITIES

In line with the terms of reference of the Committee, the following activities were carried out by the Committee during the financial year ended 30 June 2009 in discharging its functions:-

1. Review of the external auditors' scope of work and their audit plan.

2. Reviewing with the external auditors on the results of their audit, the audit report and internal control recommendations in respect of control weaknesses noted in the course of their audit.

3. Review of audit reports presented by internal auditors on findings and recommendations and management's responses thereto and ensure that material findings are adequately addressed by management.

4. Review of the quarterly results and annual financial statements to ensure compliance with the Main LR, applicable approved accounting standards and other statutory and regulatory requirements prior to recommending for approval by the Board of Directors.

5. Verifying the allocation of share options pursuant to the Employees' Share Option Scheme.

6. Review of the related party transactions entered into by the Group.

7. Review of the adequacy and competency of the internal audit function and the profiles of the internal auditors.

INTERNAL AUDIT ACTIVITIES

The activities of the internal audit function during the year under review include:-

1. Developing the annual internal audit plan and proposing this plan to the Audit Committee.

2. Conducting scheduled internal audit engagements, focusing primarily on the effectiveness of internal controls and recommending improvements where necessary.

3. Conducting follow-up reviews to assess if appropriate action has been taken to address issues highlighted in previous audit reports.

4. Presenting audit findings to the Audit Committee for consideration.

NUMBER OF MEETINGS HELD AND DETAILS OF ATTENDANCE

During the financial year, a total of 5 Audit Committee Meetings were held and the details of attendance are as follows:-

	Attendance
Dato' (Dr) Yahya Bin Ismail	5
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping *(Resigned on 22 January 2009)*	3
Mej Jen Dato' Haron Bin Mohd Taib (B)	5
Dato' Cheong Keap Tai	5

The Board of Directors ("Board") of YTL Corporation Berhad ("YTL Corp" or "Company") remains firmly committed to ensuring an appropriate and sound system of corporate governance throughout the Company and its subsidiaries ("YTL Corp Group"). In implementing its governance system and ensuring full compliance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board has been guided by the measures and best practices recommended in the Malaysian Code on Corporate Governance ("Code").

The YTL Corp Group has a long-standing commitment to corporate governance and protection of shareholder value, which has been integral to the YTL Corp Group's achievements and strong financial profile to date. The YTL Corp Group's corporate governance structure is a fundamental part of the Board's responsibility to protect and enhance long-term shareholder value and the financial performance of the YTL Corp Group, whilst taking into account the interests of all stakeholders.

This section of the Annual Report details the measures implemented by the YTL Corp Group to strengthen its compliance with the Principles and Best Practices of Corporate Governance as set out in Parts 1 and 2 of the Code, respectively.

BOARD STRUCTURE

YTL Corp is led and managed by an experienced Board with a wide and varied range of expertise to address and manage the complexity and scale of the YTL Corp Group's operations. This broad spectrum of skills and experience ensures the YTL Corp Group is under the guidance of an accountable and competent Board. The Directors recognise the key role they play in charting the strategic direction, development and control of the YTL Corp Group and have adopted the six primary responsibilities as listed in the Code, which facilitate the discharge of the Board's stewardship responsibilities.

The Board currently has 13 Directors, comprising 9 executive members and 4 non-executive members, all of whom are independent. This provides an effective check and balance in the functioning of the Board, and complies with the Listing Requirements, which require one-third of the Board to be independent.

The positions and responsibilities of the Executive Chairman and the Managing Director are held by separate members of the Board. The Executive Chairman is primarily responsible for the orderly conduct and effectiveness of the Board, whilst the Managing Director oversees the day-to-day running of the business, implementation of Board policies and making of operational decisions, in addition to advancing relationships with regulators and all other stakeholders. The Managing Director and the Executive Directors are accountable to the Board for the profitable operation and development of the YTL Corp Group, consistent with the primary aim of enhancing long-term shareholder value.

The Independent Non-Executive Directors have the experience and business acumen necessary to carry sufficient weight in the Board's decisions and the presence of these Independent Non-Executive Directors brings an additional element of balance to the Board as they do not participate in the day-to-day running of the Company. The differing roles of Executive and Non-Executive Directors are delineated, both having fiduciary duties towards shareholders. Executive Directors have a direct responsibility for business operations whereas Non-Executive Directors have the necessary skill and experience to bring an independent judgement to bear on issues of strategy, performance and resources brought before the Board.

The Executive Directors are collectively accountable for the running and management of the YTL Corp Group's operations and for ensuring that strategies are fully discussed and examined, and take account of the long-term interests of shareholders, employees, customers, suppliers and the many communities in which the YTL Corp Group conducts its business.

Together, the Directors believe that the structure of the Board satisfactorily reflects the interests of its shareholders and is able to provide clear effective leadership to the YTL Corp Group. The composition of the Board reflects the wide range of business, commercial and financial experience essential in the management and direction of a corporation with global presence. A brief description of the background of each Director is presented in the Profile of the Board of Directors in this Annual Report.

To date, the Board has not found it necessary to designate a Senior Independent Non-Executive Director to whom concerns may be conveyed, mainly because full deliberation of issues affecting the YTL Corp Group by all members of the Board and shareholders is encouraged.

DIRECTORS' TRAINING

The Directors are fully cognisant of the importance and value of attending seminars, training programmes and conferences in order to update themselves on developments and changes in the industries in which the YTL Corp Group operates, as well as wider economic, financial and governance issues to enhance their skills, knowledge and expertise in their respective fields. All Directors have attended and completed the Mandatory Accreditation Programme prescribed by Bursa Securities, and the Board will continue to evaluate and determine the training needs of its Directors on an ongoing basis.

Throughout the financial year under review, the Directors attended various briefings, conferences, seminar programmes and speaking engagements covering areas that included corporate governance, leadership, relevant industry updates and global business developments which they have collectively or individually considered as useful in discharging their stewardship responsibilities.

BOARD MEETINGS & ACCESS TO INFORMATION

Board meetings are scheduled with due notice in advance at least 5 times in a year in order to review and approve the annual and interim financial results. Additional meetings may also be convened on an ad-hoc basis when significant issues arise relating to the YTL Corp Group and when necessary to review the progress of its operating subsidiaries in achieving their strategic goals. The Board met 5 times during the financial year ended 30 June 2009. Details of each Director's attendance of the Board meetings are disclosed in the Profile of the Board of Directors in this Annual Report.

The Directors are fully apprised of the need to determine and disclose potential or actual conflicts of interest which may arise in relation to transactions or matters which come before the Board. In accordance with applicable laws and regulations, the Directors formally disclose any direct or indirect interests or conflicts of interests in such transactions or matters as and when they arise and abstain from deliberations and voting at Board meetings as required.

The Directors have full and unrestricted access to all information pertaining to the YTL Corp Group's business and affairs to enable them to discharge their duties. There are matters specifically reserved for the Board's decision to ensure that the direction and control of the YTL Corp Group rests firmly with the Board.

Prior to each Board meeting, all Directors receive the agenda together with a comprehensive set of Board papers encompassing qualitative and quantitative information relevant to the business of the meeting. This allows the Directors to obtain further explanations or clarifications, where necessary, in order to be properly briefed before each meeting. A record of the Board's deliberations of the issues discussed and conclusions reached in discharging its duties and responsibilities is captured in the minutes of each meeting, prepared by the Company Secretary, who ensures that accurate and proper records of the proceedings of Board meetings and resolutions passed are recorded and kept in the statutory register at the registered office of YTL Corp Group.

Board papers are presented in a consistent, concise and comprehensive format, and include, where relevant to the proposal put forward for the Board's deliberation, approval or knowledge, progress reports on the YTL Corp Group's operations and detailed information on corporate proposals, major fund-raising exercises and significant acquisitions and disposals. Where necessary or prudent, professional advisers may be on hand to provide further information and respond directly to Directors' queries. In order to maintain confidentiality, Board papers on issues that are deemed to be price-sensitive may be handed out to Directors during the Board meeting.

All Directors have full access to the advice and services of the Company Secretary who consistently ensures that Board procedures are adhered to at all times during meetings and advises the Board on matters including corporate governance issues and the Directors' responsibilities in complying with relevant legislation and regulations.

APPOINTMENT & RE-ELECTION OF DIRECTORS

The appointment of Directors is undertaken by the Board as a whole. The Managing Director recommends candidates suitable for appointment to the Board, and the final endorsement lies with the entire Board to ensure that the required mix of skills, experience and expertise of members of the Board is sufficient to address the issues affecting the YTL Corp Group. In its deliberations, the Board is required to take into account the integrity, professionalism, skill, knowledge, expertise and experience of the proposed candidate. In accordance with the Board's procedures, deliberations and conclusions in this process reached are recorded by the Company Secretary. During the financial year under review, there were no new appointments to the Board.

In accordance with the Company's Articles of Association, at least one-third of the Directors are required to retire from office at each Annual General Meeting ("AGM") and may offer themselves for re-election by rotation. Directors who are appointed by the Board during the financial year are subject to re-election by shareholders at the next AGM held following their appointments. Directors who are over seventy years of age are required to submit themselves for re-appointment by shareholders annually in accordance with Section 129 of the Companies Act 1965. The names and details of Directors seeking re-election at the forthcoming AGM are disclosed in the Notice of AGM and the Profile of the Board of Directors, respectively, in this Annual Report.

In accordance with the Listing Requirements, each member of the Board holds not more than ten directorships in public listed companies and not more than fifteen directorships in non-public listed companies. This ensures that their commitment, resources and time are focused on the affairs of the YTL Corp Group thereby enabling them to discharge their duties effectively.

DIRECTORS' REMUNERATION

Directors' remuneration is decided in line with the objective recommended by the Code to determine the remuneration for Directors so as to attract, retain, motivate and incentivise Directors of the necessary calibre needed to lead the YTL Corp Group successfully. In general, the remuneration of the directors is reviewed against the performance of the individual and the YTL Corp Group. The Executive Directors' remuneration consists of basic salary, other emoluments and other customary benefits as appropriate to a senior management member. The component parts of remuneration are structured so as to link rewards to performance. Directors do not participate in decisions regarding their own remuneration packages and Directors' fees must be approved by shareholders at the AGM.

Details of the aggregate remuneration of Directors categorised into appropriate components and the range of remuneration for each Director can be found in Note 7 to the Financial Statements in this Annual Report. Details are not shown with reference to Directors individually, both for security reasons and because the Board believes that such information will not add significantly to the understanding and evaluation of the YTL Corp Group's standards of corporate governance.

DIALOGUE WITH SHAREHOLDERS & INVESTORS

The YTL Corp Group values dialogue with investors and constantly strives to improve transparency by maintaining channels of communication with shareholders and investors that enable the Board to convey information about performance, corporate strategy and other matters affecting shareholders' interests. The Board believes that a constructive and effective investor relationship is essential in enhancing shareholders value and recognises the importance of timely dissemination of information to shareholders. Accordingly, the Board ensures that shareholders are kept well-informed of any major developments of the YTL Corp Group. Such information is communicated through the Annual Report, the various disclosures and announcements to Bursa Securities, including quarterly and annual results, and corporate websites.

The Managing Director and the Executive Directors meet with analysts, institutional shareholders and investors throughout the year not only to promote the dissemination of the YTL Corp Group's financial results but to provide updates on strategies and new developments to ensure mutual understanding of the YTL Corp Group's operations and activities. Presentations based on permissible disclosures are made to explain the YTL Corp Group's performance and major development programs. Whilst efforts are made to provide as much information as possible to its shareholders and stakeholders, the Directors are cognisant of the legal and regulatory framework governing the release of material and sensitive information so as to not mislead its shareholders. Therefore, information that is price-sensitive or that may be regarded as undisclosed material information about the YTL Corp Group is not disclosed to any party until after the prescribed announcement to Bursa Securities has been made.

The AGM is the principal forum for dialogue with shareholders. The Board provides opportunities for shareholders to raise questions pertaining to issues in the Annual Report, corporate developments in the YTL Corp Group, the resolutions being proposed and the business of the YTL Corp Group in general at every AGM and extraordinary general meeting of the Company. The notice of the AGM and a circular to shareholders in relation to the renewal of the Company's share buy-back and recurrent related party transactions mandates are sent to shareholders at least 21 days prior to the AGM in accordance with the Listing Requirements and the Companies Act 1965 in order to enable shareholders to review the YTL Corp Group's financial and operational performance for the financial year and to fully evaluate new resolutions being proposed.

The Managing Director and Executive Directors takes the opportunity to present a comprehensive review of the progress and performance of the YTL Corp Group, and provide appropriate answers in response to shareholders' questions during the meeting, thereby ensuring a high level of accountability, transparency and identification with the YTL Corp Group's business operations, strategy and goals. Each item of special business included in the notice of the meeting is accompanied by an explanatory statement for the proposed resolution to facilitate full understanding and evaluation of issues involved.

During the course of each financial year, the Company ensures prompt and timely release and dissemination of quarterly results, announcements, circulars and notices to enable shareholders to keep abreast of the YTL Corp Group's financial and operational performance and to make informed decisions with regards to significant corporate developments.

THE AUDIT COMMITTEE

The Company has in place an Audit Committee which comprises 3 Non-Executive Directors in compliance with the Code and the Listing Requirements which require all the members of the Audit Committee to be Non-Executive Directors.

The Audit Committee holds quarterly meetings to review matters including the YTL Corp Group's financial reporting, the audit plans for the financial year and recurrent related party transactions, as well as to deliberate the findings of the internal and external auditors.

The Audit Committee met 5 times during the financial year ended 30 June 2009. Full details of the composition, complete terms of reference and a summary of the activities of the Audit Committee during the financial year are set out in the Audit Committee Report in this Annual Report.

FINANCIAL REPORTING

The Directors are responsible for ensuring that financial statements are drawn up in accordance with the Companies Act 1965 and MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities. In presenting the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates to present a true and fair assessment of the Company's position and prospects. Quarterly financial statements were reviewed by the Audit Committee and approved by the Board prior to release to Bursa Securities and the Securities Commission.

The Statement by Directors made pursuant to Section 169 of the Companies Act 1965, is set out in this Annual Report.

INTERNAL CONTROL & INTERNAL AUDIT

The Board acknowledges its overall responsibility for maintaining a sound system of internal control to safeguard the investment of its shareholders and the YTL Corp Group's assets. Details of the YTL Corp Group's system of internal control and its internal audit functions are contained in the Statement on Internal Control and the Audit Committee Report in this Annual Report.

RELATIONSHIP WITH THE AUDITORS

The Board has established formal and professional arrangements for maintaining an appropriate relationship with the Company's external auditors, Messrs HLB Ler Lum. The external auditors also attend each AGM in order to address clarifications sought pertaining to the audited financial statements by shareholders.

ADDITIONAL DISCLOSURE

- **Employee Retention Policies:** YTL Corp's Employees' Share Option Scheme ('"ESOS") was approved by shareholders at an extraordinary general meeting in October 2001. Details of the number of ESOS options granted during the year under review can be found in the Directors' Report in the Financial Statements in this Annual Report.

  The Board believes that maintaining the calibre of its employees is vital to ensure the continued success of the YTL Corp Group and the consequent increase in returns to shareholders. To these ends, the YTL Corp Group has implemented various staff retention and assessment practices in addition to the ESOS, including a Thirteenth Month wage supplement, annual bonuses and biannual reviews of staff performance.

- **Share Buy-Back Programme:** Details of the Company's share buy-back exercises for the year under review have also been included in this Annual Report.

The Board is satisfied that the Company has, in all material aspects, complied with the best practices of the Code as at 30 June 2009.

This statement was approved by the Board of Directors on 15 October 2009.

During the financial year under review, YTL Corporation Berhad ("YTL Corp" or "Company") and its subsidiaries ("YTL Corp Group") continued to enhance the YTL Corp Group's system of internal control and risk management, in order to better quantify its compliance with the Malaysian Code on Corporate Governance ("Code") and the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Board of Directors ("Board") acknowledges its overall responsibility for maintaining a sound system of internal control to safeguard the investment of its shareholders and the assets of the YTL Corp Group, and that these controls are designed to provide reasonable, but not absolute, assurance against the risk of occurrence of material errors, fraud or losses.

RESPONSIBILITIES OF THE BOARD

The Board is ultimately responsible for maintaining a sound system of internal control which includes the establishment of an appropriate control environment framework to address the need to safeguard shareholders' investments and the assets of the YTL Corp Group, and for reviewing the adequacy and integrity of the system. The system of internal control covers not only financial controls but operational and compliance controls and risk management. However, the Board recognises that reviewing the YTL Corp Group's system of internal control is a concerted and continuing process, designed to minimise the likelihood of fraud and error, and to manage rather than eliminate the risk of failure to achieve business objectives. Accordingly, the system of internal control can only provide reasonable but not absolute assurance against material misstatement, fraud and loss.

The Board believes that the YTL Corp Group's system of internal control, financial or otherwise in place for the financial year under review, should provide reasonable assurance regarding the achievement of the objectives of ensuring effectiveness and efficiency of operations, reliability and transparency of financial information and compliance with laws and regulations.

PRINCIPAL FEATURES OF THE YTL CORP GROUP'S SYSTEM OF INTERNAL CONTROL

The Board is committed to maintaining a sound internal control structure that includes processes for continuous monitoring and review of effectiveness of control activities, and to govern the manner in which the YTL Corp Group and its staff conduct themselves. The principal features which formed part of the YTL Corp Group's system of internal control can be summarised as follows:-

- **Authorisation Procedures:** The YTL Corp Group has a clear definition of authorisation procedures and a clear line of accountability, with strict authorisation, approval and control procedures within the Board and the senior management. Responsibility levels are communicated throughout the YTL Corp Group which set out, among others, authorisation levels, segregation of duties and other control procedures to promote effective and independent stewardship in the best interest of shareholders.

- **Authority Levels:** The YTL Corp Group has delegated authority levels for major tenders, capital expenditure projects, acquisitions and disposals of businesses and other significant transactions to the Executive Directors. The approval of capital and revenue proposals above certain limits is reserved for decision by the Board. Other investment decisions are delegated for approval in accordance with authority limits. Comprehensive appraisal and monitoring procedures are applied to all major investment decisions.

  The authority of the Directors is required for decisions on key treasury matters including financing of corporate and investment funding requirements, foreign currency and interest rate risk management, investments, insurance and designation of authorised signatories.

- **Financial Performance:** Interim financial results are reviewed by the Audit Committee and approved by the Board upon recommendation of the Audit Committee before release to Bursa Securities. The full year financial results and analyses of the YTL Corp Group's state of affairs are disclosed to shareholders after review and audit by the external auditors.

- **Internal Compliance:** The YTL Corp Group monitors compliance with its internal financial controls through management reviews and reports which are internally reviewed by key personnel to enable it to gauge achievement of annual targets. Updates of internal policies and procedures are undertaken to reflect changing risks or resolve operational deficiencies, as well as changes to legal and regulatory compliance requirements relevant to the YTL Corp Group. Internal audit visits are systematically arranged over specific periods to monitor and scrutinise compliance with procedures and assess the integrity of financial information provided.

KEY PROCESSES OF THE YTL CORP GROUP'S SYSTEM OF INTERNAL CONTROL

The key processes that the Board has established to review the adequacy and integrity of the system of internal control are as follows:-

- **Internal Audit Function:** The YTL Corp Group's internal audit function is co-sourced by its Internal Audit department ("YTLIA") and IBDC (Malaysia) Sdn Bhd ("IBDC"). Both YTLIA and IBDC provide independent assurance on the efficiency and effectiveness of the internal control systems implemented by Management, and report directly to the Audit Committee. A description of the activities of the internal audit function can be found in the Audit Committee Report included in this Annual Report.

  YTLIA provides periodic reports to the Audit Committee, reporting on the outcome of the audits conducted which highlight the effectiveness of the system of internal control and significant risks. The Audit Committee reviews and evaluates the key concerns and issues raised by YTLIA and ensures that appropriate and prompt remedial action is taken by Management.

  None of the weaknesses or issues identified during the review for the financial year has resulted in non-compliance with any relevant policies or procedures, listing requirements or recommended industry practices that would require disclosure in the Company's Annual Report.

  The companies of the Wessex Water Limited group ("Wessex Water") based in the United Kingdom ("UK") were not covered by the internal audit process discussed above. Wessex Water's operations are subject to stringent financial and operational controls imposed by its regulator, the UK Water Services Regulation Authority (known as OFWAT), a government body, and by its Regulatory Licence. Wessex Water Services Limited ("WWSL") possesses its own internal audit department. The internal audit department reports to WWSL's audit committee, which has the responsibility to ensure the preservation of good financial practices and monitor the controls that are in place to ensure the integrity of those practices. It reviews the annual financial statements and provides a line of communication between the board of directors and the external auditors. It has formal terms of reference which deal with its authorities and duties.

  Costs amounting to approximately RM2,709,000.00 were incurred in relation to the internal audit function for the financial year ended 30 June 2009.

  The system of internal control will continue to be reviewed, enhanced and updated in line with changes in the operating environment. The Board will seek regular assurance on the continuity and effectiveness of the internal control system through independent appraisals by YTLIA and IBDC. The Board is of the view that the current system of internal control in place throughout the YTL Corp Group is effective to safeguard its interests.

- **Senior Management Meetings:** The YTL Corp Group conducts weekly meetings of the senior management which comprises Executive Directors and divisional heads. The purpose of these meetings is to deliberate and decide upon urgent company matters. Decisions can then be effectively communicated to all relevant staff levels in a timely manner. From these meetings, the Board is able to identify significant operational and financial risks of the business units concerned.

- **Treasury Meetings:** Management meetings are convened to review, identify, discuss and resolve significant financial and treasury matters and to monitor the financial standing of the YTL Corp Group are conducted on a weekly basis. These meetings ensure that any new financial developments and/or areas of concern are highlighted early and can be dealt with promptly. The members of this meeting comprise at least the YTL Corp Group Managing Director, Executive Directors and senior managers.

- **Site Visits:** The Executive Directors undertake site visits to production and operating units and communicate with various levels of staff to gauge first-hand the effectiveness of strategies discussed and implemented. This is to ensure that Management and the Executive Directors maintain a transparent and open channel of communication for effective operation.

RISK MANAGEMENT

The YTL Corp Group's strong financial profile is the result of a system of internal control and risk management designed to mitigate risks which arise in the course of business. This is exemplified by the YTL Corp Group's strategy of acquiring regulated assets and financing acquisitions on a non-recourse basis. These include YTL Power International Berhad's wholly-owned subsidiaries, YTL Power Generation Sdn Bhd, Wessex Water Limited and PowerSeraya Limited, as well as its indirect investment of 33.5% in ElectraNet Pty Ltd and 35% equity interest in P.T. Jawa Power. These assets share common characteristics of highly predictable operating costs and revenue streams, which in turn generate stable and predictable cash flows and profits, underpinned by an established regulatory environment in their respective markets of operation.

The Board acknowledges that all areas of the YTL Corp Group's business activities involve some degree of risk. The YTL Corp Group is committed to ensuring that there is an effective risk management framework which allows management to manage risks within defined parameters and standards, and promotes profitability of the YTL Corp Group's operations in order to enhance shareholder value.

Identifying, evaluating and managing the significant risks faced by the YTL Corp Group is an ongoing process which is undertaken at each level of operations. During the financial year under review, this function was exercised through participation of Executive Directors in management meetings to ensure the adequacy and integrity of the system of internal control. Emphasis is placed on reviewing and updating the process for identifying and evaluating the significant risks affecting the business, and policies and procedures by which these risks are managed.

Management is responsible for creating a risk-aware culture within the YTL Corp Group and for the identification and evaluation of significant risks applicable to their areas of business, together with the design and operation of suitable internal controls. These risks are assessed on a continual basis and may be associated with a variety of internal and external sources including control breakdowns, disruption in information systems, competition, natural catastrophe and regulatory requirements. Significant changes in the business and the external environment which affects significant risks will be reported by Management to the Board in developing a risk mitigation action plan.

Where areas for improvement in the system are identified, the Board considers the recommendations made by the Audit Committee and the internal auditors.

The Board will pursue its ongoing process of identifying, assessing and managing key business, operational and financial risks faced by its business units as well as regularly reviewing planned strategies to determine whether risks are mitigated and well-managed, and to ensure compliance with the guidelines issued by the relevant authorities. This is to ensure the YTL Corp Group is able to respond effectively to the constantly changing business environment in order to protect and enhance stakeholders' interests and shareholder value.

REVIEW BY EXTERNAL AUDITORS

The external auditors, Messrs HLB Ler Lum, have reviewed this Statement on Internal Control for inclusion in the Annual Report for the financial year ended 30 June 2009, in compliance with Paragraph 15.23 of the Listing Requirements, and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

CONCLUSION

The Board is of the view that the system of internal controls being instituted throughout the YTL Corp Group is sound and effective. The monitoring, review and reporting arrangements in place give reasonable assurance that the structure and operation of controls are appropriate for the YTL Corp Group's operations and that risks are at an acceptable level throughout the YTL Corp Group's businesses. Nevertheless, reviews of all the control procedures will be continuously carried out to ensure the ongoing effectiveness and adequacy of the systems of internal control, so as to safeguard shareholders' investments and the YTL Corp Group's assets.

This statement was approved by the Board of Directors on 15 October 2009.

Analysis of Shareholdings
as at 30 September 2009

Class of shares : Ordinary Shares of RM0.50 each
Voting rights : One vote per shareholder on a show of hands or one vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS

Size of holding	No. of Shareholders	%	No. of Shares#	%#
Less than 100	2,185	22.38	66,234	0.00
100 – 1,000	1,370	14.03	536,101	0.03
1,001 – 10,000	4,810	49.27	13,472,203	0.75
10,001 – 100,000	1,127	11.54	28,418,948	1.58
100,001 to less than 5% of issued shares	267	2.74	564,676,153	31.44
5% and above of issued shares	4	0.04	1,189,063,790	66.20
Total	**9,763**	**100.00**	**1,796,233,429**	**100.00**

THIRTY LARGEST SHAREHOLDERS
(without aggregating securities from different securities accounts belonging to the same person)

	Name	No. of Shares	%#
1	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	718,464,358	40.00
2	Employees Provident Fund Board	189,284,572	10.54
3	DB (Malaysia) Nominee (Asing) Sdn Bhd – Exempt An for Deutsche Bank Ag Singapore (PWM Asing)	148,714,860	8.28
4	Malaysia Nominees (Tempatan) Sendirian Berhad – Pledged Securities A/c for Yeoh Tiong Lay & Sons Holdings Sdn Bhd (88-00006-000)	132,600,000	7.38
5	Mayban Nominees (Tempatan) Sdn Bhd – Pledged Securities A/c for Yeoh Tiong Lay & Sons Holdings Sdn Bhd (414011602000)	51,000,000	2.84
6	Amanah Raya Nominees (Tempatan) Sdn Bhd – Skim Amanah Saham Bumiputera	38,221,738	2.13
7	HSBC Nominees (Asing) Sdn Bhd – Exempt An for JPMorgan Chase Bank, National Association (JPMINTL BK Ltd)	29,339,998	1.63
8	Mayban Nominees (Tempatan) Sdn Bhd – Pledged Securities A/c for Yeoh Tiong Lay & Sons Holdings Sdn Bhd (414011601080)	27,030,000	1.50
9	Amanah Raya Nominees (Tempatan) Sdn Bhd – Amanah Saham Wawasan 2020	25,636,308	1.43
10	Cartaban Nominees (Asing) Sdn Bhd – BBH and Co Boston for Fidelity Contrafund	24,945,630	1.39
11	Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	16,645,506	0.93
12	Amanah Raya Nominees (Tempatan) Sdn Bhd – Amanah Saham Malaysia	16,263,186	0.91
13	UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank Ag Singapore Branch (PBD) for Orchestral Harmony Limited	15,867,531	0.88
14	UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank Ag Singapore Branch (PBD) for Velvet Properties Limited	15,538,598	0.87
15	Valuecap Sdn Bhd	14,441,308	0.80
16	Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	9,504,608	0.53
17	UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank Ag Singapore Branch (PBD) for Windchime Developments Limited	9,016,558	0.50

	Name	No. of Shares	%#
18	Citigroup Nominees (Tempatan) Sdn Bhd – Exempt An for Prudential Fund Management Berhad	8,562,723	0.48
19	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	8,441,893	0.47
20	UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank Ag Singapore Branch (PBD) for Water City Limited	8,140,193	0.45
21	CIMB Group Nominees (Tempatan) Sdn Bhd – Pledged Securities A/c for Bara Aktif Sdn Bhd (50150 CBD)	7,386,713	0.41
22	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	7,090,142	0.39
23	HSBC Nominees (Asing) Sdn Bhd – BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund	6,747,553	0.38
24	Dato' Yeoh Soo Min	6,499,004	0.36
25	Amanah Raya Nominees (Tempatan) Sdn Bhd – Amanah Saham Didik	6,451,096	0.36
26	Dato' Yeoh Seok Kian	6,096,617	0.34
27	Lembaga Tabung Angkatan Tentera	6,087,600	0.34
28	HSBC Nominees (Asing) Sdn Bhd – TNTC for Saudi Arabian Monetary Agency	6,040,000	0.34
29	Dato' Yeoh Soo Keng	5,816,821	0.32
30	Citigroup Nominees (Asing) Sdn Bhd – CBNY for DFA Emerging Markets Fund	5,705,472	0.32
	Total	**1,571,580,586**	**87.50**

SUBSTANTIAL SHAREHOLDERS (as per register of substantial shareholders)

	No. of Shares Held			
Name	**Direct**	**%#**	**Indirect**	**%#**
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	945,508,285	52.64	–	–
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	9,504,608	0.53	945,508,285*	52.64
Employees Provident Fund Board	195,077,256	10.86	–	–

* Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.

\# Based on the issued and paid-up share capital of the Company of RM949,360,119.00 comprising 1,898,720,238 ordinary shares net of 102,486,809 treasury shares retained by the Company as per Record of Depositors.

Statement of Directors' Interests
in the Company and related corporations as at 30 September 2009

THE COMPANY
YTL CORPORATION BERHAD

Name	No. of Shares Held Direct	%	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	9,504,608	0.53	950,728,294(1) (2)	52.93
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	16,818,906	0.94	–	–
Dato' Yeoh Seok Kian	6,096,617	0.34	321,996(2)	0.02
Dato' (Dr) Yahya Bin Ismail	161,571	0.01	102,266(2)	0.01
Dato' Yeoh Soo Min	6,499,004	0.36	198,360(2)	0.01
Dato' Yeoh Seok Hong	5,137,219	0.29	3,972,962(2)	0.22
Dato' Sri Michael Yeoh Sock Siong	5,230,669	0.29	2,577,061(2)	0.14
Dato' Yeoh Soo Keng	5,816,821	0.32	84,964(2)	*
Dato' Mark Yeoh Seok Kah	3,588,408	0.20	623,355(2)	0.03
Syed Abdullah Bin Syed Abd Kadir	768,275	0.04	3,683(2)	*

Name	No. of Share Options Direct	Indirect
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	5,000,000	3,000,000(2)
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	5,000,000	400,000(7)
Dato' Yeoh Seok Kian	3,500,000	–
Dato' Yeoh Soo Min	3,000,000	–
Dato' Yeoh Seok Hong	3,000,000	400,000(2)
Dato' Sri Michael Yeoh Sock Siong	3,000,000	–
Dato' Yeoh Soo Keng	3,000,000	–
Dato' Mark Yeoh Seok Kah	3,000,000	–
Syed Abdullah Bin Syed Abd Kadir	3,000,000	–

HOLDING COMPANY
YEOH TIONG LAY & SONS HOLDINGS SDN BHD

Name	No. of Shares Held Direct	%	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	8,220,004	20.18	5,000,004(2)	12.28
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	5,000,000	12.28	–	–
Dato' Yeoh Seok Kian	5,000,000	12.28	–	–
Dato' Yeoh Soo Min	1,250,000	3.07	–	–
Dato' Yeoh Seok Hong	5,000,000	12.28	–	–
Dato' Sri Michael Yeoh Sock Siong	5,000,000	12.28	–	–
Dato' Yeoh Soo Keng	1,250,000	3.07	–	–
Dato' Mark Yeoh Seok Kah	5,000,000	12.28	–	–

SUBSIDIARY COMPANIES
YTL CEMENT BERHAD

Name	No. of Shares Held Direct	%	Indirect	%	No. of Share Options Direct
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,681,634	0.36	238,607,356(2)(3)	50.84	1,400,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,042,923	0.44	–	–	1,400,000
Dato' Yeoh Seok Kian	618,754	0.13	83,200(2)	0.02	350,000
Dato' (Dr) Yahya Bin Ismail	66,536	0.01	–	–	–
Mej Jen Dato' Haron Bin Mohd Taib (B)	–	–	44,428(2)	0.01	–
Dato' Yeoh Soo Min	225,634	0.05	138,357(2)	0.03	–
Dato' Yeoh Seok Hong	225,634	0.05	45,123(2)	0.01	–
Dato' Sri Michael Yeoh Sock Siong	1,265,634	0.27	1,109,388(2)	0.24	1,000,000
Dato' Yeoh Soo Keng	938,251	0.20	90,251(2)	0.02	700,000
Dato' Mark Yeoh Seok Kah	187,200	0.04	135,200(2)	0.03	–

Name	No. of Irredeemable Convertible Unsecured Loan Stocks 2005/2015 Held Direct	%	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,681,634	0.35	454,310,350(2)(3)	94.17
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1,727,423	0.36	–	–
Dato' Yeoh Seok Kian	618,754	0.13	100,000(2)	0.02
Dato' Yeoh Soo Min	225,634	0.05	–	–
Dato' Yeoh Seok Hong	225,634	0.05	45,123(2)	0.01
Dato' Sri Michael Yeoh Sock Siong	1,265,634	0.26	1,109,388(2)	0.23
Dato' Yeoh Soo Keng	818,251	0.17	–	–
Dato' Mark Yeoh Seok Kah	187,200	0.04	135,200(2)	0.03

YTL E-SOLUTIONS BERHAD

Name	No. of Shares Held Direct	%	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	1,002,227,600(4)	74.50
Dato' Sri Michael Yeoh Sock Siong	–	–	1,905,500(2)	0.14
Dato' Yeoh Soo Keng	500,000	0.04	–	–
Syed Abdullah Bin Syed Abd Kadir	300,000	0.02	–	–

Statement of Directors' Interests

in the Company and related corporations as at 30 September 2009

YTL LAND & DEVELOPMENT BERHAD

Name	No. of Shares Held Direct	%	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	496,307,832[4]	63.41
Dato' Yeoh Soo Min	–	–	574,300[2]	0.07
Dato' Yeoh Soo Keng	100,000	0.01	–	–

Name	No. of Irredeemable Convertible Preference Shares 2001/2011 Held Direct	%	Indirect	%
Dato' Yeoh Seok Kian	240,000	0.13	–	–
Dato' Yeoh Soo Min	–	–	200,000[2]	0.11

YTL POWER INTERNATIONAL BERHAD

Name	No. of Shares Held Direct	%	Indirect	%	No. of Share Option Direct
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	10,096,250	0.17	3,287,515,185[2][5]	55.66	14,000,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,945,040	0.25	–	–	14,000,000
Dato' Yeoh Seok Kian	5,021,360	0.09	1,345,941[2]	0.02	6,000,000
Dato' (Dr) Yahya Bin Ismail	634,833	0.01	38,610[2]	*	–
Mej Jen Dato' Haron Bin Mohd Taib (B)	–	–	112,898[2]	*	–
Dato' Yeoh Soo Min	5,108,601	0.09	823,424[2]	0.01	6,000,000
Dato' Yeoh Seok Hong	17,510,268	0.30	3,281,179[2]	0.06	10,000,000
Dato' Sri Michael Yeoh Sock Siong	4,601,744	0.08	1,019,291[2]	0.02	6,000,000
Dato' Yeoh Soo Keng	5,081,777	0.09	112,260[2]	*	6,000,000
Dato' Mark Yeoh Seok Kah	6,665,920	0.11	1,093,601[2]	0.02	6,000,000
Syed Abdullah Bin Syed Abd Kadir	2,181,203	0.04	524[2]	*	6,000,000

Name	No. of Warrants 2000/2010 Held Direct	%	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	726,098,046[6]	90.02
Dato' (Dr) Yahya Bin Ismail	4,000	*	6,000[2]	*
Dato' Yeoh Soo Keng	–	–	21,240[2]	*
Syed Abdullah Bin Syed Abd Kadir	87,000	0.01	–	–

Name	Direct	%	Indirect	%
	No. of Warrants 2008/2018 Held			
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	3,284,000	0.25	1,101,227,922[(2)(5)]	84.92
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	4,860,175	0.37	–	–
Dato' Yeoh Seok Kian	1,632,962	0.13	450,000[(2)]	0.03
Dato' (Dr) Yahya Bin Ismail	206,450	0.02	–	–
Mej Jen Dato' Haron Bin Mohd Taib (B)	–	–	26,715[(2)]	*
Dato' Yeoh Soo Min	1,661,333	0.13	–	–
Dato' Sri Michael Yeoh Sock Siong	1,496,502	0.12	298,956[(2)]	0.02
Dato' Yeoh Soo Keng	1,585,944	0.12	36,507[(2)]	*
Dato' Mark Yeoh Seok Kah	1,000,000	0.08	–	–

INFOSCREEN NETWORKS PLC

Name	No. of Shares Held Direct	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	100	*

YTL CORPORATION (UK) PLC

Name	No. of Shares Held Direct	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	*

SYARIKAT PELANCONGAN SERI ANDALAN (M) SDN BHD

Name	No. of Shares Held Direct	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1	*
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	*

Statement of Directors' Interests

in the Company and related corporations as at 30 September 2009

YTL CONSTRUCTION (THAILAND) LIMITED

Name	No. of Shares Held Direct	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	0.01
Dato' Yeoh Seok Kian	1	0.01
Dato' Yeoh Seok Hong	1	0.01
Dato' Sri Michael Yeoh Sock Siong	1	0.01
Dato' Mark Yeoh Seok Kah	1	0.01

* *Negligible*

(1) Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
(2) Deemed interests by virtue of interests held by spouse and/or children pursuant to Section 134(12)(c) of the Companies Act, 1965.
(3) Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn Bhd, YTL Corporation Berhad, YTL Power International Berhad and YTL Industries Berhad pursuant to Section 6A of the Companies Act, 1965.
(4) Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn Bhd and YTL Corporation Berhad pursuant to Section 6A of the Companies Act, 1965.
(5) Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn Bhd, YTL Corporation Berhad and YTL Power Services Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
(6) Deemed interests by virtue of interests held by YTL Corporation Berhad pursuant to Section 6A of the Companies Act, 1965.
(7) Deemed interests by virtue of interests held in the name of deceased spouse in which the director, who is the legal representative, is entitled to exercise under the terms of the ESOS.

