YTL CORPORATION BERHAD 92647-H

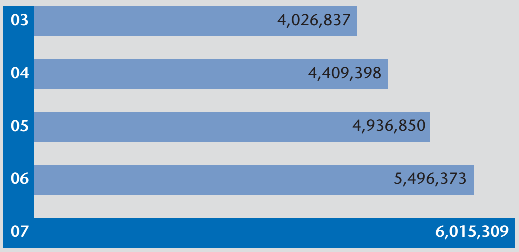
the journey continues...

annual report 2007

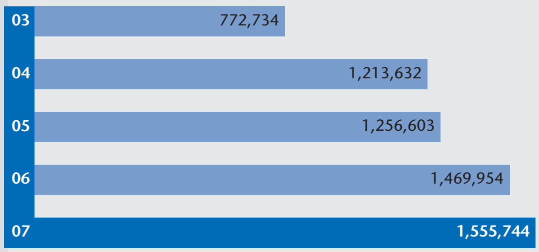
Contents

Financial Highlights

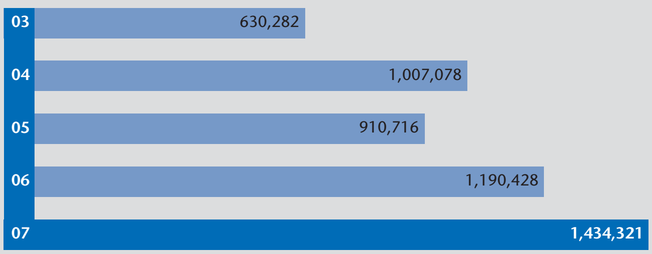
	2007 RM'000	2006 RM'000	2005 RM'000	2004 RM'000	2003 RM'000
Revenue	**6,015,309**	5,496,373	4,936,850	4,409,398	4,026,837
Profit Before Taxation	**1,555,744**	1,469,954	1,256,603	1,213,632	772,734
Profit After Taxation	**1,434,321**	1,190,428	910,716	1,007,078	630,282
Profit for the Year Attributable to Equity Holders of the Company	**755,062**	698,009	558,516	706,600	416,626
Shareholders' Funds	**7,294,479**	6,814,678	5,562,388	5,372,199	4,889,833
Earnings per Share (Sen)	**51.37**	49.39	39.97	48.18	28.72
Dividend per Share (Sen)	**25**	7.5	7.5	7.5	7.5
Total Assets	**33,912,520**	30,370,822	28,980,646	26,543,055	23,744,025
Net Assets per Share (RM)	**4.85**	4.74	3.91	3.82	3.37



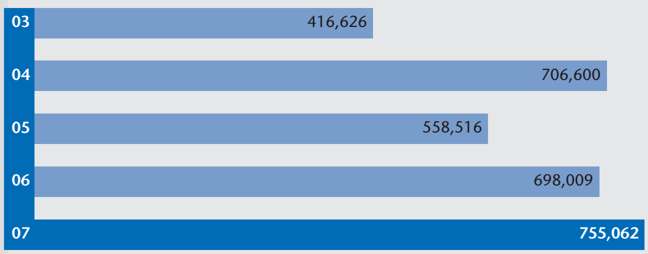
Revenue



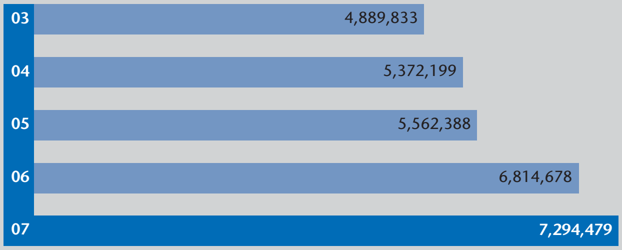
Profit Before Taxation



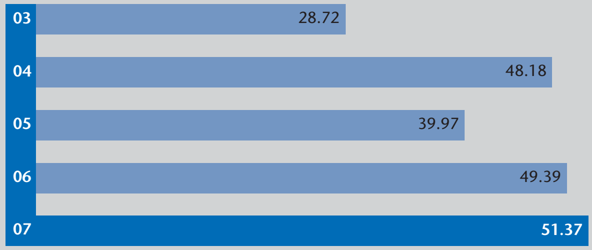
Profit After Taxation



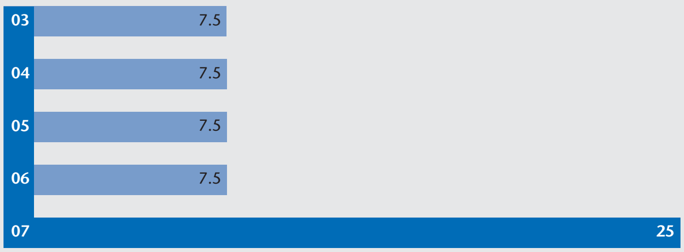
Profit for the Year Attributable to Equity Holders of the Company



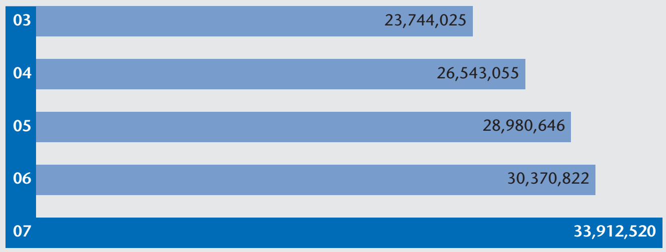
Shareholders' Funds



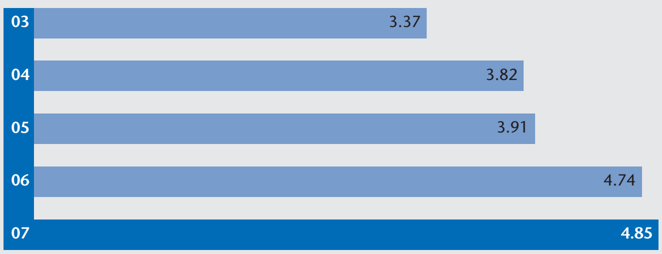
Earnings per Share (Sen)



Dividend per Share (Sen)



Total Assets



Net Assets per Share (RM)

Chairman's Statement

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

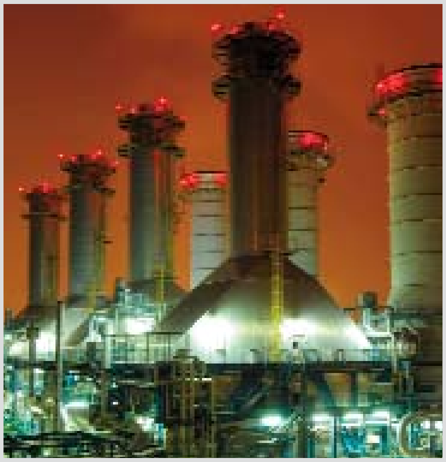
On behalf of the board of directors of YTL Corporation Berhad ("YTL Corp"), I have the pleasure of presenting to you the Annual Report and audited financial statements of the Company and its subsidiaries ("Group") for the financial year ended 30 June 2007.

OVERVIEW

YTL Corp achieved another year of strong performance, with broad-based earnings growth across most divisions. The Group's utilities division continues to drive earnings with its operations in Malaysia, the United Kingdom ("UK"), Australia and Indonesia, whilst the cement division has maintained the improvements in performance brought about by increasing demand for cement from the recovering construction sector, better selling prices and improved efficiencies.

On the domestic economic front, the Malaysian economy has remained robust with real gross domestic product (GDP) projected to grow by 6.0% for the 2007 calendar year, compared to 5.9% in 2006. The Ringgit has also held its ground, strengthening marginally by an average of 4.6% against the US dollar compared to last year, supported by strong economic fundamentals and ongoing market-friendly measures implemented by the Government. Meanwhile, the global economy is expected to expand at a rate of 5.2% in 2007, versus 5.5% in 2006, with the slowdown attributed mainly to the impact of moderation in the US economy arising from the housing market slump and dampened consumer spending. Volatility in global fuel costs continues to create concerns, although the year under review saw a measure of stability in this area.

The Group's foreign operations continue be large earnings contributors, with overseas operations accounting for approximately 48.2% of the Group's revenue and 63.0% of total assets for the 2007 financial year.



Utilities

The Group's utilities division achieved excellent results for the year under review, underpinned by the resilience of these regulated businesses which are supported by long-term concessions or contracts in Malaysia, the UK, Australia and Indonesia. With revenue streams stemming from activities in power generation, water and sewerage services and plant operations and maintenance (O&M), the business profile of the utilities division is more robust than ever.

The Group's utilities continue to remain largely insulated from both industry-specific and country-specific economic pressures owing to the level of operational diversification of the division and the regulated nature of its earnings, resulting in exchange rate fluctuations continuing to be one of the more significant variables of performance as revenues from these businesses are denominated in different currencies.

Wessex Water Limited ("Wessex Water"), the Group's wholly-owned water and sewerage services provider in the UK, in particular, continues to outperform standards set by its industry regulator, the UK Office of Water Services (Ofwat). In November 2006, Wessex Water was named the top water and sewerage company in the UK in Ofwat's report on company performance across the last year.

Cement Manufacturing

The growth this year in construction activity has had a resultant knock-on effect on the building materials industries and demand for cement and cement-related products has increased concurrently. The 12% increase in the electricity tariff in early 2006, however, continues to be one of the bigger challenges facing the energy-intensive cement industry and, together with rising costs of fuel, raw materials, state royalties, quit rents and logistics, remained a significant contributor to the increase in the division's operating costs during the year under review. In addressing these factors, the Group continued efforts to further enhance operational efficiencies, improve management of plant maintenance schedules and streamline its distribution and logistics network in order to keep costs under tight control.

In a welcome move in December 2006, the Government implemented its first nationwide revision in the ceiling price of cement in over 11 years since the last review in 1995, with prices for the central region (Pahang, Selangor, Kuala Lumpur, Melaka, Negri Sembilan and Putrajaya) rising an average of 10% to RM219 per tonne. This increase partially off-set some of the increases in operating costs during this period and the division will continue to pursue operational and logistical improvements in order to further boost efficiency.

The Group also made strides in its regional expansion strategy, announcing on 28 August 2007 that it had entered into a contract for the purchase of a 100% equity interest in Zhejiang Lin'an Jin Yuan Cement Co. Ltd. ("Jin Yuan Cement"), which is principally involved in the manufacture and sale of Ordinary Portland cement and clinker. The plant commenced operations in January 2005 and has production capacities of 1.50 million tonnes per year cement and 1.55 million tonnes per year for clinker. Jin Yuan Cement, located in the Lin'an district of the Zhejiang Province in the People's Republic of China, is the largest cement manufacturer in Lin'an, with a market share of approximately 60%. Jin Yuan Cement is also one of the top 5 cement suppliers in the Hangzhou market.

Chairman's Statement

With Jin Yuan's established presence in China, this acquisition is expected to facilitate the growth of the Group's cement operations into the vast China markets, well in line with its expansion strategy. This acquisition also represents an excellent, timely opportunity for the Group to acquire a new, fully operational plant with developed facilities and distribution networks, and which has acquired significant market share within its operating region.

Construction

The construction sector has recovered strongly, with growth expected to reach 5.2% for the 2007 calendar year, compared to a contraction of 0.5% in 2006. This year's expansion has been driven predominantly by the increase in civil engineering activity as projects under the Ninth Malaysia Plan ("9MP") are gradually rolled-out.

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

Meanwhile, ridership on the KLIA Ekspres and KLIA Transit services recovered during the financial year, following the marginal decline last year, with ridership on both services topping 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 express rail link.

Property Development

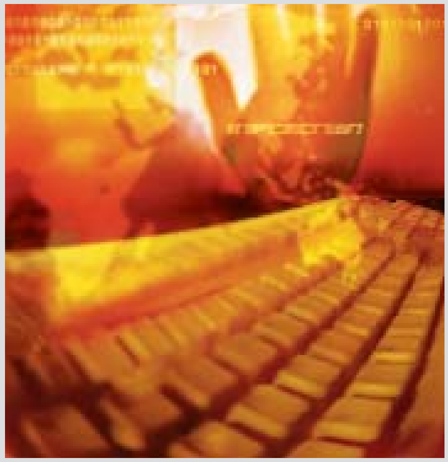
Whilst housing activity in 2006 was largely moderated by rising trends in inflation and interest rates, purchasing sentiment in 2007 has improved due to lower inflation and greater stability in the interest rate regime.