By virtue of Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay's deemed interests in the shares of the Company under Section 6A of the Companies Act, 1965, he is deemed to have interests in the shares of the subsidiaries of the Company to the extent the Company has an interest.

Other than as disclosed above, none of the other Directors had any interest in shares of the company or its related corporations.

Schedule of Share Buy-Back

for the financial year ended 30 June 2009

Save as disclosed below, there are no purchase for other months during the financial year:-

Monthly Breakdown	No. of Shares Purchased And Retained As Treasury Shares	Purchase Price Per Share (RM)		Average Cost Per Share (RM)	Total Cost (RM)
		Lowest	Highest		
July 2008	22,700	6.35	6.85	6.7334	152,848.13
August 2008	53,100	6.25	6.50	6.3451	336,924.22
September 2008	400	6.10	6.40	6.5494	2,619.77
October 2008	130,100	5.60	6.20	5.8450	760,440.53
November 2008	5,200	6.65	6.70	6.7069	34,875.89
December 2008	73,700	6.75	7.15	7.0437	519,118.97
February 2009	20,100	6.95	7.05	7.0054	140,809.23
May 2009	130,800	6.95	7.25	7.1123	930,288.06
TOTAL	**436,100**			**6.5992**	**2,877,924.80**

During the financial year, all the shares purchased by the Company were retained as treasury shares. As at 30 June, 2009 a total of 137,446,605 ordinary shares were held as treasury shares. None of the treasury shares were resold or cancelled during the financial year.

List of Properties
as at 30 June 2009

Location	Tenure	Land Area	Description and Existing Use	Built up Area (sq.m.)	Approximate Age of Building (years)	Lease Expiry Date	Net Book Value as at 30 June 2009 RM'000	Date of Acquisition
Lot No PT2467 HS (D) 340 Mukim of Kuala Paka Terengganu	Leasehold	16.187 hectares	Power plant	–	14	Year 2018	1,135,220	3.12.1995
Strata title plan No. 247 comprised in Lot 1070N of Town Subdivision 24 situated at Orchard Boulevard Singapore	Freehold	5776.6 sq.m.	50 residential units and the common property known as Westwood Apartments	16,174.48	30	–	1,065,750	24.09.2008
HS (D) 460/88 PT 1122#	Leasehold	59.79 acres	Cement plant	–	–	Year 2087	1,017,933	30.7.1998
HS (D) 461/88 PT 1123#	Leasehold	0.9864 acres	Cement plant	–	–	Year 2087		30.7.1988
HS (D) 2675 PT 1327#	Leasehold	22.21 acres	Cement plant	–	–	Year 2095		17.4.1996
HS (D) 3705 PT 1417#	Leasehold	1.46 acres	Warehouse & depot	–	–	Year 2096		29.12.1997
HS (D) 3706 PT 1418#	Leasehold	14.55 acres	Cement plant	–	–	Year 2096		29.12.1997
HS (D) 2676 PT 1328#	Leasehold	8.20 acres	Cement plant	–		Year 2095		17.4.1996
HS (D) 2677 PT 1329#	Leasehold	30.25 acres	Cement plant	–	–	Year 2095		17.4.1996
HS (D) 2678 PT 1330#	Leasehold	102.33 acres	Cement plant	–	–	Year 2095		17.4.1996
HS (D) 2679 PT 1331#	Leasehold	130.97 acres	Cement plant	–	–	Year 2026		17.4.1996
HS (D) 2680 PT 1332#	Leasehold	14.41 acres	Cement plant	–	–	Year 2026		17.4.1996
HS (D) 2735 PT 1326#	Leasehold	28.24 acres	Staff quarter building	–	–	Year 2095		29.5.1996
HS (D) 2737 PT 417#	Leasehold	28.17 acres	Cement plant	–	–	Year 2095		27.6.1996
HS (D) 2681 PT 1333#	Leasehold	278.24 acres	Cement plant	–	–	Year 2026		17.4.1996
HS (D) 4170 PT 1419#	Leasehold	30.06 acres	Cement plant	–	–	Year 2097		15.9.1998

Location	Tenure	Land Area	Description and Existing Use	Built up Area (sq.m.)	Approximate Age of Building (years)	Lease Expiry Date	Net Book Value as at 30 June 2009 RM'000	Date of Acquisition
HS (D) 4171 PT 1420#	Leasehold	3.54 acres	Cement plant	–	–	Year 2097		15.9.1998
HS (D) 8804 PT 1421#	Leasehold	13.38 acres	Cement plant	–	–	Year 2102		1.10.2003
PN 00108181 Lot 2764#	Leasehold	49.57 acres	Cement plant	–	–	Year 2886		1.11.1996
Grant No. 28678 for Lot No. 1267 Section 67 Town and District of Kuala Lumpur State of Wilayah Persekutuan Kuala Lumpur	Freehold	12,338 sq.m.	Comprise:- i) Shopping centre with part of a 7-level shopping centre with 5 basements and a 12-level annexe building with 3 basements.	92,421	14	–	667,897	16.12.2005
			ii) 5 star hotel with 561 rooms located on part of a 8-level podium block and the entire 24-level tower block of a shopping centre.	45,834	12	–	335,000	16.12.2005
Lot No. PT64062 HS (D) 69515 Mukim of Plentong Johor	Leasehold	2.0577 hectares	Power plant	–	14	Year 2018	619,409	3.12.1995
Pajakan Negeri No. 11008 for Lot No. 1247 Section 67 Town and District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur	Leasehold	10,138 sq.m.	137 parcels and 2 accessory parcels of retail, office, storage and other spaces within a shopping centre which consists of an 8-storey block with a basement and a lower ground floor, together with a 7-storey annexe building with a lower ground floor	76,890	19	29.7.2076	402,304	16.12.2005

List of Properties
as at 30 June 2009

Location	Tenure	Land Area	Description and Existing Use	Built up Area (sq.m.)	Approximate Age of Building (years)	Lease Expiry Date	Net Book Value as at 30 June 2009 RM'000	Date of Acquisition
Avonmouth STW, Kings Weston Lane Avonmouth Bristol BS11 OYS, United Kingdom	Freehold	394,600 sq.m.	Sewerage treatment works	–	–	–	354,575	21.5.2002
Land title under title HS (D) 00013857 PT 000988 Mukim Ulu Kuantan Pahang	Leasehold	121.4 hectares	Cement plant	759,480	11	24.9.2061	324,466	25.9.1995
Land title under title HS (D) 00015539 PT 000991 Mukim Ulu Kuantan Pahang	Leasehold	8.09 hectares	Cement plant		11	2.6.2062		2.6.1996
Land title under title HS (D) 00011079 PT 000980 Mukim Ulu Kuantan Pahang	Leasehold	81 hectares	Cement plant		11	9.11.2060		9.11.1994
Poole STW, Cabot Lane Poole, Dorset BH17 7BX United Kingdom	Freehold	91,800 sq.m.	Sewerage treatment works	–	–	–	290,905	21.5.2002
Maudown Water Treatment Works Maudown, Wiveliscombe Tauton, TA4, 2UN United Kingdom	Freehold	68,500 sq.m.	Water treatment works	–	–	–	217,845	21.5.2002

 # Mukim Kampung Buaya, Daerah Kuala Kangsar, Negeri Perak Darul Ridzuan

Contents

Financial Statements

Directors' Report

The Directors have pleasure in submitting their Report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2009.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of an investment holding and management company.

The principal activities of the subsidiaries are set out in Note 15 to the Financial Statements.

There have been no significant changes in the nature of these activities during the financial year except that the Group has acquired PowerSeraya Limited which provide operating energy facilities and undertake oil trading activity.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	1,401,615	433,239
Attributable to:-		
Equity holders of the Company	834,472	433,239
Minority interests	567,143	—
	1,401,615	433,239

DIVIDENDS

The amount of dividend paid since the end of the last financial year was as follows:-

	RM'000
In respect of the financial year ended 30 June 2008:-	
Final dividend of 5% less 25% tax, paid on 26 December 2008	28,521

The Board of Directors has recommended a first and final dividend of 15% less Malaysian Income Tax for the financial year ended 30 June 2009 subject to the approval by the shareholders at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

SHARE CAPITAL

During the financial year, the following shares were issued by the Company:-

Class of shares	Number of shares	Term of issue	Issue price RM	Purpose of issue
Ordinary	1,803,000	Cash	4.81	Exercise of ESOS
Ordinary	262,986,949	Cash	4.23	Exercise of Warrants 1999/2009

The new ordinary shares rank pari passu in all respects with the existing ordinary shares.

TREASURY SHARES

The shareholders of the Company granted a mandate to the Company to repurchase its own shares at the Annual General Meeting held on 2 December 2008. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

During the financial year, the Company repurchased 436,100 of its issued share capital from the open market. The average price paid for the shares repurchased was RM6.60 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

As at 30 June 2009, the Company held as treasury shares a total of 137,446,605 of its 1,896,991,238 issued ordinary shares. Such treasury shares are held at a carrying amount of RM892,549,000.

WARRANTS

The Warrants 1999/2009 were constituted under the Deed Poll dated 31 July 1999.

The subscription rights of Warrants 1999/2009 expired on 26 June 2009 and the said warrants were removed from the official list of Bursa Malaysia Securities Berhad on 29 June 2009.

EMPLOYEES' SHARE OPTION SCHEME

At an Extraordinary General Meeting held on 16 October 2001, the Company's shareholders approved the establishment of an Employees' Share Option Scheme ("ESOS" or "Scheme") for eligible employees and executive directors of the Group.

The details of the ESOS are disclosed in Note 27(c) to the Financial Statements.

DIRECTORS

The Directors who served on the Board of the Company since the date of the last Report are:-

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE
Dato' Yeoh Seok Kian
Dato' (Dr) Yahya Bin Ismail
Mej. Jen. Dato' Haron Bin Mohd. Taib (B)
Dato' Chong Keap Thai @ Cheong Keap Tai
Dato' Yeoh Soo Min
Dato' Yeoh Seok Hong
Dato' Sri Michael Yeoh Sock Siong
Dato' Yeoh Soo Keng
Dato' Mark Yeoh Seok Kah
Eu Peng Meng @ Leslie Eu
Syed Abdullah Bin Syed Abd. Kadir

DIRECTORS' INTERESTS

The following Directors of the Company who held office at the end of the financial year had, according to the register required to be kept under Section 134 of the Companies Act 1965, interests in the shares of the Company and related companies as follows:-

The Company

	<----------- Number of ordinary shares of RM0.50 each ------------>			
	Balance at 1.7.2008	**Acquired**	**Disposed**	**Balance at 30.6.2009**
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	8,200,894	1,117,350	—	9,318,244
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,203,652	2,285,472	—	16,489,124
Dato' Yeoh Seok Kian	5,321,210	655,866	—	5,977,076
Dato' (Dr) Yahya Bin Ismail	237,242	—	—	237,242
Dato' Yeoh Soo Min	6,371,573	—	—	6,371,573
Dato' Yeoh Seok Hong	5,036,490	—	—	5,036,490
Dato' Sri Michael Yeoh Sock Siong	4,577,997	550,110	—	5,128,107
Dato' Yeoh Soo Keng	5,048,166	654,600	—	5,702,766
Dato' Mark Yeoh Seok Kah	3,246,248	271,800	—	3,518,048
Eu Peng Meng @ Leslie Eu	20,000	—	(20,000)	—
Syed Abdullah Bin Syed Abd. Kadir	752,611	600	—	753,211

The Company

	<---- Number of ordinary shares of RM0.50 each ---->			
	Balance at 1.7.2008	Acquired	Disposed	Balance at 30.6.2009
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	794,932,467(1)(2)	137,154,097	—	932,086,564(1)(2)
Dato' Yeoh Seok Kian	510,683(2)	5,000	(200,000)	315,683(2)
Dato' (Dr) Yahya Bin Ismail	100,261(2)	1,000	(1,000)	100,261(2)
Dato' Yeoh Soo Min	189,471(2)	5,000	—	194,471(2)
Dato' Yeoh Seok Hong	3,228,126(2)	666,936	—	3,895,062(2)
Dato' Sri Michael Yeoh Sock Siong	2,526,451(2)	80	—	2,526,531(2)
Dato' Yeoh Soo Keng	68,899(2)	14,400	—	83,299(2)
Dato' Mark Yeoh Seok Kah	611,133(2)	—	—	611,133(2)
Syed Abdullah Bin Syed Abd. Kadir	2,937(2)	674	—	3,611(2)

	<---- Number of Warrants 1999/2009 ---->			
	Balance at 1.7.2008	Acquired	Exercised/ Disposed	Balance at 30.6.2009
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,117,350	—	(1,117,350)	—
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,285,472	—	(2,285,472)	—
Dato' Yeoh Seok Kian	655,866	—	(655,866)	—
Dato' (Dr) Yahya Bin Ismail	42,000	—	(42,000)	—
Dato' Yeoh Seok Hong	648,372	—	(648,372)	—
Dato' Sri Michael Yeoh Sock Siong	550,110	—	(550,110)	—
Dato' Yeoh Soo Keng	654,600	—	(654,600)	—
Dato' Mark Yeoh Seok Kah	271,800	—	(271,800)	—
Syed Abdullah Bin Syed Abd. Kadir	600	—	(600)	—
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	187,154,097(1)(2)	—	(187,154,097)	—
Dato' (Dr) Yahya Bin Ismail	2,000(2)	—	(2,000)	—
Dato' Yeoh Seok Hong	—	651,972	(651,972)	—
Dato' Sri Michael Yeoh Sock Siong	547,180(2)	—	(547,180)	—
Dato' Yeoh Soo Keng	14,400(2)	—	(14,400)	—
Syed Abdullah Bin Syed Abd. Kadir	674(2)	—	(674)	—

The Company

	Number of share options over ordinary shares of RM0.50 each Balance at 1.7.2008	Granted	Exercised	Balance at 30.6.2009
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	5,000,000	—	—	5,000,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	5,000,000	—	—	5,000,000
Dato' Yeoh Seok Kian	3,500,000	—	—	3,500,000
Dato' Yeoh Soo Min	3,000,000	—	—	3,000,000
Dato' Yeoh Seok Hong	3,000,000	—	—	3,000,000
Dato' Sri Michael Yeoh Sock Siong	3,000,000	—	—	3,000,000
Dato' Yeoh Soo Keng	3,000,000	—	—	3,000,000
Dato' Mark Yeoh Seok Kah	3,000,000	—	—	3,000,000
Syed Abdullah Bin Syed Abd. Kadir	3,000,000	—	—	3,000,000
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	3,000,000(2)	—	—	3,000,000(2)
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	400,000(7)	—	—	400,000(7)
Dato' Yeoh Seok Hong	400,000(2)	—	—	400,000(2)

Holding company
– Yeoh Tiong Lay & Sons Holdings Sdn. Bhd.

	Number of ordinary shares of RM1.00 each Balance at 1.7.2008	Acquired	Disposed	Balance at 30.6.2009
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	8,220,004	—	—	8,220,004
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	5,000,000	—	—	5,000,000
Dato' Yeoh Seok Kian	5,000,000	—	—	5,000,000
Dato' Yeoh Soo Min	1,250,000	—	—	1,250,000
Dato' Yeoh Seok Hong	5,000,000	—	—	5,000,000
Dato' Sri Michael Yeoh Sock Siong	5,000,000	—	—	5,000,000
Dato' Yeoh Soo Keng	1,250,000	—	—	1,250,000
Dato' Mark Yeoh Seok Kah	5,000,000	—	—	5,000,000
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	5,000,004(2)	—	—	5,000,004(2)

Subsidiaries
– YTL Cement Berhad

	<------------ Number of ordinary shares of RM0.50 each ------------>			
	Balance at 1.7.2008	Acquired	Disposed	Balance at 30.6.2009
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,681,634	—	—	1,681,634
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,042,923	—	—	2,042,923
Dato' Yeoh Seok Kian	618,754	—	—	618,754
Dato' (Dr) Yahya Bin Ismail	81,536	—	(15,000)	66,536
Dato' Yeoh Soo Min	225,634	—	—	225,634
Dato' Yeoh Seok Hong	225,634	—	—	225,634
Dato' Sri Michael Yeoh Sock Siong	1,265,634	—	—	1,265,634
Dato' Yeoh Soo Keng	918,251	20,000	—	938,251
Dato' Mark Yeoh Seok Kah	187,200	—	—	187,200
Eu Peng Meng @ Leslie Eu	20,000	—	—	20,000
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	238,607,356(2)(3)	—	—	238,607,356(2)(3)
Dato' Yeoh Seok Kian	83,200(2)	—	—	83,200(2)
Mej. Jen. Dato' Haron Bin Mohd. Taib (B)	44,428(2)	—	—	44,428(2)
Dato' Yeoh Soo Min	138,357(2)	—	—	138,357(2)
Dato' Yeoh Seok Hong	45,123(2)	—	—	45,123(2)
Dato' Sri Michael Yeoh Sock Siong	1,109,388(2)	—	—	1,109,388(2)
Dato' Yeoh Soo Keng	90,251(2)	—	—	90,251(2)
Dato' Mark Yeoh Seok Kah	135,200(2)	—	—	135,200(2)

	Number of Irredeemable Convertible <------------------ Unsecured Loan Stocks 2005/2015 ------------------>			
	Balance at 1.7.2008	Acquired	Converted/ Disposed	Balance at 30.6.2009
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,681,634	—	—	1,681,634
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1,727,423	—	—	1,727,423
Dato' Yeoh Seok Kian	618,754	—	—	618,754
Dato' Yeoh Soo Min	225,634	—	—	225,634
Dato' Yeoh Seok Hong	225,634	—	—	225,634

Subsidiaries
– YTL Cement Berhad

	Number of Irredeemable Convertible <------------------ Unsecured Loan Stocks 2005/2015 ------------------> Balance at 1.7.2008	Acquired	Converted/ Disposed	Balance at 30.6.2009
Direct interests				
Dato' Sri Michael Yeoh Sock Siong	1,265,634	—	—	1,265,634
Dato' Yeoh Soo Keng	818,251	—	—	818,251
Dato' Mark Yeoh Seok Kah	187,200	—	—	187,200
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	454,310,350(2)(3)	—	—	454,310,350(2)(3)
Dato' Yeoh Seok Kian	100,000(2)	—	—	100,000(2)
Dato' Yeoh Seok Hong	45,123(2)	—	—	45,123(2)
Dato' Sri Michael Yeoh Sock Siong	1,109,388(2)	—	—	1,109,388(2)
Dato' Mark Yeoh Seok Kah	135,200(2)	—	—	135,200(2)

	Number of share options <---------------- over ordinary shares of RM0.50 each ----------------> Balance at 1.7.2008	Granted	Exercised	Balance at 30.6.2009
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,400,000	—	—	1,400,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1,400,000	—	—	1,400,000
Dato' Yeoh Seok Kian	350,000	—	—	350,000
Dato' Sri Michael Yeoh Sock Siong	1,000,000	—	—	1,000,000
Dato' Yeoh Soo Keng	700,000	—	—	700,000

– YTL Power International Berhad

	<------------ Number of ordinary shares of RM0.50 each ------------> Balance at 1.7.2008	Acquired	Disposed	Balance at 30.6.2009
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	9,850,000	246,250	—	10,096,250
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,580,529	364,511	—	14,945,040
Dato' Yeoh Seok Kian	4,898,888	122,472	—	5,021,360
Dato' (Dr) Yahya Bin Ismail	619,351	15,482	—	634,833
Dato' Yeoh Soo Min	4,984,001	124,600	—	5,108,601
Dato' Yeoh Seok Hong	7,137,916	10,372,352	—	17,510,268

Subsidiaries
– YTL Power International Berhad

	<------------ Number of ordinary shares of RM0.50 each			------------>
	Balance at 1.7.2008	**Acquired**	**Disposed**	**Balance at 30.6.2009**
Direct interests				
Dato' Sri Michael Yeoh Sock Siong	4,489,507	112,237	—	4,601,744
Dato' Yeoh Soo Keng	4,757,832	323,945	—	5,081,777
Dato' Mark Yeoh Seok Kah	5,643,623	1,022,297	—	6,665,920
Eu Peng Meng @ Leslie Eu	19,679	20,491	—	40,170
Syed Abdullah Bin Syed Abd. Kadir	2,128,003	53,200	—	2,181,203
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	3,207,199,404(2)(4)	80,294,781	(58,000)	3,287,436,185(2)(4)
Dato' Yeoh Seok Kian	1,215,553(2)	130,388	—	1,345,941(2)
Dato' (Dr) Yahya Bin Ismail	37,669(2)	941	—	38,610(2)
Mej. Jen. Dato' Haron Bin Mohd. Taib (B)	110,145(2)	2,753	—	112,898(2)
Dato' Yeoh Soo Min	411,876(2)	15,296	—	427,172(2)
Dato' Yeoh Seok Hong	2,399,949(2)	881,230	—	3,281,179(2)
Dato' Sri Michael Yeoh Sock Siong	896,870(2)	122,421	—	1,019,291(2)
Dato' Yeoh Soo Keng	109,522(2)	2,738	—	112,260(2)
Dato' Mark Yeoh Seok Kah	805,106(2)	288,495	—	1,093,601(2)
Syed Abdullah Bin Syed Abd. Kadir	512(2)	12	—	524(2)

	<-------------------- Number of Warrants 2000/2010			-------------------->
	Balance at 1.7.2008	**Acquired**	**Exercised/ Disposed**	**Balance at 30.6.2009**
Direct interests				
Dato' (Dr) Yahya Bin Ismail	4,000	—	—	4,000
Syed Abdullah Bin Syed Abd. Kadir	87,000	—	—	87,000
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	726,210,046(2)(5)	—	(112,000)	726,098,046(2)(8)
Dato' (Dr) Yahya Bin Ismail	6,000(2)	—	—	6,000(2)
Mej. Jen. Dato' Haron Bin Mohd. Taib (B)	24,000(2)	—	(24,000)	—
Dato' Yeoh Soo Min	58,960(2)	—	—	58,960(2)
Dato' Yeoh Seok Hong	—	2,666	(2,666)	—
Dato' Sri Michael Yeoh Sock Siong	100,000(2)	—	(100,000)	—
Dato' Yeoh Soo Keng	21,240(2)	—	—	21,240(2)

Subsidiaries
– YTL Power International Berhad

	<-------------------- Number of Warrants 2008/2018 -------------------->			
	Balance at 1.7.2008	**Acquired**	**Exercised/ Disposed**	**Balance at 30.6.2009**
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	3,284,000	—	—	3,284,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	4,860,175	—	—	4,860,175
Dato' Yeoh Seok Kian	1,632,962	—	—	1,632,962
Dato' (Dr) Yahya Bin Ismail	206,450	—	—	206,450
Dato' Yeoh Soo Min	1,661,333	—	—	1,661,333
Dato' Yeoh Seok Hong	8,861,405	—	(8,861,405)	—
Dato' Sri Michael Yeoh Sock Siong	1,496,502	—	—	1,496,502
Dato' Yeoh Soo Keng	1,585,944	—	—	1,585,944
Dato' Mark Yeoh Seok Kah	1,881,207	—	(881,207)	1,000,000
Eu Peng Meng @ Leslie Eu	7,000	—	—	7,000
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,101,306,922(2)(4)	—	—	1,101,306,922(2)(4)
Dato' Yeoh Seok Kian	450,000(2)	—	—	450,000(2)
Mej. Jen. Dato' Haron Bin Mohd. Taib (B)	36,715(2)	—	(10,000)	26,715(2)
Dato' Yeoh Soo Min	137,292(2)	—	—	137,292(2)
Dato' Yeoh Seok Hong	799,982(2)	4,560	(804,542)	—
Dato' Sri Michael Yeoh Sock Siong	298,956(2)	—	—	298,956(2)
Dato' Yeoh Soo Keng	36,507(2)	—	—	36,507(2)
Dato' Mark Yeoh Seok Kah	268,368(2)	—	(268,368)	—

	Number of share options <---------------- over ordinary shares of RM0.50 each ---------------->			
	Balance at 1.7.2008	**Granted**	**Exercised**	**Balance at 30.6.2009**
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	7,000,000	7,000,000	—	14,000,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	7,000,000	7,000,000	—	14,000,000
Dato' Yeoh Seok Kian	3,000,000	3,000,000	—	6,000,000
Dato' Yeoh Soo Min	3,000,000	3,000,000	—	6,000,000
Dato' Yeoh Seok Hong	5,000,000	5,000,000	—	10,000,000
Dato' Sri Michael Yeoh Sock Siong	3,000,000	3,000,000	—	6,000,000

Subsidiaries
– YTL Power International Berhad

	Number of share options <---------------- over ordinary shares of RM0.50 each ---------------->			
	Balance at 1.7.2008	Granted	Exercised	Balance at 30.6.2009
Direct interests				
Dato' Yeoh Soo Keng	3,000,000	3,000,000	—	6,000,000
Dato' Mark Yeoh Seok Kah	3,000,000	3,000,000	—	6,000,000
Syed Abdullah Bin Syed Abd. Kadir	3,000,000	3,000,000	—	6,000,000

– YTL Land & Development Berhad

	<------------ Number of ordinary shares of RM0.50 each ------------>			
	Balance at 1.7.2008	Acquired	Disposed	Balance at 30.6.2009
Direct interests				
Dato' Yeoh Soo Keng	—	100,000	—	100,000
Eu Peng Meng @ Leslie Eu	20,000	—	—	20,000
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	495,461,832(6)	846,000	—	496,307,832(6)
Dato' Yeoh Soo Min	106,000(2)	468,300	—	574,300(2)

	Number of Irredeemable Convertible <----------- Preference Shares 2001/2011 of RM0.50 each ----------->			
	Balance at 1.7.2008	Acquired	Converted/ Disposed	Balance at 30.6.2009
Direct interests				
Dato' Yeoh Seok Kian	240,000	—	—	240,000
Deemed interests				
Dato' Yeoh Soo Min	200,000(2)	—	—	200,000(2)

– YTL e-Solutions Berhad

	<------------ Number of ordinary shares of RM0.10 each ------------>			
	Balance at 1.7.2008	Acquired	Disposed	Balance at 30.6.2009
Direct interests				
Dato' (Dr) Yahya Bin Ismail	527,000	—	(527,000)	—
Dato' Chong Keap Thai @ Cheong Keap Tai	—	100,000	(100,000)	—
Dato' Yeoh Soo Keng	—	500,000	—	500,000
Syed Abdullah Bin Syed Abd. Kadir	300,000	—	—	300,000

Subsidiaries

– YTL e-Solutions Berhad

	<------------ Number of ordinary shares of RM0.10 each		------------>
	Balance at 1.7.2008	**Acquired**	**Disposed**	**Balance at 30.6.2009**
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,002,227,600(6)	—	—	1,002,227,600(6)
Dato' Sri Michael Yeoh Sock Siong	30,000(2)	1,257,300	—	1,287,300(2)

– Infoscreen Networks PLC*

	<------------- Number of ordinary shares of £0.01 each		------------->
	Balance at 1.7.2008	**Acquired**	**Disposed**	**Balance at 30.6.2009**
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	100	—	—	100

– YTL Corporation (UK) PLC*

	<------------- Number of ordinary shares of £0.25 each		------------->
	Balance at 1.7.2008	**Acquired**	**Disposed**	**Balance at 30.6.2009**
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	—	—	1

** Incorporated in the United Kingdom*

– Syarikat Pelancongan Seri Andalan (M) Sdn. Bhd.

	<------------ Number of ordinary shares of RM1.00 each		------------>
	Balance at 1.7.2008	**Acquired**	**Disposed**	**Balance at 30.6.2009**
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1	—	—	1
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	—	—	1

– YTL Singapore Pte. Ltd.#

	<------------ Number or Amount (S$) of ordinary shares		------------>
	Balance at 1.7.2008	**Acquired**	**Disposed**	**Balance at 30.6.2009**
Direct interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1	—	(1)	—
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2	—	(2)	—

 # Incorporated in Singapore

Subsidiaries
– YTL Construction (Thailand) Limited +

	<------------ Number of ordinary shares of THB100 each		------------>
	Balance at 1.7.2008	**Acquired**	**Disposed**	**Balance at 30.6.2009**
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	—	—	1
Dato' Yeoh Seok Kian	1	—	—	1
Dato' Yeoh Seok Hong	1	—	—	1
Dato' Sri Michael Yeoh Sock Siong	1	—	—	1
Dato' Mark Yeoh Seok Kah	1	—	—	1

+ *Incorporated in Thailand.*

(1) Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn. Bhd. pursuant to Section 6A of the Companies Act 1965.

(2) Deemed interests by virtue of interests held by spouse and/or children pursuant to Section 134(12)(c) of the Companies Act 1965.

(3) Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn. Bhd., YTL Corporation Berhad, YTL Industries Berhad and YTL Power International Berhad pursuant to Section 6A of the Companies Act 1965.

(4) Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn. Bhd., YTL Corporation Berhad and YTL Power Services Sdn. Bhd. pursuant to Section 6A of the Companies Act 1965.

(5) Deemed interests by virtue of interests held by YTL Corporation Berhad and YTL Power Services Sdn. Bhd. pursuant to Section 6A of the Companies Act 1965.

(6) Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn. Bhd. and YTL Corporation Berhad pursuant to Section 6A of the Companies Act 1965.

(7) Deemed interests by virtue of interests held in the name of deceased spouse in which the Director, who is the legal representative, is entitled to exercise under the terms of the ESOS.

(8) Deemed interests by virtue of interests held by YTL Corporation Berhad pursuant to Section 6A of the Companies Act 1965.

By virtue of Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay's deemed interests in the shares of the Company under Section 6A of the Companies Act 1965, Tan Sri Dato' Seri is deemed to have interests in the shares of the subsidiaries of the Company to the extent that the Company has an interest.

Other than as disclosed above, Directors who held office at the end of the financial year did not have interests in the shares of the Company or related companies during the financial year.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted pursuant to the ESOS.

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements of the Group and of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in the Notes to the Financial Statements.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts have been written off and that adequate allowance has been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records of the Group and of the Company in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this Report, the Directors are not aware of any circumstances:-

(a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this Report, there does not exist:-

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

(c) No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

OTHER STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

The Directors state that:-

At the date of this Report, they are not aware of any circumstances not otherwise dealt with in this Report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

In their opinion,

(a) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this Report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this Report is made.

HOLDING COMPANY

The Directors regards Yeoh Tiong Lay & Sons Holdings Sdn. Bhd., a company incorporated in Malaysia as its holding company.

AUDITORS

The auditors, Messrs. HLB Ler Lum, Chartered Accountants, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors,

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE

15 October 2009
Kuala Lumpur

Statement by Directors

We, TAN SRI DATO' SERI (DR) YEOH TIONG LAY and TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING, CBE, FICE, being two of the Directors of YTL CORPORATION BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with the Companies Act 1965 and MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2009 and of the results of the operations and cash flows of the Group and of the Company for the financial year ended on that date.

Signed on behalf of the Board in accordance with a resolution of the Directors,

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE

15 October 2009
Kuala Lumpur

Statutory Declaration

I, TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING, CBE, FICE, being the Director primarily responsible for the financial management of YTL CORPORATION BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed
TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING, CBE, FICE
at Kuala Lumpur on 15 October 2009

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE

Before me:

Tan Seok Kett
Commissioner for Oaths

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of YTL CORPORATION BERHAD, which comprise the Balance Sheets as at 30 June 2009 of the Group and of the Company, and the Income Statements, Statements of Changes in Equity and Cash Flow Statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 93 to 211.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements have been properly drawn up in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2009 and of their financial performance and cash flows for the financial year then ended.

Independent Auditors' Report

to the members of YTL Corporation Berhad (Company No: 92647-H)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 15 to the Financial Statements.

c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

HLB LER LUM
AF 0276
Chartered Accountants

LER CHENG CHYE
871/3/11(J/PH)
Chartered Accountant

15 October 2009
Kuala Lumpur

Income Statements
for the financial year ended 30 June 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Revenue	4	**8,892,125**	6,549,860	**581,072**	445,140
Cost of sales	5	**(5,707,824)**	(3,516,536)	—	—
Gross profit		**3,184,301**	3,033,324	**581,072**	445,140
Other operating income		**439,456**	363,836	**3,696**	24,680
Selling & distribution costs		**(124,028)**	(177,293)	—	—
Administration expenses		**(595,756)**	(571,147)	**(45,183)**	(43,299)
Other operating expenses		**(104,078)**	(108,521)	—	—
Finance costs	6	**(1,038,808)**	(925,648)	**(78,557)**	(81,372)
Share of profits of associated companies		**527,110**	215,291	—	—
Profit before tax	7	**2,288,197**	1,829,842	**461,028**	345,149
Income tax expense	8	**(886,582)**	(453,355)	**(27,789)**	(22,409)
Profit for the financial year		**1,401,615**	1,376,487	**433,239**	322,740
Attributable to:-					
Equity holders of the Company		**834,472**	769,786	**433,239**	322,740
Minority interests		**567,143**	606,701	—	—
		1,401,615	1,376,487	**433,239**	322,740
Earnings per share (sen)					
Basic	9	54.10	51.54		
Diluted	9	53.66	47.42		
Dividend per ordinary shares (sen) – RM0.50 each	10	2.50	25.00		

The notes set out on pages 104 to 211 form an integral part of these financial statements.

Balance Sheets
as at 30 June 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
ASSETS					
Non-current assets					
Property, plant & equipment	11	**19,518,609**	17,295,728	**3,110**	3,587
Prepaid lease payments	12	**141,106**	76,424	**—**	—
Investment properties	13	**2,986,901**	1,612,168	**—**	—
Development expenditure	14	**849,190**	1,124,296	**—**	—
Investment in subsidiaries	15	**181,704**	181,704	**4,065,840**	4,064,339
Investment in associated companies	16	**2,329,829**	1,378,352	**210,641**	210,641
Investments	17	**673,371**	798,162	**32,397**	92,785
Fixed deposits	18	**449**	437	**—**	—
Intangible assets	19	**4,016,726**	1,130,024	**—**	—
Other receivables	20	**57,813**	—	**—**	—
TOTAL NON-CURRENT ASSETS		**30,755,698**	23,597,295	**4,311,988**	4,371,352
Current assets					
Inventories	21	**1,056,110**	374,817	**—**	—
Property development costs	22	**533,153**	175,553	**—**	—
Trade & other receivables	20	**3,624,941**	2,208,060	**129,809**	20,073
Derivative financial instruments	23	**23,707**	—	**—**	—
Income tax assets		**105,115**	64,399	**91,637**	85,668
Amount due from related parties	25	**29,906**	29,280	**1,040,317**	942,332
Short term investments	26	**208,239**	281,800	**161,039**	235,928
Fixed deposits	18	**8,667,515**	11,416,085	**1,441,666**	33,256
Cash & bank balances	18	**409,448**	311,272	**2,679**	3,129
TOTAL CURRENT ASSETS		**14,658,134**	14,861,266	**2,867,147**	1,320,386
TOTAL ASSETS		**45,413,832**	38,458,561	**7,179,135**	5,691,738

The notes set out on pages 104 to 211 form an integral part of these financial statements.

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	27	**948,496**	816,101	**948,496**	816,101
Share premium	28	**1,503,558**	513,721	**1,503,558**	513,721
Other reserves	28	**(109,774)**	202,115	**29,123**	29,757
Retained earnings		**7,997,434**	7,072,154	**2,980,891**	2,576,173
Treasury shares, at cost	27	**(892,549)**	(889,671)	**(892,549)**	(889,671)
		9,447,165	7,714,420	**4,569,519**	3,046,081
Minority interests		**953,219**	3,931,417	**—**	—
TOTAL EQUITY		**10,400,384**	11,645,837	**4,569,519**	3,046,081
Non-current liabilities					
Long term payables	29	**103,579**	108,997	**—**	—
Bonds	30	**12,953,957**	11,470,489	**500,000**	—
Borrowings	31	**11,150,819**	4,168,198	**65**	294
Deferred income	32	**198,257**	133,917	**—**	—
Deferred tax liabilities	33	**2,916,707**	2,280,857	**—**	—
Post-employment benefit obligations	34	**253,145**	315,353	**—**	—
TOTAL NON-CURRENT LIABILITIES		**27,576,464**	18,477,811	**500,065**	294
Current liabilities					
Trade & other payables	35	**2,705,250**	1,814,690	**6,679**	8,427
Derivative financial Instruments	23	**110,135**	—	**—**	—
Amount due to related parties	25	**6,572**	4,696	**763,626**	797,428
Bonds	30	**1,120,665**	4,414,181	**—**	500,000
Borrowings	31	**3,219,129**	1,863,498	**1,339,084**	1,339,370
Provision for liabilities & charges	36	**49,752**	26,500	**—**	—
Post-employment benefit obligations	34	**2,926**	3,365	**162**	138
Current tax liabilities		**222,555**	207,983	**—**	—
TOTAL CURRENT LIABILITIES		**7,436,984**	8,334,913	**2,109,551**	2,645,363
TOTAL LIABILITIES		**35,013,448**	26,812,724	**2,609,616**	2,645,657
TOTAL EQUITY AND LIABILITIES		**45,413,832**	38,458,561	**7,179,135**	5,691,738

The notes set out on pages 104 to 211 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the financial year ended 30 June 2009

Group	<------------------ Attributable to equity holders of the Company					------------------>	Minority interests	Total equity
	--- Non distributable ---			------- Distributable -------				
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Retained earnings RM'000	Treasury shares RM'000	Total RM'000	RM'000	RM'000
Balance at 1 July 2007	825,611	652,522	283,415	6,557,926	(922,643)	7,396,831	3,607,372	11,004,203
Currency translation differences	—	—	(89,048)	—	—	(89,048)	(56,455)	(145,503)
Transfer from revaluation reserve	—	—	(7,627)	7,627	—	—	—	—
(Expenses)/Income recognised directly in equity	—	—	(96,675)	7,627	—	(89,048)	(56,455)	(145,503)
Profit for the financial year	—	—	—	769,786	—	769,786	606,701	1,376,487
Total recognised income and expenses for the financial year	—	—	(96,675)	777,413	—	680,738	550,246	1,230,984
Issue of share capital	5,490	38,551	—	—	—	44,041	—	44,041
Treasury shares	(15,000)	(177,352)	—	—	32,972	(159,380)	—	(159,380)
Effect of issue of shares/warrants by subsidiaries to minority interests	—	—	—	—	—	—	315,679	315,679
Conversion of ICULS	—	—	(4)	—	—	(4)	4	—
Conversion of Exchangeable Bonds 2010	—	—	(11,963)	—	—	(11,963)	11,963	—
Balance carried forward	816,101	513,721	174,773	7,335,339	(889,671)	7,950,263	4,485,264	12,435,527

The notes set out on pages 104 to 211 form an integral part of these financial statements.

Group	<------------------ Attributable to equity holders of the Company ------------------>						Minority interests	Total equity
	--- Non distributable ---		------- Distributable -------					
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Retained earnings RM'000	Treasury shares RM'000	Total RM'000	RM'000	RM'000
Balance brought forward	816,101	513,721	174,773	7,335,339	(889,671)	7,950,263	4,485,264	12,435,527
Share options granted	—	—	17,346	—	—	17,346	—	17,346
Transfer to statutory reserve	—	—	9,996	(9,996)	—	—	—	—
Dividends paid to minority interests	—	—	—	—	—	—	(327,836)	(327,836)
Minority interests arising from business combination	—	—	—	—	—	—	3,681	3,681
Increase arising from changes in composition of the Group	—	—	—	23,676	—	23,676	75,771	99,447
Acquisition of additional shares in subsidiaries from minority interests	—	—	—	—	—	—	(305,463)	(305,463)
Dividends paid	—	—	—	(276,865)	—	(276,865)	—	(276,865)
Balance at 30 June 2008	816,101	513,721	202,115	7,072,154	(889,671)	7,714,420	3,931,417	11,645,837

The notes set out on pages 104 to 211 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the financial year ended 30 June 2009

Group	<------------------- Attributable to equity holders of the Company ------------------->						Minority interests	Total equity
	--- Non distributable ---			------- Distributable -------				
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Retained earnings RM'000	Treasury shares RM'000	Total RM'000	RM'000	RM'000
Balance at 1 July 2008	816,101	513,721	202,115	7,072,154	(889,671)	7,714,420	3,931,417	11,645,837
Currency translation differences	—	—	(315,490)	—	—	(315,490)	(271,775)	(587,265)
Capitalised on bonus issues	—	—	200	(200)	—	—	—	—
Transfer	—	—	945	(945)	—	—	—	—
Expenses recognised directly in equity	—	—	(314,345)	(1,145)	—	(315,490)	(271,775)	(587,265)
Profit for the financial year	—	—	—	834,472	—	834,472	567,143	1,401,615
Total recognised income and expenses for the financial year	—	—	(314,345)	833,327	—	518,982	295,368	814,350
Issue of share capital	132,395	989,837	(1,125)	—	—	1,121,107	—	1,121,107
Treasury shares	—	—	—	—	(2,878)	(2,878)	—	(2,878)
Effect of issue of shares/warrants by subsidiaries to minority interests	—	—	—	—	—	—	576,809	576,809
Conversion of ICULS	—	—	(20)	—	—	(20)	20	—
Balance carried forward	948,496	1,503,558	(113,375)	7,905,481	(892,549)	9,351,611	4,803,614	14,155,225

The notes set out on pages 104 to 211 form an integral part of these financial statements.

Group	<------------------- Attributable to equity holders of the Company				------------------->			
	--- Non distributable ---			------- Distributable -------			Minority interests	Total equity
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Retained earnings RM'000	Treasury shares RM'000	Total RM'000	RM'000	RM'000
Balance brought forward	948,496	1,503,558	(113,375)	7,905,481	(892,549)	9,351,611	4,803,614	14,155,225
Share options granted	—	—	3,601	—	—	3,601	—	3,601
Dividends paid to minority interests	—	—	—	—	—	—	(480,214)	(480,214)
Minority interests arising from business combination	—	—	—	—	—	—	(3,057,265)	(3,057,265)
Increase arising from changes in composition of the Group	—	—	—	120,474	—	120,474	(255,891)	(135,417)
Acquisition of additional shares in subsidiaries from minority interests	—	—	—	—	—	—	(57,025)	(57,025)
Dividends paid	—	—	—	(28,521)	—	(28,521)	—	(28,521)
Balance at 30 June 2009	948,496	1,503,558	(109,774)	7,997,434	(892,549)	9,447,165	953,219	10,400,384

Statement of Changes in Equity
for the financial year ended 30 June 2009

Company	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Retained earnings RM'000	Treasury shares RM'000	Total RM'000
	<---------------------- Attributable to Equity holders of the Company				---------------------->	
		--------- Non-distributable	---------	-------- Distributable	--------	
Balance at 1 July 2007	825,611	652,522	14,749	2,493,996	(922,643)	3,064,235
Profit for the financial year, representing total recognised income and expenses for the financial year	—	—	—	322,740	—	322,740
Issue of share capital	5,490	38,551	—	—	—	44,041
Treasury shares	(15,000)	(177,352)	—	—	32,972	(159,380)
Increase due to Renounceable Restricted Offer for Sale of shares in a subsidiary	—	—	—	36,302	—	36,302
Share options granted	—	—	15,008	—	—	15,008
Dividends paid	—	—	—	(276,865)	—	(276,865)
Balance at 30 June 2008	816,101	513,721	29,757	2,576,173	(889,671)	3,046,081
Profit for the financial year, representing total recognised income and expenses for the financial year	**—**	**—**	**—**	**433,239**	**—**	**433,239**
Issue of share capital	**132,395**	**988,712**	**—**	**—**	**—**	**1,121,107**
Treasury shares	**—**	**—**	**—**	**—**	**(2,878)**	**(2,878)**
Share options granted	**—**	**—**	**491**	**—**	**—**	**491**
Transfer to share premium	**—**	**1,125**	**(1,125)**	**—**	**—**	**—**
Dividends paid	**—**	**—**	**—**	**(28,521)**	**—**	**(28,521)**
Balance at 30 June 2009	**948,496**	**1,503,558**	**29,123**	**2,980,891**	**(892,549)**	**4,569,519**

The notes set out on pages 104 to 211 form an integral part of these financial statements.

Cash Flow Statements

for the financial year ended 30 June 2009

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Cash flows from operating activities				
Profit before tax	**2,288,197**	1,829,842	**461,028**	345,149
Adjustments for:-				
Adjustment on fair value of investment properties	**(274,360)**	—	—	—
Allowance for doubtful debts/(Allowance for doubtful debts no longer required) – net	**5,639**	(24,932)	—	—
Allowance for inventories obsolescence	**1,224**	—	—	—
Amortisation of development expenditure	**2,220**	207	—	—
Amortisation of grant	**(5,376)**	(5,997)	—	—
Amortisation of prepaid lease payments	**5,146**	1,988	—	—
Bad debts recovered	**(1,063)**	(1,513)	—	—
Bad debts written off	**13,689**	1,095	**5,216**	—
Defined benefit plan	**39,708**	41,584	—	—
Deposits written off	**102**	—	**102**	—
Depreciation	**739,514**	720,375	**531**	627
Development expenditure charged to Income Statement	—	223	—	—
Dividend income	**(39,618)**	(41,665)	**(558,567)**	(415,215)
Gain on disposal of investments	**(175)**	(3,041)	**(145)**	(2,573)
Gain on disposal of investment properties	**(200)**	—	—	—
Gain on redemption of investment	—	—	—	(21,389)
(Gain)/Loss on disposal of property, plant & equipment	**(6,365)**	(4,269)	**(12)**	(26)
Gain on disposal of prepaid lease payments	—	(415)	—	—
Impairment losses	**415**	1,677	—	—
Interest expenses	**1,038,808**	925,648	**78,557**	81,372
Interest income	**(250,811)**	(506,671)	**(21,814)**	(29,261)
Inventories written off	**3,648**	43	—	—
Investment written off	**15**	—	—	—
Negative goodwill recognised in Income Statement	**(95)**	(512)	—	—
Property, plant & equipment written off	**20,709**	14,408	—	—
Provision for liability & charges	**9,981**	(34)	—	—
Share based payments	**3,601**	17,346	**65**	10,428
Share of profits of associated companies	**(527,110)**	(215,291)	—	—
Unrealised loss/(gain) on foreign exchange – net	**19,792**	(31,574)	—	—
Write back of provision of fuel cost	**(207,046)**	—	—	—
Operating profit/(loss) before changes in working capital	**2,880,189**	2,718,522	**(35,039)**	(30,888)

The notes set out on pages 104 to 211 form an integral part of these financial statements.

Cash Flow Statements

for the financial year ended 30 June 2009

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Inventories	**248,505**	(2,425)	**—**	—
Property development costs	**(87,806)**	(35,616)	**—**	—
Receivables	**(630,678)**	(299,398)	**(1,471)**	(78)
Payables	**(57,973)**	89,713	**(1,724)**	(4,311)
Net changes in related parties balances	**(3,382)**	(13,906)	**(131,361)**	(208,819)
Cash generated from/(absorbed by) operations	**2,348,855**	2,456,890	**(169,595)**	(244,096)
Dividends received	**288,134**	118,335	**414,795**	373,869
Interest paid	**(962,378)**	(810,536)	**(78,557)**	(81,372)
Interest received	**236,929**	490,430	**21,814**	29,261
Payment to a retirement benefits scheme	**(100,879)**	(84,349)	**—**	—
Income tax paid	**(327,145)**	(343,326)	**(3,569)**	(6,561)
Income tax refund	**3,206**	20,199	**—**	16,958
Net cash from operating activities	**1,486,722**	1,847,643	**184,888**	88,059
Cash flows from investing activities				
Acquisition of additional shares/warrants in existing subsidiaries	**(1,501)**	(18,707)	**(1,501)**	(139,677)
Acquisition of associated companies	**(691,345)**	(17,939)	**—**	(293)
Acquisition of new subsidiaries (net of cash acquired)	**(7,469,909)**	(75,633)	**—**	(5,871)
Development expenditure incurred	**(23,460)**	(81,906)	**—**	—
Grants received in respect of infrastructure assets	**31,070**	46,855	**—**	—
Proceeds from disposal of investment properties	**1,844**	—	**—**	—
Proceeds from disposal of property, plant & equipment	**17,514**	9,252	**12**	26
Proceeds from disposal of prepaid lease payments	**—**	722	**—**	—
Proceeds from disposal of investments	**69,123**	111,200	**63,836**	106,883
Proceeds from redemption of investments	**—**	27,519	**—**	27,519
Withdraw from short term investments	**132,598**	—	**132,598**	—
Purchase of investment properties	**(1,099,568)**	(229,368)	**—**	—
Purchase of property, plant & equipment	**(1,327,707)**	(1,782,246)	**(54)**	(334)
Purchase of prepaid lease payments	**—**	(2,312)	**—**	—
Purchase of short term investments	**(57,709)**	(105,152)	**(57,709)**	(105,152)
Purchase of investments	**(63,289)**	(156,162)	**(3,303)**	(82,438)
Net cash (used in)/from investing activities	**(10,482,339)**	(2,273,877)	**133,879**	(199,337)

The notes set out on pages 104 to 211 form an integral part of these financial statements.

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Cash flows from financing activities				
Dividends paid	**(28,521)**	(276,865)	**(28,521)**	(276,865)
Dividends paid to minority shareholders of subsidiaries	**(480,214)**	(327,834)	**—**	—
Repurchase of own shares by the Company (at net)	**(2,878)**	(159,380)	**(2,878)**	(159,380)
Repurchase of subsidiaries' shares by subsidiaries	**(72,688)**	(417,630)	**—**	—
Proceeds from borrowings	**9,916,393**	2,646,653	**—**	35,000
Proceeds from issue of shares in subsidiaries to minority shareholders	**576,829**	118,861	**—**	—
Proceeds from issue of bonds	**920,000**	3,023,096	**500,000**	—
Proceeds from issue of shares	**1,121,107**	44,041	**1,121,107**	44,041
Repayment of bonds	**(2,660,607)**	(125,000)	**(500,000)**	—
Repayment of borrowings	**(2,462,264)**	(1,266,798)	**(515)**	(100,658)
Net cash from/(used in) financing activities	**6,827,157**	3,259,144	**1,089,193**	(457,862)
Net changes in cash and cash equivalents	**(2,168,460)**	2,832,910	**1,407,960**	(569,140)
Effects of exchange rate changes	**(433,295)**	2,277	**—**	—
Cash and cash equivalents brought forward	**11,672,974**	8,837,787	**36,385**	605,525
Cash and cash equivalents carried forward	**9,071,219**	11,672,974	**1,444,345**	36,385

The notes set out on pages 104 to 211 form an integral part of these financial statements.

Notes to the Financial Statements

1. GENERAL INFORMATION

The principal activities of the Company are those of an investment holding and management company. The principal activities of the subsidiaries are set out in Note 15 to the Financial Statements. During the financial year, the Group acquired PowerSeraya Limited and as a consequence, the Group has adopted operating energy facilities and undertake oil trading activities.

The Company is a limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad and the foreign section of the Tokyo Stock Exchange.

The address of the registered office of the Company is as follows:-

11th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur

The address of the principal place of business of the Company is as follows:-

11th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's operations are subject to a variety of financial risks, including foreign currency exchange risk, interest rate risk, credit risk, market risk, liquidity and cash flow risk.

The Group's financial risk management policy seeks to ensure that adequate resources are available to manage the above risks and to create value for its shareholders. The Board regularly reviews these risks and approves treasury policies, which cover the management of these risks. It is not the Group's policy to engage in speculative transactions.

(a) Foreign currency exchange risk

The Group is exposed to currency risk as a result of foreign currency transactions entered into by subsidiaries. However, the effect of the foreign currency risk is limited as the subsidiaries trade and obtain borrowings predominantly in their respective functional currencies.

Where necessary, the Group enters into forward foreign currency exchange contracts to limit its exposure on foreign currency receivables and payables, and on cash flows generated from anticipated transactions denominated in foreign currencies.

(b) Interest rate risk

The Group finances its operations through a mixture of shareholders' funds and borrowings. Interest rates exposures arise from the Group's borrowings and deposits. It is the Group's policy to manage its interest costs within predictable and desired range through the use of fixed and floating rate debts and derivative financial instruments. Except for the deposits that have been pledged to financial institutions for banking facilities granted to a subsidiary, deposits with licensed financial institutions are held for short term and not for speculative purposes.

(c) Credit risk

Credit risk is the potential financial loss resulting from the failure of a counter party to settle their obligations to the Group. Credit risk of the Group arises mainly from trade receivables, fixed deposits, short term investments and interest rate swaps.

The Group seeks to invest cash assets safely and profitably with creditworthy institutions. All derivative financial instruments are executed with creditworthy counter parties with a view to limit the credit risk exposure of the Group.

In the Group's Power Generation business in Malaysia, trade receivables are solely from its off taker, a national electricity utility company and the counter party risk is considered to be minimal. As for the Group's Power Generation business in Singapore, credit review are performed on all customers with established credit limits and supported by collateral in the form of guarantees. For the Group's Water and Sewerage business, the credit risk of receivables is mitigated through strict collection procedures. In addition, the Directors are of the view that credit risk arising from the Water and Disposal of Waste Water businesses is limited due to its large customer base.

The Group considers the risk of material loss in the event of non-performance by a financial counter party to be unlikely.

(d) Market risk

The Group manages its exposure to fluctuation in prices of key products used in its operations through floating and fixed price contracts in order to establish determinable prices of products used.

The Group operates substantially under a business regime of contractual sales or price regulation in its business segments of Power Generation and Water and Sewerage. The Group considers its market risk to be minimal as the tariff rates applicable to these business segments are either protected by agreement or set by industry regulators.

(e) Liquidity and cash flow risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention (unless stated otherwise in the significant accounting policies below) and comply with the Companies Act 1965 and MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities.

The preparation of financial statements in conformity with the MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and the Companies Act 1965 requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. It also requires the Directors to exercise their judgments in the process of applying the Group's accounting policies. These estimates and judgments are based on Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 44 of the Financial Statements.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

There are no new accounting standard, amendments to published standards and interpretations to existing standards effective for the Group's and the Company's financial year ended 30 June 2009 and applicable to the Company.

(b) Property, plant & equipment and depreciation

Property, plant & equipment except for infrastructure assets and certain freehold land & buildings are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Cost also includes borrowing costs incurred for property, plant and equipment under construction. The cost of certain property, plant & equipment include the costs of dismantling, removal and restoration, the obligation of which was incurred as a consequence of installing the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Income Statement during the financial year in which they are incurred.

Certain freehold land and buildings were revalued by the Directors in 1983 based on valuations carried out by independent professional valuers on the open market basis. In accordance with the transitional provisions issued by the Financial Reporting Standards (FRS) on the adoption of Standard 116, "Property, Plant & Equipment", the valuation of these properties, plant & equipment have not been updated and they continue to be stated at their previously revalued amounts less depreciation and impairment losses.

Property, plant & equipment retired from active use and held for disposal are stated at the lower of net book value and net realisable value.

Freehold land and freehold oil palm plantation are not amortised.

Assets under construction are stated at cost and are not depreciated. Upon completion, Assets under construction are transferred to categories of property, plant & equipment depending on nature of assets and depreciation commences when they are ready for their intended used.

Depreciation on all other property, plant & equipment is calculated on the straight line basis at rates required to write off the cost of the property, plant & equipment over their estimated useful life.

The principal annual rates of depreciation used are as follows:-

	%
Buildings	1 – 20
Infrastructure & site facilities	0.9 – 20
Plant & machinery	4 – 20
Furniture, fixtures & equipment	10 – 50
Vehicles	10 – 33 1/3

Residual value, useful life and depreciation method of assets are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant & equipment.

Gains and losses on disposals are determined by comparing net disposal proceeds with net carrying amount and are recognised in the Income Statement.

(c) Impairment of non-financial assets

The carrying amounts of assets, other than inventories, assets arising from construction contracts and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, an asset's recoverable amount is estimated to determine the amount of impairment loss.

An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss is charged to the Income Statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the Income Statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the Income Statement, a reversal of that impairment loss is recognised as income in the Income Statement.

(d) Leases

(i) Finance leases – the Group as lessee

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as property, plant & equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in the Income Statement on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(ii) Operating leases – the Group as lessee

Land under operating leases is accounted for as investment property. Please refer to the accounting policy for "Investment properties".

Leases of assets where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in the Income Statement on the straight-line basis over the period of the lease.

Upfront payments on leasehold land are classified as prepaid lease payments and amortised on the straight line basis over the remaining lease period.

(iii) Operating leases – the Group as lessor

Leases of properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in the Income Statement on the straight-line basis over the lease term.

(e) Investment properties

Investment properties include those portions of properties and land under operating leases that are held for long-term rental yields and/or for capital appreciation.

Land held under operating lease is classified and accounted for as investment property when the rest of the definition of investment property is met.

Investment properties are initially recognised at cost and subsequently carried at fair value, representing open-market value determined annually. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recognised in the Income Statement as part of other income.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in the Income Statement.

(f) Development expenditure

(i) Land held for property development

Land held for property development is stated at cost of acquisition including the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other related costs incurred subsequent to the acquisition on activities necessary to prepare the land for its intended use.

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses. Where the Group had previously recorded the land at revalued amount, it continues to retain this amount as its surrogate cost as allowed by FRS 201. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(c) of the Financial Statements.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) Project development expenditure

Development expenditure incurred is capitalised when it meets certain criteria that indicate that it is probable that the costs will give rise to future economic benefits and are amortised over the period of the projects. They are written down to their recoverable amounts when there is insufficient certainty that future economic benefits will flow to the enterprise.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised development expenditure is stated at cost less accumulated amortisation and accumulated impairment losses. The capitalised development expenditure is amortised over its estimated useful life.

(g) Investment in subsidiaries and basis of consolidation

In the Company's separate financial statements, investment in subsidiaries is stated at cost less accumulated impairment losses. On disposal of investments in subsidiaries, the difference between net disposal proceeds and their carrying amounts is included in the Income Statement.

Subsidiaries are entities in which the Group has power to exercise control over their financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of any minority interest.

Any excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Refer to Note 3(k) of the Financial Statements for the accounting policy on goodwill on acquisition of subsidiaries.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in the Income Statement.

The consolidated financial statements include the financial statements of the Company and its subsidiaries. Subsidiaries are consolidated from the date on which control is transferred to the Group and continue to be consolidated until the date that such control ceases.

All significant inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Minority interest is that part of the net results of operations and of net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the date of acquisition by the Group and the minorities' share of changes in equity since the date of acquisition.

Where more than one exchange transaction is involved, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiary and is recognised in the Consolidated Income Statement.

(h) Investment in associated companies

In the Company's separate financial statements, investment in associated companies are stated at cost less accumulated impairment losses.

Associated companies are entities in which the Group is in a position to exercise significant influence but which is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions, but not control over their policies.

Investment in associated companies is accounted for in the consolidated financial statements using the equity method of accounting and is initially recognised at cost. The Group's investment in associated companies includes goodwill identified on acquisition, net of any accumulated impairment losses.

The Group's share of its associated companies' post-acquisition profits or losses is recognised in the Income Statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated companies equals or exceeds its interest in the associated companies, including any other unsecured receivables, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associated companies.

The most recent available audited financial statements of the associated companies are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

Unrealised profits arising on transactions between the Group and its associated companies which are included in the carrying amount of the related assets and liabilities are eliminated partially to the extent of the Group's interests in the associated companies. Unrealised losses on such transactions are also eliminated partially unless cost cannot be recovered.

On disposal of investments in associated companies, the difference between the net disposal proceeds and their carrying amounts is included in the Income Statement.

(i) Joint ventures

Jointly controlled entities

Jointly controlled entities are corporations, partnerships or other entities over which there is contractually agreed sharing of control by the Group with one or more parties. The Group's interests in jointly controlled entities are accounted for in the consolidated financial statements by the equity method of accounting.

Equity accounting involves recognising in the Income Statement the Group's share of the results of jointly controlled entities for the financial year. The Group's investments in jointly controlled entities are carried in the Balance Sheet at an amount that reflects its share of the net assets of the jointly controlled entities and includes goodwill on acquisition.

Unrealised gains on transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entities; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of jointly controlled entities to ensure consistency of accounting policies with those of the Group.

When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the joint venture.

Jointly controlled operations

When a subsidiary company is party to a joint arrangement, that company accounts directly for its part of income and expenditure, assets, liabilities and cash flows. Such arrangements are reported in the consolidated financial statements on the same basis.

(j) Investments

Investments in non-current investments are shown at cost and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

Short term investments are carried at the lower of cost and market value, determined on an aggregate portfolio basis by category of investment. Cost is derived on the weighted average basis. Market value is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date. Increases or decreases in the carrying amount of short term investments are credited or charged to the Income Statement.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the Income Statement.

(k) Intangible assets

Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiaries and associated companies over the fair value of the Group's share of the fair value of their identifiable net assets at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in the balance sheet as intangible assets.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose.

Goodwill on acquisitions of associated companies is included in the carrying amount of the investment in associated companies. Such goodwill is tested for impairment as part of the overall balance.

(l) Inventories

(i) Developed properties

Inventories of developed properties held for resale are stated at the lower of cost and net realisable value. Cost of developed properties is determined using an appropriate basis of allocation and consists of land cost, construction costs and development costs incurred.

(ii) Other inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined on the weighted average or first-in-first-out basis and includes the cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

The cost of finished goods and work-in-progress consists of raw materials, direct labour, other direct charges and an appropriate proportion of production overheads (based on normal operating capacity).

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses.

(m) Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Property development revenue are recognised for all units sold using the percentage of completion method, by reference to the stage of completion of the property development projects at the balance sheet date as measured by the proportion that development costs incurred for work performed to-date bear to the estimated total property development costs on completion.

When the financial outcome of a property development activity cannot be estimated reliably, property development revenue is recognised to the extent of property development costs incurred that is probable of recovery.

Any anticipated loss on property development projects (including costs to be incurred over the defects liability period), is recognised as an expense immediately.

Property development costs not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value.

The excess of property development revenue recognised in the Income Statement over billings to purchasers is classified as accrued billings and the excess of billings to purchasers over property development revenue recognised in the Income Statement is classified as progress billings.

(n) Receivables

Receivables are stated at cost less any allowances for doubtful debts. Known bad debts are written off and doubtful debts are provided for based on estimates of possible losses which may arise from non-collection of certain receivables accounts.

(o) Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total of costs incurred on construction contracts plus, recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

(p) Share capital

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

The portion of a convertible bond representing the value of the conversion option at the time of issue is included in equity. The value of the conversion option is not changed in subsequent periods. Upon conversion of the bond to equity shares, the amount credited to share capital and share premium is the aggregate of the amounts classified within liability and equity at the time of conversion. No gain or loss is recognised. If the bond is redeemed, the conversion option is transferred to retained earnings.

Distributions to holders of a financial instrument classified as an equity instrument are charged directly to equity.

Dividends to shareholders are recognised in equity in the period in which they are declared.

Purchase of own shares

Shares repurchased by the Company are held as treasury shares and are accounted for on the cost method. The amount of the consideration paid, including directly attributable costs, is recognised as cost and set off against equity. Should such shares be cancelled, reissued or disposed of, their nominal amounts will be eliminated, and the differences between their cost and nominal amounts will be taken to reserves, as appropriate. Where the treasury shares are subsequently distributed as dividends to shareholders, the cost of the treasury shares is applied as reduction of the share premium account or the distributable retained profits or both.

(q) Payables

Payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(r) Bonds and borrowings

Bonds and borrowings are initially recognised based on the proceeds received, net of transaction costs incurred. Subsequently, bonds and borrowings are stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the Income Statement over the period of the bonds and borrowings.

Interest relating to a financial instrument classified as a liability is reported within financial cost in the Income Statement.

Bonds and borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs incurred to finance the construction of property, plant and equipment, property development costs and development expenditure are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use.

(s) Grants and contributions

Grants and contributions in respect of specific qualifying expenditure on property, plant & equipment are included in non current liability as deferred income. The income is recognised in the Income Statement over the expected useful economic life of the related assets or otherwise to match them with the related costs which they are intended to compensate, on a systematic basis.

(t) Income tax and deferred tax

Income tax on the income statement for the financial year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributable to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

(u) Provisions

The Group recognises provisions when it has a present legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The recording of provisions requires the application of judgments about the ultimate resolution of these obligations. As a result, provisions are reviewed at each Balance Sheet date and adjusted to reflect the Group's current best estimate.

The provision for damages claims is recognised for expected damages claims based on the terms of the applicable sale and purchase agreements.

(v) Restructuring provisions

Restructuring provisions mainly comprise employee termination payments, and are recognised in the financial year in which the Group becomes legally or constructively committed to the payment. Future operating costs are not provided for. Employee termination benefits are recognised only either after an agreement is in place with the appropriate employee representatives specifying the terms of redundancy and the number of employees affected, or after individual employees have been advised of the specific terms. Costs related to the on-going activities of the Group are not provided in advance.

(w) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The specific recognition criteria for revenue are as follows:-

(i) Sale of goods and rendering of services

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised when the significant risks and rewards of ownership of the goods have passed to the buyers.

Revenue from rendering of services is recognised in the Income Statement in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to the proportion that costs incurred to date that reflect services performed bear to the total estimated costs of the transaction. Where the outcome of the transaction cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

(ii) Sale of electricity

Revenue from sale of electricity is recognised upon performance of services based on the invoiced value of sale of electricity net of discounts allowed and also includes an estimate of the value of services provided between the last meter reading date and the financial year end.

(iii) Sale of water and the treatment and disposal of waste water

Revenue from supply of clean water and treatment and disposal of waste water represents the amounts (excluding value added tax) derived from the provision of goods and services to third party customers. The Group has chosen not to recognise as turnover the bills raised for customers who have a record of two years non-payment.

(iv) Sale of physical fuel

Revenue from sale of physical fuel oil is recognised when the risks and rewards of ownership of the oil have been passed to the customers which occur when the oil has been delivered and the collectability of the related receivable is reasonably assured.

(v) Property development projects

Revenue from property development projects is accounted for by the stage of completion method as described in Note 3(m) of the Financial Statements.

(vi) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 3(o) of the Financial Statements.

(vii) Interest income

Interest income is recognised as the interest income accrues, taking into account the effective yield on the asset.

(viii) Dividend income

Dividend income is recognised when the right to receive the payment is established.

(ix) Rental income

Rental income from operating leases (net of any incentives given to the lesees) is recognised on the straight-line basis over the lease term.

(x) Hotel and restaurant operations

Revenue from room rental is recognised on the accrual basis. Revenue from the sale of food and beverages is recognised based on invoiced value of goods sold.

(x) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(y) Employee benefits

(i) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial year when employees have rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as expenses when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(ii) Post-employment benefits

The Group has various post-employment benefit schemes in accordance with local conditions and practices in the industries in which it operates. These benefit plans are either defined contribution or defined benefit plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

Defined contribution plan

The Group's and the Company's contributions to a defined contribution plan are charged to the Income Statement in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further payment obligations.

Defined benefit plan

The liability in respect of a defined benefit plan is the present value of the defined benefit obligation at the balance sheet date minus the fair value of plan assets, together with adjustments for actuarial gains or losses and past service cost. The Group determines the present value of the defined benefit obligation and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the balance sheet date.

The defined benefit obligation, calculated using the projected unit credit method, is determined by independent actuaries, considering the estimated future cash outflows using market yields at balance sheet date of government securities which have currency and terms to maturity approximating the terms of the related liability.

Plan assets in excess of the defined benefit obligation are subject to the asset limitation specified in FRS 119.

Actuarial gains and losses arise from experience adjustments and changes in actuarial assumptions. The amount of net actuarial gains and losses recognised in the Income Statement is determined by the corridor method in accordance with FRS 119 and is charged or credited to income over the average remaining service life of the related employees participating in the defined benefit plan.