Recent initiatives taken by the Government, such as the abolition of real property gains tax, coupled with the relaxations of requirements for foreigners to seek Foreign Investment Committee (FIC) approval to purchase property in Malaysia and restrictions on borrowings by foreigners for the purchase of housing, are all expected to further support the domestic property sector.

In addition, the new Building and Common Property (Maintenance and Management) Act 2007, which came into force on 12 April 2007, is geared towards strengthening controls in the maintenance and management of strata title properties – a significant step towards better protection of condominium owners' interests.

The Group launched d7 in Sentul and Centrio in Pantai Hillpark during the year under review, to tremendous take-up rates, with preview stages being almost completely sold out and generating even stronger demand during the official launch stages.

Chairman's Statement



These measures, together with the Government's ongoing commitment to the Malaysia My Second Home (MM2H) programme, augur well for domestic commercial, residential and retail real estate valuations and have already drawn increased foreign interest to the Malaysian property sector. Indeed, foreign interest in the Group's properties has continued to escalate, with Sentul, in particular, attracting a diverse range of foreign buyers and tenants from Europe, Australia and other countries in Asia, such as Singapore and South Korea.

Hotel Development & Management

Although hotel occupancy rates increased marginally in 2006, promising consumer and business confidence, coupled with the increase in tourist arrivals in conjunction with the Government's Visit Malaysia Year 2007 campaign, further boosted performance of the leisure property sector and specifically the hotels sub-sector during the year under review, resulting in higher occupancy rates.

Operations commenced this year at the Group's newest luxury resort, Spa Village Resort Tembok, Bali in Indonesia. The Group's award-winning Spa Village concept can now be found at Pangkor Laut, Tanjong Jara, Kuala Lumpur, Bali and Cameron Highlands.

Information Technology Initiatives

The Government's continued focus on the information and communications technology ("ICT") industry, which manifested itself in initiatives such as the award of four Worldwide Interoperability for Microwave Access ("WiMAX") licenses in March 2007, bodes extremely well for the Group, as this is where the bulk of its IT activities are concentrated.

During the year under review, YTL e-Solutions acquired a controlling interest in Y-Max Networks Sdn Bhd (formerly known as Bizsurf (M) Sdn Bhd) ("Y-Max Networks"), which was subsequently awarded one of only four WiMAX licences for a 2.3GHz broadband wireless access spectrum by the Malaysian Communications & Multimedia Commission. With this spectrum, Y-Max Networks will roll out its WiMAX network, with the aim of providing wider coverage and bandwidth suited for both rural and urban areas, and this is expected to further boost the broadband penetration rate throughout the country.

FINANCIAL PERFORMANCE

The Group's turnover increased to RM6,015.31 million for the financial year ended 30 June 2007 compared to RM5,496.37 million in the preceding year ended 30 June 2006, representing year-on-year growth of RM518.94 million or 9.4%. Profit before taxation grew 5.8% to RM1,555.74 million for the year ended 30 June 2007, compared to RM1,469.95 million last year, whilst net profit registered a 20.5% increase to RM1,434.32 million from RM1,190.43 million last year.

The improvements in the Group's revenue and profit for the financial year ended 30 June 2007 were principally due to better performance recorded by the Group's foreign operations in its utilities division, as well as improved operational efficiencies and selling prices in the cement division.

DIVIDENDS

YTL Corp increased returns to shareholders during the year under review with the distribution of 3 interim dividends of 15% each and a restricted offer for sale of 1 ordinary share of RM0.50 in YTL Power International Berhad ("YTL Power"), a subsidiary of YTL Corp listed on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Securities"), for every 10 ordinary shares of RM0.50 each held in YTL Corp ("YTL Corp Shares") at an offer price of RM1.00 per YTL Power share, completed in January 2007.

The Board of Directors of YTL Corp is pleased to recommend for shareholders' approval a Final Dividend of 5% less Malaysian income tax for the year ended 30 June 2007.

This dividend is recommended in concurrence with the Group's policy of creating value for shareholders by sustaining consistent dividend yields. This is the 23rd consecutive year that YTL Corp has declared dividends to shareholders.

SIGNIFICANT CORPORATE DEVELOPMENTS

- The proposal announced by the Company on 24 August 2006 to undertake a renounceable restricted offer for sale of 1 YTL Power share for every 10 YTL Corp Shares at an offer price of RM1.00 per YTL Power share held, was completed on 26 January 2007.

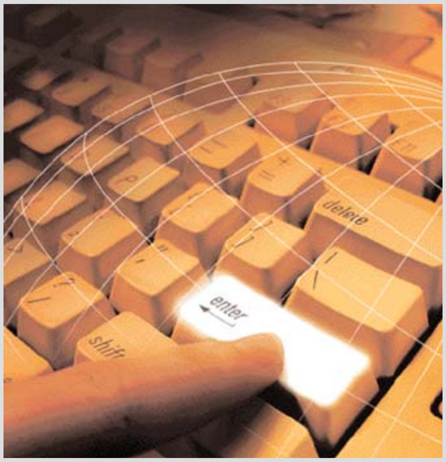
- On 21 September 2006, Yeoh Tiong Lay Construction (S) Pte Ltd ("YTL Construction"), a 99.9994% subsidiary of the Company's wholly owned subsidiary, Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd, acquired a 70% interest in Lakefront Pte Ltd (formerly known as The Lakefront @ Sentosa Cove Pte Ltd). Lakefront Pte Ltd is principally involved in property development.

- The proposal announced by YTL Power on 19 October 2006, to distribute 1 treasury share for every 25 existing YTL Power shares held, was completed on 9 February 2007.

- On 22 December 2006, YTL e-Solutions Berhad ("YTL e-Solutions"), a subsidiary of the Company listed on the Mesdaq Market of Bursa Securities, announced that it had entered into an agreement to acquire a 50% interest in Y-Max Networks for a cash consideration of RM1,350,000. Subsequently, on 27 March 2007, YTL e-Solutions announced that it had acquired an additional 1 ordinary share of RM0.10 representing the controlling share in Y-Max Networks for a cash consideration of RM0.10, resulting in Y-Max Networks becoming an indirect subsidiary of YTL Corp.

- On 15 January 2007, YTL Power announced that the Securities Commission ("SC") had approved YTL Power's proposed RM1.0 billion commercial paper/medium term notes issuance programme ("CP/MTN Programme") with a tenure of up to 7 years from the date of first issuance. On 7 May 2007, YTL Power announced that the SC had approved its application to increase the CP/MTN programme to an issuance size of up to RM2.0 billion. The first issue under the CP/MTN Programme took place on 8 June 2007 with the issue of RM750.0 million in commercial paper.

Chairman's Statement



- On 19 January 2007, YTL Corp completed Malaysia's first placement of treasury shares, raising gross proceeds of RM355 million from the sale of 50 million treasury shares at an offer price of RM7.10 each. The placement was managed by UBS AG.

- On 26 January 2007, wholly-owned subsidiaries, YTL Hotels & Properties Sdn Bhd ("YTLHP") and YTL (Guernsey) Limited, acquired 4,999 ordinary shares of US$100 each and 1 ordinary share of US$100, respectively, representing 100% of the issued and paid-up share capital of in PT Jepun Bali, for a total cash consideration of USD1,750,000. As a result of the acquisition, PT Jepun Bali, which is principally involved in hotel operations, became a subsidiary of YTLHP.

- On 12 March 2007, YTL Construction acquired a 70% stake in Sandy Island Pte Ltd, which is incorporated in the Republic of Singapore and is principally involved in property development.

- On 14 March 2007, the Company acquired RM185 million nominal value of Irredeemable Convertible Unsecured Loan Stocks ("ICULS") in YTL Cement Berhad ("YTL Cement"), a subsidiary of YTL Corp listed on the Main Board of Bursa Securities, from YTL Power, for a cash consideration of RM275,650,000, representing RM1.49 for each RM1.00 nominal value of ICULS. The consideration was derived at based on the weighted average market price for the 5 market days prior to 13 March 2007.

- On 15 May 2007, following the receipt of all required regulatory approvals, YTL Corp Finance (Labuan) Limited, a wholly-owned subsidiary of the Company, issued USD300 million nominal value 5-year guaranteed exchangeable bonds ("Exchangeable Bonds"), exchangeable into new YTL Corp Shares. The Exchangeable Bonds were listed on the Labuan International Financial Exchange, Inc. and Singapore Exchange Securities Trading Limited on 16 May 2007.

- On 16 May 2007, YTL Land Sdn Bhd, a wholly-owned subsidiary of YTL Corp, completed the disposal to Mayban Trustees Berhad on behalf of Starhill Real Estate Investment Trust ("Starhill REIT") of 60 serviced apartment units, 4 levels of commercial podium, 1 level of facilities deck and 2 levels of basement car parks, all within the building known as "The Residences at The Ritz-Carlton, Kuala Lumpur" for a total consideration of RM125,000,000, satisfied by the issuance of 138,888,889 new units in Starhill REIT at an issue price of RM0.90 per unit, which were listed and quoted on Bursa Securities on 16 May 2007.

- On 25 June 2007, the Company acquired an additional 20% stake in Extiva Communications Sdn Bhd ("Extiva") for a total cash consideration of RM4,000,000, increasing the Group's equity stake in Extiva from 70% to 90%.

- On 6 August 2007, Y-Max Solutions Holdings Sdn Bhd ("YMS"), a subsidairy of the Group, entered into an agreement with Webtransact Sdn Bhd and Airzed Broadband Sdn Bhd ("Airzed Broadband") to set out, *inter alia*, the terms and conditions of YMS's subscription of 1,400,000 ordinary shares of RM1.00 each and 5,600,000 redeemable convertible preference shares of RM0.10 each in Airzed Broadband. Airzed Broadband is a licensed service provider, principally engaged in the business of providing broadband internet access utilising 2.5Ghz and 3.5Ghz spectrums and other value added services.

- On 23 August 2007, YTL Corp announced a proposal to undertake a renounceable offer for sale of part of its equity interest in YTL Power to shareholders of YTL Corp at an offer price of RM1.00 per YTL Power share on the basis of 1 YTL Power share for every 15 YTL Corp Shares held. This proposal is currently pending receipt of regulatory approvals.

- On 28 August 2007, YTL Cement announced that YTL Cement (Hong Kong) Limited (formerly known as Leadmax Limited) had entered into a contract for the transfer of equity interests with various parties for the purchase of the entire equity interest in Jin Yuan Cement for a total cash consideration of Renminbi ("RMB") 150,000,000. Jin Yuan Cement is incorporated in the People's Republic of China with its registered address at Gaoqiang Village, Banqiao Town, Lin'an, Zhejiang Province, approximately 45km to the west of Hangzhou City, the provincial capital of Zhejiang Province.

- On 29 August 2007, YTL Cement announced a proposal to issue up to USD200 Million 5-Year Guaranteed Exchangeable Bonds, exchangeable into ordinary shares of RM0.50 each in YTL Cement, via a wholly-owned subsidiary to incorporated in the Federal Territory of Labuan. This proposal is currently pending receipt of regulatory approvals. The proceeds arising from the bond issue will be utilised to fund the Group's future investments and projects.

- **Status of utilisation of proceeds raised from corporate proposals:**

  YTL Power repaid its RM750 Million 7% Redeemable Non-Guaranteed Unsecured Bonds due 2007 in full on the maturity date of 11 January 2007.

  The net proceeds received from the issue of the USD250 Million 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 received from the issue of the Exchangeable Bonds are currently placed under fixed deposits pending investment.

CORPORATE SOCIAL RESPONSIBILITY

YTL Corp was honoured to receive the ACCA Malaysia Environmental and Social Reporting Awards (MESRA) 2006 Award for 'Best Social Reporting in an Annual Report' during the year under review. MESRA assesses companies in the categories of environmental, social and sustainability reporting, with the aim of identifying innovative attempts to communicate corporate social responsibility (CSR) performance.

This year, YTL Corp has taken the step of issuing its "Sustainability Report 2007" as a separate report, to enable our shareholders and stakeholders to better quantify and assess the Group's sustainability record.

The Group'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

YTL Corp's financial and operational performances have strengthened based on a core business philosophy of ensuring operating stability, solid cash flows and a strong balance sheet. The Group maintains its financial profile as a result of stable and efficient operations, and the steady, long-term returns generated from its regulated assets. The acquisition of stakes in assets such as Wessex Water, and investments in ElectraNet and Jawa Power, ensure the Group's continuing stability and success in meeting these goals.

The Malaysian economy is expected to strengthen further in 2008, with GDP growing by a projected 6.0% - 6.5%. The roll-out of projects under the 9MP has begun and the Group will continue to fully examine all initiatives that are within its scope, including any appropriate private finance initiatives (PFI) which enable the private sector to participate in the implementation of development projects.

Chairman's Statement

With growth in the construction sector projected to hit 6.3% in 2008, the Government's expansionary fiscal spending in the construction sector as the implementation of 9MP projects gathers momentum bodes well for the cement and construction industries. Demand for cement is expected to rise systematically in tandem with this expansion, greatly benefiting cement companies with the capacity, operational efficiencies and strategic distribution and logistics networks to capitalise on these opportunities. The Group, with its integrated operations and proven capabilities throughout the supply chain, is well-positioned and has the expertise to benefit from these opportunities.

On the global front, the full impact of the US sub-prime mortgage crisis and the wider impact of any slowdown in the US economy on global expansion remain to be seen. The Group expects to continue to drive future growth largely through ongoing investments in economically viable, high quality assets with strong returns, with the utilities division continuing to pursue opportunities to further establish its presence as a global multi-utility provider, capitalising on its regulated asset experience in Australia and the UK.

In pursuing international investment prospects, the Group will maintain its reliance on a prudent and cohesive expansion strategy into activities correlated with YTL Corp's core competencies, which diversify the Group's revenue base, whilst concurrently mitigating single-country risk. Ongoing improvements in technical efficiency levels will also be integral in controlling the impact of rising costs.

As the Group embarks on another year and strives to deliver stronger earnings growth and returns to shareholders, the Board of Directors of YTL Corp would like to thank our investors, customers, business associates and the regulatory authorities, for their continued support. As always, we thank the management and staff for their continued dedication and commitment to the Group.

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

Managing Director's Review

YTL Corporation Berhad ("YTL Corp") had another successful year, with revenue growing 9.4% and net profit rising 20.5%. The year saw the Group increasing returns to shareholders with our share price also registering a solid showing. The Group remains committed to the objective of creating value for our long-term shareholders through a progressive dividend policy that provides attractive yields on their investments, founded on the earnings growth of our subsidiary companies.

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

ASIA, AT OUR DOORSTEP

This year, our theme is "Asia, at our Doorstep", which encapsulates the direction that we have been travelling in for several years now. Beginning in 2000, our utilities division undertook a 33.5% investment in ElectraNet in Australia, followed by the acquisition of a 100% interest in Wessex Water in the United Kingdom in 2002 and a 35% stake in Jawa Power in Indonesia in 2004.

Meanwhile, having consolidated our cement businesses in Malaysia through the acquisitions of the remaining 50% in Pahang Cement that we did not already own in 2004 and a 64.84% stake in Perak-Hanjoong in 2005, our cement division also began looking overseas, acquiring a 21.48% stake in SGX-listed Jurong Cement in Singapore and just recently, in August 2007, entering into a contract for the acquisition of a 100% stake in Jin Yuan Cement in China.

Our hotels division opened a new Spa Village Resort in Bali, Indonesia, this year, and already owns a minority interest in The Chedi in Phuket, Thailand. In Malaysia, our hotels – the Pangkor Laut and Tanjong Jara resorts, the JW Marriott and The Ritz-Carlton, Kuala Lumpur, in particular – continue to win international awards and attract guests from all over the world due to the world-class level of service that we have learned to offer.

Managing Director's Review

Another operational highlight is our development on Singapore's Sentosa island. The extraordinary Sentosa Cove projects are being developed as an entire lifestyle concept and your Group has been awarded two developments – the Lakefront Collection and Sandy Island, which will comprise exclusive, bespoke luxury homes.

Our property buyers are also familiar with our efforts to offer innovative lifestyle concepts, from our Lake Edge gated community and Pantai Hillpark to our urban renewal of Sentul. Sentul, built around a 35-acre park in the heart of Kuala Lumpur, has attracted buyers from all over Asia, with particular interest from Singaporean and South Korean buyers, as well as buyers from Australia, the Middle East and Europe.

The collective value of this diversification for YTL Corp is the acquisition and development of a wealth of experience and intellectual capital. Wessex Water, for example, has been operating as a privatised entity since 1989, driven by the primary goal of outperforming ever-increasing efficiency targets in order to pass cost-savings on to its 1.2 million water customers and 2.6 million sewerage customers.

Operating under one of the most sophisticated and stringent regulatory structures globally, Wessex Water has excelled, being named the top water and sewerage company in the UK by the Office of Water Services (Ofwat), the UK water industry regulator, in its report on company performance across the last year, in November 2006.

During the year, we also entered into a contract to provide brand management services for the estimated US$410 million Starhill Towers & Gallery complex being developed in Dubai. In addition to receiving licensing fees, we will also provide brand management services to ensure the integrity of the Starhill brand, which was conceptualised by YTL Corp and has redefined the specialised luxury retail niche market, unequivocally affirming Kuala Lumpur's place on the luxury retail map.

The Group has an abundance of technology and know-how and Asia offers a vast number of opportunities for us to deploy these assets. The ability to adapt this technology and expertise to the unique operating environments and needs in Asia and the Asia-Pacific region are the value that we can add to continue to build strong and sustainable businesses.

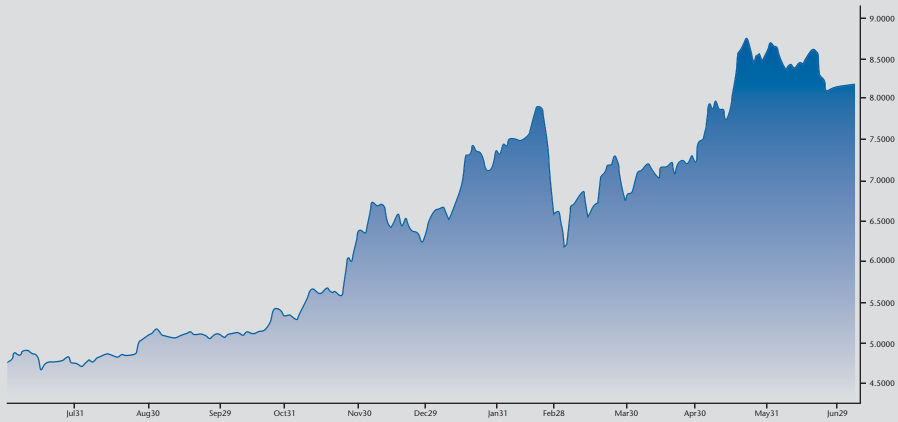
HIGHER RETURNS TO SHAREHOLDERS

Dividends

Our shareholders would have also noticed that distributions were markedly higher for the 2007 financial year as your Board of Directors approved 3 interim dividends of 15% each or 7.5 sen per share. In addition to the final dividend of 5% recommended for shareholders' approval at the forthcoming Annual General Meeting, cash distributions alone for 2007 will hit 25 sen or 50% per share, compared to 15% paid out over the past few years.

2nd Offer for Sale of YTL Power Shares

YTL Corp's shareholding in our listed subsidiary, YTL Power International Berhad ("YTL Power") has increased in recent years as a result of share dividends distributed by YTL Power. Last year, your Company completed an offer for sale of YTL Power shares to YTL Corp shareholders on the basis of 1 YTL Power share for every 10 YTL Corp shares held. Your Directors were of the view that this offer for sale would reward shareholders with the opportunity to participate directly in the prospects and future performance of YTL Power at a discount to market price, whilst at the same time enabling YTL Corp to maintain a



YTL Corp's Share Price Performance for FY2007
Source: Bloomberg

comfortable level of shareholding as a substantial shareholder of YTL Power.

In February 2007, YTL Power distributed another share dividend of 1 treasury share for every 25 existing shares held in YTL Power. The share dividend distribution increased our direct shareholding in YTL Power by about 203.5 million shares or 4% of the issued and paid-up share capital of YTL Power.

As a result, on 23 August 2007, we announced the second consecutive offer for sale of YTL Power shares to entitled shareholders of YTL Corp at an offer price of RM1.00 per YTL Power share, giving our shareholders a significant opportunity to participate in the equity of YTL Power.

These offers for sale are intended to encourage and attract investments in the shares of both YTL Corp and YTL Power by long-term shareholders who benefit from the sustained dividend policies of these two companies.

SHARE PRICE PERFORMANCE

Our share price performed well, ending the financial year at RM8.15 per share and trading at an average of RM6.50 per share during the year.

As one of the 100 component stocks making up the Kuala Lumpur Composite Index (KLCI), we were subsequently as affected as all our peers by the volatility brought about by uncertainty over the direction of the US sub-prime mortgage crisis that started to impact local equity and debt markets in August 2007. We were pleased, therefore, to see a degree of stability return towards the end of September 2007, as the underlying fundamentals of the Malaysian market remained strong and able to withstand these events.

The Group remains committed to delivering superior value creation to our shareholders as our primary responsibility. We believe that we delivered on this commitment this year and, with the solid performances delivered by all our divisions this year forming the platform to improve our prospects for next year, the year ahead is expected to generate another solid set of results.

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

Utilities

Operations Review

The Group's utilities division continued to register strong performance for the year under review, supported by revenue streams across three continents and the resilience of its regulated businesses.

POWER GENERATION

The Group's power generation activities in Malaysia are carried out through two power stations owned by YTL Power Generation Sdn Bhd ("YTLPG"), a subsidiary of the Group, whilst in Indonesia, the Group owns a 35% stake in P.T. Jawa Power ("Jawa Power"), the owner of a 1,220 megawatt ("MW") coal-fired power station.

Paka & Pasir Gudang Power Stations, Malaysia

The Group's power stations continued to operate under optimal conditions, registering an overall average station availability of 92.29% for the year under review, decreasing marginally compared to 92.93% last year, due to scheduled maintenance.

Paka Power Station recorded overall availability of 96.72% compared to 95.83% last year, with lower availability last year being due to the overhaul of one steam turbine and generator. During the 2007 financial year, two gas turbines at Paka Power Station became the first to undergo major inspections upon reaching 100,000 equivalent operating hours.

Meanwhile Pasir Gudang registered availability of 87.85% compared to 90.02% last year, due to the upgrading of its Distributed Control System (DCS) reported last year, which took place throughout June and July 2006, overlapping the beginning of the 2007 financial year. The DCS is the heart of the power station, controlling operation and monitoring of the station.

Located in Paka, Terengganu, and Pasir Gudang, Johor, YTLPG's two combined-cycle, gas-fired power stations have a combined capacity of 1,212 MW – 808 MW at Paka Power Station and 404 MW at Pasir Gudang Power Station. Plant operation and maintenance ("O&M") for the Paka and Pasir Gudang power stations continues to be undertaken by YTL Power Services Sdn Bhd ("YTL Power Services"), a wholly-owned subsidiary of the Group, under an 8-year O&M agreement entered into in December 2001.

During the year under review, YTL Power Services commenced the certification process to obtain IS0 14001 certification for the Group's power stations in Paka and Pasir Gudang in Malaysia. On 13 September 2007, YTL Power Services, Paka Power Station and Pasir Gudang Power Station received IS0 14001:2004 certification for their Environmental Management Systems.

Jawa Power, Indonesia

Jawa Power continues to perform well to meet Indonesia's continued growth in demand for electricity. For its financial year ended 31 December 2006, Jawa Power posted its best operational performance since commencement of operations in 2000 – a record high availability of 94.75% compared to the 83% rate contracted under its power purchase agreement with P.T. Perusahaan Listrik Negara ("PLN"), and this enabled the station to generate 9,109 GWh of electricity or a dispatch factor of 85.23%.

Jawa Power is entitled to a bonus payment from PLN for dispatch in excess of 83% of contracted availability and the high dispatch rate in 2006 earned the company a bonus payment for the second year running, following the first bonus payment in 2005.

For the six months ended 30 June 2007, the plant posted an availability of 86.11% as a result of the shut down of one 610 MW unit for scheduled major overhaul in May and June 2007. As at 30 June 2007, the station had also achieved 1,650 days of operations without lost time resulting from accidents.