(iii) Share-based compensation

The Company and certain subsidiaries operate equity-settled, share-based compensation plan for the employees of the Group. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense in the Income Statement over the vesting periods of the grant with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted and the number of share options to be vested by vesting date. At each balance sheet date, the Group revises its estimates of the number of share options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the Income Statement, with a corresponding adjustment to equity. For options granted by the Company to its subsidiaries' employees, the expense will be recognised in the subsidiaries' financial statements over the vesting periods of the grant.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

(z) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is also the Company's functional and presentation currency.

(ii) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:-

- assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;
- income and expenses for each Income Statement are translated at the applicable average exchange rate; and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the Income Statement as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity on or after 1 July 2006 are treated as assets and liabilities of the foreign entity and translated at the closing rate. For acquisition of foreign entities completed prior to 1 July 2006, goodwill and fair value adjustments continued to be recorded at the exchange rate at the respective date of acquisitions.

(aa) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

(i) Financial instruments recognised on the balance sheet

The particular recognition method adopted for financial instruments recognised on the balance sheet is disclosed in the individual accounting policy statements associated with each item.

(ii) Financial instruments not recognised on the balance sheet

The Group is a party to financial instruments that comprise interest rate swap agreements. These instruments are not recognised in the financial statements on inception except that amounts paid on inception are recognised as prepaid interest and amortised as a component of interest expense over the period of the contract.

(a) Interest rate swap contracts

Any differential to be paid or received on an interest rate swap contract is recognised as a component of interest income or expense over the period of the contract. Gains and losses on early termination of interest rate swaps or on repayment of the borrowings are taken to the Income Statement.

(b) Foreign currency forward contracts

The Group enters into foreign currency forward contracts to protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled.

Exchange gains and losses on contracts are recognised when settled at which time they are included in the measurement of the transaction hedged.

(c) Fuel oil swaps

The Group has entered into fuel oil swaps that used to hedge forecast physical fuel oil and natural gas purchases. Gains and losses arising from fuel oil swaps are transferred to the cost of inventory of fuels upon acquisition are subsequently transferred to the Income Statement in the periods when the underlying fuels are consumed for the production of electricity.

(iii) Fair value estimation for disclosure purposes

The fair value of publicly traded derivatives and securities is based on quoted market prices at the Balance Sheet date.

The fair value of interest rate swaps is calculated at the present value of the estimated future cash flows. The fair value of foreign exchange forward contracts is determined using forward exchange market rates at the balance sheet date.

In assessing the fair value of non-traded derivatives and financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each Balance Sheet date. Quoted market prices or dealer quotes for the specific or similar instruments are used for long term debt. Other techniques, such as estimated discounted value of future cash flows, are used to determine fair value for the remaining financial instruments. In particular, the fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar instruments.

The face values of financial assets (less any estimated credit adjustments) and financial liabilities with a maturity period of less than one year are assumed to approximate their fair values.

(bb) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank overdrafts, deposits held at call with financial institutions and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the Cash Flow Statements, cash and cash equivalents are presented net of bank overdrafts.

(cc) Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expenses, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expenses, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between group enterprises within a single segment.

4. REVENUE

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Sale of electricity	**3,238,927**	1,125,897	**—**	—
Sale of water, treatment and disposal of waste water	**2,510,687**	2,785,882	**—**	—
Sale of goods	**2,065,478**	1,582,661	**—**	—
Sale of fuel oil	**137,045**	—	**—**	—
Rendering of services	**161,587**	182,113	**691**	664
Property development projects	**122,330**	109,495	**—**	—
Construction contracts revenue	**242,366**	223,865	**—**	—
Hotel & restaurant operations	**162,657**	175,133	**—**	—
Rental income				
– investment properties	**43,647**	37,475	**—**	—
– other properties	**10,820**	12,435	**—**	—
Interest income	**157,420**	273,561	**21,814**	29,261
Dividends				
– quoted investment, in Malaysia				
– subsidiaries	**—**	—	**531,796**	414,846
– other investments	**3,316**	8,924	**93**	369
– unquoted investment				
– subsidiary, in Malaysia	**—**	—	**26,678**	—
– other investments, outside Malaysia	**35,845**	32,419	**—**	—
	8,892,125	6,549,860	**581,072**	445,140

5. COST OF SALES

Included in cost of sales are the following:-

	Group	
	2009 RM'000	**2008 RM'000**
Cost of inventories sold	**1,449,684**	1,054,212
Construction contracts costs	**218,738**	184,160
Property development costs	**99,301**	78,275

6. FINANCE COSTS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Interest expenses				
– Bonds interest	**707,496**	665,902	**26,463**	26,573
– Borrowings interest	**359,986**	282,258	**52,094**	54,799
	1,067,482	948,160	**78,557**	81,372
Less: Amount capitalised in				
– Property, plant & equipment	**(6,409)**	—	**—**	—
– Development expenditure	**(634)**	(13,044)	**—**	—
– Property developments costs	**(20,357)**	(7,947)	**—**	—
– Contruction contracts	**(1,274)**	(1,521)	**—**	—
Finance expenses recognised in Income Statement	**1,038,808**	925,648	**78,557**	81,372

7. PROFIT BEFORE TAX

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Profit before tax is stated after charging:-				
Allowance for doubtful debts – net	**5,639**	—	**—**	—
Allowance for inventories obsolescence	**1,224**	—	**—**	—
Amortisation of development expenditure (Note 14)	**2,220**	207	**—**	—
Amortisation of prepaid lease payments (Note 12)	**5,146**	1,988	**—**	—
Auditors' remuneration				
– *statutory*				
– current financial year	**3,547**	3,116	**158**	158
– under-provision in prior financial year	**47**	9	**—**	—
– *others*	**1**	1	**—**	—
Bad debts written off	**13,689**	1,095	**5,216**	—
Deposits written off	**102**	—	**102**	—
Depreciation (Note 11(a))	**739,514**	720,375	**531**	627
Directors' remuneration				
– emoluments	**20,897**	36,667	**42**	9,861
– fees				
– current financial year	**950**	960	**278**	280
– under-provision in prior financial year	**—**	20	**—**	20
– benefits in kind	**196**	253	**—**	—
Employee benefits expense (Note 37)	**496,779**	534,504	**7,459**	6,987
Hiring of plant & machinery	**9,948**	15,985	**17**	14
Impairment losses on goodwill (Note 19)	**153**	1,677	**—**	—
Impairment losses on property, plant & equipment (Note 11)	**262**	—	**—**	—
Inventories written off	**3,648**	43	**—**	—

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Investment written off	15	—	—	—
Loss on foreign exchange – net				
– realised	—	—	346	—
– unrealised	19,792	—	—	—
Property, plant & equipment written off	20,709	14,408	—	—
Provision for liabilities & charges (Note 36)	9,981	(34)	—	—
Rental of land & buildings	19,333	12,462	670	670
And crediting (other than those disclosed in Note 4 of the Financial Statements):-				
Adjustment on fair value of investment properties (Note 13)	274,360	—	—	—
Allowance for doubtful debts no longer required – net	—	24,932	—	—
Amortisation of grant (Note 32)	5,376	5,997	—	—
Bad debts recovered	1,063	1,513	—	—
Gain on disposal of investment properties	200	—	—	—
Gain on disposal of investments	175	3,041	145	2,573
Gain on disposal of prepaid lease payments	—	415	—	—
Gain on disposal of property, plant & equipment	6,365	4,269	12	26
Gain on foreign exchange – net				
– realised	19,038	71,945	—	—
– unrealised	—	31,574	—	—
Gain on redemption of Mudharabah Redeemable Convertible Preference Shares	—	—	—	21,389
Gross dividend from quoted investments				
– within Malaysia	457	322	—	—
Hiring income from plant, machinery & equipment	868	589	—	—
Interest income	98,072	233,110	—	—
Negative goodwill recognised in Income Statement	95	512	—	—
Rental income				
– investment properties	1,603	1,697	—	—
– other properties	2,574	1,075	35	67
Write back of provision of fuel cost	207,046	—	—	—

Direct operating expenses from investment properties that generated rental income of the Group during the financial year amounted to RM6,778,867 (2008: RM6,908,926).

Direct operating expenses from investment properties that did not generate rental income of the Group during the financial year amounted to RM77,852 (2008: RM120,472).

The aggregate remuneration of Directors categorised into appropriate components for the financial year ended are as follows:-

	Fees RM'000	Salaries RM'000	Bonus RM'000	Others* RM'000	Total RM'000
Group – 2009					
Executive Directors	**710**	**13,160**	**4,180**	**3,643**	**21,693**
Non-Executive Directors	**240**	**—**	**—**	**110**	**350**
Company – 2009					
Executive Directors	**183**	**—**	**—**	**—**	**183**
Non-Executive Directors	**95**	**—**	**—**	**42**	**137**

	Fees RM'000	Salaries RM'000	Bonus RM'000	Others* RM'000	Total RM'000
Group – 2008					
Executive Directors	725	13,160	9,408	14,256	37,549
Non-Executive Directors	255	—	—	96	351
Company – 2008					
Executive Directors	190	—	—	9,826	10,016
Non-Executive Directors	110	—	—	35	145

* Included in the remuneration of Directors are the following:-

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Defined contribution plan	**2,101**	2,774	**—**	—
Share options expenses	**1,346**	11,229	**—**	9,826

The number of Directors of the Group and of the Company whose total remuneration fall within the following bands for the financial year ended 30 June 2009 are as follows:-

	Group		Company	
	No. of Directors		No. of Directors	
Range of remuneration	**Executive**	**Non-Executive**	**Executive**	**Non-Executive**
Below RM50,001	—	—	9	4
RM50,001 – RM100,000	—	2	—	—
RM100,001 – RM150,000	—	2	—	—
RM300,001 – RM350,000	1	—	—	—
RM950,001 – RM1,000,000	1	—	—	—
RM1,950,001 – RM2,000,000	1	—	—	—
RM2,150,001 – RM2,200,000	1	—	—	—
RM2,250,001 – RM2,300,000	1	—	—	—
RM2,300,001 – RM2,350,000	1	—	—	—
RM2,550,001 – RM2,600,000	1	—	—	—
RM3,050,001 – RM3,100,000	1	—	—	—
RM5,900,001 – RM5,950,000	1	—	—	—

8. INCOME TAX EXPENSE

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Current income tax				
– Malaysian income tax	**169,026**	184,499	**27,789**	22,409
– Foreign income tax	**131,676**	220,344	**—**	—
Deferred tax (Note 33)	**585,880**	48,512	**—**	—
	886,582	453,355	**27,789**	22,409
Current income tax				
– current financial year	**349,783**	404,671	**21,600**	25,000
– (Over)/Under-provision in prior financial years	**(49,081)**	172	**6,189**	(2,591)
Deferred tax				
– Origination and reversal of temporary differences	**143,412**	48,512	**—**	—
– Deferred tax arising from change in legislation*	**442,468**	—	**—**	—
	886,582	453,355	**27,789**	22,409

* The UK Finance Act 2008 includes provisions which abolish industrial building allowances with effect from 1 April 2011. This means that Wessex Water Services Limited, a UK subsidiary of the Group, will not be able to claim industrial building allowances on affected assets after 2011. This change was introduced by reducing the rate of allowance that may be claimed from 1 April 2008 to 31 March 2011 at which point the allowances will be removed. Applying Accounting Standard FRS 112 Income Taxes, the removal of these allowances has resulted in an exceptional deferred tax charge of RM442.5 million.

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2008: 26%) of the estimated assessable profit for the financial year. In the prior financial year, certain subsidiaries of the Company being Malaysian resident companies with paid-up capital of RM2.5 million or less qualified for the preferential tax rates under Paragraph 2A, Schedule 1 of the Income Tax Act 1967 is as follows:

On the first RM500,000 of chargeable income	:	20%
In excess of RM500,000 of chargeable income	:	26%

However, pursuant to Paragraph 2B, Schedule 1 of the Income Tax Act 1967 that was introduced with effect from the year of assessment 2009, these subsidiaries no longer qualify for the above preferential tax rates.

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:-

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Profit before tax	**2,288,197**	1,829,842	**461,028**	345,149
Income tax using Malaysian tax rate of 25% (2008: 26%)	**572,049**	475,759	**115,257**	89,739
Non-deductible expenses	**166,273**	159,610	**6,600**	4,276
Income not subject to tax	**(131,865)**	(148,458)	**(100,257)**	(69,015)
Different tax rates in other countries	**7,938**	37,835	—	—
Double deductible expenses	**(706)**	(310)	—	—
(Over)/Under-provision in prior financial years	**(49,081)**	172	**6,189**	(2,591)
Tax effect on share of profits of associated companies	**(131,778)**	(55,991)	—	—
Tax effect of under-provision of deferred tax	**17,117**	1,581	—	—
Change in tax rates	**(5,833)**	(16,843)	—	—
Deferred tax arising from change in legislation	**442,468**	—	—	—
	886,582	453,355	**27,789**	22,409

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. On 1 January 2008, the single-tier tax system came into effect in Malaysia. Under this system, companies are not required to have tax credits under Section 108 of the Income Tax Act 1967 for dividend payment purposes. Dividends paid under the single-tier system are tax exempt in the hands of shareholders. Companies can make an irrevocable election to disregard the Section 108 balance and opt to pay dividends under the single-tier tax system.

The Company did not make an election to disregard the Section 108 balance, and may continue to pay franked dividends until the Section 108 credits are exhausted or 31 December 2013, whichever is earlier.

Subject to agreement by the Inland Revenue Board, the Company has sufficient tax credits under Section 108 of the Income Tax Act 1967 available to frank approximately RM276,466,000 (2008: RM321,135,000) of its retained earnings as at 30 June 2009, if paid out as dividends. The remaining profits of RM2,704,425,000 (2008: RM2,255,038,000) can be distributed as exempt dividends under the single-tier tax system.

In addition, the Company has tax exempt income as at 30 June 2009 arising from the Income Tax (Amendment) Act 1999, relating to tax waived on income earned in 1999 amounting to approximately RM15,009,000 (2008: RM15,009,000) that is available for distribution as tax exempt dividends to shareholders. This tax exempt income is subject to agreement by the Inland Revenue Board.

9. EARNINGS PER SHARE ("EPS")

(i) Basic EPS

Basic EPS of the Group is calculated by dividing the profit for the financial year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2009	**2008**
Profit for the financial year attributable to equity holders of the Company (RM'000)	**834,472**	769,786
Weighted average number of ordinary shares in issue for basic EPS ('000)	**1,542,453**	1,493,487
Basic EPS (sen)	**54.10**	51.54

(ii) Diluted EPS

For the diluted EPS calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

	Group	
	2009	**2008**
Profit for the financial year attributable to equity holders of the Company (RM'000)	**834,472**	769,786
Weighted average number of ordinary shares in issue for basic EPS as above ('000)	**1,542,453**	1,493,487
Adjustment for ordinary shares deemed issued at no consideration on assumed exercise of Options and Warrants ('000)	**12,784**	129,711
	1,555,237	1,623,198
Diluted EPS (sen)	**53.66**	47.42

10. DIVIDENDS

	Group/Company 2009 Gross dividend per share (sen)	Group/Company 2009 Amount of dividend, net of tax RM'000	Group/Company 2008 Gross dividend per share (sen)	Group/Company 2008 Amount of dividend, net of tax RM'000
Dividend paid in respect of:-				
(a) Financial year ended 30 June 2007				
– final, less 27% tax	—	—	2.5	27,432
(b) Financial year ended 30 June 2008				
– first interim, less 26% tax	—	—	7.5	83,225
– second interim, less 26% tax	—	—	7.5	83,125
– third interim, less 26% tax	—	—	7.5	83,083
– final, less 25% tax	**2.5**	**28,521**	—	—
Dividend recognised as distribution to ordinary equity holders of the Company	**2.5**	**28,521**	25.0	276,865
Proposed final dividend, less 25% tax (2008: 25% tax)	**7.5**	**121,780**	2.5	37,380

At the forthcoming Annual General Meeting, a first and final dividend in respect of the financial year ended 30 June 2009 of 7.5 sen per share less Malaysian Income Tax will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2010.

11. PROPERTY, PLANT & EQUIPMENT

Group – 2009

	Land & buildings* RM'000	Infrastructure & site facilities RM'000	Plant & machinery RM'000	Furniture, fixtures & equipment RM'000	Vehicles RM'000	Assets under construction RM'000	Total RM'000
Cost/Valuation							
At 1.7.2008	5,552,251	5,427,377	9,200,939	605,163	275,721	1,352,515	22,413,966
Arising on acquisition	58,548	—	1,465,823	13,054	661	1,341,626	2,879,712
Additions	51,532	223,715	325,563	62,623	25,961	714,024	1,403,418
Disposals	(820)	—	(10,318)	(1,007)	(11,022)	(6,615)	(29,782)
Written off	(10,674)	—	(29,307)	(13,479)	(19)	—	(53,479)
Grants & contributions	—	(28,777)	—	—	—	—	(28,777)
Transfers	86,714	170,410	553,524	67,993	6,399	(883,625)	1,415
Translation differences	(356,401)	(528,780)	(397,644)	(40,436)	(4,364)	(124,275)	(1,451,900)
At 30.6.2009	5,381,150	5,263,945	11,108,580	693,911	293,337	2,393,650	25,134,573
Accumulated depreciation & impairment losses							
At 1.7.2008	1,045,035	108,903	3,495,877	302,998	165,425	—	5,118,238
Arising on acquisition	—	—	227	156	49	—	432
Charge for the financial year	119,535	45,337	513,875	36,376	26,532	—	741,655
Impairment losses	—	—	—	262	—	—	262
Disposals	(129)	—	(9,352)	(521)	(8,930)	—	(18,932)
Written off	(1,145)	—	(18,480)	(13,126)	(19)	—	(32,770)
Transfers	7	—	—	—	—	—	7
Translation differences	(43,788)	(7,784)	(123,031)	(17,767)	(558)	—	(192,928)
At 30.6.2009	1,119,515	146,456	3,859,116	308,378	182,499	—	5,615,964
Representing:-							
Accumulated depreciation	1,119,515	146,456	3,859,116	308,116	182,499	—	5,615,702
Accumulated impairment losses	—	—	—	262	—	—	262
	1,119,515	146,456	3,859,116	308,378	182,499	—	5,615,964
Net Book Value							
At 30.6.2009	4,261,635	5,117,489	7,249,464	385,533	110,838	2,393,650	19,518,609

Group – 2008

	Land & buildings* RM'000	Infrastructure & site facilities RM'000	Plant & machinery RM'000	Furniture, fixtures & equipment RM'000	Vehicles RM'000	Assets under construction RM'000	Total RM'000
Cost/Valuation							
At 1.7.2007	5,591,573	5,512,804	8,902,534	525,560	235,454	691,594	21,459,519
Arising on acquisition	47,972	—	147,728	6,682	929	12,956	216,267
Additions	98,098	250,846	378,137	51,243	54,323	967,455	1,800,102
Disposals	(3,170)	—	(8,359)	(684)	(12,700)	—	(24,913)
Written off	(4,622)	—	(87,242)	(731)	(386)	—	(92,981)
Grants & contributions	—	(46,855)	—	—	—	—	(46,855)
Transfers	41,261	37,899	130,215	47,025	—	(265,774)	(9,374)
Translation differences	(218,861)	(327,317)	(262,074)	(23,932)	(1,899)	(53,716)	(887,799)
At 30.6.2008	5,552,251	5,427,377	9,200,939	605,163	275,721	1,352,515	22,413,966
Accumulated Depreciation							
At 1.7.2007	931,150	62,761	3,147,647	279,427	153,091	—	4,574,076
Arising on acquisition	5,056	—	26,670	1,535	320	—	33,581
Charge for the financial year	135,782	50,030	478,314	33,578	24,219	—	721,923
Disposals	(211)	—	(7,318)	(577)	(11,824)	—	(19,930)
Written off	(1,751)	—	(75,926)	(709)	(187)	—	(78,573)
Transfers	(24)	—	12	(12)	—	—	(24)
Translation differences	(24,967)	(3,888)	(73,522)	(10,244)	(194)	—	(112,815)
At 30.6.2008	1,045,035	108,903	3,495,877	302,998	165,425	—	5,118,238
Net Book Value							
At 30.6.2008	4,507,216	5,318,474	5,705,062	302,165	110,296	1,352,515	17,295,728

* Land & buildings of the Group is as follows:-

Group – 2009

	Freehold land RM'000	Freehold oil palm plantation RM'000	Building on freehold land RM'000	Building on long term leasehold land RM'000	Building on short term leasehold land RM'000	Factory & other buildings RM'000	Total RM'000
Cost/Valuation							
At 1.7.2008							
At cost	115,393	—	3,599,415	894,521	933,402	2,484	5,545,215
At valuation	4,566	2,000	470	—	—	—	7,036
	119,959	2,000	3,599,885	894,521	933,402	2,484	5,552,251
Arising on acquisition	—	—	765	—	57,783	—	58,548
Additions	2,219	—	48,666	638	9	—	51,532
Disposals	—	—	—	(808)	(12)	—	(820)
Written off	—	—	(10,674)	—	—	—	(10,674)
Transfers	5,329	—	80,633	(680)	1,432	—	86,714
Translation differences	(10,341)	—	(347,149)	1,002	87	—	(356,401)
At 30.6.2009	117,166	2,000	3,372,126	894,673	992,701	2,484	5,381,150
Representing:-							
At cost	112,600	—	3,371,656	894,673	992,701	2,484	5,374,114
At valuation	4,566	2,000	470	—	—	—	7,036
At 30.6.2009	117,166	2,000	3,372,126	894,673	992,701	2,484	5,381,150
Accumulated Depreciation							
At 1.7.2008							
At cost	—	—	474,145	150,576	418,818	1,392	1,044,931
At valuation	—	—	104	—	—	—	104
	—	—	474,249	150,576	418,818	1,392	1,045,035
Arising on acquisition	—	—	—	—	—	—	—
Charge for the financial year	—	—	72,559	18,970	27,883	123	119,535
Disposals	—	—	—	(129)	—	—	(129)
Written off	—	—	(1,145)	—	—	—	(1,145)
Transfers	—	—	—	—	7	—	7
Translation differences	—	—	(43,825)	10	27	—	(43,788)
At 30.6.2009	—	—	501,838	169,427	446,735	1515	1,119,515
Net Book Value:-							
At cost	112,600	—	2,869,932	725,246	545,966	969	4,254,713
At valuation	4,566	2,000	356	—	—	—	6,922
At 30.6.2009	117,166	2,000	2,870,288	725,246	545,966	969	4,261,635

Land & buildings of the Group is as follows:-

Group – 2008

	Freehold land RM'000	Freehold oil palm plantation RM'000	Building on freehold land RM'000	Building on long term leasehold land RM'000	Building on short term leasehold land RM'000	Factory & other buildings RM'000	Total RM'000
Cost/Valuation							
At 1.7.2007							
At cost	119,067	—	3,730,142	813,275	917,593	2,873	5,582,950
At valuation	6,043	2,000	580	—	—	—	8,623
	125,110	2,000	3,730,722	813,275	917,593	2,873	5,591,573
Arising on acquisition	57	—	—	47,915	—	—	47,972
Additions	5,036	—	50,842	26,697	15,523	—	98,098
Disposals	(1,526)	—	—	(1,255)	—	(389)	(3,170)
Written off	—	—	(4,622)	—	—	—	(4,622)
Transfers	(3,332)	—	38,328	5,951	314	—	41,261
Translation differences	(5,386)	—	(215,385)	1,938	(28)	—	(218,861)
At 30.6.2008	119,959	2,000	3,599,885	894,521	933,402	2,484	5,552,251
Representing:-							
At cost	115,393	—	3,599,415	894,521	933,402	2,484	5,545,215
At valuation	4,566	2,000	470	—	—	—	7,036
At 30.6.2008	119,959	2,000	3,599,885	894,521	933,402	2,484	5,552,251
Accumulated Depreciation							
At 1.7.2007							
At cost	—	—	408,613	127,885	393,187	1,346	931,031
At valuation	—	—	119	—	—	—	119
	—	—	408,732	127,885	393,187	1,346	931,150
Arising on acquisition	—	—	—	5,056	—	—	5,056
Charge for the financial year	—	—	92,566	17,462	25,631	123	135,782
Disposals	—	—	—	(134)	—	(77)	(211)
Written off	—	—	(1,751)	—	—	—	(1,751)
Transfers	—	—	(24)	—	—	—	(24)
Translation differences	—	—	(25,274)	307	—	—	(24,967)
At 30.6.2008	—	—	474,249	150,576	418,818	1,392	1,045,035
Net Book Value:-							
At cost	115,393	—	3,125,270	743,945	514,584	1,092	4,500,284
At valuation	4,566	2,000	366	—	—	—	6,932
At 30.6.2008	119,959	2,000	3,125,636	743,945	514,584	1,092	4,507,216

Company – 2009

	Building RM'000	Furniture, fittings & equipment RM'000	Vehicles RM'000	Total RM'000
Cost				
At 1.7.2008	1,207	2,503	5,419	9,129
Additions	—	54	—	54
Disposals	—	—	(70)	(70)
At 30.6.2009	1,207	2,557	5,349	9,113
Accumulated Depreciation				
At 1.7.2008	319	1,530	3,693	5,542
Charge for the financial year	24	304	203	531
Disposals	—	—	(70)	(70)
At 30.6.2009	343	1,834	3,826	6,003
Net Book Value				
At 30.6.2009	864	723	1523	3,110

Company – 2008

	Building RM'000	Furniture, fittings & equipment RM'000	Vehicles RM'000	Total RM'000
Cost				
At 1.7.2007	1,207	2,211	5,077	8,495
Additions	—	292	412	704
Disposals	—	—	(70)	(70)
At 30.6.2008	1,207	2,503	5,419	9,129
Accumulated Depreciation				
At 1.7.2007	295	1,189	3,501	4,985
Charge for the financial year	24	341	262	627
Disposals	—	—	(70)	(70)
At 30.6.2008	319	1,530	3,693	5,542
Net Book Value				
At 30.6.2008	888	973	1,726	3,587

(a) Depreciation charge for the financial year is allocated as follows:-

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Income Statement (Note 7)	739,514	720,375	531	627
Amount due from contract Customers (Note 24)	2,141	1,548	—	—
	741,655	721,923	531	627

(b) Assets under finance lease

The net book value of the property, plant & equipment as at balance sheet date held under finance lease are as follows:-

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Plant & machinery	377,332	461,462	—	—
Motor vehicles	20,808	8,693	978	1,237
	398,140	470,155	978	1,237

(c) Security

The net book value of the Group's property, plant & equipment that have been pledged as security for the bank facilities and bonds by way of fixed and floating charges are as follows:-

	Group	
	2009 RM'000	2008 RM'000
Freehold land	9,035	9,035
Buildings	1,043,716	1,074,930
Infrastructure & site facilities	6,242	7,378
Plant & machinery	2,156,484	2,316,082
Furniture, fixtures & equipment	2,893	1,806
Vehicles	22,985	23,759
Assets under construction	56,403	35,912
	3,297,758	3,468,902

(d) Revaluation

Certain land and buildings of the Group were revalued by the Directors based on valuations carried out by independent professional valuers on the open market basis. The net book value of the property, plant & equipment that would have been carried at historical cost less accumulated depreciation are as follows:-

	Group	
	2009 RM'000	2008 RM'000
Freehold land	2,876	3,120
Buildings	459	447
	3,335	3,567

(e) Borrowing cost

Included in property, plant & equipment of the Group is interest capitalised during the financial year amounting to RM6,408,644 (2008: Nil).

12. PREPAID LEASE PAYMENTS

	Group	
	2009 RM'000	2008 RM'000
At cost/valuation		
At beginning of the financial year	96,041	86,102
Arising from acquisition of subsidiary	69,054	7,955
Additions	—	2,312
Disposals	—	(328)
Currency translation differences	778	—
Transfer from property, plant & equipment	11	—
At end of the financial year	165,884	96,041
Less : Accumulated amortisation		
At beginning of the financial year	19,617	17,650
Amortisation (Note 7)	5,146	1,988
Disposals	—	(21)
Currency translation differences	15	—
At end of the financial year	24,778	19,617
Carrying amount at end of the financial year	141,106	76,424

	Group 2009 RM'000	Group 2008 RM'000
Representing:-		
Long term leasehold land		
– cost	68,088	61,792
– valuation	188	190
Short term leasehold land		
– cost	72,830	14,442
	141,106	76,424

13. INVESTMENT PROPERTIES

Group – 2009

	Freehold land & buildings RM'000	Long term leasehold land & buildings RM'000	Total RM'000
At beginning of the financial year	1,084,546	527,622	1,612,168
Additions from acquisition	—	1,092,772	1,092,772
Additions from subsequent expenditure	6,557	239	6,796
Disposal	(1644)	—	(1,644)
Fair value gain recognised in the Income Statement (Note 7)	213,360	61,000	274,360
Currency translation differences	(4,292)	6,741	2,449
At end of the financial year	1,298,527	1,688,374	2,986,901

Group – 2008

	Freehold land & buildings RM'000	Long term leasehold land & buildings RM'000	Total RM'000
At beginning of the financial year	1,011,549	367,817	1,379,366
Additions from acquisition	69,404	159,805	229,209
Additions from subsequent expenditure	159	—	159
Transfer from property, plant & equipment	4,139	—	4,139
Currency translation differences	(705)	—	(705)
At end of the financial year	1,084,546	527,622	1,612,168

The fair value of the certain properties was estimated at RM1.55 billion based on valuation by independent professionally qualified valuers. Valuations were based on current prices in an active market for major properties except for the properties in certain locations because this information was not available there. For these properties, the Group used discounted cash flow projections.

Investment properties with net book value of RM1.4 billion (2008: RM1.2 billion) have been pledged as security for term loans.

14. DEVELOPMENT EXPENDITURE

The movement in development expenditure of the Group during the financial year is as follows:

Group – 2009

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
(a) Land held for property development				
At beginning of the financial year	221,023	33,572	321,415	576,010
Additions	970	922	3,514	5,406
Transfer (to)/from property development cost (Note 22)	(2,446)	—	92,844	90,398
At end of the financial year	219,547	34,494	417,773	671,814
(b) Project development expenditure				
At beginning of the financial year	354,322	42,896	151,068	548,286
Cost incurred during the financial year	—	—	18,054	18,054
Amortisation (Note 7)	—	—	(2,220)	(2,220)
Transfer to property, plant & equipment	—	—	(1,419)	(1,419)
Transfer to property development costs (Note 22)	(334,208)	—	(51,117)	(385,325)
At end of the financial year	20,114	42,896	114,366	177,376
Total	239,661	77,390	532,139	849,190

Group – 2008

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
(a) Land held for property development				
At beginning of the financial year	220,535	32,037	301,699	554,271
Additions	3,720	1,611	21,046	26,377
Transfer to property development cost (Note 22)	(3,232)	(76)	(1,330)	(4,638)
At end of the financial year	221,023	33,572	321,415	576,010

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
(b) Project development expenditure				
At beginning of the financial year	350,154	42,896	94,212	487,262
Arising from acquisition of subsidiaries	—	—	714	714
Cost incurred during the financial year	—	—	55,529	55,529
Amortisation (Note 7)	—	—	(207)	(207)
Cost charged to Income Statement	—	—	(223)	(223)
Transfer from property, plant & equipment	4,168	—	1,043	5,211
At end of the financial year	354,322	42,896	151,068	548,286
Total	575,345	76,468	472,483	1,124,296

Included in development expenditure of the Group are interest capitalised during the financial year amounting to RM634,076 (2008: RM13,044,340).

Development expenditure of the Group at the end of the financial year can be analysed as follows:-

Group – 2009

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Cost:				
Land held for property development	**219,547**	**34,494**	**417,773**	**671,814**
Project development expenditure	**20,114**	**42,896**	**118,243**	**181,253**
Internet portal development expenditure	—	—	**2,133**	**2,133**
	239,661	**77,390**	**538,149**	**855,200**
Accumulated amortisation:				
Project development expenditure	—	—	**(3,877)**	**(3,877)**
Internet portal development expenditure	—	—	**(1,125)**	**(1,125)**
	—	—	**(5,002)**	**(5,002)**
Accumulated impairment losses:				
Internet portal development expenditure	—	—	**(1,008)**	**(1,008)**
	—	—	**(1,008)**	**(1,008)**

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Net book value:				
Land held for property development	**219,547**	**34,494**	**417,773**	**671,814**
Project development expenditure	**20,114**	**42,896**	**114,366**	**177,376**
Internet portal development expenditure	**—**	**—**	**—**	**—**
	239,661	**77,390**	**532,139**	**849,190**

Group – 2008

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Cost:				
Land held for property development	221,023	33,572	321,415	576,010
Project development expenditure	354,322	42,896	152,725	549,943
Internet portal development expenditure	—	—	2,133	2,133
	575,345	76,468	476,273	1,128,086
Accumulated amortisation:				
Project development expenditure	—	—	(1,657)	(1,657)
Internet portal development expenditure	—	—	(1,125)	(1,125)
	—	—	(2,782)	(2,782)
Accumulated impairment loss:				
Internet portal development expenditure	—	—	(1,008)	(1,008)
	—	—	(1,008)	(1,008)
Net book value:				
Land held for property development	221,023	33,572	321,415	576,010
Project development expenditure	354,322	42,896	151,068	548,286
Internet portal development expenditure	—	—	—	—
	575,345	76,468	472,483	1,124,296

15. SUBSIDIARIES

(a) Investment in subsidiaries

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Quoted shares, at cost	—	—	**3,027,819**	3,026,428
Unquoted shares, at cost	—	—	**428,132**	428,022
# Quoted warrants, at cost	**181,704**	181,704	**304,634**	304,634
* Quoted ICULS, at cost	—	—	**305,255**	305,255
	181,704	181,704	**4,065,840**	4,064,339
Market value				
– Quoted shares	—	—	**8,108,705**	6,910,614
– Quoted warrants	**686,163**	508,269	**1,626,882**	1,216,337
– Quoted ICULS	—	—	**389,827**	359,840
The number of warrants held in a subsidiary is as follows ('000):-				
YTL Power International Berhad				
– Warrant 2000/2010	**726,098**	726,098	**726,098**	726,098
– Warrant 2008/2018	—	—	**1,011,526**	1,011,526
	726,098	726,098	**1,737,624**	1,737,624

Quoted warrants

i) Warrants 2000/2010

Each warrant entitles its registered holder to subscribe for one (1) new ordinary share of RM0.50 each in YTL Power International Berhad at the revised exercise price of RM1.17 (2008: RM1.20) payable in cash. The exercise price of the warrants will be increased annually by two (2) sen from thereon until the ninth anniversary of the date of issue. The exercise price is also subject to adjustments in accordance with the basis set out in the Deed Poll.

The warrants may be exercised at any time before 8 January 2010. Any warrant which has not been exercised at date of maturity will lapse and cease to be valid for any purpose.

ii) Warrants 2008/2018

Each warrant entitles its registered holder to subscribe for one (1) new ordinary share of RM0.50 each in YTL Power International Berhad at the revised exercise price of RM1.21 (2008: RM1.25) payable in cash. The exercise price is also subject to adjustments in accordance with the basis set out in the Deed Poll.

The warrants may be exercised at any time commencing on the date of issue of warrants on 12 June 2008 but not later than 11 June 2018. Any warrants which have not been exercised at date of maturity will lapse and cease to be valid for any purpose.

The warrants are quoted on Bursa Malaysia Securities Berhad.

* Quoted ICULS

These are related to ten (10) years ICULS issued by YTL Cement Berhad, a subsidiary of the Group, on 10 November 2005. These ICULS bear a step-up coupon rate ranging from 4% to 6% per annum until its maturity date. The interest is payable semi-annually. The conversion price of the ICULS is fixed at a step-down basis. In the first four (4) years, the conversion price is at RM2.72 for one (1) ordinary share in YTL Cement Berhad, after which it is at RM2.04 in the next three (3) years and at RM1.82 for the remaining three (3) years.

Details of the subsidiaries are as follows:-

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2009 %	Effective Equity Interest 2008 %
Airzed Services Sdn. Bhd. (Formerly known as Intellectual Learning Sdn. Bhd.)	Malaysia	Providing wire line & wireless broadband internet access services & developing, producing, marketing, selling & maintaining software applications, research & development, consultancy & related services	**29.14**	74.29
Airzed Broadband Sdn. Bhd.	Malaysia	Providing wire line & wireless broadband internet access services & developing, producing, marketing, selling & maintaining software applications, research & development, consultancy & related services	**36.43**	36.40
Amanresorts Sdn. Bhd.	Malaysia	Dormant	**61.15**	61.12
Arah Asas Sdn. Bhd.	Malaysia	Property development	**100.00**	100.00
* Austasia Metal Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
Austasia Timbers Malaysia Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
Autodome Sdn. Bhd.	Malaysia	Operator of food & beverage outlets & sub-letting of premises	**100.00**	100.00
Awan Serunding Sdn. Bhd.	Malaysia	Dormant	**49.78**	49.86
Batu Tiga Quarry Sdn. Bhd.	Malaysia	Quarry business & trading of granite aggregates	**100.00**	100.00
Batu Tiga Quarry (Sg. Buloh) Sdn. Bhd.	Malaysia	Quarry business & related services	**100.00**	100.00
Bayumaju Development Sdn. Bhd.	Malaysia	Property development	**61.15**	61.12
Bizsurf MSC Sdn. Bhd.	Malaysia	Providing wireless network distribution equipment & services, broadband & internet services & other internet related services	**44.60**	44.57

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest	
			2009 %	2008 %
* Boom Time Strategies Sdn. Bhd.	Malaysia	Inactive	**61.15**	61.12
Borneo Cosmeceutical Sdn. Bhd.	Malaysia	Development of holiday resorts	**90.00**	90.00
Budaya Bersatu Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
Buildcon Concrete Enterprise Sdn. Bhd.	Malaysia	Investment holding	**49.78**	49.86
Buildcon Concrete Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	**49.78**	49.86
Buildcon-Cimaco Concrete Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	**25.11**	25.15
Buildcon Desa Sdn. Bhd.	Malaysia	Inactive	**49.78**	25.43
Builders Brickworks Sdn. Bhd.	Malaysia	Inactive	**93.80**	93.80
Business & Budget Hotels Sdn. Bhd.	Malaysia	Investment holding & property investment	**100.00**	100.00
Business & Budget Hotels (Penang) Sdn. Bhd.	Malaysia	Hotel & resort operator	**51.00**	51.00
Business & Budget Hotels (Seberang Jaya) Sdn. Bhd.	Malaysia	Inactive	**51.00**	51.00
Cameron Highlands Resort Sdn. Bhd.	Malaysia	Hotel & resort operator	**100.00**	100.00
Cane Creations (Marketing) Sdn. Bhd.	Malaysia	Trading in cane furniture, local handicrafts, accessories & related services	**100.00**	100.00
Cane Creations Sdn. Bhd.	Malaysia	Manufacture & trading of cane furniture	**100.00**	100.00
C.I. Quarrying & Marketing Sdn. Bhd.	Malaysia	Granite quarrying	**100.00**	100.00
C.I. Readymix Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	**49.78**	49.86
Construction Lease (M) Sdn. Bhd.	Malaysia	Leasing, hire purchase & credit	**100.00**	100.00
Diamond Recipe Sdn. Bhd.	Malaysia	Operator of food & beverage outlet	**51.00**	51.00
Divine View Sdn. Bhd.	Malaysia	Commercial trading property dealing investment holding	**100.00**	100.00

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2009 %	Effective Equity Interest 2008 %
Dynamic Marketing Sdn. Bhd.	Malaysia	Trading of building & construction materials	**100.00**	100.00
Dynamic Project Development Sdn. Bhd.	Malaysia	Civil engineering works and construction	**100.00**	100.00
Dynamic Property Management Sdn. Bhd.	Malaysia	Property development	**100.00**	100.00
Emerald Hectares Sdn. Bhd.	Malaysia	Property development & related services	**70.00**	70.00
Extiva Communications Sdn. Bhd.	Malaysia	Developing & marketing of VoIP telephony	**66.91**	66.86
First Commercial Development Sdn. Bhd.	Malaysia	Property investment	**100.00**	100.00
Gemilang Pintar Sdn. Bhd.	Malaysia	General trading, investment holding & property investment	**70.00**	70.00
GKM-SPYTL JV Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
Intellectual Mission Sdn. Bhd.	Malaysia	Education & training using advanced technology	**100.00**	100.00
Island Air Sdn. Bhd.	Malaysia	Chartering of aircrafts	**80.00**	80.00
Jaksa Quarry Sdn. Bhd.	Malaysia	Quarry operator, manufacture of granite blocks, aggregates, chippings & crusher run	**100.00**	100.00
Kampung Tiong Development Sdn. Bhd.	Malaysia	Property development	**70.00**	70.00
Katagreen Development Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
Kenneison Construction Materials Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
Kenneison Northern Quarry Sdn. Bhd.	Malaysia	Manufacturing, selling & distribution of premix products, construction & building materials	**100.00**	100.00
Lay Seng Oil Palm Plantations Sdn. Bhd.	Malaysia	Cultivation of oil palms	**100.00**	100.00
* Lot Ten Security Sdn. Bhd.	Malaysia	Inactive	**61.15**	61.12
Magna Boundary Sdn. Bhd.	Malaysia	Development of holiday resorts	**90.00**	90.00
Marble Valley Sdn. Bhd.	Malaysia	Management investment holding	**80.00**	80.00

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2009 %	Effective Equity Interest 2008 %
Marble Valley Two Sdn. Bhd.	Malaysia	Hotel operator	**64.00**	64.00
* Mayang Sari Sdn. Bhd.	Malaysia	Inactive	**61.15**	61.12
Mini-Mix Sdn. Bhd.	Malaysia	Inactive	**49.78**	49.86
Mutual Prospect Sdn. Bhd.	Malaysia	Quarry operators & proprietors	**100.00**	100.00
Niche Retailing Sdn. Bhd.	Malaysia	Dormant	**100.00**	—
Noriwasa Sdn. Bhd.	Malaysia	Dormant	**61.15**	61.12
* Pahang Cement Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement, clinker & related products	**49.78**	49.86
* Pahang Cement Marketing Sdn. Bhd.	Malaysia	Inactive	**49.78**	49.86
Pakatan Perakbina Sdn. Bhd.	Malaysia	Property development	**61.15**	61.12
PDC Heritage Hotel Sdn. Bhd.	Malaysia	Property development	**51.00**	51.00
Perak-Hanjoong Simen Sdn. Bhd.	Malaysia	Manufacture & sale of clinker, ordinary portland cement & blended cement	**32.28**	32.33
Permai Property Management Sdn. Bhd.	Malaysia	Property management related services	**100.00**	100.00
PHS Trading Sdn. Bhd.	Malaysia	Marketing of cement products	**32.28**	32.33
Pinnacle Trend Sdn. Bhd.	Malaysia	Investment holding company	**100.00**	100.00
Pintar Projek Sdn. Bhd.	Malaysia	Management of real estate investment trust funds, licensing of trademarks & brand management	**70.00**	70.00
Prestige Lifestyles & Living Sdn. Bhd.	Malaysia	Trading of furniture, accessories & related services	**51.00**	—
Prisma Tulin Sdn. Bhd.	Malaysia	Hotel operator	**59.30**	59.30
PropertyNetAsia (Malaysia) Sdn. Bhd.	Malaysia	Developing & operating a property portal known as PropertyNetAsia.com.my & the provision of related services	**44.60**	44.57
Puncak Serunding Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
PYP Sendirian Berhad	Malaysia	Property development	**61.15**	61.12

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2009 %	Effective Equity Interest 2008 %
	Restoran Kisap Sdn. Bhd.	Malaysia	Restaurant operator	**100.00**	100.00
	Satria Sewira Sdn. Bhd.	Malaysia	Property development & investment	**100.00**	100.00
	Sentul Park Koi Centre Sdn. Bhd.	Malaysia	Breeders, wholesalers, retailers and distributors of Koi fish	**55.00**	55.00
*	Sentul Park Management Sdn. Bhd.	Malaysia	Inactive	**42.81**	42.78
*	Sentul Raya City Sdn. Bhd.	Malaysia	Inactive	**42.81**	42.78
*	Sentul Raya Golf Club Berhad	Malaysia	Inactive	**42.81**	42.78
*	Sentul Raya Sdn. Bhd.	Malaysia	Property development & property investment	**42.81**	42.78
	Slag Cement Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement and blended cement	**49.78**	49.86
	Slag Cement (Southern) Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement and blended cement	**49.78**	49.86
#	SMC Mix Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	**49.78**	—
	Specialist Cement Sdn. Bhd.	Malaysia	Inactive	**42.31**	42.38
	Spectacular Corner Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
*	SR Property Management Sdn. Bhd.	Malaysia	Property management	**61.15**	61.12
	Star Hill Hotel Sdn. Bhd.	Malaysia	Hotel operator	**100.00**	100.00
	Star Hill Living.Com Sdn. Bhd.	Malaysia	Project management services, trading of painting, furniture, accessories & related services	**100.00**	100.00
	Starhill Real Estate Investment Trust	Malaysia	Real estate investment trust	**65.25**	65.34
	Straits Cement Sdn. Bhd.	Malaysia	Manufacture & sale of cement	**49.78**	49.86
	Suri Travel & Tours Sdn. Bhd.	Malaysia	Rental of motor vehicles, air ticketing and other related services	**70.00**	70.00
	Syarikat Kemajuan Perumahan Negara Sdn. Bhd.	Malaysia	Property development	**61.15**	61.12

Notes to the Financial Statements

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2009 %	Effective Equity Interest 2008 %
Syarikat Pembenaan Yeoh Tiong Lay Sdn. Bhd.	Malaysia	Civil engineering works, construction, property development & real estate investment, investment holding & related services	**100.00**	100.00
Transportable Camps Sdn. Bhd.	Malaysia	Trading & rental of transportable cabins & wood based products	**100.00**	100.00
Trend Acres Sdn. Bhd.	Malaysia	Investment holding	**100.00**	100.00
Tugas Sejahtera Sdn. Bhd.	Malaysia	Investment holding	**49.78**	49.86
Udapakat Bina Sdn. Bhd.	Malaysia	Property development	**61.15**	61.12
Y-Max Networks Sdn. Bhd.	Malaysia	Providing computer networking & related information technology services	**44.60**	44.57
YMax Sdn. Bhd.	Malaysia	Providing broadband internet access & related services	**50.55**	50.51
Y-Max Solutions Holdings Sdn. Bhd.	Malaysia	Investment holding	**52.04**	52.00
Yap Yew Hup Brickworks (Perak) Sdn. Bhd.	Malaysia	Inactive	**93.80**	93.80
Yeoh Tiong Lay Brickworks Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
Yeoh Tiong Lay Management Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
Yeoh Tiong Lay Realty Sdn. Bhd.	Malaysia	Realty, investment & management services	**100.00**	100.00
YTL Building Products Sdn. Bhd.	Malaysia	Dormant	**49.78**	49.86
YTL Cement Berhad	Malaysia	Investment holding, management services & hiring of vehicles	**49.78**	49.86
YTL Cement Marketing Sdn. Bhd.	Malaysia	Sales & marketing of cementitous products	**49.78**	49.86
YTL Charters Sdn. Bhd.	Malaysia	Chartering of aircrafts, helicopters, ships & vehicles	**100.00**	100.00
YTL Civil Engineering Sdn. Bhd.	Malaysia	Civil engineering works & construction	**90.00**	90.00

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2009 %	2008 %
YTL Communication Sdn. Bhd. (Formerly known as Y-Max Infra Sdn. Bhd.)	Malaysia	Providing wire line & wireless broadband access services & other related services	**30.87**	74.29
YTL Corp Finance (Labuan) Limited	Malaysia	Special purpose vehicle for issuance of securities and investment holding	**100.00**	100.00
YTL Design Services Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
YTL Digital Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
YTL Energy Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
YTL e-Solutions Berhad	Malaysia	Investment holding, provision of incubation services including developing and incubating technology companies, internet contents of all descriptions & non-internet related businesses and provision of consultancy & advisory services in relation to the business of electronic commerce or internet commerce solutions	**74.34**	74.29
YTL Heritage Hotels Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
YTL Hotel Management Services Sdn. Bhd.	Malaysia	Providing professional & commercial education & training in hospitality	**70.00**	70.00
YTL Hotels Central Services Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
YTL Hotels & Properties Sdn. Bhd.	Malaysia	Investment holding & management services	**100.00**	100.00
YTL Industries Berhad	Malaysia	Investment holding, property development & property investment	**100.00**	100.00
YTL Info Screen Sdn. Bhd.	Malaysia	Creating, providing & advertising content, media, web media & up-to-date information via electronic media	**74.18**	74.13
* YTL Land & Development Berhad	Malaysia	Investment holding & the provision of financial, treasury & secretarial services	**61.15**	61.12
YTL Land & Development (MM2H) Sdn. Bhd.	Malaysia	Dormant	**61.15**	61.12
YTL Land Sdn. Bhd.	Malaysia	Property investment & property management	**100.00**	100.00

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2009 %	Effective Equity Interest 2008 %
YTL Majestic Hotel Sdn. Bhd.	Malaysia	Dormant	100.00	100.00
* YTL Power Generation Sdn. Bhd.	Malaysia	Developing, constructing, completing, maintenance & operating power plants	51.45	55.55
* YTL Power International Berhad	Malaysia	Investment holding & provision of administrative & technical support services	51.45	55.55
YTL Power Services Sdn. Bhd.	Malaysia	Operation & maintenance of power stations	100.00	100.00
YTL Premix Sdn. Bhd.	Malaysia	Trading of building materials & related services	100.00	100.00
YTL Project Management Services Sdn. Bhd.	Malaysia	Provision of management services for construction projects	100.00	100.00
YTL Quarry Sdn. Bhd.	Malaysia	Dormant	49.78	49.86
YTL Technologies Sdn. Bhd.	Malaysia	Servicing & hiring of equipment	79.92	79.94
YTL-SV Carbon Sdn. Bhd.	Malaysia	Providing consultancy services	75.00	75.00
YTL Vacation Club Berhad	Malaysia	Dormant	100.00	100.00
* Buildcon Vietnam Limited	British Virgin Islands	Dormant	34.84	34.90
* Concrete Industries Pte. Ltd.	Singapore	Dormant	49.78	—
* Dynamic Marketing (UK) Limited	England & Wales	Inactive	100.00	100.00
* Geneco Limited	England & Wales	Business of converting waste to energy & producing renewable energy	51.45	—
* Genesis-Alliance Retail Pte. Ltd.	Singapore	Retailing of furniture	51.00	—
* Ideal World Pte. Ltd.	Singapore	Wholesale of furniture	51.00	—
* Industrial Resources Limited	Cayman Islands	Investment holding & procurement	49.78	—
* Infoscreen Networks Plc	United Kingdom	Investment holding	74.18	74.13
* Lakefront Pte. Ltd.	Singapore	Real estate developer	70.00	70.00
* P.T. Jepun Bali	Indonesia	Managing & operating a hotel	100.00	100.00

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2009 %	Effective Equity Interest 2008 %
* P.T. YTL Simen Indonesia	Indonesia	Dormant	**49.78**	—
* P.T. YTL Jawa Timur	Indonesia	Construction management, consultancy services & power station operation services	**51.45**	55.55
* PetroSeraya Pte. Limited	Singapore	Oil trading & oil tank leasing	**51.45**	—
* PowerSeraya Limited	Singapore	Own & operate energy facilities & services (full value chain of electricity generation including trading of physical fuels & fuel related derivative instruments, tank leasing activities & sale of by-products from the electricity generation process)	**51.45**	—
* Sandy Island Pte. Ltd.	Singapore	Real estate developer	**70.00**	70.00
* Seraya Energy & Investment Pte. Limited	Singapore	Investment holding	**51.45**	—
* Seraya Energy Pte. Limited	Singapore	Sale of electicity	**51.45**	—
* S.A. SC Technology France	France	Waste treatment processes	—	55.55
* SC Technology GmbH	Switzerland	Waste treatment processes	**51.45**	55.55
* SC Technology Denmark ApS	Denmark	Waste treatment processes	—	55.55
* SC Technology Deutschland GmbH	Germany	Waste treatment processes	**51.45**	55.55
* SC Technology Nederlands BV	Netherlands	Waste treatment processes	**51.45**	55.55
* Starhill Global REIT Investments Limited	Cayman Islands	Investment holding	**100.00**	—
* Starhill Global REIT Management Limited	Cayman Islands	Investment holding	**100.00**	—
* Wessex Electricity Utilities Limited	England & Wales	Ownership & operation of electricity infrastructure	**51.45**	—
* Wessex Engineering & Construction Services Ltd.	England & Wales	Engineering & construction services	**51.45**	55.55
* Wessex Gas Utilities Limited	England & Wales	Ownership & operation of gas infrastructure	**51.45**	—
* Wessex Logistics Limited	England & Wales	Dormant	**51.45**	55.55

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2009 %	Effective Equity Interest 2008 %
* Wessex Promotions Limited	England & Wales	Entertainment promotion	**51.45**	55.55
* Wessex Property Services Limited	England & Wales	Dormant	**51.45**	55.55
* Wessex Spring Water Limited	England & Wales	Dormant	**51.45**	55.55
* Wessex Water Commercial Limited	England & Wales	Dormant	**51.45**	55.55
* Wessex Water Engineering Services Limited	England & Wales	Dormant	**51.45**	55.55
* Wessex Water Enterprises Limited	England & Wales	Water supply & waste water services	**51.45**	55.55
Wessex Water International Limited	Cayman Islands	Investment holding	**51.45**	55.55
* Wessex Water Limited	England & Wales	Investment holding	**51.45**	55.55
* Wessex Water Pension Scheme Trustee Limited	England & Wales	Management of Wessex Water Pension Scheme	**51.45**	55.55
* Wessex Water Services Finance Plc	England & Wales	Issue of bonds	**51.45**	55.55
* Wessex Water Services Limited	England & Wales	Water supply & waste water services	**51.45**	55.55
* Wessex Water Trustee Company Limited	England & Wales	Dormant	**51.45**	55.55
* Wimax Capital Management Ltd.	United Kingdom	Acquiring WiMAX spectrum & undertaking activities utilising WiMAX related technologies	**59.47**	59.43
* YTL Cayman Limited	Cayman Islands	Ownership & chartering of yachts & vessels	**100.00**	100.00
* YTL Cement (Hong Kong) Limited	Hong Kong	Investment holding	**49.78**	49.86
* YTL Cement Marketing Singapore Pte. Ltd.	Singapore	Sales & marketing of cement, cementitious products & other related construction products	**49.78**	49.86

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2009 %	Effective Equity Interest 2008 %
* YTL Cement Singapore Pte. Ltd.	Singapore	Investment holding, sale & marketing of construction products	**49.78**	49.86
* YTL Concrete (S) Pte. Ltd.	Singapore	Manufacture & sale of ready-mixed concrete & related products	**49.78**	49.86
* YTL Construction (S) Pte. Ltd.	Singapore	Construction related activities & real estate developer	**100.00**	—
* YTL Construction (SA) (Proprietary) Ltd.	South Africa	Inactive	**100.00**	100.00
* YTL Construction GmbH	Germany	Dormant	**100.00**	100.00
* YTL Construction International (Cayman) Ltd.	Cayman Islands	Investment holding in construction relation activities	**100.00**	100.00
* YTL Construction (Thailand) Limited	Thailand	Construction activities	**74.89**	74.89
* YTL Corp Finance (Cayman) Ltd.	Cayman Islands	Dormant	**100.00**	100.00
* YTL Corporation (UK) PLC	England & Wales	Inactive	**100.00**	100.00
* YTL-CPI Power Limited	Hong Kong	Dormant	**26.24**	28.33
* YTL Engineering Limited	England & Wales	Dormant	**51.45**	55.55
* YTL Events Limited	England & Wales	Providing public entertainment events & public relations services	**51.45**	55.55
* YTL (Guernsey) Limited	Guernsey	Investment & property holding	**100.00**	100.00
* YTL Hotels B.V	Netherlands	Investment holding	**100.00**	100.00
* YTL Hotels (Cayman) Limited	Cayman Islands	Dormant	**100.00**	100.00
* YTL Hotel Management Saint Tropez *SARL*	France	Hotel operations & management services	**100.00**	100.00
* *SCI* YTL Hotels Saint Tropez	France	Acquisition, management, renting and administration and/or resale of real estate	**100.00**	100.00
YTL Jawa O & M Holdings B.V.	Netherlands	Investment holding	**51.45**	55.55

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2009 %	Effective Equity Interest 2008 %
YTL Jawa O & M Holdings Limited	Cyprus	Investment holding	**51.45**	55.55
YTL Jawa Power B.V.	Netherlands	Investment holding	**51.45**	55.55
YTL Jawa Power Finance Limited	Cayman Islands	Investment holding	**51.45**	55.55
YTL Jawa Power Holdings B.V.	Netherlands	Investment holding	**51.45**	55.55
YTL Jawa Power Holdings Limited	Cyprus	Investment holding	**51.45**	55.55
YTL Jawa Power Services B.V.	Netherlands	Investment holding	**51.45**	55.55
YTL Power Australia Limited	Cayman Islands	Investment holding	**51.45**	55.55
* YTL Power Finance (Cayman) Limited	Cayman Islands	Investment holding	**51.45**	55.55
YTL Power International Holdings Limited	Cayman Islands	Investment holding	**51.45**	55.55
* YTL Power Services (Cayman) Ltd.	Cayman Islands	Investment holding and provision of operations and maintenance services of power plants	**100.00**	100.00
* YTL PowerSeraya Pte. Limited (Formerly known as Sabre Energy Industries Pte. Limited)	Singapore	Investment holding	**51.45**	—
* YTL Singapore Pte. Ltd.	Singapore	Property investment	**100.00**	99.99
YTL Seraya Limited	Cayman Islands	Investment holding	**51.45**	—
* YTL Services Limited	England & Wales	Dormant	**51.45**	55.55
YTL Utilities Finance Limited	Cayman Islands	Investment holding	**51.45**	55.55
YTL Utilities Finance 2 Limited	Cayman Islands	Investment holding	**51.45**	55.55

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2009 %	Effective Equity Interest 2008 %
	YTL Utilities Finance 3 Limited	Cayman Islands	Investment holding	**51.45**	55.55
	YTL Utilities Finance 4 Limited	Cayman Islands	Financial services	**51.45**	—
*	YTL Utilities Holdings (S) Pte. Limited (Formerly known as Sabre Energy Resources Pte. Limited)	Singapore	Investment holding	**51.45**	—
*	YTL Utilities (S) Pte. Limited (Formerly known as Sabre Energy Holdings Pte. Limited)	Singapore	Investment holding	**51.45**	—
	YTL Utilities Holdings Limited	Cayman Islands	Investment holding	**51.45**	55.55
	YTL Utilities Limited	Cayman Islands	Investment holding	**51.45**	55.55
*	YTL Utilities (UK) Limited	England & Wales	Investment holding	**51.45**	55.55
*	YTL Westwood Properties Pte Ltd.	Singapore	Real estate developer	**100.00**	100.00
*	Zhejiang Hangzhou Dama Cement Co. Ltd. (Formerly known as Zhejiang Lin'an Jin Yuan Cement Co. Ltd.)	The People's Republic of China	Manufacture & sale of cement & cementitious products	**49.78**	49.86
*	Zhejiang YTL Cement Marketing Co. Ltd.	The People's Republic of China	Sale & marketing of cement & cementitious products	**49.78**	—

* Subsidiaries not audited by HLB Ler Lum
\# Previously, SMC Mix Sdn. Bhd. was an associated company

In compliance with the licence requirement, additional financial information to that contained in its statutory accounts have been prepared by Wessex Water Services Limited for its water and waste water business in accordance with guidance issued by the Director General of Water Services in the United Kingdom. These accounts measure profitability on the basis of real financial capital maintenance in the context of assets which are valued at the current cost value to the business. Specifically modern equivalent asset values arising from the latest periodic review are incorporated into the regulatory financial statements. Assets acquired and in operational use are valued at the replacement cost of their operating capability. Therefore, the tangible fixed assets value as at 31 March 2009 as disclosed in the current cost Balance Sheet of Wessex Water Services Limited was RM65,550 million [GBP11,188 million] (2008: RM72,479 million [GBP11,131 million]).

(b) Subsidiaries' financial statements

The unaudited financial statements of Buildcon Vietnam Limited, YTL Cayman Limited, PT Jepun Bali, YTL Construction (SA) (Proprietary) Limited, YTL Corp Finance (Cayman) Limited, YTL Construction (Thailand) Limited, YTL Construction International (Cayman) Ltd., YTL Hotel Management Saint Tropez *SARL*, YTL Hotels (Cayman) Limited, YTL Hotels B.V, *SCI* YTL Hotels Saint Tropez, YTL Power Services (Cayman) Ltd., YTL Construction GmbH, YTL (Guernsey) Limited, Starhill Global REIT Investments Limited and Starhill Global REIT Management Limited were consolidated in the Group's financial statements as these subsidiaries were not required by their local legislations to have their financial statements audited.

(c) Significant subsidiary acquired

On 2 December 2008, YTL PowerSeraya Pte Limited, a wholly-owned subsidiary of YTL Power International Berhad, entered into the share purchase agreement with Temasek Holdings (Private) Limited for the acquisition of 884,971,148 ordinary shares in PowerSeraya Limited, representing a 100% equity interest in PowerSeraya Limited for a purchase consideration of S$3,600 million (approximately RM8,568 million based on the prevailing exchange rate of SGD1.00: RM2.38). The acquisition was completed on 6 March 2009.

(d) Summary of effect of acquisition of subsidiaries

(i) The effect of the newly acquired subsidiaries on the financial results for the financial year is as follows:-

	Group
	2009 RM'000
Revenue	2,479,795
Profit for the financial year	179,594

If the acquisitions had occurred on 1 July 2008, the Group's revenue and profit for the financial year would have been RM14,913,953,000 and RM1,430,304,000 respectively.

(ii) The assets and liabilities arising from the acquisition of subsidiaries during the financial year and the aggregate effects of such acquisitions on the cash flows of the Group were as follows:-

	Fair values recognised on acquisition RM'000	Carrying amounts in acquiree's books RM'000
Identifiable assets and liabilities:-		
Property, plant & equipment	2,879,280	2,879,280
Prepaid lease payments	69,054	69,054
Inventories	623,415	699,650
Trade & other receivables	1,373,740	1,373,740
Derivative financial instruments	62,800	62,800
Income tax assets	24	24
Cash & bank balances	621,202	621,202
Total assets	5,629,515	5,705,750

	Fair values recognised on acquisition RM'000	Carrying amounts in acquiree's books RM'000
Bonds	(839,895)	(839,895)
Borrowings	(703,112)	(703,112)
Current tax liabilities	(10,422)	(10,422)
Deferred income	(69,149)	(69,149)
Deferred tax liabilities	(218,054)	(218,054)
Derivative financial instruments	(240,066)	(240,066)
Provision for liabilities & charges	(19,198)	—
Trade & other payables	(851,782)	(851,782)
Total liabilities	(2,951,678)	(2,932,480)
Identifiable net assets	2,677,837	2,773,270
Minority interests	3,057,265	—
Identifiable net assets acquired	5,735,102	2,773,270
Goodwill on consolidation	2,836,749	
Share of profit of associated company, now subsidiary	(700)	
Amount previously accounted for as associated company	(100)	
Cash consideration paid	8,571,051	
Less: Cash & cash equivalents in subsidiaries acquired	(621,202)	
Assumption of loan from PowerSeraya Limited owed by Temasek	(479,940)	
Net cash outflow on acquisition	7,469,909	

16. INVESTMENT IN ASSOCIATED COMPANIES

(a) Investment in associated companies

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Unquoted shares, at cost	1,099,714	854,162	210,641	210,641
Quoted shares, outside Malaysia, at cost	507,886	21,862	—	—
Share of post acquisition profits	722,229	502,328	—	—
	2,329,829	1,378,352	210,641	210,641
Market value of quoted shares outside Malaysia	439,166	44,375	—	—

Details of the associated companies are as follows:-

	Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2009 %	Effective Equity Interest 2008 %
	Business & Budget Hotels (Kuantan) Sdn. Bhd.	Malaysia	Hotel & resort operator	**50.00**	50.00
*	Express Rail Link Sdn. Bhd.	Malaysia	Operation & maintenance of the ERL railway system between KLIA in Sepang & KL Sentral Station	**50.00**	50.00
	Happy Steamboat Sdn. Bhd.	Malaysia	Operator of food & beverage outlet	**50.00**	—
^	Jimah Power Generation Sdn. Bhd.	Malaysia	Inactive	**25.21**	27.21
	North South Development Sdn. Bhd.	Malaysia	Realty, investment & management services	**49.00**	49.00
#	SMC Mix Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	**—**	24.93
	Superb Aggregates Sdn. Bhd.	Malaysia	Extraction, removal, processing & sale of sand	**50.00**	50.00
@*	Teknologi Tenaga Perlis (Overseas) Consortium Sdn. Bhd.	Malaysia	Dormant	**15.44**	16.67
	Trans-Pacific Hotels Sdn. Bhd.	Malaysia	Inactive	**50.00**	50.00
	Trans-Pacific Resorts Sdn. Bhd.	Malaysia	Inactive	**50.00**	50.00
	ZE-SPYTL Sdn. Bhd.	Malaysia	Inactive	**50.00**	50.00
*	Bristol Wessex Billing Services Limited	England & Wales	Joint Venture billing company	**25.73**	27.78
^*	Eastern & Oriental Express Ltd.	Bermuda	Ownership & management of the luxury train service known as the 'Eastern & Oriental Express'	**32.00**	32.00
*	ElectraNet Transmission Services Pty Ltd	Australia	Principal electricity transmission network service provider	**17.24**	18.61
^*	Jurong Cement Limited	Singapore	Investment holding	**10.69**	10.71
*	P.T. Jawa Power	Indonesia	To construct, commission & operate a coal-fired thermal power station	**18.01**	19.44

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2009 %	Effective Equity Interest 2008 %
^* Starhill Global Real Estate Investment Trust	Singapore	Invest in prime real estate	**26.57**	—
^* YTL Pacific Star REIT Management Holdings Pte. Ltd.	Singapore	Investment holding	**50.00**	—
* Samui Hotel 2 Co. Ltd.	Thailand	Hotel operations	**50.00**	50.00
^* Surin Bay Company Limited	Thailand	Hotel operations	**49.00**	49.00
* YTL (Thailand) Limited	Thailand	Investment holding	**49.90**	49.90

* Companies not audited by HLB Ler Lum
@ Companies with financial year end of 31 October
^ Companies with financial year end of 31 December
# Became subsidiary during the financial year

As indicated above, the financial year end of certain associated companies are not co-terminous with that of the Group. For the purpose of applying the equity method of accounting, these companies' unaudited financial statements made up to 30 June were used in conjunction with their audited financial statements for the financial year ended 31 October or 31 December as the case may be.

(b) The summarised financial information of the associated companies are as follows:-

	Group 2009 RM'000	Group 2008 RM'000
Non-current assets	**11,713,998**	6,762,250
Current assets	**1,718,880**	1,843,510
Current liabilities	**(902,782)**	(575,844)
Non-current liabilities	**(6,041,452)**	(4,591,499)
Net assets	**6,488,644**	3,438,417
Revenue	**3,015,554**	2,589,938
Profit for the financial year	**159,510**	603,289

Goodwill amounting to RM223,356,000 (2008: RM40,860,000) was included in the carrying amount of investment in associated companies.

There are no material accumulated and current financial year unrecognised losses for certain associated companies because the Group's share of losses exceeded its interest in those associated companies.

(c) Significant associated companies acquired

On 28 October 2008, the Company entered into the following Share Purchase Agreements ("SPA"):-

(i) SPA with Macquarie Real Estate Singapore Pte. Ltd. ("MRES") and Macquarie Bank Limited ("MBL") for the acquisition of 247,101,000 units in Macquarie Prime Real Estate Investment Trust ("MP REIT") representing 26% of the total issued units from MRES for total cash consideration of approximately S$202,622,820 or S$0.82 per unit ("MP REIT Acquisition"); and

(ii) SPA with MBL for the acquisition from MBL of the following for a cash consideration of S$62,000,000:-

(i) 1,500,000 ordinary shares in Prime REIT Management Holdings Pte. Ltd. ("PRMH") representing 50% of the total PRMH shares in issue;

(ii) 1 class A redeemable preference share in PRMH ("PRMH A") representing the entire PRMH A in issue; and

(iii) 1 class B redeemable preference share in PRMH ("PRMH B") representing the entire PRMH B in issue.

("PRMH Acquisition").

(The MP REIT Acquisition and PRMH Acquisition are collectively referred to as "the Acquisitions").

The Acquisitions were completed on 31 December 2008. Following the completion of the Acquisitions, MP REIT and PRMH have been renamed Starhill Global Real Estate Investment Trust ("Starhill Global REIT") and YTL Pacific Star REIT Management Holdings Pte. Ltd. ("YPSRMH") with effect from 31 December 2008 and 1 January 2009 respectively.

17. INVESTMENTS

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Quoted investments				
– Within Malaysia	**22,903**	23,210	**3,508**	3,896
– Outside Malaysia	**109**	106	**106**	106
Unquoted investments				
– Within Malaysia	**40,235**	100,235	**28,783**	88,783
– Outside Malaysia	**610,777**	675,264	**—**	—
	674,024	798,815	**32,397**	92,785
Less: Accumulated impairment losses	**(653)**	(653)	**—**	—
	673,371	798,162	**32,397**	92,785
Market value of quoted investments				
Within Malaysia	**24,814**	25,454	**2,710**	3,351
Outside Malaysia	**20**	18	**6**	3
	24,834	25,472	**2,716**	3,354

18. CASH & CASH EQUIVALENTS

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Fixed deposits				
– licensed banks	**8,667,964**	11,407,046	**1,441,666**	33,256
– other corporations	**—**	9,476	**—**	—
	8,667,964	11,416,522	**1,441,666**	33,256
Cash & bank balances	**409,448**	311,272	**2,679**	3,129
Bank overdrafts (Note 31(H))	**(6,193)**	(54,820)	**—**	—
	9,071,219	11,672,974	**1,444,345**	36,385

Fixed deposits of a certain subsidiary amounting to RM485,570 (2008: RM437,143) have been pledged to financial institutions for banking facilities granted to that subsidiary.

Cash & bank balances of the Group included amounts totaling RM3,418,786 (2008: RM6,492,264) held pursuant to Section 7A of the Housing Developers (Control and Licensing) Act 1966 and therefore restricted from use in other operations.