Jawa Power's plant comprises two electricity generation units, each having a net installed capacity of 610 MW, and commenced operations in 2000. The plant is located at the Paiton Power Generation Complex on Indonesia's most developed and populated island, Java, and supplies power to PLN, the Indonesian state-owned integrated utility, under a 30-year power purchase agreement. The other shareholders of Jawa Power are Jawa Power Holding GmbH, a wholly-owned subsidiary of Siemens AG, which holds 50% of the equity, and P.T. Bumipertiwi Tatapradipta, which owns the remaining 15%.

P.T. YTL Jawa Timur ("Jawa Timur") carries out O&M for Jawa Power under a 30-year agreement. Jawa Timur is a subsidiary of the Group and is responsible for co-ordinating, supervising and controlling all operations and maintenance, as well as supplying all services, goods and materials required to operate and maintain the power station. This investment continues to enable the Group to develop expertise in the operation and maintenance of coal fired power plants.

POWER TRANSMISSION - ELECTRANET, AUSTRALIA

ElectraNet Pty Ltd ("ElectraNet") continued to perform well during the year under review, maintaining transmission line availability in excess of 99%. The Group made an indirect investment of 33.5% in ElectraNet in 2000, together with a 33.5% investment in ElectraNet Transmission Services Pty Limited which manages ElectraNet's transmission assets.

ElectraNet 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 5,500 circuit kilometres of transmission lines and 76 high voltage substations. The company also provides the important network link from South Australia to the National Electricity Market (NEM), via two regulated interconnectors, one of which is owned by ElectraNet.

ElectraNet is subject to a revenue cap set by the Australian Competition and Consumer Commission (ACCC) (now handled by the Australian Energy Regulator (AER)) which applies for a five-year regulatory period before adjustment. The current revenue cap became effective on 1 January 2003 and is valid for a period of five and a half years until 30 June 2008.

WATER & SEWERAGE SERVICES - WESSEX WATER, UNITED KINGDOM

In November 2006, Wessex Water was named the top water and sewerage company in the UK by Ofwat, in its report on company performance across the last year. Wessex Water achieved outstanding scores across the board and was the only business to receive the maximum seven stars (indicative of above-average performance) for customer services for the second successive year. Once again, Wessex Water's compliance with drinking water standards shows that the company has been supplying water of the highest possible quality with levels remaining at 99.9%, the same as last year.

Wessex Water continues to rise to the challenge of the last 5-year price review (for the 2005-2010 period) with ongoing efficiency improvements that are enabling the company to outperform against the financial assumptions made by Ofwat. Meanwhile, Wessex Water's customer satisfaction levels have improved to 96%, making it the best performing water and sewerage company for customer service.

Wessex Water provides water services to 1.2 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.

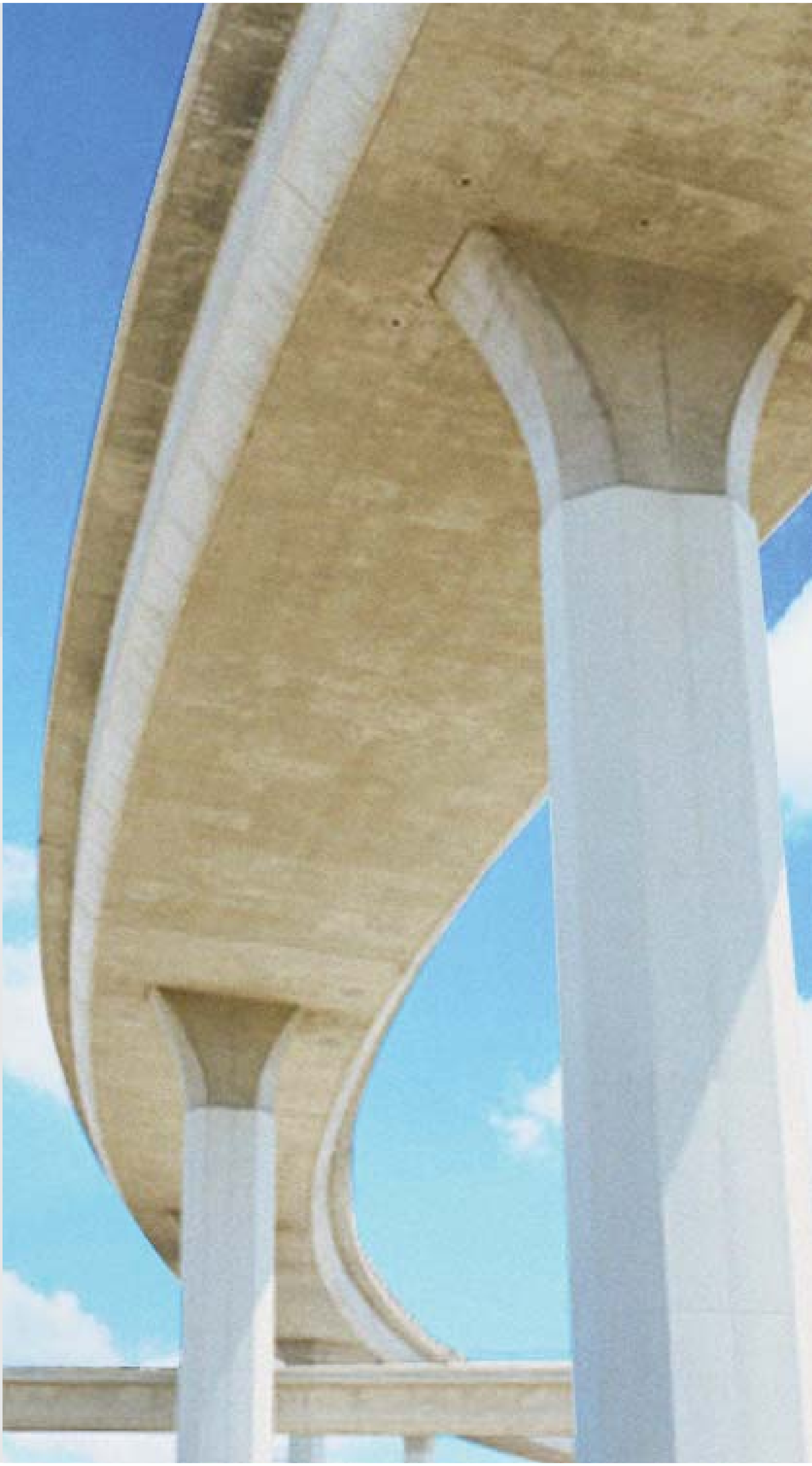
Wessex Water's regulated asset base ("RAB") increased by 8.34% to £1,987 million (RM13.91 billion, based on the average prevailing exchange rate of £1.00 : RM7.00) for its regulatory year ended 31 March 2007, from £1,834 million (RM12.84 billion) for its previous regulatory year. As at 30 June 2007, Wessex Water's RAB had grown to £2,013 million (RM14.09 billion).

FUTURE PROSPECTS

The independent, transparent and stable nature of the regulatory bodies overseeing the Group's assets, such as Ofwat in the UK and the AER in Australia, augur very well for the stability of the division's earnings streams by reducing regulatory risk in particular.

Future growth is expected to be driven largely through investments in economically viable, high quality, regulated assets with strong returns, and the Group will continue to seek opportunities to further develop its presence as a global multi-utility provider, by leveraging on its regulated asset experience in Australia and the UK, as well as its pool of expertise and capabilities to advance the business. Opportunities under consideration range from Indonesia and Singapore to South Africa and parts of Europe, and this focus on utility-type assets, both regionally and internationally, also provides the platform to further enhance shareholder value and boost returns to investors.

Cement Manufacturing



The Group's cement division continued to pursue organic and acquisition-driven growth, resulting in strong financial performance for the year under review. Ongoing upgrading and improvements of plant and logistical efficiencies have enabled the Group to meet all key performance indicators set to international benchmarks, resulting in strong utilisation rates for each plant.

CEMENT & READY-MIXED CONCRETE OPERATIONS

The Group continues to realise synergistic gains from the consolidation of its operations, resulting in added cost savings and economies of scale from the streamlining its expanded plant capacities, logistics and distribution networks. Acquisitions over the last three years have seen the Group's operations expand to an annual capacity of 6.0 million metric tonnes for clinker and 7.5 million metric tonnes for cement.

The Group's slag cement plants continued to operate at peak efficiency levels during the year under review, driven by strong demand for these products. The Group also manufactures fly-ash blended cement and other types of composite cement to meet specialised needs of its customers.

Downstream activities in the ready-mixed concrete division also continued to perform well as demand for the Group's products grew as a result of the nascent upswing in the construction industry.

The Group has maintained its market share in key urban areas, with the resulting expanded distribution network across Malaysia facilitating ongoing opportunities for growth and expansion, as well as allowing the Group to serve its customers nation-wide more effectively.

During the year under review, the Group's cement plant in Perak received its MS ISO14001:2004 (Environmental Management System) certification, whilst its slag cement plants in Port Klang and Johor received ISO 9001:2000 (Quality Management System) certification in September 2007 and September 2006, respectively.

With fully-integrated operations across the complete manufacturing value chain and the ability to produce Ordinary Portland cement, ground granulated blastfurnace slag, aggregates, ready-mixed concrete and blended cement products such as fly ash cement and blastfurnace slag cement, the Group remains the only cement producer in Malaysia able to manufacture and supply the full range of cement products.

PRODUCT QUALITY & NEW DEVELOPMENTS

The cement division developed new products during the year under review to assist its expansion into blended and composite cement which carry higher margins, and has expanded its product range further to fit specific industry requirements. These developments have been very well received by customers, resulting in blended cement now making up 20% of the division's product sales.

The Group has also embarked on initiatives to utilise alternative fuel sources in order to mitigate rising fuel costs faced by the industry.

To differentiate its products, the Group has continued to implement more stringent manufacturing controls to ensure the quality of its products, as well as enhancing customer service levels. As a result, the Group's renowned range of products and brand names enjoy strong endorsement and success in the market, enabling them to become premiums in their own right due to the established reliability and quality of these products. These include Cap Orang Kuat, Castle, Dragon, Marinecem, Mascem, Pozzolanic Cement, Slagcem, SRC (sulphate resisting cement), Target and Wallcem.

Operations Review

REGIONAL DEVELOPMENTS

In September 2007, the Group secured a project to supply up to 1.2 million cubic metres of concrete to one of the biggest, iconic development projects in Singapore. The Group established three new 120 cubic metre per hour ready-mixed concrete batching plants at the site to supply the project's concrete requirements and the island's other extensive development projects, and is also investing in 100 new trucks to complement the existing fleet.

The Group has continued to strengthen its market presence throughout Peninsula Malaysia, whilst concurrently maintaining overseas operations through exports to a number of countries in the ASEAN region and on the Indian sub-continent. Export volumes remain an integral element in the Group's strategy, enabling it to further develop knowledge of the region whilst introducing its products to a wider market at the same time. The Group is also exploring regional opportunities for ready-mixed concrete.

FUTURE PROSPECTS

Demand for cement is expected to rise systematically in tandem with the Government's expansionary fiscal spending in the construction sector as the implementation of 9MP projects gathers momentum, greatly benefiting cement companies with the capacity, operational efficiencies and strategic distribution and logistics networks to capitalise on these opportunities. The Group is in an optimal position to benefit from the implementation of these development projects.

Regionally, the proposed acquisition of Zhejiang Lin'an Jin Yuan Cement Co. Ltd. with its established cement operations and distribution networks in China, is expected to provide the springboard for the Group to tap China's vast and rapidly expanding cement market. China is expected to achieve GDP growth of 11.2% for the 2007 calendar year and 10.5% in 2008, remaining one of the most rapidly expanding global markets.

On the operations front, the cement division continues to focus on enhancing cost efficiencies of its operations and logistics networks. The Group strongly believes the expansion opportunities it has selected arising from the consolidation throughout the local cement industry will enable the division to further synergise existing assets, in addition to expanding its range of high quality, high performance and specialised products.

The Group will continue to develop and source more innovative and cost effective production methods and new fuel technologies to enable it to steadily build up and maintain its position in both the domestic and overseas cement markets. The strides made this year have provided a solid platform from which to continue the Group's expansion and the outlook for the year ahead is positive.

Construction Contracting

The Group's construction division, backed by its portfolio of infrastructure development contracts and construction contracts for residential and commercial properties, continued to perform well during the year under review as the local construction sector showed signs of recovery.