The range of interest rates of deposits that were effective at the balance sheet date were as follows:-

	Group		Company	
	2009 %	**2008 %**	**2009 %**	**2008 %**
Deposits with licensed banks	**0.02 – 5.62**	1.40 – 7.01	**1.80 – 2.30**	3.40 – 3.50
Deposits with other corporations	**—**	2.99 – 3.55	**—**	—

Deposits of the Group and of the Company have maturities ranging from 1 day to 365 days (2008: 1 day to 365 days). Bank balances are deposits held at call with banks.

19. INTANGIBLE ASSETS

	Group	
	2009 RM'000	**2008 RM'000**
Goodwill	**4,016,726**	1,130,024

	Group	
	2009 RM'000	2008 RM'000
At cost		
At beginning of the financial year	**1,131,701**	941,330
Arising from acquisition of new subsidiaries	**2,836,749**	75,881
Arising from acquisition of additional shares in existing subsidiaries	**5,513**	8,683
Arising from deemed acquisition due to share buy-back by the listed subsidiaries	**15,413**	122,634
Realisation of goodwill upon deemed dilution of interest in subsidiaries	**(45,111)**	(16,827)
Currency translation differences	**74,291**	—
At end of the financial year	**4,018,556**	1,131,701
Accumulated impairment		
At beginning of the financial year	**(1,677)**	—
Impairment charge (Note 7)	**(153)**	(1,677)
At end of the financial year	**(1,830)**	(1,677)
Carrying amount at end of the financial year	**4,016,726**	1,130,024

Goodwill only arises in business combinations. The amount of goodwill initially recognised is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management judgment.

For the purposes of impairment testing, goodwill is allocated to the Group's cash-generating units (CGUs) identified according to the following business segments:-

	Group	
	2009 RM'000	2008 RM'000
Utilities*	**3,739,856**	829,100
Cement manufacturing & trading*	**96,892**	121,230
Property development*	**92,180**	92,060
Others	**87,798**	87,634
	4,016,726	1,130,024

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the CGUs.

* The recoverable amount of these CGUs is computed based on fair value less costs to sell calculations. Fair value is determined using the observable market prices of relevant shares listed on a stock exchange.

20. TRADE & OTHER RECEIVABLES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Non-current assets				
Prepayments	**56,958**	—	—	—
Other receivables	**855**	—	—	—
	57,813	—	—	—
Current assets				
Trade receivables	**1,298,135**	1,218,361	—	—
Progress billings & final sum receivables	**299,205**	267,336	—	—
Retention sum	**4,294**	2,995	—	—
Accrued billings in respect of property development costs	**11,065**	20,199	—	—
Accrued income	**864,301**	325,296	—	—
Amount due from contract customers (Note 24)	**27,659**	53,716	—	—
Other receivables	**404,347**	437,377	**128,879**	18,805
Deposits	**78,015**	105,136	**241**	343
Prepayments	**219,014**	56,164	**689**	925
Amounts recoverable from a supplier*	**191,659**	—	—	—
Amounts receivable from former shareholder of foreign subsidiary	**344,272**	—	—	—
	3,741,966	2,486,580	**129,809**	20,073
Less: Allowance for doubtful debts				
– Trade receivables	**(116,455)**	(278,390)	—	—
– Other receivables	**(570)**	(130)	—	—
	3,624,941	2,208,060	**129,809**	20,073

The Group's normal credit terms of trade receivables ranged from 7 days to 180 days (2008: 7 days to 180 days). Other credit terms are assessed and approved on a case-by-case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single customer or groups of customers other than that related to its power generation business where it supplies to a single customer, which is a credit worthy entity. As at 30 June 2009, 15% (2008: 13%) of trade receivables of the Group was due from a customer in relation to the sale of electricity.

* *A subsidiary of the Company entered into a Gas Supply Agreement ('GSA') on 15 March 1993. Under this agreement, the price of gas to be supplied is calculated by reference to a market price-related formula. However, since 1 May 1997, the Government of Malaysia has fixed the price of gas. Accordingly, the market price-related formula applicable under the GSA has not been used. As a consequence, a dispute exists over whether a discount provided for under the market price-related formula is applicable under the GSA. The Government has informed the subsidiary company that with effect from 1 January 2002, the discount has been reinstated. On 28 November 2008, the gas supplier has advised the subsidiary company that the discount effective from 1 January 2000 has been withdrawn. As such, as at 30 June 2009, a sum of RM191,659,204 were paid under protest. The Directors are confident that the amount will be fully recoverable.*

21. INVENTORIES

	Group 2009 RM'000	Group 2008 RM'000
At cost		
Properties held for sale	**26,716**	22,412
Finished goods	**38,529**	24,875
Work-in-progress	**29,398**	27,785
Raw materials	**93,231**	77,016
Consumable stores	**11,839**	13,752
Spare parts	**179,688**	175,062
At net asset realisable value		
Fuel	**643,472**	—
Properties held for sale	**33,237**	33,915
	1,056,110	374,817

22. PROPERTY DEVELOPMENT COSTS

Group – 2009

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Others# RM'000	Total RM'000
Cumulative property development costs:-					
At beginning of the financial year	**3,232**	**5,228**	**411,947**	**(36,301)**	**384,106**
Cost incurred during the financial year	**7,096**	**4,240**	**163,860**	**—**	**175,196**
Transfer (to)/from land held for property development (Note 14)	**2,446**	**—**	**(92,844)**	**—**	**(90,398)**
Transfer from project development expenditures (Note 14)	**334,208**	**—**	**51,117**	**—**	**385,325**
Transfer to inventories	**—**	**(21)**	**(17,691)**	**—**	**(17,712)**
Reversal of completed projects	**(1,230)**	**(413)**	**(155,050)**	**36,301**	**(120,392)**
Translation differences	**3,906**	**—**	**584**	**—**	**4,490**
At end of the financial year	**349,658**	**9,034**	**361,923**	**—**	**720,615**
Cumulative cost recognised in Income Statement:-					
At beginning of the financial year					**(208,553)**
Recognised during the financial year					**(99,301)**
Reversal of completed projects					**120,392**
At end of the financial year					**(187,462)**
Property development costs at end of the financial year					**533,153**

Group – 2008

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Others# RM'000	Total RM'000
Cumulative property development costs:-					
At beginning of the financial year	—	51,823	534,649	(36,301)	550,171
Cost incurred during the financial year	—	(9,244)	123,136	—	113,892
Transfer from land held for property development (Note 14)	3,232	76	1,330	—	4,638
Transfer to inventories	—	(259)	(2,565)	—	(2,824)
Reversal of completed projects	—	(37,168)	(244,603)	—	(281,771)
At end of the financial year	3,232	5,228	411,947	(36,301)	384,106
Cumulative cost recognised in Income Statement:-					
At beginning of the financial year					(412,049)
Recognised during the financial year					(78,275)
Reversal of completed projects					281,771
At end of the financial year					(208,553)
Property development costs at end of the financial year					175,553

Others included adjustment and provision of foreseeable losses amounting to RM Nil (2008: RM24,669,000) and RM Nil (2008: RM11,632,000) respectively.

In prior financial year, the adjustment to property development costs arose from measurements by the consultants and project managers, of work-in-progress on a project suspended in 1998 which are deemed final by the Directors of the Group. A corresponding amount has been adjusted to reduce the provision previously made in respect of these works. The financial statements do not include any adjustment that would arise should these measurements not be finally determined on the basis adopted.

Included in property development costs of the Group is interest capitalised during the financial year amounting to RM20,356,891 (2008: RM7,946,258).

23 DERIVATIVE FINANCIAL INSTRUMENTS

The derivative financial assets and liabilities arise from the acquisition of PowerSeraya Limited on 6 March 2009. These financial derivatives are recognised at fair value as at that date. The derivative financial assets and liabilities recorded as at 30 June 2009 are the remaining open contracts which will be realised upon maturity.

24. CONSTRUCTION CONTRACTS

	Group	
	2009 **RM'000**	**2008** **RM'000**
Aggregate costs incurred to date	**667,773**	558,521
Recognised profits less recognised losses	**87,382**	92,389
	755,155	650,910
Progress billings	**(804,520)**	(677,624)
	(49,365)	(26,714)
Amount due to contract customers classified as current liabilities (Note 35)	**77,024**	80,430
Amount due from contract customers (Note 20)	**27,659**	53,716

Included in aggregate costs incurred to date of the Group are depreciation charged and interest capitalised during the financial year amounting to RM2,141,014 (2008: RM1,548,186) and RM1,274,126 (2008: RM1,520,894) respectively.

25. AMOUNT DUE FROM/TO RELATED PARTIES

	Group		Company	
	2009 **RM'000**	**2008** **RM'000**	**2009** **RM'000**	**2008** **RM'000**
(a) Amount due from related parties				
Amount due from holding company	**140**	98	**—**	—
Amount due from subsidiaries	**—**	—	**1,038,262**	940,201
Amount due from related companies	**24,031**	20,445	**1,696**	1,755
Amount due from associated companies	**5,735**	8,737	**359**	376
	29,906	29,280	**1,040,317**	942,332

(b) Amount due to related parties

	Group		Company	
	2009 **RM'000**	**2008** **RM'000**	**2009** **RM'000**	**2008** **RM'000**
Amount due to subsidiaries	**—**	—	**763,546**	797,374
Amount due to related companies	**6,572**	4,696	**80**	54
	6,572	4,696	**763,626**	797,428

(c) The amount due from/to related parties pertains mainly to trade receivables/payables, advances and payments on behalf. The outstanding amounts are unsecured, interest free and have no fixed terms of repayment except for advances given to a subsidiary amounting RM44.8 million (2008: RM39.8 million) which bear interest rates of 4.4% per annum (2008: 4.4% per annum).

(d) Holding company

The Company regards Yeoh Tiong Lay & Sons Holdings Sdn. Bhd., a company incorporated in Malaysia as its holding company.

26. SHORT TERM INVESTMENTS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Unquoted debt securities of corporations in Malaysia and investment linked funds				
At cost	**208,239**	281,800	**161,039**	235,928

Short term investments comprise commercial papers and investment linked funds, which would mature within the next financial year or are renewable on a monthly basis. The Directors are of the opinion that it is not practicable within the constraints of cost to estimate the fair value of these investments reliably. However, it is the Directors' view that the carrying value of these investments approximated their fair values.

27. SHARE CAPITAL

	Group/Company	
	2009 RM'000	2008 RM'000
Authorised:-		
At beginning and end of the financial year – 3,000,000,000 ordinary shares of RM0.50 each	**1,500,000**	1,500,000

	Group/Company	
	2009 RM'000	2008 RM'000
Issued and fully paid:-		
At beginning of the financial year – 1,632,201,289 (2008: 1,651,222,695) ordinary shares of RM0.50 each	**816,101**	825,611
Exercise of ESOS options – 1,803,000 (2008: 22,000) ordinary shares of RM0.50 each	**902**	11
Exercise of warrants – 262,986,949 (2008: 10,956,594) ordinary shares of RM0.50 each	**131,493**	5,479
Cancellation of treasury shares – Nil (2008: 30,000,000) ordinary shares of RM0.50 each	**—**	(15,000)
At end of the financial year – 1,896,991,238 (2008: 1,632,201,289) ordinary shares of RM0.50 each	**948,496**	816,101

During the financial year, 1,803,000 new ordinary shares of RM0.50 each were issued by the Company for cash by virtue of the exercise of ESOS at an exercise price of RM4.81 per share. The new ordinary shares issued ranked pari passu in all respects with the existing ordinary shares of the Company.

During the financial year, 262,986,949 new ordinary shares of RM0.50 each were issued by the Company for cash by virtue of the exercise of warrants at an exercise price of RM4.23 per share. The new ordinary shares issued ranked pari passu in all respects with the existing ordinary shares of the Company.

Out of a total of 1,896,991,238 (2008: 1,632,201,289) ordinary shares of RM0.50 issued and fully paid-up ordinary shares, 137,446,605 (2008: 137,010,505) ordinary shares of RM0.50 are held as treasury shares by the Company.

a) Treasury Shares

The shareholders of the Company granted a mandate to the Company to repurchase its own shares at the Annual General Meeting held on 2 December 2008. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

During the financial year, the Company repurchased 436,100 (2008: 21,947,400) of its issued share capital from the open market. The average price paid for the shares repurchased was RM6.60 (2008: RM7.61) per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

In previous financial year, the Company had resold 1,000,000 treasury shares in the open market at an average price of RM6.48 per share, for a total cash consideration (net of expenses) of RM6,480,000. In addition, the Company also cancelled 30,000,000 of treasury shares at an average price of RM6.45 amounting to RM193,410,000.

As at 30 June 2009, the Company held as treasury shares a total of 137,446,605 (2008: 137,010,505) of its 1,896,991,238 (2008: 1,632,201,289) issued ordinary shares. Such treasury shares are held at a carrying amount of RM892,549,000 (2008: RM889,670,740).

b) Warrants

The Warrants 1999/2009 were constituted under the Deed Poll dated 31 July 1999.

Each of the Warrants 1999/2009 entitles the holder to the right of allotment of one ordinary share in the Company for every warrant held at a revised subscription price of RM4.23 per share ("Revised Subscription Price") which are payable in cash. The initial subscription price was RM5.45 per share and subsequently adjusted to RM4.54 per share before being adjusted to the Revised Subscription Price. The subscription price and number of warrants are subject to adjustments under certain circumstances in accordance with the provisions of the Deed Poll.

In addition, the initial exercise price of Warrants 1999/2009 is also subject to adjustments under "step-up pricing mechanism" as set-out in the Deed Poll dated 31 July 1999.

The new ordinary shares allotted and issued upon exercise of the warrants shall be fully paid and rank pari passu with the then existing ordinary shares of the Company. The warrant holders will not have any voting rights in any general meeting of the Company unless the warrants are exercised into new ordinary shares and registered prior to the date of the general meeting of the Company.

The subscription rights of the Warrants 1999/2009 expired on 26 June 2009 and the said warrants were removed from the official list of Bursa Malaysia Securities Berhad ("BMSB") on 29 June 2009.

The total number of warrants that remain unexercised are as follows:-

	Number of warrants '000
At beginning of the financial year	263,534
Exercise of warrants	(262,987)
Expiry of Warrants 1999/2009	(547)
At end of the financial year	—

c) Share options

At an Extraordinary General Meeting held on 16 October 2001, the Company's shareholders approved the establishment of an Employees' Share Option Scheme ("ESOS" or "Scheme") for eligible employees and executive directors of the Group.

The main features of the ESOS are as follows:-

(i) The ESOS shall be in force for a period of ten (10) years, effective from 30 November 2001.

(ii) The maximum number of shares which may be made available under the ESOS shall not exceed ten per cent (10%) of the total issued and paid-up share capital of the Company at the time of offering the option.

(iii) Any employee (including executive directors) of the Group shall be eligible to participate in the ESOS if, as at the date of offer for an option ("Offer Date"), the employee:-

(a) has attained the age of eighteen (18) years;

(b) is employed by and on the payroll of a company within the Group; and

(c) has been in the employment of the Group for a period of at least one (1) year of continuous service prior to and up to the Offer Date, including service during the probation period, and is confirmed in service. The options committee may, at its discretion, nominate any employee (including executive directors) of the Group to be an eligible employee despite the eligibility criteria under Clause 4.1(iii) of the Bye-Laws not being met, at any time and from time to time.

(iv) The price payable for shares under the ESOS shall be based on the five-day weighted average market price of the underlying shares at the time the option is granted, with a discount of not more than 10%, if deemed appropriate.

(v) Subject to Clause 14 of the Bye-Laws, the options committee may, at any time and from time to time, before or after an option is granted, limit the exercise of the options to a maximum number of new ordinary shares of the Company and/or such percentage of the total ordinary shares of the Company comprised in the options during such period(s) within the option period and impose any other terms and/or conditions deemed appropriate by the options committee in its sole discretion including amending/varying any terms and conditions imposed earlier. Notwithstanding the above, and subject to Clauses 11 and 12 of the Bye-Laws, the options can only be exercised by the grantee three (3) years after the Offer Date, by notice in writing to the Company, provided however that the options committee may at its discretion or upon the request in writing by the grantee allow the options to be exercised at any earlier or other period.

(vi) The grantee shall be prohibited from disposing the ordinary shares of the Company so allotted to him for a period of twelve (12) months from the date on which the options are exercised. However, the options committee may at its discretion or upon request in writing by the grantee allow the disposal of such ordinary shares of the Company at any earlier or other period.

(vii) The persons whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

Information with respect to the number of options granted to employees and Directors of the Group under the ESOS is as follows:-

Date Granted	Exercise period	Exercise price RM	Number of share options: At beginning of financial year '000	Granted '000	Exercised '000	Lapsed '000	At end of financial year '000
Financial year ended 30.6.2009							
Scheme							
*16.10.2002	16.10.2005-29.11.2011	2.79	**184**	**—**	**—**	**(28)**	**156**
01.07.2005	01.07.2008-29.11.2011	4.81	**46,924**	**—**	**(1,803)**	**(148)**	**44,973**
07.08.2006	07.08.2009-29.11.2011	4.41	**562**	**—**	**—**	**(27)**	**535**
16.01.2008	16.01.2011-29.11.2011	6.93	**865**	**—**	**—**	**(126)**	**739**
			48,535	**—**	**(1,803)**	**(329)**	**46,403**
Financial year ended 30.6.2008							
Scheme							
*16.10.2002	16.10.2005-29.11.2011	2.79	227	—	(22)	(21)	184
01.07.2005	01.07.2008-29.11.2011	4.81	47,241	—	—	(317)	46,924
07.08.2006	07.08.2009-29.11.2011	4.41	629	—	—	(67)	562
16.01.2008	16.01.2011-29.11.2011	6.93	—	983	—	(118)	865
			48,097	983	(22)	(523)	48,535

* FRS 2 not applicable to these options.

Out of the 46,403,000 (2008: 48,535,000) outstanding options, 45,129,000 (2008: 47,108,000) options are exercisable.

The fair value of options granted for which FRS 2 applies, were determined using the Trinomial Valuation model. The significant inputs in the model are as follows:-

	Share options granted on 1.7.2005	Share options granted on 7.8.2006	Share options granted on 16.1.2008
Valuation assumptions:-			
Expected volatility	24.7%	21.5%	25.3%
Expected dividend yield	5.2%	5.6%	2.4%
Expected option life	3 – 4 years	3 – 4 years	3 – 4 years
Risk-free interest rate per annum (based on Malaysian securities bonds)	3.2%	4.1%	3.5%

The volatility is based on statistical analysis of daily share prices over the three to four years before the grant dates. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

Value of employee services received for issue of share options:-

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Share options granted	**3,601**	17,346	**491**	15,008
Allocation to subsidiaries	**—**	—	**(426)**	(4,580)
Total share options expenses	**3,601**	17,346	**65**	10,428

28. NON-DISTRIBUTABLE RESERVES

(A) Share premium

	Group/Company	
	2009 RM'000	**2008 RM'000**
At beginning of the financial year	**513,721**	652,522
Shares issued upon exercise of warrants	**980,941**	38,501
Shares issued upon exercise of ESOS	**7,771**	50
Cancellation of treasury shares	**—**	(178,410)
Sale of treasury shares	**—**	1,058
Transfer from share options reserve on exercise of ESOS [Note 28(B)(v)]	**1,125**	—
At end of the financial year	**1,503,558**	513,721

(B) Other reserves

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Capital reserve [Note 28(B)(i)]	**102,673**	102,345	—	—
Equity component of exchangeable bonds [Note 28 (B)(ii)]	**114,853**	106,292	—	—
Equity component of Irredeemable Convertible Unsecured Loan Stocks [Note 28 (B)(iii)]	**24,135**	24,155	—	—
Exchange difference reserve [Note 28 (B)(iv)]	**(442,327)**	(115,268)	—	—
Share options reserve [Note 28 (B)(v)]	**38,122**	35,646	**29,123**	29,757
Statutory reserve [Note 28 (B)(vi)]	**52,770**	48,945	—	—
Revaluation reserve [Note 28 (B)(vii)]	—	—	—	—
	(109,774)	202,115	**29,123**	29,757

The movement in each category of reserves are as follows:-

(i) Capital reserve

	Group	
	2009 RM'000	**2008 RM'000**
At beginning of the financial year	**102,345**	102,439
Capitalised from retained earnings due to bonus issue in subsidiaries	**200**	—
Currency translation differences	**128**	(94)
At end of the financial year	**102,673**	102,345

(ii) Equity component of exchangeable bonds

	Group	
	2009 RM'000	**2008 RM'000**
At beginning of the financial year	**106,292**	121,685
Conversion of bonds to ordinary shares of YTL Power International Berhad during the financial year	—	(11,963)
Currency translation differences	**8,561**	(3,430)
At end of the financial year	**114,853**	106,292

(iii) Equity component of Irredeemable Convertible Unsecured Loan Stock ('ICULS')

	Group	
	2009 RM'000	**2008 RM'000**
At beginning of the financial year	**24,155**	24,159
Conversion of ICULS to ordinary shares of YTL Cement Berhad	**(20)**	(4)
At end of the financial year	**24,135**	24,155

(iv) Exchange difference reserve

	Group	
	2009 RM'000	**2008 RM'000**
At beginning of the financial year	**(115,268)**	(32,126)
Currency translation differences	**(328,004)**	(83,142)
Transfer to retained earnings	**945**	—
At end of the financial year	**(442,327)**	(115,268)

(v) Share options reserve

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
At beginning of the financial year	**35,646**	18,300	**29,757**	14,749
ESOS expenses recognised during the financial year				
– recognised in Income Statement	**3,601**	17,346	**65**	10,428
– allocated to subsidiaries	**—**	—	**426**	4,580
Transfer to share premium on exercise of ESOS [Note 28(A)]	**(1,125)**	—	**(1,125)**	—
At end of the financial year	**38,122**	35,646	**29,123**	29,757

(vi) Statutory reserve

	Group 2009 RM'000	Group 2008 RM'000
At beginning of the financial year	**48,945**	41,331
Share of associated companies' statutory reserves transferred from retained earnings	**—**	9,996
Currency translation differences	**3,825**	(2,382)
At end of the financial year	**52,770**	48,945

(vii) Revaluation reserve

	Group 2009 RM'000	Group 2008 RM'000
At beginning of the financial year	**—**	7,627
Transfer to retained earnings	**—**	(7,627)
At end of the financial year	**—**	—

29. LONG TERM PAYABLES

	Group 2009 RM'000	Group 2008 RM'000
Amount due to Keretapi Tanah Melayu Berhad ("KTMB")	**67,696**	67,696
Deposits	**26,563**	30,687
Payables	**9,320**	10,614
	103,579	108,997

Amount due to KTMB represents the balance of the total purchase consideration of not less than RM105,616,000 (2008: RM105,616,000) for the acquisition of the Sentul Raya Development Project Site from KTMB. The amount outstanding will be settled by way of phased development, construction and completion of the Railway Village by YTL Land & Development Berhad ("YTL L&D"), a subsidiary of the Company, for KTMB at its sole cost and expense in accordance with the provisions of the Development Agreement dated 8 December 1993 between YTL L&D and KTMB as amended pursuant to the Supplementary Development Agreement dated 21 December 2000.

Deposits are due within one to five years from the balance sheet date.

Payables comprise mainly deposits received from developers of housing development in relation to the provision of water and sewerage infrastructure.

30. BONDS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Current:-				
Medium Term Notes [Note 30(A)]	**400,000**	2,400,000	**—**	500,000
5.875% Guaranteed Unsecured Bonds [Note 30(B)]	**—**	1,300,542	**—**	—
Guaranteed Variable Coupon Bonds Due 2009 [Note30(C)]	**—**	651,139	**—**	—
Fixed Rate Bonds [Note 30(D)]	**—**	62,500	**—**	—
Zero Coupon Exchangeable Guaranteed Bonds Due 2010 [Note 30(E)]	**720,665**	—	**—**	—
	1,120,665	4,414,181	**—**	500,000
Non current:-				
Medium Term Notes [Note 30(A)]	**2,619,644**	899,553	**500,000**	—
Zero Coupon Exchangeable Guaranteed Bonds Due 2010 [Note 30(E)]	**—**	644,037	**—**	—
3.52% Retail Price Index Guaranteed Bonds [Note 30(F)]	**358,311**	383,864	**—**	—
5.75% Guaranteed Unsecured Bonds [Note 30(G)]	**2,025,252**	2,249,523	**—**	—
5.375% Guaranteed Unsecured Bonds [Note 30(H)]	**1,160,128**	1,288,570	**—**	—
1.75% Index Linked Guaranteed Bonds [Note 30(I)]	**963,885**	1,032,625	**—**	—
1.369% and 1.374% Index Linked Guaranteed Bonds [Note 30(J)]	**963,885**	1,032,625	**—**	—
Zero Coupon Exchangeable Guaranteed Bonds Due 2012 [Note 30(K)]	**1,028,400**	921,187	**—**	—
1.489%, 1.495% & 1.499% Index Linked Guaranteed Bonds [Note 30(L)]	**911,702**	979,776	**—**	—
3.0% Redeemable Non Guaranteed Unsecured Bonds [Note 30(M)]	**2,072,180**	2,038,729	**—**	—
3.97% Unsecured Bonds [Note 30(N)]	**850,570**	—	**—**	—
	12,953,957	11,470,489	**500,000**	—
Total	**14,074,622**	15,884,670	**500,000**	500,000

The periods in which the Bonds of the Group and the Company attain maturity are as follow:-

Group

	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Later than 5 years RM'000	Total RM'000
At 30 June 2009				
Medium Term Notes	**400,000**	**2,619,644**	**—**	**3,019,644**
Zero Coupon Exchangeable Guaranteed Bonds Due 2010	**720,665**	**—**	**—**	**720,665**
3.52% Retail Price Index Guaranteed Bonds	**—**	**—**	**358,311**	**358,311**
5.75% Guaranteed Unsecured Bonds	**—**	**—**	**2,025,252**	**2,025,252**
5.375% Guaranteed Unsecured Bonds	**—**	**—**	**1,160,128**	**1,160,128**
1.75% Index Linked Guaranteed Bonds	**—**	**—**	**963,885**	**963,885**
1.369% and 1.374% Index Linked Guaranteed Bonds	**—**	**—**	**963,885**	**963,885**
Zero Coupon Exchangeable Guaranteed Bonds Due 2012	**—**	**1,028,400**	**—**	**1,028,400**
1.489%, 1.495% & 1.499% Index Linked Guaranteed Bonds	**—**	**—**	**911,702**	**911,702**
3.0% Redeemable Non Guaranteed Unsecured Bonds	**—**	**2,072,180**	**—**	**2,072,180**
3.97% Unsecured Bonds	**—**	**850,570**	**—**	**850,570**
	1,120,665	**6,570,794**	**6,383,163**	**14,074,622**

Group

	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Later than 5 years RM'000	Total RM'000
At 30 June 2008				
Medium Term Notes	2,400,000	300,000	599,553	3,299,553
5.875% Guaranteed Unsecured Bonds	1,300,542	—	—	1,300,542
Guaranteed Variable Coupon Bonds Due 2009	651,139	—	—	651,139
3.52% Retail Price Index Guaranteed Bonds	—	—	383,864	383,864
Fixed Rate Bonds	62,500	—	—	62,500
Zero Coupon Exchangeable Guaranteed Bonds Due 2010	—	644,037	—	644,037
5.75% Guaranteed Unsecured Bonds	—	—	2,249,523	2,249,523
5.375% Guaranteed Unsecured Bonds	—	—	1,288,570	1,288,570
1.75% Index Linked Guaranteed Bonds	—	—	1,032,625	1,032,625
1.369% and 1.374% Index Linked Guaranteed Bonds	—	—	1,032,625	1,032,625
Zero Coupon Exchangeable Guaranteed Bonds Due 2012	—	921,187	—	921,187
1.489%, 1.495% & 1.499% Index Linked Guaranteed Bonds	—	—	979,776	979,776
3.0% Redeemable Non Guaranteed Unsecured Bonds	—	2,038,729	—	2,038,729
	4,414,181	3,903,953	7,566,536	15,884,670

Company

	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Later than 5 years RM'000	Total RM'000
At 30 June 2009				
Medium Term Notes	**—**	**500,000**	**—**	**500,000**
At 30 June 2008				
Medium Term Notes	500,000	—	—	500,000

The interest rates of the Group and the Company as at the balance sheet date are as follows:-

	Group		Company	
	2009 %	2008 %	**2009 %**	2008 %
Weighted average effective interest rate				
Medium Term Notes	**4.656**	3.611	**4.850**	5.300
5.875% Guaranteed Unsecured Bonds	**5.875**	5.875	**—**	—
Guaranteed Variable Coupon Bonds Due 2009	**5.875**	5.875	**—**	—
Zero Coupon Exchangeable Guaranteed Bonds Due 2010	**3.375**	3.375	**—**	—
3.52% Retail Price Index Guaranteed Bonds	**7.155**	7.599	**—**	—
5.75% Guaranteed Unsecured Bonds	**5.845**	5.750	**—**	—
5.375% Guaranteed Unsecured Bonds	**5.505**	5.375	**—**	—
1.75% Index Linked Guaranteed Bonds	**5.446**	5.788	**—**	—
1.369% and 1.374% Index Linked Guaranteed Bonds	**5.074**	5.338	**—**	—
Zero Coupon Exchangeable Guaranteed Bonds Due 2012	**3.375**	3.375	**—**	—
1.489%, 1.495% & 1.499% Index Linked Guaranteed Bonds	**4.902**	2.793	**—**	—
3.0% Redeemable Non Guaranteed Unsecured Bonds	**4.850**	4.850	**—**	—
3.97% Unsecured Bonds	**4.210**	—	**—**	—

The fair value of the Bonds of the Group and the Company as at the balance sheet date is as set out below:-

	Group	
	Carrying amount RM'000	Fair value RM'000
2009		
Zero Coupon Exchangeable Guaranteed Bonds Due 2010	**720,665**	**852,524**
3.52% Retail Price Index Guaranteed Bonds	**358,311**	**306,571**
5.75% Guaranteed Unsecured Bonds	**2,025,252**	**1,930,343**
5.375% Guaranteed Unsecured Bonds	**1,160,128**	**1,062,718**
1.75% Index Linked Guaranteed Bonds	**963,885**	**1,084,362**
1.369% and 1.374% Index Linked Guaranteed Bonds	**963,885**	**946,861**
Zero Coupon Exchangeable Guaranteed Bonds Due 2012	**1,028,400**	**1,169,887**
1.489%, 1.495% & 1.499% Index Linked Guaranteed Bonds	**911,702**	**938,087**
3.0% Redeemable Non Guaranteed Unsecured Bonds	**2,072,181**	**2,229,221**
3.97% Unsecured Bonds	**850,570**	**855,418**
2008		
5.875% Guaranteed Unsecured Bonds	1,300,542	1,288,619
Guaranteed Variable Coupon Bonds Due 2009	651,139	651,140
Fixed Rate Bonds	62,500	64,370
Zero Coupon Exchangeable Guaranteed Bonds Due 2010	644,037	721,022
3.52% Retail Price Index Guaranteed Bonds	383,864	431,934
5.75% Guaranteed Unsecured Bonds	2,249,523	2,110,618
5.375% Guaranteed Unsecured Bonds	1,288,570	1,135,771
1.75% Index Linked Guaranteed Bonds	1,032,625	1,244,173
1.369% and 1.374% Index Linked Guaranteed Bonds	1,032,625	1,161,943
Zero Coupon Exchangeable Guaranteed Bonds Due 2012	921,187	998,834
1.489%, 1.495% & 1.499% Index Linked Guaranteed Bonds	979,776	1,157,779
3.0% Redeemable Non Guaranteed Unsecured Bonds	2,038,729	2,124,259

The carrying amounts of the medium term notes of the Group and of the Company at the balance sheet date approximated their fair values.

(A) Medium Term Notes ("MTNs")

(i) The MTNs of the Company were constituted under the MTNs Programme Agreement and MTNs Trust Deed both dated 18 June 2004, and the First Supplemental MTNs Trust Deed dated 13 July 2004.

A nominal value of RM500 million of MTNs was issued on 25 June 2009 to refinance the Company's existing RM500 million nominal value MTNs. The coupon rate of the MTNs is 4.85% per annum, payable semi-annually in arrears and the MTNs are redeemable on 25 June 2014 at nominal value.

(ii) The nominal value of RM1.3 billion unsecured MTNs ranging between 1 year to 11 years were issued by YTL Power Generation Sdn. Bhd. ("YTLPG"), a subsidiary of the Group, pursuant to a Facility Agreement dated 16 July 2003. Interest is payable semi-annually. The MTNs bear interest rates ranging from 3.93% to 4.55% (2008: 3.93% to 4.55%) per annum.

A principal amount of RM400,000,000 (2008: RM100,000,000) of MTNs of YTLPG was repaid during the financial year.

During the financial year, YTLPG reissued two additional unsecured MTNs at a nominal value of RM200,000,000 (2008: RM100,000,000) each for period of 1 year and 2 years which bearing an interest rate at 4.23% and 4.43% per annum respectively. Interests are payable semi-annually.

(iii) The MTNs of YTL Power International Berhad ("YTLPI") were issued pursuant to a Commercial Paper and/or Medium Term Notes issuance programme of up to RM2.0 billion ('CP/MTN Programme') constituted by a Trust Deed and CP/MTN Programme Agreement, both dated 24 May 2008.

During the financial year, YTLPI repaid and reissued RM1,500,000,000 (2008: Nil) and RM1,220,000,000 (2008: RM1,500,000,000) of the MTNs respectively. The facility bears interest rates ranging from 4.55% to 5.55% (2008: 3.841% to 3.965%) per annum.

(B) 5.875% GUARANTEED UNSECURED BONDS

On 30 March 1999, Wessex Water Services Finance Plc ('Issuer'), a subsidiary of the Group, issued GBP300,000,000 nominal value of 5.875% Guaranteed Unsecured Bonds due 2009 ('GU Bonds') unconditionally and irrevocably guaranteed by Wessex Water Services Limited ('Guarantor'), a subsidiary of the Group. The GU Bonds are constituted under a Trust Deed dated 30 March 1999. The nominal value of GU Bonds issued amounted to GBP300,000,000. The net proceeds of the GU Bonds were used for refinancing existing financial indebtedness and for general corporate purposes.

The principal features of the GU Bonds are as follows:-

(i) The GU Bonds bear interest at 5.875% per annum, payable annually on 30 March of each year.

(ii) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the Issuer, the GU Bonds will be redeemed in full by the Issuer on 30 March 2009 at their nominal value together with all accrued interest on the surrender of the GU Bonds.

(iii) The Issuer may, at any time, purchase the GU Bonds in any manner and at any price. If purchases are made by tender, tenders must be available to all bondholders alike. All GU Bonds purchased by the Issuer will forthwith be cancelled.

(iv) The Issuer, by giving the appropriate notice and in accordance with the conditions laid out in the offering circular, may purchase the GU Bonds if there is a change in tax legislation or if it wishes to do so at a price determined by an agreed formula.

(v) The bondholders may put the GU Bonds to the Issuer if:-

- Wessex Water Services Limited loses its Appointment;
- the Issuer ceases to be a subsidiary of Wessex Water Services Limited; or
- a Restructuring Event occurs which results in the GU Bonds being downgraded below investment grade.

'Appointment' refers to the Instrument of Appointment dated 1 September 1989 under Section 11 of the Water Act 1989 (now Section 6 of the Water Industry Act 1991) appointing the Guarantor as a water undertaker and sewerage undertaker for the areas described therein. 'Restructuring Event' refers to either:-

(a) any material rights, benefits or obligations of Wessex Water Services Limited under the Appointment or any material terms of the Appointment are modified; or

(b) any legislation is enacted removing, reducing or qualifying the duties or powers of the Secretary of State for the Environment and/or the Director General of Water Services.

The Bonds were repaid on 30 March 2009.

(C) GUARANTEED VARIABLE COUPON BONDS DUE 2009

On 30 March 2001, GBP100,000,000 nominal value of the GU Bonds mentioned in Note [30(B)] of the Financial Statements were redeemed by the issue of GBP100,000,000 Guaranteed Variable Coupon Bonds ('GVC Bonds') due 2009 by Wessex Water Services Finance Plc unconditionally and irrevocably guaranteed by Wessex Water Services Limited.

The nominal value of GVC Bonds issued amounted to GBP100,000,000. Interest payable on the GVC Bonds is calculated by reference to ratings assigned to the GVC Bonds. The GVC Bonds are unsecured and the interest rate since issuance was 5.875% payable semi-annually in arrears on 30 September and 30 March of each year. Other features of the GVC Bonds remain similar to those of the GU Bonds mentioned in Note 30(B) of the Financial Statements.

The Bonds were repaid on 30 March 2009.

(D) FIXED RATE BONDS

The Fixed Rate Bonds were issued by a subsidiary of the Group, YTL Power Generation Sdn. Bhd., pursuant to a Subscription Agreement dated 30 October 1993 and bear interest at a rate of 10% per annum. The principle amount of the bonds issued under the Subscription Agreement was RM1,500,000,000.

The Fixed Rate Bonds are secured by fixed and floating charges over all assets of the subsidiary, both present and future. The Fixed Rate Bonds are repayable in half-yearly equal instalments commencing from the year 1999.

The Fixed Rate Bonds were fully repaid on 15 November 2008.

(E) ZERO COUPON EXCHANGEABLE GUARANTEED BONDS DUE 2010

On 9 May 2005, YTL Power Finance (Cayman) Limited ("YTLPF"), a subsidiary of the Group, issued USD250 million nominal value 5-year Exchangeable Guaranteed Bonds at 100% nominal value ('ZCEG Bonds') which were listed on the Singapore Exchange Securities Trading Limited on 10 May 2005. Each ZCEG Bond entitles its registered holder to exchange for fully paid ordinary shares ("Shares") of a subsidiary, YTL Power International Berhad ("YTLPI"), with a par value of RM0.50 each at an initial exchange price of RM2.277 per Share at a fixed exchange rate of USD1.00 = RM3.80. The initial exchange price is also subject to adjustments in accordance with the terms and conditions of the ZCEG Bonds as set out in the Trust Deed dated 9 May 2005. The exchange price has been revised to RM1.94 per Share with effect from 26 December 2008.

The net proceeds from the issue of the ZCEG Bonds will be used by YTLPI to finance its offshore investments and projects and/or for the potential repayment of foreign currency borrowings.

The principal features of the ZCEG Bonds which mature on 9 May 2010 ("Maturity Date") are as follows:-

(i) The ZCEG Bonds carry no coupon, have a maturity yield of 3.375% and have a put option at 110.56% on 9 May 2008. However, no put options were received by YTLPI on 9 May 2008.

(ii) The ZCEG Bonds which constitute direct, unsubordinated, unconditional and (subject to the negative pledge) unsecured obligations of YTLPF shall at all times rank pari passu and without any preference or priority among themselves.

(iii) The ZCEG Bonds will be unconditionally and irrevocably guaranteed by YTLPI.

(iv) Final redemption

Unless previously purchased and cancelled, redeemed or exchanged, the ZCEG Bonds will be redeemed on 9 May 2010 at 118.22% of their principal amount.

(v) Mandatory exchange option of YTLPF or YTLPI

On or at any time after 23 May 2008 but not less than 21 days prior to the Maturity Date, either YTLPF or YTLPI may, in respect of all (but not some) of the outstanding ZCEG Bonds exercise an option to mandatorily exchange the ZCEG Bonds for Shares, provided that the volume weighted average price of the Shares into which each USD100,000 principal amount of ZCEG Bonds can be exchanged for each of 20 consecutive trading days ending on a date no earlier than five trading days prior to the date of notice of mandatory exchange was at least 120% of the early redemption amount of such USD100,000 principal amount of ZCEG Bonds. YTLPF or YTLPI, as the case may be, has the option to settle the mandatory exchange in full or in part by the payment of cash.

(vi) Redemption at the option of YTLPF

YTLPF may redeem the ZCEG Bonds, in whole but not in part, at their early redemption amount if less than 10% of the aggregate principal amount of the ZCEG Bonds originally issued is still outstanding.

(vii) Redemption by bondholders upon delisting of YTLPI Shares or a change of control of YTLPI

The ZCEG Bonds may be redeemed at the option of bondholders at their early redemption amount at the relevant redemption date upon the YTLPI Shares ceasing to be listed on Bursa Malaysia Securities Berhad or upon a change of control of YTLPI.

The nominal value of the ZCEG Bonds amounting to USD250,000,000 and USD184,400,000 (2008: USD250,000,000 and USD184,400,000) remained outstanding as at 30 June 2009, net of amortised fees and discount.

(F) 3.52% RETAIL PRICE INDEX GUARANTEED BONDS

On 10 December 2001, Wessex Water Services Finance Plc ('Issuer'), a subsidiary of the Group, issued GBP50,000,000 nominal value of 3.52% Guaranteed Retail Price Index with Zero Floor Bonds due 2023 ('RPIG Bonds') unconditionally and irrevocably guaranteed by Wessex Water Services Limited ('Guarantor'), a subsidiary of the Group. The RPIG Bonds were constituted under a Trust Deed dated 10 December 2001 and are unsecured.

The principal features of the RPIG Bonds are as follows:-

(i) The RPIG Bonds bear interest semi-annually on 30 January and 30 July at an interest rate of 3.52% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2009 is 6.52% (2008: 7.80%).

(ii) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the Issuer, the RPIG Bonds will be redeemed in full by the Issuer on 30 July 2023 at their indexed value together with all accrued interest on the surrender of the RPIG Bonds.

(iii) The Issuer may, at any time, purchase the RPIG Bonds in any manner and at any price. If purchases are made by tender, tenders must be available to all bondholders alike. All RPIG Bonds purchased by the Issuer will forthwith be cancelled.

(iv) The Issuer, by giving the appropriate notice and in accordance with the conditions laid out in the offering circular, may purchase the RPIG Bonds if there is a change in tax legislation or if it wishes to do so at a price determined by an agreed formula.

(v) The bondholders may put the RPIG Bonds to the Issuer if:-

- Wessex Water Services Limited loses its Appointment;
- the Issuer ceases to be a subsidiary of Wessex Water Services Limited; or
- a Restructuring Event occurs which results in the RPIG Bonds being downgraded below investment grade.

'Appointment' refers to the Instrument of Appointment dated 1 September 1989 under Section 11 of the Water Act 1989 (now Section 6 of the Water Industry Act 1991) appointing the Guarantor as a water undertaker and sewerage undertaker for the areas described therein. 'Restructuring Event' refers to either:-

(a) any material rights, benefits or obligations of Wessex Water Services Limited under the Appointment or any material terms of the Appointment are modified; or

(b) any legislation is enacted removing, reducing or qualifying the duties or powers of the Secretary of State for the Environment and/or the Director General of Water Services.

The nominal value of RPIG Bonds issued of GBP50,000,000 remained outstanding as at 30 June 2009, net of amortised fees and discount. The net proceeds of the RPIG Bonds were used to fund the capital investment programme of Wessex Water Services Limited.

(G) 5.75% GUARANTEED UNSECURED BONDS

On 15 October 2003, Wessex Water Services Finance Plc ('Issuer'), a subsidiary of the Group, issued GBP350,000,000 nominal value of 5.75% Guaranteed Unsecured Bonds due 2033 ('GU Bonds') unconditionally and irrevocably guaranteed by Wessex Water Services Limited ('Guarantor'), a subsidiary of the Group. The GU Bonds are constituted under a Trust Deed dated 15 October 2003. The nominal value of GU Bonds issued amounted to GBP350,000,000 and GBP345,653,256 (2008: GBP345,474,622) remained outstanding as at 30 June 2009, net of amortised fees and discount. The net proceeds of the GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The principal features of the GU Bonds are as follows:-

(i) The GU Bonds bear interest at 5.75% per annum, payable annually on 14 October of each year.

(ii) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the Issuer, the GU Bonds will be redeemed in full by the Issuer on 14 October 2033 at their nominal value together with all accrued interest on the surrender of the GU Bonds.

(iii) The Issuer may, at any time, purchase the GU Bonds in any manner and at any price. If purchases are made by tender, tenders must be available to all bondholders alike. All GU Bonds purchased by the Issuer will forthwith be cancelled.

(iv) The Issuer, by giving the appropriate notice and in accordance with the conditions laid out in the offering circular, may purchase the GU Bonds if there is a change in tax legislation or if it wishes to do so at a price determined by an agreed formula.

(v) The bondholders may put the GU Bonds to the Issuer if:-

- Wessex Water Services Limited loses its Appointment;
- the Issuer ceases to be a subsidiary of Wessex Water Services Limited; or
- a Restructuring Event occurs which results in the GU Bonds being downgraded below investment grade.

'Appointment' refers to the Instrument of Appointment dated 1 September 1989 under Section 11 of the Water Act 1989 (now Section 6 of the Water Industry Act 1991) appointing the Guarantor as a water undertaker and sewerage undertaker for the areas described therein. 'Restructuring Event' refers to either:-

(a) any material rights, benefits or obligations of Wessex Water Services Limited under the Appointment or any material terms of the Appointment are modified;

(b) any legislation is enacted removing, reducing or qualifying the duties or powers of the Secretary of State for the Environment and/or the Director General of Water Services.

(H) 5.375% GUARANTEED UNSECURED BONDS

On 10 March 2005, Wessex Water Services Finance Plc ('Issuer'), a subsidiary of the Group, issued GBP200,000,000 nominal value 5.375% Guaranteed Unsecured Bonds due 2028 ('GU Bonds') unconditionally and irrevocably guaranteed by Wessex Water Services Limited ('Guarantor'), a subsidiary of the Group. The GU Bonds are constituted under a Trust Deed dated 10 March 2005. The nominal value of GU Bonds issued amounted to GBP200,000,000 of which GBP198,001,087 (2008: GBP197,894,478) remained outstanding as at 30 June 2009, net of amortised fees and discount. The net proceeds of the GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The principal features of the GU Bonds are as follows:-

(i) The GU Bonds bear interest at 5.375% per annum, payable on 10 March of each year.

(ii) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the Issuer, the GU Bonds will be redeemed in full by the Issuer on 10 March 2028 at their nominal value together with accrued interest on the surrender of the GU Bonds.

(iii) The Issuer may, at any time, purchase the GU Bonds in any manner and at any price. If purchases are made by tender, tenders must be available to all bondholders alike. All GU Bonds purchased by the Issuer will forthwith be cancelled.

(iv) The Issuer, by giving the appropriate notice and in accordance with the conditions laid out in the offering circular, may purchase the GU Bonds if there is a change in tax legislation or if it wishes to do so at a price determined by an agreed formula.

(v) The bondholders may put the GU Bonds to the Issuer if:-

- Wessex Water Services Limited loses its Appointment;
- the Issuer ceases to be a subsidiary of Wessex Water Services Limited; or
- a Restructuring Event occurs which results in the GU Bonds being downgraded below investment grade.

'Appointment' refers to the Instruments of Appointment dated 1 September 1989 under Section 11 of the Water Act 1989 (now Section 6 of the Water Industry Act 1991) appointing the Guarantor as a water undertaker and sewerage undertaker for the areas described therein. 'Restructuring Event' refers to either:-

(a) any material rights, benefits or obligations of Wessex Water Services Limited under the Appointment or any material terms of the Appointment are modified;

(b) any legislation is enacted removing, reducing or qualifying the duties or powers of the Secretary of State for the Environment and/or the Director General of Water Services.

(I) 1.75% INDEX LINKED GUARANTEED BONDS

On 31 July 2006, Wessex Water Services Finance Plc ('Issuer'), a subsidiary of the Group, issued two (2) tranches of GBP75,000,000 nominal value of 1.75% Index Linked Guaranteed Bonds ('ILG Bonds') unconditionally and irrevocably guaranteed by Wessex Water Services Limited ('Guarantor'), a subsidiary of the Group. The ILG Bonds were each constituted under a Trust Deed dated 31 July 2006 and are unsecured.

The principal features of the ILG Bonds are as follows:-

(i) The ILG Bonds bear interest semi-annually on 31 January and 31 July at an interest rate of 1.75% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2009 is 4.75% (2008: 6.03%).

(ii) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the Issuer, the ILG Bonds will be redeemed in full by the Issuer on 31 July 2046 for one tranche, and 31 July 2051 for the other tranche, at their indexed value together with all accrued interest on the surrender of the ILG Bonds.

(iii) The Issuer may, at any time, purchase the ILG Bonds in any manner and at any price. If purchases are made by tender, tenders must be available to all bondholders alike. All ILG Bonds purchased by the Issuer will forthwith be cancelled.

(iv) The Issuer, by giving the appropriate notice and in accordance with the conditions laid out in the offering circular, may purchase the ILG Bonds if there is a change in tax legislation or if it wishes to do so at a price determined by an agreed formula.

(v) The bondholders may put the ILG Bonds to the Issuer if:-

- Wessex Water Services Limited loses its Appointment;
- the Issuer ceases to be a subsidiary of Wessex Water Services Limited; or
- a Restructuring Event occurs which results in the ILG Bonds being downgraded below investment grade.

'Appointment' refers to the Instrument of Appointment dated 1 September 1989 under Section 11 of the Water Act 1989 (now Section 6 of the Water Industry Act 1991) appointing the Guarantor as a water undertaker and sewerage undertaker for the areas described therein. 'Restructuring Event' refers to either:-

(a) any material rights, benefits or obligations of Wessex Water Services Limited under the Appointment or any material terms of the Appointment are modified; or

(b) any legislation is enacted removing, reducing or qualifying the duties or powers of the Secretary of State for the Environment and/or the Director General of Water Services.

The nominal value of ILG Bonds issued of GBP150,000,000 remained outstanding as at 30 June 2009, net of amortised fees and discount. The net proceeds of the ILG Bonds were used to fund the capital investment programme of Wessex Water Services Limited.

(J) 1.369% AND 1.374% INDEX LINKED GUARANTEED BONDS

On 31 January 2007, Wessex Water Services Finance Plc ('Issuer'), a subsidiary of the Group, issued GBP75,000,000 nominal value of 1.369% Index Linked Guaranteed Bonds and GBP75,000,000 nominal value of 1.374% Index Linked Guaranteed Bonds, both due 2057 ('ILG Bonds') unconditionally and irrevocably guaranteed by Wessex Water Services Limited ('Guarantor'), a subsidiary of the Group. The ILG Bonds were each constituted under a Trust Deed dated 31 January 2007 and are unsecured.

The principal features of the ILG Bonds are as follows:-

(i) The ILG Bonds bear interest semi-annually on 31 January and 31 July at an interest rate of 1.369% and 1.374% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2009 is 4.37% (2008: 5.65%).

(ii) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the Issuer, the ILG Bonds will be redeemed in full by the Issuer on 31 July 2057 at their indexed value together with all accrued interest on the surrender of the ILG Bonds.

(iii) The Issuer may, at any time, purchase the ILG Bonds in any manner and at any price. If purchases are made by tender, tenders must be available to all bondholders alike. All ILG Bonds purchased by the Issuer will forthwith be cancelled.

(iv) The Issuer, by giving the appropriate notice and in accordance with the conditions laid out in the offering circular, may purchase the ILG Bonds if there is a change in tax legislation or if it wishes to do so at a price determined by an agreed formula.

(v) The bondholders may put the ILG Bonds to the Issuer if:-

- Wessex Water Services Limited loses its Appointment;
- the Issuer ceases to be a subsidiary of Wessex Water Services Limited; or
- a Restructuring Event occurs which results in the ILG Bonds being downgraded below investment grade.

'Appointment' refers to the Instrument of Appointment dated 1 September 1989 under Section 11 of the Water Act 1989 (now Section 6 of the Water Industry Act 1991) appointing the Guarantor as a water undertaker and sewerage undertaker for the areas described therein. 'Restructuring Event' refers to either:-

(a) any material rights, benefits or obligations of Wessex Water Services Limited under the Appointment or any material terms of the Appointment are modified; or

(b) any legislation is enacted removing, reducing or qualifying the duties or powers of the Secretary of State for the Environment and/or the Director General of Water Services.

The nominal value of ILG Bonds issued of GBP150,000,000 remained outstanding as at 30 June 2009, net of amortised fees and discount. The net proceeds of the ILG Bonds were used to fund the capital investment programme of Wessex Water Services Limited.

(K) ZERO COUPON EXCHANGEABLE GUARANTEED BONDS DUE 2012

On 15 May 2007, YTL Corp Finance (Labuan) Limited ("YTLCF"), a subsidiary of the Group, issued USD300 million nominal value 5-year Exchangeable Guaranteed Bonds at 100% nominal value ('ZCEG Bonds') which were listed on the Singapore Exchange Securities Trading Limited and Labuan International Financial Exchange, Inc. on 16 May 2007. Each ZCEG Bond entitles its registered holder to exchange for fully paid ordinary shares ("Shares") of the Company, with a par value of RM0.50 each at an initial exchange price of RM10 per Share at a fixed exchange rate of USD1.00 = RM3.4130. The initial exchange price is also subject to adjustments in accordance with the terms and conditions of the ZCEG Bonds as set out in the Trust Deed dated 15 May 2007.

The net proceeds from the issue of the ZCEG Bonds will principally be used for on-lending to subsidiaries of the Company to finance their future investments and projects, both in Malaysia and offshore.

The principal features of the ZCEG Bonds which mature on 15 May 2012 ("Maturity Date") are as follows:-

(i) The ZCEG Bonds carry no coupon, have a maturity yield of 2.800% and have a put option at 108.70% on 15 May 2010.

(ii) The ZCEG Bonds which constitute direct, unsurbordinated, unconditional and (subject to the negative pledge) unsecured obligations of YTLCF shall at all times rank pari passu and without any preference or priority among themselves.

(iii) The ZCEG Bonds will be unconditionally and irrevocably guaranteed by the Company.

(iv) Final redemption

Unless previously purchased and cancelled, redeemed or exchanged, the ZCEG Bonds will be redeemed on 15 May 2012 at 114.92% of their principal amount.

(v) Mandatory exchange option of YTLCF or the Company

On or at any time after 15 May 2009 but not less than 21 days prior to the Maturity Date, either YTLCF or the Company may, in respect of all (but not some) of the outstanding ZCEG Bonds exercise an option to mandatorily exchange the ZCEG Bonds for Shares, provided that the volume weighted average price of the Shares into which each of 20 consecutive trading days ending on a date no earlier than five trading days prior to the date of notice of mandatory exchange was at least 120% of the exchange price of the ZCEG Bonds then in effect. YTLCF or the Company, as the case may be, has the option to settle the mandatory exchange in full or in part by the payment of cash.

(vi) Cash settlement options

YTLCF shall have the option to pay to the relevant bondholder an amount of cash in United States dollars equal to the cash settlement amount in order to satisfy the exchange rights in full or in part (in which case the other part shall be satisfied by the delivery of shares).

(vii) Redemption at the option of YTLCF

YTLCF may redeem the ZCEG Bonds, in whole but not in part, at their early redemption amount if less than 10% of the aggregate principal amount of the ZCEG Bonds originally issued is still outstanding.

(viii) Redemption by bondholders upon delisting of the shares of the Company or a change of control

The ZCEG Bonds may be redeemed at the option of bondholders at their early redemption amount at the relevant redemption date upon the Shares ceasing to be listed on Bursa Malaysia Securities Berhad or upon a change of control of the Company.

The Group had utilised USD209 million out of the nominal value of ZCEG Bonds amounting to USD300 million for the payment in relation to the acquisition of associated companies during the financial year.

(L) 1.489%, 1.495% AND 1.499% INDEX LINKED GUARANTEED BONDS

On 28 September 2007, Wessex Water Services Finance Plc ('Issuer'), a subsidiary of the Group, issued GBP50,000,000 nominal value of 1.489% Index Linked Guaranteed Bonds, GBP50,000,000 nominal value of 1.495% Index Linked Guaranteed Bonds and GBP50,000,000 nominal value of 1.499% Index Linked Guaranteed Bonds, all due 2058 ('ILG Bonds') unconditionally and irrevocably guaranteed by Wessex Water Services Limited ('Guarantor'), a subsidiary of the Group. The ILG Bonds were each constituted under a Trust Deed dated 28 September 2007 and are unsecured.

The principal features of the ILG Bonds are as follows:-

(i) The ILG Bonds bear interest semi-annually on 29 November and 29 May at an interest rate of 1.489%, 1.495% and 1.499% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2009 is 1.46% (2008: 5.26%).

(ii) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the Issuer, the ILG Bonds will be redeemed in full by the Issuer on 29 November 2058 at their indexed value together with all accrued interest on the surrender of the ILG Bonds.

(iii) The Issuer may, at any time, purchase the ILG Bonds in any manner and at any price. If purchases are made by tender, tenders must be available to all bondholders alike. All ILG Bonds purchased by the Issuer will forthwith be cancelled.

(iv) The Issuer, by giving the appropriate notice and in accordance with the conditions laid out in the offering circular, may purchase the ILG Bonds if there is a change in tax legislation or if it wishes to do so at a price determined by an agreed formula.

(v) The bondholders may put the ILG Bonds to the Issuer if:-

- Wessex Water Services Limited loses its Appointment;
- the Issuer ceases to be a subsidiary of Wessex Water Services Limited; or
- a Restructuring Event occurs which results in the ILG Bonds being downgraded below investment grade.

'Appointment' refers to the Instrument of Appointment dated 1 September 1989 under Section 11 of the Water Act 1989 (now Section 6 of the Water Industry Act 1991) appointing the Guarantor as a water undertaker and sewerage undertaker for the areas described therein. 'Restructuring Event' refers to either:-

(a) any material rights, benefits or obligations of Wessex Water Services Limited under the Appointment or any material terms of the Appointment are modified; or

(b) any legislation is enacted removing, reducing or qualifying the duties or powers of the Secretary of State for the Environment and/or the Director General of Water Services.

The nominal value of ILG Bonds issued of GBP150,000,000 remained outstanding as at 30 June 2009, net of amortised fees and discount. The net proceeds of the ILG Bonds were used to fund the capital investment programme of Wessex Water Services Limited.

(M) 3.00% REDEEMABLE NON GUARANTEED UNSECURED BONDS

On 18 April 2008, YTL Power International Berhad ("YTLPI"), a subsidiary of the Group, has issued RM2,200,000,000 nominal value of five year 3.00% Redeemable Non Guaranteed Unsecured Bonds 2008/2013 ("Bonds") with 1,776,371,304 detachable warrants. The Bonds were constituted under a Trust Deed dated 10 April 2008.

The principal features of the Bonds are as follows:-

(a) The Bonds are issued at discount (91.87%) of the nominal value.

(b) The Bonds bear interest at 3.0% per annum, payable semi-annually on 18 October and 18 April of each financial year.

(c) The Bonds are redeemable on 18 April 2013 ('Maturity Date') at one hundred percent (100%) of its nominal value.

(d) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the YTLPI, the Bonds will be redeemed in full by YTLPI on the Maturity Date at one hundred percent (100%) of its nominal value together with all accrued interest.

(N) 3.97% UNSECURED BONDS

On 30 September 2003, PowerSeraya Ltd., a subsidiary of the Group, issued SGD350 million 3.97% Unsecured Bonds at par for working capital and to fund major capital expenditure. The Bonds mature on 30 September 2010. Interest is payable semi-annually in arrears on the interest payment dates falling on 30 March and 30 September in each year.

The Bonds will constitute direct, unconditional, unsubordinated and unsecured obligations of PowerSeraya Ltd. and shall at all times rank pari passu and rateably without any preference or priority among themselves, and pari passu with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the PowerSeraya Ltd.

31. BORROWINGS

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Term loans [Note 31(A)]	**11,384,603**	3,670,664	**—**	—
Revolving credit [Note 31(B)]	**1,429,761**	1,379,388	**1,088,855**	1,088,855
Committed bank loans [Note 31(C)]	**415,090**	72,061	**—**	—
Uncommitted bank loans [Note 31(D)]	**31,593**	—	**—**	—
Commercial papers [Note 31(E)]	**550,000**	250,000	**250,000**	250,000
Irredeemable Convertible Unsecured Loan Stocks [Note 31(F)]	**8,262**	8,854	**—**	—
Bankers' acceptances [Note 31(G)]	**83,364**	54,820	**—**	—
Bank overdrafts [Note 31(H)]	**6,193**	54,820	**—**	—
Finance lease liabilities [Note 31(I)]	**461,082**	541,089	**294**	809
	14,369,948	6,031,696	**1,339,149**	1,339,664

The borrowings of the Group and the Company are repayable as follows:-

Group

	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Later than 5 years RM'000	Total RM'000
At 30 June 2009				
Term loans	789,192	8,390,784	2,204,627	11,384,603
Revolving credit	1,336,855	92,906	—	1,429,761
Committed bank loans	386,439	28,651	—	415,090
Uncommitted bank loans	31,593	—	—	31,593
Commercial papers	550,000	—	—	550,000
Irredeemable Convertible Unsecured Loan Stocks	—	—	8,262	8,262
Bankers' acceptances	83,364	—	—	83,364
Bank overdrafts	6,193	—	—	6,193
Finance lease liabilities	35,493	170,161	255,428	461,082
	3,219,129	8,682,502	2,468,317	14,369,948
At 30 June 2008				
Term loans	103,391	2,916,133	651,140	3,670,664
Revolving credit	1,325,788	53,600	—	1,379,388
Committed bank loans	37,719	34,342	—	72,061
Commercial papers	250,000	—	—	250,000
Irredeemable Convertible Unsecured Loan Stocks	—	—	8,854	8,854
Bankers' acceptances	54,820	—	—	54,820
Bank overdrafts	54,820	—	—	54,820
Finance lease liabilities	36,960	168,404	335,725	541,089
	1,863,498	3,172,479	995,719	6,031,696

Company

	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Later than 5 years RM'000	Total RM'000
At 30 June 2009				
Revolving credit	1,088,855	—	—	1,088,855
Commercial papers	250,000	—	—	250,000
Finance lease liabilities	229	65	—	294
	1,339,084	65	—	1,339,149

Company

	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Later than 5 years RM'000	Total RM'000
At 30 June 2008				
Revolving credit	1,088,855	—	—	1,088,855
Commercial papers	250,000	—	—	250,000
Finance lease liabilities	515	294	—	809
	1,339,370	294	—	1,339,664

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Represented by:-				
Current	**3,219,129**	1,863,498	**1,339,084**	1,339,370
Non-current	**11,150,819**	4,168,198	**65**	294
	14,369,948	6,031,696	**1,339,149**	1,339,664

The carrying amounts of borrowings of the Group and of the Company at the balance sheet date approximated their fair values.

The interest rates of the borrowings of the Group and the Company as at the balance sheet date are as follows:-

	Group		Company	
	2009 %	**2008 %**	**2009 %**	**2008 %**
Weighted average effective interest rate				
Term loans	**2.59**	4.44	—	—
Revolving credit	**2.75**	3.56	**2.84**	4.21
Committed bank loans	**3.19**	5.01	—	—
Uncommitted bank loans	**1.84**	—	—	—
Commercial papers	**3.70**	3.64	**4.34**	3.64
Irredeemable convertible unsecured loan stocks	**8.00**	8.00	—	—
Bankers' acceptances	**3.25**	3.90	—	—
Bank overdrafts	**7.81**	5.51	—	—
Finance lease liabilities	**5.13**	5.54	**5.38**	5.46

Group

2009 RM'000	2008 RM'000	Securities
6,411,705	4,656,154	– Clean
5,328,178	—	– A charge over the shares and assets of a subsidiary
246,161	297,093	– A fixed charge over the long term leasehold land of a subsidiary – A debenture to create fixed and floating charges over the present and future assets of a subsidiary – A first fixed charge over all Designated Accounts of a subsidiary
353,820	342,839	– Corporate guarantee by the Company – Personal guarantee by a subsidiary's directors
600,200	375,000	– Corporate guarantee by subsidiaries
180,000	180,000	– A first fixed charge over the investment properties of a subsidiary
33,600	100,800	– A first fixed and floating charge over the assets of a subsidiary
15,545	19,986	– A first party first fixed charge over the long term leasehold land and buildings of a subsidiary to be erected thereon – A debenture creating a first fixed and floating charge over a subsidiary's present and future assets – Corporate guarantee by the Company
1,182,182	41,933	– Corporate guarantee by the Company
18,496	17,891	– A fixed charge over the respective vehicles of the Group
61	—	– A pledge of fixed deposits
14,369,948	6,031,696	

Company

2009 RM'000	2008 RM'000	Securities
1,338,855	1,338,855	– Clean
294	809	– A fixed charge over the respective vehicles of the Company
1,339,149	1,339,664	

(A) Term loans

(i) Term loans denominated in Great Britain Pounds

The term loans of RM1,025,360,000 [GBP175,000,000] (2008: RM1,280,141,240 [GBP196,600,000]) are unsecured loans of Wessex Water Services Limited and are guaranteed by Wessex Water Limited, both are subsidiaries of the Group. The loans bear interest rates of LIBOR plus a different variable margin for each of the GBP75,000,000 and GBP100,000,000 loans respectively. GBP21,600,000 was repaid on 15 December 2008.

On 15 December 2008, a new term loan of RM820,288,000 [GBP140,000,000] was drawn by Wessex Water Services Limited. The loan is unsecured and is guaranteed by Wessex Water Limited. The loan bears an interest rate of LIBOR plus 0.18%.

(ii) Term loans denominated in US Dollars

The term loan of RM598,303,929 [USD169,852,073] (2008: RM553,890,664 [USD169,567,018]) of YTL Power International Berhad, a subsidiary of the Company, is unsecured, bears floating interest rates ranging between 0.3075% and 3.7088% (2008: 2.37875% and 5.5075%) per annum and is repayable in full on 29 January 2010.

The term loan of 2008: RM668,271,088 [USD189,715,000] (2008: RM618,773,095 [USD189,430,000]) is an unsecured loan of YTL Utilities Finance 2 Limited and is guaranteed by YTL Power International Berhad, both are subsidiaries of the Group. The loan bears floating interest rates ranging between 0.3075% and 3.70875% (2008: 2.37875% and 5.5075%) per annum and is repayable in full on 29 January 2011.

(iii) Term loans denominated in Ringgit Malaysia

Save for the term loans of certain subsidiaries amounting to RM475,305,621 (2008: RM597,878,940) which are secured by first fixed charge over the properties of the respective subsidiaries, the term loans are unsecured.

(iv) Term loans denominated in Singapore Dollars

Term loan of RM5,328,178,433 [SGD2,192,485,570] is a secured loan of YTL PowerSeraya Pte. Limited, a subsidiary of the Group. The borrowings bear interest rate of 2.50% (margin rate) per annum plus swap rate per annum and is repayable in full on 6 March 2012. The borrowings are secured by a charge over the shares and assets of YTL PowerSeraya Pte. Limited.

On 23 September 2008, a term loans of RM1,119,318,000 [SGD460 million] was drawn down by YTL Corp Finance (Cayman) Limited, a subsidiary of the Company. The term loan bears floating interest rates ranging between 1.58742% and 3.00% per annum and matures on 18 September 2011. This facility is guaranteed by the Company.

As at 30 June 2009, PowerSeraya Limited, a subsidiary of the Group had drawn down RM607,550,000 [SGD250,000,000] unsecured term loan facility which matures on 28 August 2014. Interest on the term loan is payable semi-annually in arrears on the interest payment dates falling on 28 February and 28 August in each year. The variable rate borrowings are currently repriced every six months with reference to the swap offer rate. The term loan is unsecured.

Term loans of the subsidiaries, Lakefront Pte. Ltd. and Sandy Island Pte. Ltd. ("Lakefront and Sandy Island"), amounting to RM128,486,169 [SGD52,870,615] and RM225,334,134 [SGD92,722,465] (2008: RM120,351,273 [SGD50,156,813] and RM222,487,555 [SGD92,772,465]) bears an average interest rates of 1.90% and 2.01% (2008: 2.09% and 2.42%) per annum respectively and mature in March 2012 and June 2010 respectively. These facilities are guaranteed by the Company and two directors of Lakefront and Sandy Island.

(B) Revolving credit

The revolving credit facility of the Group is unsecured.

As at 30 June 2009, PowerSeraya Limited had drawn down RM72,906,000 [SGD30,000,000] revolving facility which matures on 28 August 2012. PowerSeraya Limited has the discretion and the intention to roll over the RM72,906,000 [SGD30,000,000] revolving credit facility on the repayment date on 23 July 2009, and accordingly the revolving credit is classified as non-current.

(C) Committed bank loans

Committed bank loans of the Group amounted to RM63,537,950 [EUR12,853,552] (2008: RM72,061,410 [EUR13,961,197]). Of this balance, RM32,889,981 [EUR6,653,552] (2008: RM38,769,415 [EUR7,511,197]) is guaranteed by Wessex Water Limited, a subsidiary of the Group. The loan bears an interest rate of EURIBOR plus 0.60% and varies depending on the credit rating of Wessex Water Limited. The remaining balance of RM30,470,462 [EUR6,200,000] (2008: RM33,291,995 [EUR6,450,000]) is a direct obligation of Wessex Water Limited and bears an interest rate of EURIBOR plus 0.50%.

In addition, committed bank loans of RM351,552,000 (GBP60,000,000) were drawn by Wessex Water Services Limited, a subsidiary of the Group. The loans represent drawings under revolving credit facilities totalling GBP150,000,000 which mature on 3 June 2010. The loans bear an interest rate between LIBOR plus 0.30% and LIBOR plus 0.35%.

(D) Uncommitted bank loans

PowerSeraya Limited, a subsidiary of the Group, drawn down RM31,592,600 [SGD13,000,000] on its short term bank facilities. This short term bank borrowings which is unsecured, at an interest rate of 1.73% per annum will mature on 11 November 2009.

(E) Commercial Papers ("CP")

The CP of the Company were constituted under the Trust Deed dated 18 June 2004 and expires on 20 October 2012.

During the financial year, the Company has issued and repaid RM250 million of the CP which bears upfront interest rates ranging from 3.623% to 4.335% per annum and tenure period ranging from six to twelve months.

The CP of a subsidiary, YTL Power International Berhad ("YTLPI"), were issued pursuant to a Commercial Paper and/or Medium Term Notes issuance programme of up to RM2.0 billion ("CP/MTN Programme") constituted by a Trust Deed and CP/MTN Programme Agreement, both dated 24 May 2007.

During the financial year, YTLPI has issued and repaid RM900,000,000 and RM600,000,000 respectively of the CP which bears interest rates ranging from 2.344% to 3.968% per annum.

(F) Irredeemable convertible unsecured loan stocks

On 10 November 2005, YTL Cement Berhad ("YTL Cement"), a subsidiary of the Group issued 483,246,858 10 years 4% stepping up to 6% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") at a nominal value of RM1.00 each, maturing 10 November 2015 ("Maturity Date").

The main features of the ICULS are as follows:-

(i) The ICULS bear interest of 4% per annum from date of issue up to fourth anniversary and 5% per annum from the date after the fourth anniversary up to the seventh anniversary. Thereafter, the ICULS bear interest at 6% per annum up to the Maturity Date. The interest is payable semi-annually in arrears.