INFRASTRUCTURE PROJECTS

During the financial year, Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd ("SPYTL"), a wholly-owned subsidiary and the flagship construction company of YTL Corp, was awarded a contract for the design, construction, completion, testing, commissioning and maintenance of the Electrified Double Track Project between Sentul and Batu Caves by the Ministry of Transport. The project involves a 7.5km extension from Sentul to Batu Caves comprising the construction of a double track, stations, road bridges and installation of a new signalling, communication and electrification system. The project commenced in November 2006, with works expected to be completed by May 2009.

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. Upon completion, the Sentul–Batu Caves line is expected to alleviate congestion, benefiting tourists visiting Batu Caves and residents along the railway corridor.

COMMERCIAL PROPERTIES

Construction on the marina and surrounding infrastructure works in Pulau Mentagor in Perak, being undertaken by SPTYL for the Ministry of Transport, Malaysia, was completed on schedule in July 2007.

The engineering, procurement, construction and commissioning for the upgrading of the country's most advanced waste water treatment facility for ASEAN Bintulu Fertilizer Sdn Bhd, was also completed on schedule with works completed in May 2007.

RESIDENTIAL PROPERTIES

Construction is well underway on The Saffron at Sentul East, comprising 468 units of high-cost condominiums in four high-rise tower blocks at the Group's Sentul urban regeneration development. Construction began in May 2006 and is scheduled for completion in early 2008.

Meanwhile, work has also commenced on Phase 4 of the Lake Edge project in Puchong, which is being developed by Pakatan Perakbina Sdn Bhd, a subsidiary of YTL Corp. Phase 4 comprises 16 units of exclusive bungalows and semi-detached homes and is expected to be completed in early 2008.

In 2005, construction commenced on the Group's Lake Fields development in Sungei Besi; SPYTL is also the developer for this project. Phases 1A and 1B, comprising 238 units and 276 units of three-storey houses, respectively, were completed in March 2007.

Work also got underway on Phase 5C of the Taman Cahaya Masai development in Johor, consisting of 102 units of double-storey medium cost terrace houses, which is being developed by Bayumaju Development Sdn Bhd, a subsidiary of the Group, as well as Phase 4B1 of the Taman Pakatan Jaya development in Johor comprising 133 units of double-storey terrace houses, being developed by PYP Sendirian Berhad, also a wholly-owned subsidiary of YTL Corp.

New contracts secured in 2007 include construction of Centrio, the latest phase of the Pantai Hillpark development, consisting of 21 units of shop-lots, 24 office units and 268 SOHO (small office, home office) units,a unique development concept being undertaken by YTL Corp's wholly-owned subsidiary, Syarikat Kemajuan Perumahan Negara Sdn Bhd.

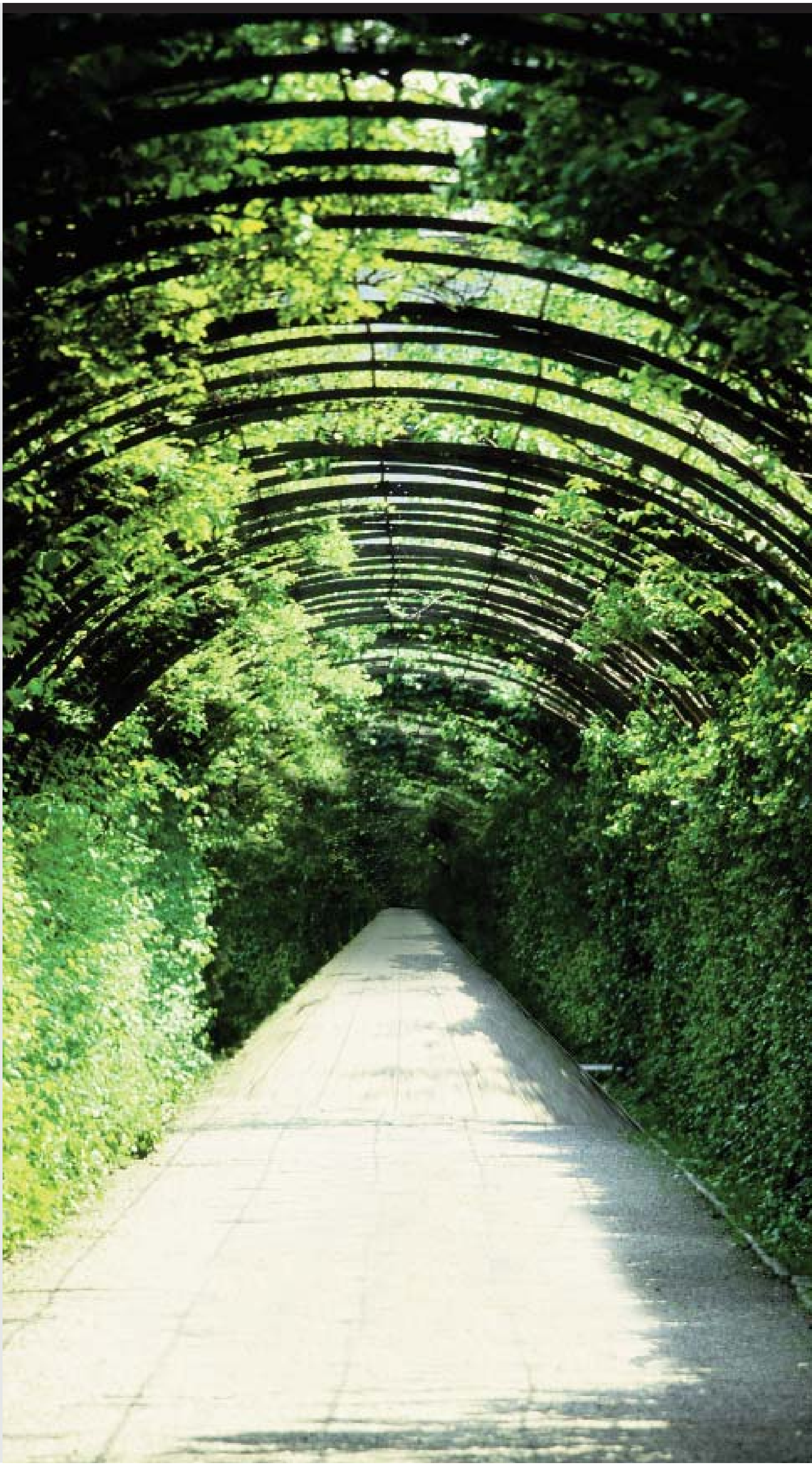
FUTURE PROSPECTS

New infrastructure development projects identified in the Ninth Malaysia Plan (9MP) are expected to significantly affect the domestic construction sector, with the industry projected to register growth of 5.2% for the 2007 calendar year and 6.3% in 2008, compared to negative growth of 0.5% in 2006.

Whilst residential and commercial projects are expected to remain drivers of YTL Corp's construction activities for the near future, the Group will continue to fully assess infrastructure projects being rolled out under the 9MP for those within its scope of expertise, including private finance initiatives (PFI) intended to provide more opportunities for the private sector to participate in the implementation of development projects.

Projects in the pipeline for the Group include new residential and commercial phases of the Sentul urban renewal project, the Lake Edge residential development in Puchong and Pantai Hillpark in central Kuala Lumpur.

Property Development



The Group's property development division achieved another good year, rising to meet ongoing challenges that continue to plague the sector, such as the overhang in residential units, by adhering to its proven policy of timing launches to meet demand, supported by strong market research into consumer preferences.

LAKE EDGE

The most recent preview launch under the Group's highly successful Lake Edge development in Puchong was Parkville in September 2007, comprising 16 exclusive bungalows and semi-detached homes. The next phase of Lake Edge to be launched will be Waterville Homes, consisting of 50 units of 2½-storey semi-detached units with a built up area of 3,800 sq.ft. each encompassing four bedrooms with an en-suite bathroom, as well as a maid's room. A private lap pool is an additional unique feature of each unit. In developing Lake Edge, the Group has placed the emphasis on creating an enclave of high-quality homes within a thriving gated community, creating an entire lifestyle concept that has proven highly appealing to buyers.

SENTUL

During the year under review, the Group launched d7, Sentul's first urban commercial hub, incorporating the latest concept in business architecture and urban connectivity. Comprising 101 office and retail units ranging from 700 to 1,500 sq.ft., d7 has proven highly appealing to professionals and young entrepreneurs seeking unprecedented new spaces to start up or upgrade, with 95% of units sold to date.

The freehold d7 development features cutting-edge duplex and boutique offices with retail and F&B outlets encased in lush landscaping, water features and artistic sculptures in the atrium area, designed exclusively with the next generation in mind. Set to invigorate Sentul by infusing a new vibrancy into an area treasured for its rich historical background and business heritage, d7 is the perfect commercial location with its Sentul Walk frontage and connectivity in every sense of the word – apart from being fully broadband enabled, the offices are accessible by lifts and the building watched over by 24-hour state of the art security systems.

Meanwhile, construction on The Saffron at Sentul Ease is progressing well on schedule. The Saffron is the second development launched at Sentul East, following the debut of the highly successful first development, The Tamarind. The Saffron comprises freehold units in two 17-storey blocks and two 24-storey blocks. With over 97% of units sold, buyers have been attracted to The Saffron's features which include extensive landscaping, three separate swimming pools, themed gardens and the exclusive Saffron Park.

PANTAI HILLPARK

Centrio, the latest offering from the Group's popular Pantai Hillpark development in the heart of Kuala Lumpur, was officially launched in December 2006, following tremendous response from buyers which saw all 80 units offered taken up during the two-day preview in November 2006. Centrio features an eclectic mix of SOHO (small office/home office) suites, retail stores and boutique, with unique features including stunning 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.

Centrio's SOHO living concept was developed based on the Group's market research that revealed an increasing number of young people looking for living space that offered unlimited flexibility, with many of them wanting to work from home. This proved true, as the majority of Centrio's SOHO buyers are from creative and entrepreneurial fields such as architecture, design, advertising and IT, demonstrating the viability and flexibility of the SOHO concept.

To add to their one-of-a-kind nature, Centrio's SOHO suites come with a host of amenities, including a 50-metre lap pool, fully equipped business centre and shared conference rooms, which make the work/home experience seamless and enjoyable. Furthermore, the lush modern landscaping serves to enhance the overall development's value, while making a distinct aesthetic statement.

LAKE FIELDS

Construction on the Group's Lake Fields development in Sungei Besi, comprising 238 units and 276 units in Phases 1A and 1B, respectively, was completed on schedule in March 2007. Lake Fields offers 3-storey homes, set on the fringes of a charming lake, and has achieved excellent take up rates.

TAMAN CAHAYA MASAI

As reported last year, the latest phase of the Group's Taman Cahaya Masai project in Johor is progressing well and on schedule for completion in late 2007. Comprising 102 units of double-storey terrace houses in Phase 5C, this phase has achieved a take-up rate of 100% with all units sold during the year under review. Earlier phases of this development, which consisted mainly of double-storey terrace houses, have proven highly attractive, achieving strong take up rates and driving demand for further units.

TAMAN PAKATAN JAYA

In April 2007, the Group launched Phase 4B1, consisting of 133 units of double-storey terrace homes, with 90% of units sold to date. Taman Pakatan Jaya in Ipoh currently comprises double-storey and single-storey houses. Future development will comprise double-storey houses, a commercial centre and semi-detached houses.

FUTURE PROSPECTS

The Group's approach in continuously innovating new living concepts which integrate with their surroundings to create sought-after communities with unique and unconventional architecture has proven time and again to attract the interest of buyers and to enhance the value of these investments.

The positive reaction and demand for the new launches during the year under review are a reflection of the Group's track record and promise to deliver truly branded, uniquely conceptualised, high quality homes. Malaysia's high quality products offered at competitive prices that capitalise on favourable exchange rates have ensured that the Group's properties are an exceptionally attractive buy in foreign markets, and the Government's ongoing commitment to the MM2H programme bodes very well for developers able to offer high quality, strongly differentiated products and services.

Sentul, Pantai Hillpark and Lake Edge are expected to continue to form the core of the Group's focus over the next few years, whilst new phases of the Taman Pakatan Jaya and Taman Cahaya Masai developments are also expected to drive growth for the foreseeable future.

Pantai Peak, expected to be launched next year, will be situated on the last piece of land in the decade-old Pantai Hillpark, a Mediterranean-themed low density development. Comprising luxury semi-detached homes and bungalows in an exclusive, open, fenceless setting, each three-storey home will have a lap pool and panoramic views of the Gasing green belt and the entire Petaling Jaya cityscape. The development is also expected to feature a new bridge link to Pantai Peak, allowing direct access from the Federal Highway through Pantai Panorama.

With each succeeding housing project, from Spanish-inspired condo-villas and lakeside homes to the unique lifestyle of park living, the Group will continue to create varied lifestyles and set new benchmarks in the property sector.

Hotel Development & Management

Results for the year under review were significantly ahead of the previous year, with satisfactory growth in occupancy, revenue and profits. Product enhancements have continued at Pangkor Laut Resort and Tanjong Jara Resort, providing opportunities for future growth.

This year, the Group opened a new Spa Village Resort in Bali, Indonesia and is scheduled to open a city boutique hotel in Malacca, Malaysia in Decenber 2007. Both are notable as they are prototypes for new product lines, launching Spa Village as a free standing resort, and introducing the Majestic Malacca as a YTL Classic Hotel. The Spa Village is now complete as a concept. It encompasses a scope of operations that includes city spas, spas incorporated in hotels or resorts, and independent resorts. YTL Classic Hotels are those which have a strong historical significance.

PANGKOR LAUT RESORT

Pangkor Laut Resort continues to move from strength to strength, further consolidating its claim as the world's best resort. The Resort was awarded the Five Star Diamond Award by The American Academy of Hospitality Sciences for the sixth consecutive year and was listed in Asia's Best Spa Hotels/Resorts 2007 by Smart Travel Asia.

For the second year Pangkor Laut Resort was joint sponsor of the Kuoni World Class Polo Day held at Hurtwood Park Polo Club in Ewhurst, Surrey, England. This is one of the most prestigious charity events in the sports calendar in England patronised by celebrities and special guests. The occasion was a fund raising event in aid of Breast Cancer Care.

The upgrading of facilities at Pangkor Laut Resort sees food and beverage operations raised to the stature of the successful Feast Village at Starhill Gallery in Kuala Lumpur. This new Feast Village replaces the former Palm Grove Café, Samudra Restaurant and Oasis Bar, featuring a varied selection of exceptional dining experiences with impressive show-kitchens and innovative dining options. A new specialty restaurant, The Straits, is a fine dining venue with 16 private dining booths overlooking Pangkor Laut's new marina.

There are added architectural innovations throughout the Resort that complement the newly renovated guest villas. The Resort has extended the beachfront area at its entrance, which now includes an upgraded jetty and marina.

A new reception foyer includes landscaped and sophisticated relaxation areas with stylish furniture adeptly placed to accent the beauty of the natural surroundings. These exciting upgrades place the resort in an entirely new international category.

TANJONG JARA RESORT

Tanjong Jara Resort intends to enhance its competitive edge by implementing strategic architectural improvements to its product, adding to the resort's authentic charm. All guest bathrooms have been upgraded with marble added to bathtub and shower areas. Outdoor baths have been refreshed with a black granite finish. Guest rooms are being fully renovated in the coming months. Interiors are being reconfigured to improve the use of space, adding a lounge area with a day bed that may be enclosed by gauze curtains. Writing tables are being repositioned for added convenience and accessibility with niche lighting installed to improve lighting levels. Shelves and cabinets are being added to provide spacious but unobtrusive storage areas.

The Tanjong Club bar has been upgraded to complement the Nelayan restaurant with an extended lounge area on the outdoor terrace that has been furnished with moon chairs and rattan sofas.

The Spa Village Tanjong Jara was named the 'Most Innovative Spa in the World' in the Tatler UK's inaugural Spa Awards. This prestigious magazine featured a Body & Soul Guide that reviewed and rated 106 of the best spas in the world, but only presented a total of five Spa Awards. The resort also received the annual Five Star Diamond Award from the American Academy of Hospitality Sciences for the sixth consecutive year.

CAMERON HIGHLANDS RESORT

Cameron Highlands Resort is fast building renown as a quality retreat for both leisure and business travelers. Launched just over a year ago, this colonial styled resort with a Spa Village and impeccable and personalised service has become the pre-eminent resort in Cameron Highlands. Among the many varied activities that have been created by the Resort, are treks on the Jim Thompson mystery trail, Spa tea baths, an exclusive Boh Plantations Tea Gardens picnic, and alfresco balcony dinners served by personal butlers.

The Resort has garnered the coveted Five Star Diamond Award 2007 from The American Academy of Hospitality Sciences and was also named one of Five Best Tea Plantation Hotels in the world by The Independent UK.

Operations Review

SPA VILLAGE

The Group's spa operations have been incorporated into a cohesive stand-alone brand, the Spa Village. These operations have matured into a product that can be placed in any environment and operated as a city spa, incorporated in a hotel or resort, or operated as a free-standing resort.

The Spa Village's unique philosophy provides spa experiences based on the healing cultures of the region in which the spa is located, and provides a platform that assures product appropriateness for each market served. This formula has not only been proven by satisfied customers, but has already won multiple awards from respected publications around the world sanctioning the idea, the most recent of these being selected as The Publishers' Choice in the SpaAsia Crystal awards.

For the second year running the Urban Retreat at Harrods in London was the location of a promotion featuring therapists and treatments from Spa Village Pangkor Laut. This promotion was complemented with extensive exposure of the Spa Village Pangkor Laut throughout Harrods, and gained significant editorial coverage in premium British fashion and beauty publications.

Capitalising on this success, Spa Village undertook its first promotion in Paris France, where the brand was linked to the world-renowned Zouari Hair and Beauty Salon which caters to royalty, celebrities and the glitterati of Paris.

SPA VILLAGE RESORT TEMBOK, BALI

In July this year, the Group launched its first YTL Luxury Spa Resort – Spa Village Resort Tembok, Bali in Indonesia, expanding the successful concept of Spa Village into a spa resort. Addressing the seasoned travellers' quest for new and unique experiences, the 31-room Spa Village Resort Tembok, Bali is located on the north-eastern coast of the island away from the over-crowded tourist areas of Kuta and Nusa Dua.

he guest experience here is crafted to appeal to the discerning traveller who prefers specially designed personalised treatments in an environment of privacy and tranquillity. The resort integrates Balinese culture into every aspect of the guest experience, providing an authentic taste of the classical Bali which first attracted travellers to this island.

Accommodation consists of 27 rooms, two exclusive suites and two stunning villas with private plunge pools. The décor combines traditionally carved timber and soft silken fabrics with every modern comfort. Each room is intended by design to be a haven. Expansive bedrooms connect to spacious marble bathrooms with sunken tubs and with a broad private verandah overlooking the garden and sea. There are 7 spa treatment rooms. Two pre-treatment rooms feature a traditional Balinese foot bathing ritual, using the mineral-rich black volcanic sand unique to the area. The Wantilan restaurant and the Lumba-Lumba activity room complete the facilities.

THE MAJESTIC MALACCA

This is a YTL Classic Hotel set in the historical seaport city of Malacca and is scheduled to open in December 2007. The original building is a two-storey colonial mansion that has been restored, preserving the original design and heritage, and houses the reception lobby, bar, lounge, reading room and restaurant. An adjoining ten-storey building has been constructed at the rear of the mansion, stylishly translating the architecture of the old building into a modern reflection. This new extension houses two floors of Spa Village, an entire floor with four meeting venues, and 52 deluxe rooms and two suites.

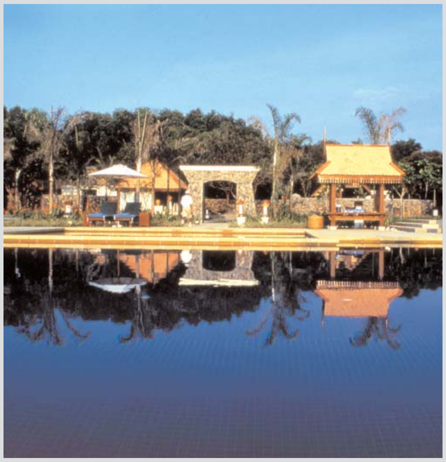
Spa Village Malacca is the sixth addition to the successful Spa Village collection, offering a range of spa treatments that are inspired by the unique Baba-Nyonya healing heritage specific to Malacca.

The hotel offers guests a totally new experience in this historic location. With its first class meeting and spa facilities, this hotel has the potential to become a popular venue for out of town seminars and conferences, as well as being the ideal environment for a relaxing retreat. The Majestic Malacca will be the first property in Malacca that delivers a truly luxury experience.

THE RITZ-CARLTON, KUALA LUMPUR

The Ritz-Carlton, Kuala Lumpur continues to build on its historical success, and has enjoyed one of the most successful years since launch. The hotel has actively been promoted as a luxury lifestyle brand, featuring understated luxury as a way of life. An effort has been initiated to align the hotel's offerings with the Starhill Gallery to create a sense of an integrated complex providing a full range of accommodation, shopping, relaxation and dining opportunities. The hotel is now firmly positioned as a leader in the luxury category in the city.

Recent awards include being voted in the world's top 20 hotels for value by Travel and Leisure Magazine USA reader's poll, and being listed in Travel + Leisure magazine's Annual T+L 500 - The Best Hotels In The World 2007.



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. The flexibility and choice of dining options at the Feast Village in Starhill Gallery remains an advantage well received by meeting organisers.

VISTANA GROUP OF HOTELS

The Vistana Hotels continue to perform successfully, with solid growth in revenue and room occupancy. The hotels have a dominant share amongst the four-star hotels in their respective areas. These YTL Quality Hotels are designed to provide experiences of an international standard at price points delivering outstanding value. This strategy has proven successful, and all the Vistana Hotels have garnered loyal customers and established brand trust, becoming a familiar name and landmark on the local front.

YTL TRAVEL CENTRE

The YTL Travel Centre remains the single largest source of travel business for the YTL Luxury Resorts of Pangkor Laut, Tanjong Jara, and Cameron Highlands as well as the newly opened Spa Village Resort Tembok, Bali. Overall sales volume from this operation increased by a third, whilst the online booking system implemented last year contributed a significant volume of business.

In addition to its sales function as a one-stop travel consultant, the Travel Centre began to provide centralised reservations services to all resorts, extending additional sales support to retail agents and wholesalers worldwide. This initiative aims to maximise yield and to provide service delivery excellence, with the objective being to provide a world-class call centre environment

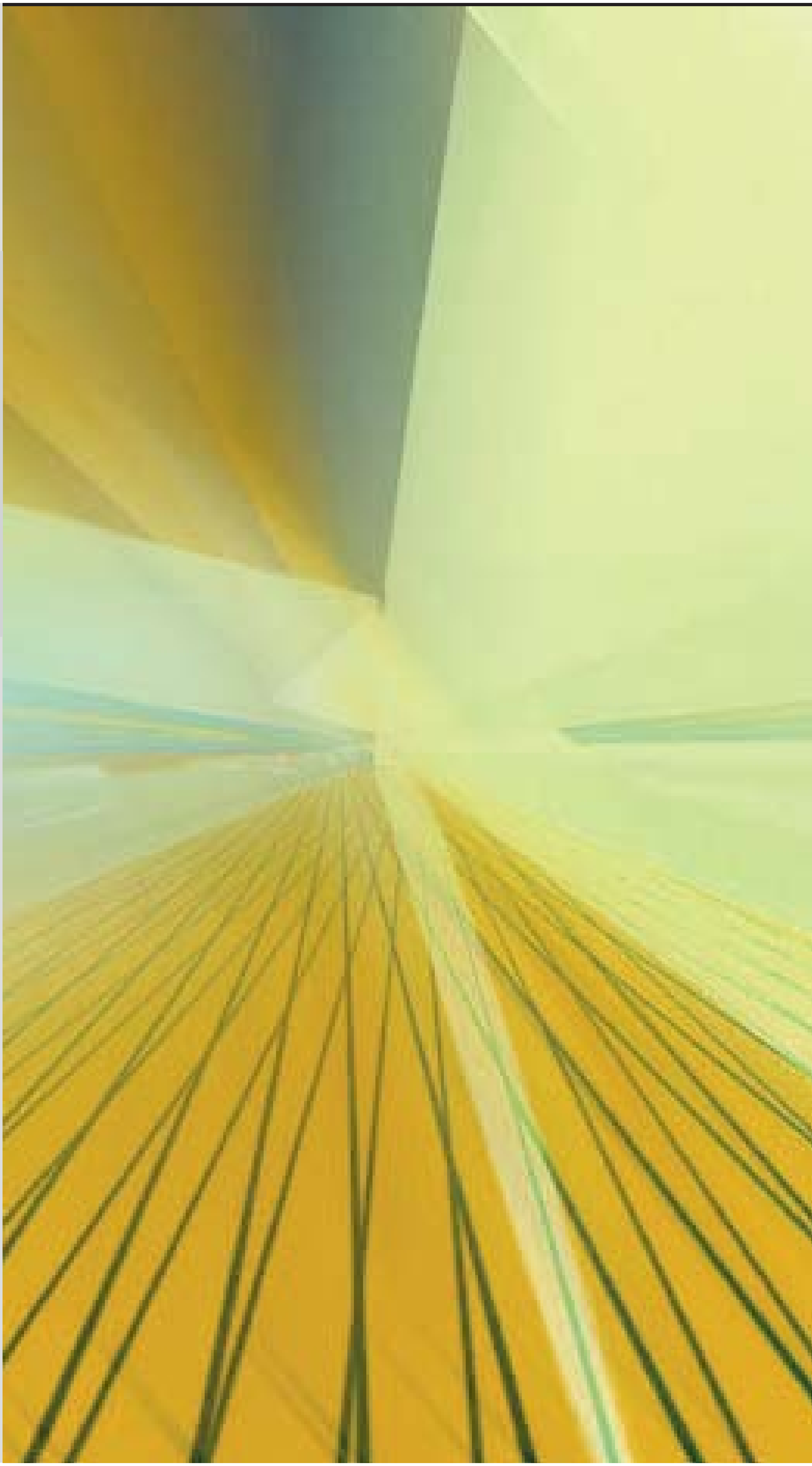
EASTERN & ORIENTAL EXPRESS

E&O has performed well in the past 12 months with marked improvements in demand and revenue. Passenger numbers and fares are up and the train looks set to complete 2007 with very positive results. The company anticipates good business growth for next year as well.