(ii) The ICULS are convertible at any time on or after its issuance date into new ordinary shares of YTL Cement at the conversion price, which is fixed on a step-down basis, as follows:-

- For conversion at any time from the date of issue up to the fourth anniversary, conversion price is RM2.72
- For conversion at any time after fourth anniversary of issue up to the seventh anniversary, conversion price is RM2.04
- For conversion at any time after seventh anniversary of issue up to the Maturity Date, conversion price is RM1.82

(iii) The ICULS are not redeemable and any ICULS remaining immediately after the Maturity Date shall be automatically converted into ordinary shares at the conversion price.

(iv) The new ordinary shares issued from the conversion of ICULS will be deemed fully paid-up and rank pari passu in all respects with all existing ordinary shares of YTL Cement.

The fair values of the liability component and the equity conversion component were determined at issuance of the ICULS.

A certain amount of the ICULS are held by the Company (refer Note 15(a) of the Financial Statements) and other companies within the Group. The relevant amounts have been eliminated in the Balance Sheet of the Group.

(G) Bankers' acceptances

Included in the bankers' acceptances is RM80,950,902 (2008: RM40,806,338) of secured loan of a subsidiary of the Group. Bankers' acceptances bore interest as at the balance sheet date ranging from 2.25% to 4.55% (2008: 3.79% to 4.55%) per annum.

(H) Bank overdrafts

Included in the bank overdrafts is RM6,193,385 (2008: RM1,296,792) of secured loans of subsidiaries of the Group. These secured loans are repayable in full on demand and bore interest as at the balance sheet date ranging from 6.30% to 8.25% (2008: 7.50% to 8.25%) per annum.

In the previous financial year, included in the bank overdrafts were RM47,843,397 [GBP7,347,636] of unsecured loans for Wessex Water Services Limited, Wessex Water Limited and SC Technology Nederlands BV, subsidiaries of the Group. The overdrafts were repayable in full on demand and bore interest of Base Rate plus 1%.

(I) Finance lease liabilities

	Group		Company	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Minimum lease payments:-				
Payable not later than 1 year	**58,041**	60,663	**236**	541
Payable later than 1 year and not later than 5 years	**242,378**	260,557	**66**	302
Payable later than 5 years	**289,682**	392,652	**—**	—
	590,101	713,872	**302**	843
Less: Financing charges	**(129,019)**	(172,783)	**(8)**	(34)
Present value of finance lease liabilities	**461,082**	541,089	**294**	809

Finance lease of RM442,586,074 [GBP75,536,946] (2008: RM523,198,966 [GBP80,351,225]) is an unsecured obligation of Wessex Water Services Limited, a subsidiary of the Group. The principal amount is repayable in instalments until 30 June 2019. This finance lease bears an interest rate of LIBOR minus 0.48% derived from the annual lease rental payable.

32. DEFERRED INCOME

	Group	
	2009 RM'000	2008 RM'000
At beginning of the financial year	**133,917**	147,363
Acquisition of subsidiary	**69,149**	—
Currency translation differences	**(12,521)**	(8,534)
Amortisation of grant (Note 7)	**(5,376)**	(5,997)
Received during the financial year	**13,088**	1,085
At end of the financial year	**198,257**	133,917

Deferred income represents government grants in foreign subsidiaries in respect of specific qualifying expenditure on non-infrastructure assets and Cogeneration Plant.

33. DEFERRED TAX LIABILITIES

	Group	
	2009 RM'000	2008 RM'000
At beginning of the financial year	**2,280,857**	2,343,433
Charged to Income Statement (Note 8)	**585,880**	48,512
Currency translation differences	**(157,054)**	(110,963)
Acquisition of subsidiary	**218,054**	(125)
Recognition of investment allowances	**(11,030)**	—
At end of the financial year	**2,916,707**	2,280,857

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off income tax assets against income tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts determined after appropriate offsetting are shown in the Balance Sheet:-

	Group	
	2009 RM'000	**2008 RM'000**
Deferred tax provided are in respect of:-		
Deferred tax assets		
Unutilised capital allowances	**(71,821)**	(109,616)
Unutilised investment tax allowances	**(126,772)**	(86,770)
Retirement benefits	**(69,011)**	(86,402)
Unabsorbed tax losses	**(31,222)**	(33,809)
Provisions	**(48,391)**	—
Others	**(7,159)**	(13,034)
	(354,376)	(329,631)
Deferred tax liabilities		
Property, plant & equipment		
– capital allowances in excess of depreciation	**3,195,365**	2,535,937
Revaluation surplus arising from freehold land	**48,681**	56,176
Other temporary differences	**27,037**	18,375
	2,916,707	2,280,857

Deferred tax assets have not been recognised in respect of the following items:-

	Group	
	2009 RM'000	**2008 RM'000**
Unabsorbed tax losses	**70,348**	57,620
Unutilised capital allowances	**36,306**	29,569
Deductible temporary differences	**93**	4
Taxable temporary differences		
– property, plant & equipment	**(9,902)**	(11,095)
	96,845	76,098
Potential tax benefits calculated at 25% (2008: 25%) tax rate	**24,211**	19,025

The unabsorbed tax losses and unutilised capital allowances are subject to agreement with the Inland Revenue Board.

34. POST-EMPLOYMENT BENEFIT OBLIGATIONS

(a) Defined contribution plan – current

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Malaysia	**2,926**	3,365	**162**	138

Group companies incorporated in Malaysia contribute to the Employees Provident Fund, the national defined contribution plan. Once the contributions have been paid, the Group has no further payment obligations.

(b) Defined benefit plans – non-current

	Group	
	2009 RM'000	2008 RM'000
Overseas		
– United Kingdom	**248,782**	311,763
– Indonesia	**4,363**	3,590
	253,145	315,353

Overseas

(i) **United Kingdom**

The Group operates final salary defined benefit plans for its employees in the United Kingdom, the assets of which are held in separate trustee-administered funds. The latest actuarial valuation of the plan was undertaken at 31 December 2007. This valuation was updated as at 30 June 2009 using revised assumptions.

The movements during the financial year in the amounts recognised in the Balance Sheet are as follows:-

	Group	
	2009 RM'000	2008 RM'000
At beginning of the financial year	**311,763**	379,791
Pension cost	**70,140**	37,287
Contributions and benefits paid	**(100,844)**	(84,075)
Currency translation differences	**(32,277)**	(21,240)
At end of the financial year	**248,782**	311,763

The amounts recognised in the Balance Sheet may be analysed as follows:-

	Group	
	2009 RM'000	2008 RM'000
Present value of funded obligations	**1,902,248**	2,342,017
Fair value of plan assets	**(1,627,100)**	(1,921,514)
Status of funded plan	**275,148**	420,503
Unrecognised actuarial loss	**(26,366)**	(108,740)
Liability in the Balance Sheet	**248,782**	311,763

The pension cost recognised may be analysed as follows:-

	Group	
	2009 RM'000	2008 RM'000
Current service cost	**49,857**	46,611
Interest cost	**135,970**	128,515
Expected return on plan assets	**(115,574)**	(143,164)
Past service cost	**(113)**	5,325
Total	**70,140**	37,287
Actual return on plan assets	**(323,874)**	(85,647)
The charge to the Income Statement was included in the following line items:-		
Cost of sales	**26,312**	27,527
Administration expenses	**12,464**	12,984
Interest cost/(income)	**20,396**	(14,650)
Total charge to Income Statement	**59,172**	25,861
Capitalised spread across property, plant & equipment	**10,968**	11,426
	70,140	37,287

The principal actuarial assumptions used in respect of the defined benefit plans were as follows:-

	Group	
	2009 %	2008 %
Discount rate	**6.45**	6.70
Expected rate of increase in pension payment	**2.10 – 2.90**	2.50 – 3.90
Expected rate of salary increases	**4.00**	5.40
Price inflation	**3.00**	3.90

(ii) Indonesia

Summary of obligations relating to employee benefits due under prevailing law and regulations as well as under the Indonesian subsidiary's regulations are as presented below:-

	Group	
	2009 RM'000	2008 RM'000
Obligation relating to post-employment benefits	**2,883**	2,473
Obligation relating to other long term employee benefits	**1,480**	1,117
Total	**4,363**	3,590

The Group has a defined contribution pension fund program for its permanent national employees. The Group's contribution is 6% of employee basic salary, while the employees' contributions range from 3% to 14%. The obligations for post employment and other long term employee benefits were recognised with reference to actuarial reports prepared by an independent actuary. The latest actuarial report was dated 30 June 2009.

Post employment benefits obligation

The obligations relating to post-employment benefits recognised in the Balance Sheet are as follows:-

	Group	
	2009 RM'000	2008 RM'000
Present value of obligations	**3,871**	3,057
Unrecognised actuarial loss	**(555)**	(98)
Unrecognised past service cost	**(433)**	(486)
Liability in the Balance Sheet	**2,883**	2,473

The movements during the financial year in the amounts recognised in the Consolidated Balance Sheet are as follows:-

	Group	
	2009 RM'000	2008 RM'000
At beginning of the financial year	2,473	1,926
Pension cost	501	918
Contributions and benefits paid	(5)	(196)
Currency translation differences	(86)	(175)
At end of the financial year	2,883	2,473

The pension cost recognised can be analysed as follows:-

	Group	
	2009 RM'000	2008 RM'000
Current service cost	385	501
Interest cost	389	325
Past service cost	(273)	92
Total	501	918

Other long term employee benefits obligation

The obligations relating to other long term employee benefits (i.e. long leave service benefits) recognised in the Consolidated Balance Sheet are as follows:-

	Group	
	2009 RM'000	2008 RM'000
Present value of obligations	1,480	1,117

The movements during the financial year in the amount recognised in the Consolidated Balance Sheet are as follows:-

	Group	
	2009 RM'000	2008 RM'000
At beginning of the financial year	1,117	1,136
Pension cost	431	155
Contributions and benefits paid	(29)	(77)
Currency translation differences	(39)	(97)
At end of the financial year	1,480	1,117

The amounts relating to other long term employee benefits obligation recognised in the Consolidated Income Statement are as follows:-

	Group	
	2009 RM'000	2008 RM'000
Current service cost	147	55
Interest cost	284	100
Total	431	155

All of the charges above were included in the cost of sales.

The principal actuarial assumptions used are as follows:-

	Group	
	2009 %	2008 %
Discount rate	12.0	13.5
Expected rate of return on plan assets	8.0	8.0
Expected rate of salary increase	9.0	9.0

35. TRADE & OTHER PAYABLES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Trade payables	1,229,515	372,218	—	—
Progress billings in respect of property development costs	5,674	13,093	—	—
Amount due to contract customers (Note 24)	77,024	80,430	—	—
Other payables	730,317	551,134	3,709	6,180
Accruals	662,720	797,815	2,970	2,247
	2,705,250	1,814,690	6,679	8,427

The credit terms of trade payables granted to the Group vary from 7 days to 180 days (2008: 7 days to 180 days). Other credit terms are assessed and approved on a case-by-case basis.

36. PROVISION FOR LIABILITIES & CHARGES

	Group	
	2009 RM'000	2008 RM'000
Restructuring (Note a)	39,119	20,547
Damages claims (Note b)	10,633	5,953
	49,752	26,500
Movement in provision is as follows:		
At beginning of the financial year	26,500	34,287
Currency translation differences	(1,775)	(1,511)
Charged/(Credited) to Income Statement (Note 7)	9,981	(34)
Payments	(4,152)	(6,242)
Acquisition of subsidiaries	19,198	—
At end of the financial year	49,752	26,500

(a) Restructuring

The provision for restructuring relates to the scaling down of operations of certain subsidiaries of the Group.

(b) Damages claims

The provision of damages claims relate to projects undertaken by a subsidiary and are recognised for expected damages claims based on the term of the applicable sale and purchase agreements.

37. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Staff costs (excluding Directors' remuneration)	496,779	534,504	7,459	6,987
Included in staff costs are:-				
Defined contribution plan	19,434	15,242	743	634
Defined benefit plan	39,708	41,584	—	—
Share based payments	1,715	6,117	65	602

38. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

Fair values of financial derivative instruments are the present value of their future cash flows and are arrived at based on valuations carried out by the Group's bankers. The contract notional principal amounts of the financial derivative instruments and the corresponding fair value adjustments are analysed as follows:

(a) Fuel oil swaps

The Group entered into fuel oil swaps to hedge highly probable forecast physical fuel oil and natural gas purchases that are expected to occur at various dates in the future. The fuel oil swaps have maturity dates that match the expected occurrence of these transactions.

As at 30 June 2009, the Group's outstanding fuel oil swaps are as follows:

		Notional Amount Maturities				
Type of Contract	Outstanding Quantity In Metric Ton	Within 1 year RM'000	1 year or more RM'000	Total RM'000	Fair Value RM'000	Maturity date
"Buy" fuel oil swaps	473,400	503,691	52,998	556,689	699,661	31 Jul 2009 to 30 Jun 2011
"Sell" fuel oil swaps	75,000	88,874	—	88,874	109,765	31 Jul 2009 to 30 Sep 2009

(b) Currency forwards

The Group entered into currency forwards to hedge highly probable forecast transactions denominated in foreign currency expected to occur in the future. The currency forwards have maturity dates that match the expected occurrence of these transactions.

As at 30 June 2009, the Group's outstanding currency forwards are as follows:

			Notional Amount Maturities				
Nature of Forecast transactions	Foreign Currency	Foreign Currency Amount '000	Within 1 year RM'000	1 year or more RM'000	Total RM'000	Fair value RM'000	Maturity date
Fuel oil and natural gas	Buy USD	129,295	430,467	34,743	465,210	455,322	1 Jul 2009 to 1 Jun 2011
Capital Projects	Buy USD	31,489	110,180	80	110,260	110,746	1 Jul 2009 to 1 Jul 2010
Capital Projects	Buy EURO	64,795	291,726	21,547	313,273	320,868	1 Jul 2009 to 2 Aug 2010
Capital Projects	Buy JPY	250,681	9,741	—	9,741	9,231	1 Jul 2009 to 4 Jan 2010
Capital Projects	Buy CHF	53,770	174	—	174	174	17 Jul 2009

(c) **Interest rate swaps**

Interest rate swaps are entered to hedge floating semi-annual interest payments on borrowings with final repayment date 27 August 2014. Since the borrowings are obtained specifically for the construction of plant, property & equipment, the interest on these borrowings are capitalised.

The interest rate swap as at 30 June 2009 is as follows:

Interest rate swap	Weighted average rate per annum	Notional Amount RM'000	Fair value RM'000	Effective Period
Plain Vanilla	2.89%	607,550	595,571	28 February 2008 to 28 August 2014

39. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) **Related party transactions**

i) In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions.

			Group	
Entity	**Relationship**	**Type of transactions**	**2009 RM'000**	**2008 RM'000**
Business & Budget Hotels (Kuantan) Sdn. Bhd.	Associated company	Management & data processing fees	**1,003**	1,118
		Charges for broadband internet access	**140**	—
Commercial Central Sdn. Bhd.	Subsidiary of holding company	Rental of premises & related expenses	**2,207**	2,223
Corporate Promotions Sdn. Bhd.	Subsidiary of holding company	Advertising & promotion	**3,041**	4,098
East-West Ventures Sdn. Bhd.	Associated company	Hotel & accommodations expenses	**619**	245
		Telecommunication services	**285**	306
		Food & beverages	**1,278**	728
Express Rail Link Sdn. Bhd.	Associated company	Civil engineering & construction works	**16,005**	15,607
		Sale of computer equipment & services	**2,495**	3,379
		Charges for media rights	**1,283**	1,250
Oriental Place Sdn. Bhd.	Subsidiary of holding company	Rental of premises	**2,034**	—
SMC Mix Sdn. Bhd.	Associated company	Sale of building materials	**—**	1,274

Entity	Relationship	Type of transactions	Group 2009 RM'000	Group 2008 RM'000
Superb Aggregates Sdn. Bhd.	Associated company	Purchase of building materials	**1,328**	6,939
Surin Bay Co. Ltd.	Associated company	Management fees	**416**	395
Syarikat Pelanchongan Pangkor Laut Sdn. Bhd.	Subsidiary of holding company	Hotel & accommodations expenses	**1,424**	1,193
		Charges for flight services	**471**	247
		Purchase of air ticket	**190**	151
		Management & data processing fees	**1,663**	1,519

ii) The following significant transactions which have been transacted with close family members of key management personnel and an entity controlled by key management personnel and close family members are as follows:-

	Group 2009 RM'000	Group 2008 RM'000
Rental of land	**720**	720
Progress billings related to purchase property	**748**	—

The Directors are of the opinion that these transactions are conducted in the normal course of business and are under terms that are not less favourable than those arranged with third parties.

(b) Key management personnel compensation

Key management personnel compensation during the financial year was as follows:-

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Salaries and other short-term employee benefits	**18,596**	23,897	**320**	335
Post-employment benefits				
– defined contribution plan	**2,101**	2,774	**—**	—
Share option expenses	**1,346**	11,229	**—**	9,826
	22,043	37,900	**320**	10,161

The above is in respect of the total compensation of Directors of the Group and of the Company.

(c) Financial year end balances arising from progress billings related to sale of property

	Group 2009 RM'000	Group 2008 RM'000
Receivable from		
– close family members of key management personnel	**649**	—

40. CONTINGENT LIABILITIES – UNSECURED

(a) As at the end of the financial year, the Company had issued corporate guarantees amounting to RM2,977,571,000 (2008: RM1,690,486,000) to financial institutions for facilities granted to its subsidiaries as follows:-

	Total Amount Guaranteed 2009 RM'000	Total Amount Guaranteed 2008 RM'000
Block discounting/finance lease	—	17,000
Bank overdrafts	**20,200**	20,200
Letters of credit/trust receipts/bankers' acceptances/shipping guarantees/ bank guarantees	**260,893**	229,300
Revolving credit/term loans	**1,639,728**	444,036
Zero Coupon Exchangeable Guaranteed Bonds Due 2012	**1,056,750**	979,950
	2,977,571	1,690,486

	Amount Utilised 2009 RM'000	Amount Utilised 2008 RM'000
Block discounting/finance lease	—	117
Bank overdrafts	**987**	888
Letters of credit/trust receipts/bankers' acceptances/shipping guarantees/ bank guarantees	**115,275**	80,127
Revolving credit/term loans	**1,528,479**	412,527
Zero Coupon Exchangeable Guaranteed Bonds Due 2012	**1,056,750**	979,950
	2,701,491	1,473,609

(b) In YTL Power International Berhad, there is a joint and several shareholders' contingent support with Siemens Financial Services to invest up to a further equity amounting to RM41,072,350 (2008: RM38,087,390) in PT Jawa Power, an associate of the Group.

41. COMMITMENTS AND OPERATING LEASE ARRANGEMENTS

	Group	
	2009 RM'000	**2008 RM'000**
(a) Capital commitments:-		
Authorised and contracted for	**1,953,348**	1,924,039
Authorised but not contracted for	**380,473**	101,207

(b) Operating lease arrangements:-

(i) The Group as lessee

The future minimum lease payments under non-cancellable operating leases contracted for as at the balance sheet date but not recognised as liabilities are analysed as follows:-

	Group	
	2009 RM'000	**2008 RM'000**
Not later than 1 year	**14,571**	9,138
Later than 1 year and not later than 5 years	**27,499**	27,466
Later than 5 years	**82,326**	87,274
	124,396	123,878

(ii) The Group as lessor

The future minimum lease payments receivable under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are analysed as follows:-

	Group	
	2009 RM'000	**2008 RM'000**
Not later than 1 year	**43,451**	42,075
Later than 1 year and not later than 5 years	**22,334**	33,650
	65,785	75,725

42. SEGMENTAL INFORMATION

The Group is organised into seven main business segments:-

(i) Construction
(ii) Information technology & e-commerce related business
(iii) Hotel & restaurant operations
(iv) Cement manufacturing & trading
(v) Management services & others
(vi) Property investment & development
(vii) Utilities

(a) Primary reporting business segments

	Construction RM'000	Information technology & e-commerce related business RM'000	Hotel & restaurant operations RM'000	Cement manufacturing & trading RM'000	Management services & others RM'000	Property investment & development RM'000	Utilities RM'000	Total RM'000
2009								
Revenue	242,366	25,190	174,003	2,061,567	251,528	223,674	5,913,797	8,892,125
Results								
Profit from operations	15,061	6,261	6,465	442,064	126,505	70,525	1,858,654	2,525,535
Fair value gain on investment properties	—	—	—	—	—	274,360	—	274,360
Finance costs								(1,038,808)
Share of results of associated companies	—	—	(6,390)	12	(1,185)	309,189	225,484	527,110
Profit before tax								2,288,197
Income tax expense								(886,582)
Profit for the financial year								1,401,615
Other information								
Segment assets	579,687	164,412	368,864	3,166,141	10,058,159	4,388,656	21,733,988	40,459,907
Unallocated assets								4,953,925
Total assets								45,413,832
Segment liabilities	(137,002)	(9,297)	(37,706)	(384,610)	(309,079)	(49,725)	(1,890,892)	(2,818,311)
Unallocated liabilities								(32,195,137)
Total liabilities								(35,013,448)
Other segment information								
Capital expenditure	12,494	20,711	15,617	89,988	7,862	1,121,385	1,258,390	2,526,447
Depreciation & amortisation	4,983	3,020	7,430	115,690	6,885	2,657	608,620	749,285

	Construction RM'000	Information technology & e-commerce related business RM'000	Hotel & restaurant operations RM'000	Cement manufacturing & trading RM'000	Management services & others RM'000	Property investment & development RM'000	Utilities RM'000	Total (Restated) RM'000
2008								
Revenue	223,368	25,113	173,102	1,586,544	382,309	222,281	3,937,143	6,549,860
Results								
Profit from operations	26,138	7,455	9,854	361,696	139,297	84,659	1,911,100	2,540,199
Finance costs								(925,648)
Share of results of associated companies	—	—	(80)	28	5,411	43	209,889	215,291
Profit before tax								1,829,842
Income tax expense								(453,355)
Profit for the financial year								1,376,487
Other information								
Segment assets	562,035	189,728	433,165	2,860,034	10,123,290	3,000,878	19,143,253	36,312,383
Unallocated assets								2,146,178
Total assets								38,458,561
Segment liabilities	(129,122)	(8,382)	(63,889)	(336,596)	(195,427)	(89,283)	(978,237)	(1,800,936)
Unallocated liabilities								(25,011,788)
Total liabilities								(26,812,724)
Other segment information								
Capital expenditure	63,256	5,025	87,182	101,066	180,590	31,006	1,645,563	2,113,688
Depreciation & amortisation	4,741	2,245	4,435	103,588	8,273	1,356	599,480	724,118

(b) Secondary reporting format – geographical segments

Although the Group's business segments are managed on a worldwide basis, they operate in three main geographical areas:-

(i) Malaysia
- Construction
- Information technology & e-commerce related business
- Hotel & restaurant operations
- Cement manufacturing & trading
- Management services & others
- Property investment & development
- Utilities

(ii) United Kingdom
- Utilities

(iii) Singapore
- Utilities
- Cement trading

	Revenue		Total assets		Capital expenditure	
	2009 RM'000	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**	**2009 RM'000**	**2008 RM'000**
Malaysia	**3,212,889**	3,323,663	**7,188,379**	14,161,690	**118,827**	417,097
United Kingdom	**2,510,688**	2,785,882	**15,935,657**	18,581,597	**980,989**	1,583,806
Singapore	**2,707,646**	90,183	**14,339,889**	655,992	**1,112,968**	31,612
Other countries	**460,902**	350,132	**7,949,907**	5,059,282	**313,663**	81,173
	8,892,125	6,549,860	**45,413,832**	38,458,561	**2,526,447**	2,113,688

44. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group and Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

(a) Estimated impairment of property, plant & equipment

Determining whether the property, plant & equipment are impaired requires an estimation of value in use of the property, plant & equipment. The value in use calculation requires the management to estimate the future cash flows and an appropriate discount rate in order to calculate the present value of future cash flows. The management has evaluated such estimates and is confident that no allowance for impairment is necessary.

(b) Estimated useful life of property, plant & equipment

The residual value and the useful life of the property, plant & equipment are reviewed at each financial year end. The review is based on factors such as business plans and strategies, expected level of usage and future regulatory changes. The estimation of the residual values and useful life involve significant judgment.

(c) Classification of investment properties

The Group has developed certain criteria based on FRS 140 in making judgment whether a property qualifies as an investment property. The Group's investment properties consist of freehold land & buildings and leasehold land & buildings that are held to earn rentals or for capital appreciation.

(d) Estimated impairment of goodwill

The Group tests goodwill for impairment annually, in accordance with its accounting policy. The recoverable amounts of cash-generating units have been determined based on either value-in-use or fair value less costs to sell calculations.

(e) Property development

The Group recognises property development revenue and expenses in the Income Statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgment is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgment, the Group evaluates based on past experience and by relying on the work of specialists.

(f) Construction contracts

The Group uses the percentage-of-completion method in accounting for its contract revenue where it is probable that contract costs are recoverable. The stage of completion is measured by reference to the proportion of contract costs incurred to date to the estimated total costs for the contract.

Significant judgment is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue and contract costs, as well as the recoverability of the contracts. Total contract revenue also includes an estimation of the variation works and claims that are recoverable from the customers. In making the judgment, the Group has relied on past experience and the work of specialists.

(g) Allowance for doubtful debts

The Group assesses at each balance sheet date whether there is objective evidence that trade receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such provisions are adjusted periodically to reflect the actual and anticipated impairment.

(h) Income tax expense

(i) Income taxes

The Group is subject to income tax in numerous jurisdictions. Judgment is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax matters based on estimates of whether additional taxes will be due. If the final outcome of these tax matters result in a difference in the amounts initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made.

(ii) Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. This involves judgment regarding future financial performance of a particular entity in which the deferred tax asset has been recognised.

(i) Share based payments

Equity-settled share based payments are measured at fair value at the grant date. The Group revises the estimated number of performance shares that participants are expected to receive based on non-market vesting conditions at each balance sheet date. The assumptions of the valuation model used to determine fair value are set out in Note 27(c) of the Financial Statements.

(j) Contingent liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and experts internal and external to the Group for matters in the ordinary course of business. Please refer to Note 40 of the Financial Statements for details.

(k) Estimated lower of cost and net realisable value for fuel oil inventory

The Group's management is of the view that the reasonable net realisable value benchmark for the fuel oil inventory should be determined against the electricity prices derived from the generation of electricity by the fuel oil inventory. As at the balance sheet date, the net realisable value test has in part been determined based on the estimated price of generated electricity that will be achieved over the period in which the inventory will be utilised. The price that will eventually be achieved will be subject to market conditions subsequent to the balance sheet date.

(l) Estimated pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximately the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 34 to the Financial Statements.

45. RESTATEMENT OF COMPARATIVES

Certain comparative figures have been reclassified to conform with current financial year's presentation.

	As previously reported RM'000	Reclassification RM'000	As re-presented RM'000
Consolidated Balance Sheet			
Property, plant & equipment	17,294,939	789	17,295,728
Intangible assets	1,130,813	(789)	1,130,024
Trade & other receivables	—	2,208,060	2,208,060
Trade receivables	1,210,302	(1,210,302)	—
Accrued billings in respect of property development costs	20,199	(20,199)	—
Amount due from contract customers	53,716	(53,716)	—
Other receivables, deposits & prepayments	923,843	(923,843)	—
Amount due from related parties	—	29,280	29,280
Amount due from holding company	98	(98)	—
Amount due from related companies	20,445	(20,445)	—
Amount due from associated companies	8,737	(8,737)	—
Trade & other payables	—	1,814,690	1,814,690
Amount due to contract customers	80,430	(80,430)	—
Trade payables	372,218	(372,218)	—
Progress billings in respect of property development costs	13,093	(13,093)	—
Other payables & accruals	1,344,376	(1,344,376)	—
Provision for liabilities & charges	31,073	(4,573)	26,500
Amount due to related parties	—	4,696	4,696
Amount due to related companies	4,696	(4,696)	—
Balance Sheet			
Trade & other receivables	—	20,073	20,073
Other receivables, deposits & prepayments	20,073	(20,073)	—
Amount due from related parties	—	942,332	942,332
Amount due from subsidiaries	940,201	(940,201)	—
Amount due from related companies	1,755	(1,755)	—
Amount due from associated companies	376	(376)	—
Trade & other payables	—	8,427	8,427
Other payables & accruals	8,427	(8,427)	—
Amount due to related parties	—	797,428	797,428
Amount due to subsidiaries	797,374	(797,374)	—
Amount due to related companies	54	(54)	—

46. THE NEW OR REVISED FINANCIAL REPORTING STANDARDS

At the date of authorisation of these financial statements, the following new or revised Financial Reporting Standards ("FRS"), amendments to FRS and IC Interpretations ("IC Int") have been issued but are not yet effective and have not been adopted by the Group and the Company:-

	Effective for financial periods beginning on or after
FRS 8 – Operating Segments	1 Jul 2009
FRS 4 – Insurance Contracts	1 Jan 2010
FRS 7 – Financial Instruments – Disclosures	1 Jan 2010
FRS 101 – Presentation of Financial Statements (as revised in 2009)	1 Jan 2010
FRS 123 – Borrowing Costs	1 Jan 2010
FRS 139 – Financial Instruments: Recognition and Measurement	1 Jan 2010
Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 Jan 2010
Amendment to FRS 2 Share-based Payment – Vesting Conditions and Cancellations	1 Jan 2010
Amendment to FRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 Jan 2010
Amendment to FRS 8 Operating Segments	1 Jan 2010
Amendment to FRS 107 Cash Flow Statements	1 Jan 2010
Amendment to FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 Jan 2010
Amendment to FRS 110 Events After the Balance Sheet Date	1 Jan 2010
Amendment to FRS 116 Property, Plant and Equipment	1 Jan 2010
Amendment to FRS 117 Leases	1 Jan 2010
Amendment to FRS 118 Revenue	1 Jan 2010
Amendment to FRS 119 Employee Benefits	1 Jan 2010
Amendment to FRS 120 Accounting for Government Grants and Disclosure of Government Assistance	1 Jan 2010
Amendment to FRS 123 Borrowing Costs	1 Jan 2010
Amendment to FRS 127 Consolidated and Separate Financial Statements	1 Jan 2010
Amendment to FRS 128 Investments in Associates	1 Jan 2010
Amendment to FRS 129 Financial Reporting in Hyperinflationary Economies	1 Jan 2010
Amendment to FRS 131 Interests in Joint Ventures	1 Jan 2010
Amendment to FRS 132 Financial Instruments: Presentation	1 Jan 2010
Amendment to FRS 134 Interim Financial Reporting	1 Jan 2010
Amendment to FRS 136 Impairment of Assets	1 Jan 2010
Amendment to FRS 138 Intangible Assets	1 Jan 2010
Amendment to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives	1 Jan 2010
Amendment to FRS 140 Investment Property	1 Jan 2010
IC Int 9 : Reassessment of Embedded Derivatives	1 Jan 2010
IC Int 10 : Interim Financial Reporting and Impairment	1 Jan 2010
IC Int 11 : FRS 2 - Group and Treasury Share Transactions	1 Jan 2010
IC Int 13 : Customer Loyalty Programmes	1 Jan 2010
IC Int 14 : FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 Jan 2010

FRS 4 is not relevant to the Group's and the Company's operations.

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon initial application of FRS 7 & FRS 139.

Save for these, the new FRS, Amendments to FRSs and IC Int above are not expected to have significant impact on the financial statements of the Group and of the Company upon their initial application.

47. CORPORATE PROPOSAL

YTL Cement Berhad ("YTL Cement"), a subsidiary of the Group, announced its proposal to issue via a wholly-owned subsidiary to be incorporated in the Federal Territory of Labuan, up to United State Dollar 200 million nominal value five-year guaranteed Exchangeable Bonds which are exchangeable into new ordinary shares of RM0.50 each in YTL Cement ("the Proposed Exchangeable Bonds Issue"). The Proposed Exchangeable Bonds Issue is pending implementation by YTL Cement. YTL Cement has until 4 October 2009 being the extended date approved by the Securities Commission ("SC"), to complete the Proposed Exchangeable Bonds Issue. The Proposed Exchangeable Bonds Issue is pending implementation.

YTL Cement has on 18 September 2009 applied to SC for an extension of further six months to complete the Proposed Exchangeable Bonds Issue and SC's reply is pending.

48. SIGNIFICANT SUBSEQUENT EVENT

On 18 September 2009, a total of 35,219,196 treasury shares amounting to RM228,748,678 were distributed as share dividend to shareholders on the basis of one treasury share for every fifty ordinary shares held on 9 September 2009.

49. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 15 October 2009.

Notes

Form of Proxy

I/We *(full name as per NRIC/company name in block capitals)* ____________________

____

NRIC/Company No. *(new and old NRIC Nos.)* ____________________

CDS Account No. *(for nominee companies only)* ____________________

of *(full address)* ____________________

____

being a member of **YTL Corporation Berhad** hereby appoint *(full name as per NRIC in block capitals)* ____________________

____

NRIC No. *(new and old NRIC Nos.)* ____________________

of *(full address)* ____________________

____

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 26th Annual General Meeting of the Company to be held at Starhill 2, Level 4, JW Marriott Hotel Kuala Lumpur, 183, Jalan Bukit Bintang, 55100 Kuala Lumpur on Tuesday, 1 December 2009 at 3.00 p.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below:-

NO.	RESOLUTIONS	FOR	AGAINST
1.	Receipt of Reports and Audited Financial Statements		
2.	Declaration of First and Final Dividend		
3.	Re-election of Tan Sri Dato' (Dr) Francis Yeoh Sock Ping		
4.	Re-election of Dato' Sri Michael Yeoh Sock Siong		
5.	Re-election of Dato' Yeoh Soo Keng		
6.	Re-appointment of Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay		
7.	Re-appointment of Dato' (Dr) Yahya Bin Ismail		
8.	Re-appointment of Mej Jen Dato' Haron Bin Mohd Taib (B)		
9.	Re-appointment of Eu Peng Meng @ Leslie Eu		
10.	Approval of the payment of Directors' fees		
11.	Re-appointment of Messrs HLB Ler Lum as Company Auditors		
12.	Authorisation for Directors to Allot and Issue Shares		
13.	Proposed Renewal of Share Buy-Back Authority		
14.	Proposed Renewal of Shareholder Mandate and New Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Dated this ____________ day of ____________________, 2009.

No. of shares held ________________

____

Signature of shareholder

Notes:

1. A member entitled to attend and vote at the meeting may appoint a proxy to vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member other than an Authorised Nominee shall not be entitled to appoint more than one proxy to attend and vote at the same meeting and where such member appoints more than one proxy to attend and vote at the same meeting, such appointment shall be invalid.
2. This form of proxy and the Power of Attorney or other authority (if any) under which it is signed or notarily certified copy thereof must be lodged at the Registered Office, 11th Floor, Yeoh Tiong Lay Plaza, 55 Jalan Bukit Bintang, 55100 Kuala Lumpur not less than 48 hours before the time appointed for the Meeting.
3. In the case of a corporation, this form of proxy should be executed under its Common Seal or under the hand of some officer of the corporation duly authorised in writing on its behalf.
4. Unless voting instructions are indicated in the spaces provided above, the proxy may vote as he thinks fit.
5. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 60(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 23 November 2009. Only a depositor whose name appears on the General Meeting Record of Depositors as at 23 November 2009 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.

fold here

Affix Stamp
Here

The Company Secretary

YTL CORPORATION BERHAD
11th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur
Malaysia

fold here

www.ytlcommunity.com

YTL CORPORATION BERHAD 92647-H

11th Floor
Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur
Malaysia
Tel • 603 2117 0088
603 2142 6633
Fax • 603 2141 2703