The number of scheduled departures offered has remained constant and has proven successful in meeting demand. Capacity has been well balanced and there is a continued focus on fewer but fuller trips to achieve both operational efficiency and financial goals. The 3-night Bangkok to Singapore journey introduced in January 2006 has enjoyed excellent support in the market and is earning the highest ticket revenues of all E&O itineraries.

Building on the increased interest in "touring train" holidays, E&O will launch two new itineraries in October of this year traveling to Chiang Mai and Vientiane respectively. Both offer guests a choice of 1, 2, or 3-night journeys with more excursion content than provided on present trips.

IT & e-Commerce Initiatives



The Group's information technology ("IT") and e-commerce division achieved satisfactory performance, although the dearth of viable investment opportunities in these sectors meeting the Group's strategic investment requirements, reported last year, persisted during the year under review.

WIMAX

During the year under review, the Group acquired a controlling interest in Y-Max Networks Sdn Bhd (formerly known as Bizsurf (M) Sdn Bhd) ("Y-Max Networks"), which was subsequently awarded one of only four Worldwide Interoperability for Microwave Access ("WiMAX") licences for a 2.3GHz broadband wireless access spectrum by the Malaysian Communications & Multimedia Commission. Y-Max Networks, pioneered the provision of wireless internet broadband services in Malaysia in 2001 and currently provides broadband internet connectivity to over 500 buildings and more than 1500 customers throughout the Klang Valley, with coverage of about 700 square kilometres.

With this existing network, facilities and capabilities, Y-Max Networks is well-positioned to further increase its share of the internet broadband market in conjunction with its WiMAX licence and the future roll-out of its WiMAX network.

WiMAX is a wireless standard intended for large coverage areas spanning several kilometres, compared to current standards which limit coverage to several hundred metres. The value of a WiMAX network lies in its "interoperability", as opposed to most existing data transfer infrastructures, which were designed for specific purposes. A cellular system, for example, is designed to provide voice services, whilst consumer satellite connections are best suited for the transmission of data in one direction only, such as video broadcasts.

The most similar standard, Wireless Fidelity or Wi-Fi, is designed to cater primarily for short distance networks in homes and offices. As a result, whilst these infrastructures may generally be co-opted for internet protocol (IP) applications, they are not optimised for them and generate their own limitations in use. WiMAX, on the other hand, represents a standard for broadband data, as well as voice, video and data applications over much longer distances.

DIGITAL MEDIA APPLICATIONS

YTL Info Screen Sdn Bhd ("YTLIS"), a subsidiary of the Group, achieved good growth levels in its advertising revenue during the year under review, attributed to greater media sales from leading local and multi-national brands on its digital narrowcast media networks in the Bintang Walk area of Kuala Lumpur, including Sungei Wang Plaza, and on the KL Express Rail Link (KLIA Ekspres) trains. YTLIS is an innovator in the narrowcast digital media sector in Malaysia, both as a digital media network owner and operator, and as a developer of narrowcast digital media solutions.

TELEPHONY SOLUTIONS

Extiva Communications Sdn Bhd ("Extiva"), a subsidiary of the Group, experienced challenging conditions in the Alternative Voice Service Provider ("AVSP") market during the year under review, resulting in a lower revenue contribution from this segment. In addressing these conditions, Extiva continues to explore new technologies related to voice applications over broadband channels to potentially capitalise on the technological advances in this area and improved broadband penetration in Malaysia. Extiva will also continue to explore alternative revenue streams that are synergistic to its current services.

FUTURE PROSPECTS

The Group's exposure, through its investments in companies such as Y-Max Networks, to the wired and nascent wireless internet broadband industry will provide the division with important new and growing revenue streams. Although an increase in costs attributable to WiMAX initiatives, including further pre-start-up and planning costs associated with the roll-out of its WiMAX network in Peninsular Malaysia, is expected in forthcoming financial years, this area is expected to be a significant driver of future revenues for the division.

The Government's target, reiterated in the 2008 Budget, to increase the residential broadband penetration rate to 50% of households by 2010 from 12% currently, augurs well for companies with the infrastructure, funding and ability to develop these avenues for growth, and the Group believes it is well-positioned to capitalise on these opportunities.

In line with its development objectives, the Group will continue to actively pursue investment opportunities synergistic to its core knowledge competencies in these areas and in key overseas markets, in addition to leveraging on its availability of funds to identify new evolving and market demand technologies. The integrity and reliability of the selection and assessment process have served to mitigate the very high risks inherent in the business of technology incubation and the Group is committed to maintaining this growth strategy.

Corporate Events

28-29 OCTOBER 2006

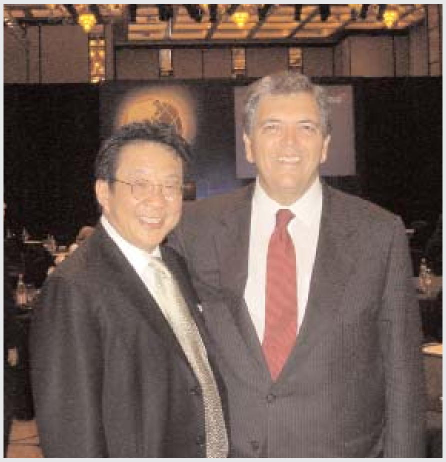
His Serene Highness Prince Albert II of Monaco and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corp, at the HSBC Chairman's Club Forum in Monaco.

1 NOVEMBER 2006

Tan Sri Dato' (Dr) Francis Yeoh, Lord Norman Foster and Dato' Yeoh Seok Kian at the offices of Foster + Partners, London.

20 NOVEMBER 2006

Her Excellency Gloria Macapagal-Arroyo, President of the Republic of the Philippines, appointed Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corp, to join her International Board of Advisors (IBA) during the year under review.



24 NOVEMBER 2006

CITIGROUP ASIA PACIFIC BUSINESS LEADERS SUMMIT

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corp, and Charles Prince, Chairman and Chief Executive Officer of Citigroup Inc., at the Citigroup Asia Pacific Business Leaders Summit in Hong Kong.

Charles Prince; Subramanian Ramadorai, Managing Director of Tata Consultancy Services Ltd; Teh Kok Peng, President of GIC Special Investment Pte Ltd; Margaret Wolf; John Gokongwei Jr., Chairman of JG Summit Holdings, Inc.; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping; Deepak Sharma, CEO Asia Pacific & Middle East Region (Citigroup); Dr. Victor Fung, Chairman of Li & Fung Group of Companies; and Vasudevan Thulasidas, Chairman of Air India.

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping and Hans Reich, Chairman, Board of Managing Directors, KfW Bankengrruppe.

Corporate Events

29 DECEMBER 2006

(From left to right) Marcel Ospel, Chairman of UBS AG, his wife Adriana Ospel, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corp, and Jacob Yeoh Keong Yeow, Director of Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd, a wholly-owned subsidiary of YTL Corp, at a dinner hosted by Marcel Ospel at his residence in Klosters, Switzerland.

3 JANUARY 2007

(From right to left) Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corp, Oswald Grubel, former Chief Executive Officer of Credit Suisse, and Jacob Yeoh Keong Yeow, Director of Syarikat Pembenaan Yeoh Tiong Lay Sdn Bhd, a wholly-owned subsidiary of YTL Corp, at a meeting at the Savoy Hotel, Zurich, Switzerland.

8 JANUARY 2007

THE BRAND LAUREATES' AWARDS

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping – Brand Personality 2006/2007

Dato' Seri Mohamad Nazri bin Abdul Aziz, Minister in the Prime Minister's Department, presented Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corp, with the Brand Personality Award 2006/2007, witnessed by (from left) Dato' Syed Amin Aljeffri and The Brand Laureate CEO Dr. K.K. Johan.

Starhill Gallery – Best Brand in Retail (Luxury Boutique)

Dato' Yeoh Seok Kian (centre), Deputy Managing Director of YTL Corp, received the award in the Best Brand in Retail (Luxury Boutique) category on behalf of Starhill Gallery from Minister in the Prime Minister's Department Y.B. Dato' Seri Mohamad Nazri bin Abdul Aziz (left).

Pangkor Laut Resort – Best Brand in Hotel (Luxury Resort)

Kevin Tromp (centre), Executive Vice-President of Brand Communications for YTL Hotels & Properties Sdn Bhd, a wholly-owned subsidiary of YTL Corp, received the trophy for Pangkor Laut Resort in the category of Best Brand in Hotel (Luxury Resort).

26 JANUARY 2007

WORLD ECONOMIC FORUM ANNUAL MEETING 2007, DAVOS, SWITZERLAND

(From left to right) Adriana Ospel, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping and U.S. Senator John McCain at Morosani Posthotel during the World Economic Forum Annual Meeting held in Davos, Switzerland.

27 JANUARY 2007

OFFICIAL OPENING OF THE "MALAYSIA SOIREE", PLENARY HALL CONGRESS CENTER, DAVOS, SWITZERLAND

(From left to right) YAB Dato' Seri Abdullah Ahmad Badawi, Prime Minister of Malaysia, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corp, and Dato' Azman bin Hj. Mokhtar, Managing Director of Khazanah Nasional Berhad.

1 FEBRUARY 2007

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corp, and Mervyn Davies, Chairman of Standard Chartered Bank, at a meeting at Standard Chartered Bank's headquarters in London.

30 MAY 2007

YTL POWER INTERNATIONAL BERHAD SYNDICATED TERM LOAN SIGNING CEREMONY

Signing Ceremony for the USD170 Million 3-Year Syndicated Term Loan Facility undertaken by YTL Power International Berhad, a listed subsidiary of YTL Corp, and the USD190 Million 3-Year Syndicated Term Loan Facility undertaken by YTL Utilities Finance 2 Limited, a wholly-owned subsidiary of YTL Power International Berhad. Citigroup acted as the sole bookrunner for both facilities.

(Centre) Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corp, and Sanjeev Nanavati, Country Head, Markets and Banking, Citigroup, at the Signing Ceremony, witnessed by Ashutosh Sharma, Managing Director/Head of Corporate Bank, Citigroup (2nd from right) and representatives of the lenders.

Corporate Events

11 JUNE 2007

WESSEX WATER SITE VISIT BY THE MINISTRY OF NATURAL RESOURCES & ENVIRONMENT

(From left to right) Matt Cheshire, Operation Contact Centre Manager, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corp, Dato' Seri Haji Azmi Bin Khalid, Malaysia's Minister of Natural Resources & Environment, and David Elliott, Director of Asset & Planning Management, Wessex Water Services Limited, during a tour of Wessex Water's state-of-the-art Control Room.

(From left to right) Helen Shapland, Laboratory Manager for Wessex Water Services Limited, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping and Dato' Seri Haji Azmi Bin Khalid at a briefing at the Wessex Laboratory Centre.

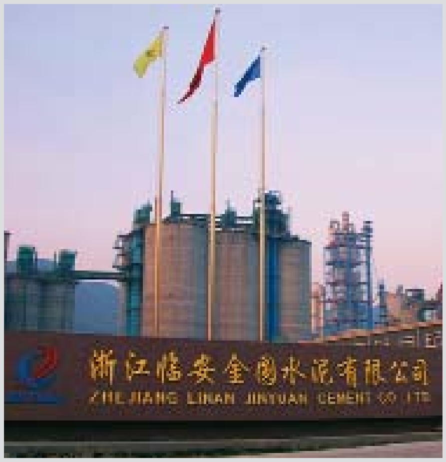
Group lunch hosted by YTL Corp and Wessex Water Limited for the delegation from the Ministry of Natural Resources & Environment. (From left to right) Dato' Sazmi Miah, Parliamentary Secretary for the Ministry of Natural Resources & Environment; Dato' Yeoh Seok Hong, Executive Director of YTL Corp; Colin Skellet, Chairman of Wessex Water Services Limited; Ahmad Hussaini Sulaiman, Deputy Director General II (Operations) for the Drainage & Irrigation Department; and Tan Boon Siong, Accountant for YTL Utilities (UK) Limited.

6-7 SEPTEMBER 2007

ASIA PACIFIC ECONOMIC COOPERATION 2007, SYDNEY

YTL Corp was invited to participate in the Asia Pacific Economic Cooperation (APEC) 2007 and the APEC Australia 2007™ Business Summit, a significant, invitation-only, annual meeting providing unparalleled opportunities for strategic engagement and networking with prominent business leaders, international opinion setters, policy makers and leaders of APEC Member Economies. The two-day forum formed part of the APEC meetings hosted by the Australian Government in 2007, with climate change factoring highly in this year's APEC agenda.

Ruth Yeoh Pei Cheen, YTL Corp's Director of Investments, presented a copy of her book "Cut Carbon, Grow Profits" (co-edited with Dr. Kenny Tang) to The Hon. John Howard, MP, Prime Minister of Australia.



28 AUGUST 2007

ACQUISITION OF 100% EQUITY INTEREST IN ZHEJIANG LIN'AN JIN YUAN CEMENT CO. LTD.

YTL Cement Berhad, a listed subsidiary of YTL Corp, entered into a contract for the transfer of equity interests with various parties for the purchase of the entire equity interest in Zhejiang Lin'an Jin Yuan Cement Co. Ltd. ("Jin Yuan") in the People's Republic of China.

Jin Yuan is principally involved in the manufacture and sale of Ordinary Portland cement and clinker and has cement and clinker production capacities of 1.5 million tonnes per year and 1.55 million tonnes per year, respectively. Jin Yuan is the largest cement manufacturer in Lin'an having a market share of approximately 60% in Lin'an, and is also one of the top 5 cement suppliers in the Hangzhou market.

(Centre) Dato' Michael Yeoh Sock Siong, Executive Director of YTL Corp, with Zhao Bi Sheng and Zhao Hui, representatives of the vendors.

11-12 SEPTEMBER 2007

THE 7TH FORBES GLOBAL CEO CONFERENCE 2007

YTL Corp Managing Director Tan Sri Dato' (Dr) Francis Yeoh Sock Ping was invited to participate as a panel member, discussing the theme "Beyond The Pot Of Gold: Lessons On Drive And Success" at The Forbes Global CEO Conference 2007. The distinguished panel shared key insights on the meaning of "real wealth", the responsibilities of leadership, entrepreneurship and the significance of the next generation of leaders in driving wealth whilst maintaining values in the process.

The Forbes Global CEO Conference is a powerful platform gathering senior figures from around the world for intensive and interactive discussions about critical and current issues, and to forge important business relationships. In 2001, the forum has become the region's most sought-after business event and a benchmark in its industry.

(From left to right) Anousheh Ansari, Chairman of Prodea Systems Inc; Andrew Forrest, CEO of Fortescue Metals Group Ltd; Lindsay Fox, Founder of Linfox; Shashi Ruia, Chairman of Essar Global Ltd; and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corp, during the Forbes Global CEO Conference.

PROTECTION OF THE ENVIRONMENT

“We have only one planet – it is, therefore, imperative that our actions today and tomorrow are sustainable for our own economic welfare otherwise we are cursing future generations with our negligence as we are now cursed by previous generations of political and business leaders that did not pay attention to sustainability”.

– Tan Sri Dato’ (Dr) Francis Yeoh Sock Ping, Managing Director, YTL Corporation Berhad

Corporate Events

3 MAY 2007

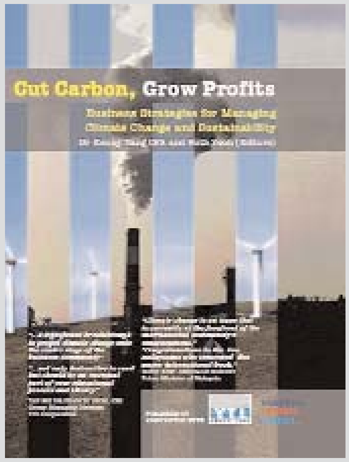
YTL CORP WINS MESRA 2006 AWARD FOR 'BEST SOCIAL REPORTING IN AN ANNUAL REPORT'

Ruth Yeoh Pei Cheen, Director of Investments, YTL Corp, accepted the award from Dato' Yusli Mohamed Yusoff, Chief Executive Officer of Bursa Malaysia Berhad, at the awards ceremony. The ACCA Malaysia Environmental and Social Reporting Awards (MESRA) recognise companies for excellence in environmental, social and sustainability reporting, with the aim of identifying and rewarding innovative attempts to communicate corporate social responsibility (CSR) performance.

6 MARCH 2007

GLOBAL BOOK LAUNCH OF "CUT CARBON, GROW PROFITS"

(From left to right) Co-editors Ruth Yeoh Pei Cheen, YTL Corp Director of Investments and Dr Kenny Tang, Dato' Seri Haji Azmi Bin Khalid, Minister of Natural Resources and Environment, and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corp, at the book launch which was held in conjunction with Climate Change Week 2007, sponsored by YTL Corp.



"Cut Carbon, Grow Profits – Business Strategies for Managing Climate Change and Sustainability" illustrates what every corporation needs to know in order to manage the carbon and sustainability challenges facing societies, cities, individuals and businesses today. With contributions from international experts, "Cut Carbon, Grow Profits" shows the benefits of incorporating carbon thinking into the business strategies of companies, their customers and their suppliers.

6-9 MARCH 2007

CLIMATE CHANGE WEEK 2007

YTL Corp sponsored Climate Change Week 2007, a week-long initiative to raise awareness for this very critical concern. The Group sponsored free screenings of Al Gore's Oscar-award winning documentary "An Inconvenient Truth", with over 5,000 free tickets being distributed to the public. Other events included the "Cut Carbon, Grow Profits" business conference to bring attention to how companies can pursue sustainable business practices that benefit the bottom line.

(From left to right) Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corp, Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Executive Chairman of YTL Corp, and Ruth Yeoh Pei Cheen, Director of Investments at YTL Corp, at the official launch of Climate Change Week 2007.

10 MAY 2007

Tony Blair (left), former Prime Minister of United Kingdom, met with co-editors of "Cut Carbon, Grow Profits", Ruth Yeoh Pei Cheen (centre) and Dr Kenny Tang (right), at the UK launch of IPWG, a renewable energy and waste-to-energy group. Ruth Yeoh Pei Cheen is Director of Investments at YTL Corp and Dr Kenny Tang is Head of the Environmental Advisory Board for IPWG.

9 JULY 2007

LONDON CLIMATE CHANGE AGENCY LAUNCH OF CUT CARBON, GROW PROFITS

Dr Kenny Tang and Ruth Yeoh Pei Cheen at the UK launch of the book hosted by the London Climate Change Agency at London's City Hall. The keynote speech was given by Nicky Gavron, London's Deputy Mayor.

3 JULY 2007

LAUNCH OF THE BIRD ISLAND GREEN HOMES COMPETITION

A challenge like no other, the Bird Island Green Homes Competition tasks the world's top architects and environmental engineers to design six energy efficient homes in Bird Island, Sentul Park. Revolutionary and eco-friendly, the six homes will be a test bed for sustainable living and responsible planning.

(From left to right) Stephen Pimbley, Partner at SMC Alsop, the project's advisor and master planner and the moderator of the judging panel for the Bird Island Green Homes Competition, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corp and chairman of the judging panel, and Dato' Yeoh Seok Kian, Deputy Managing Director of YTL Corp, at the launch of the competition at Sentul Park.

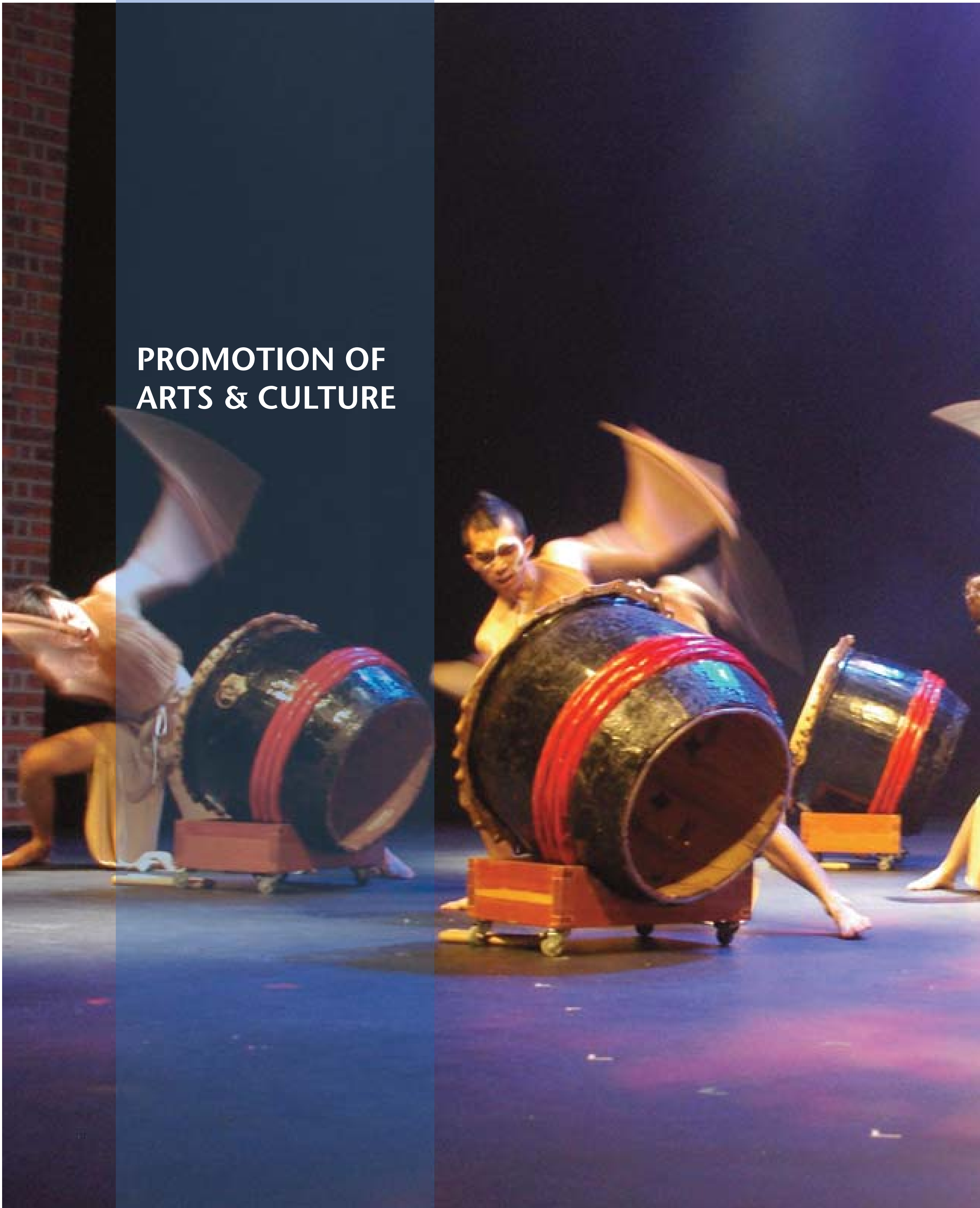
4 SEPTEMBER 2007

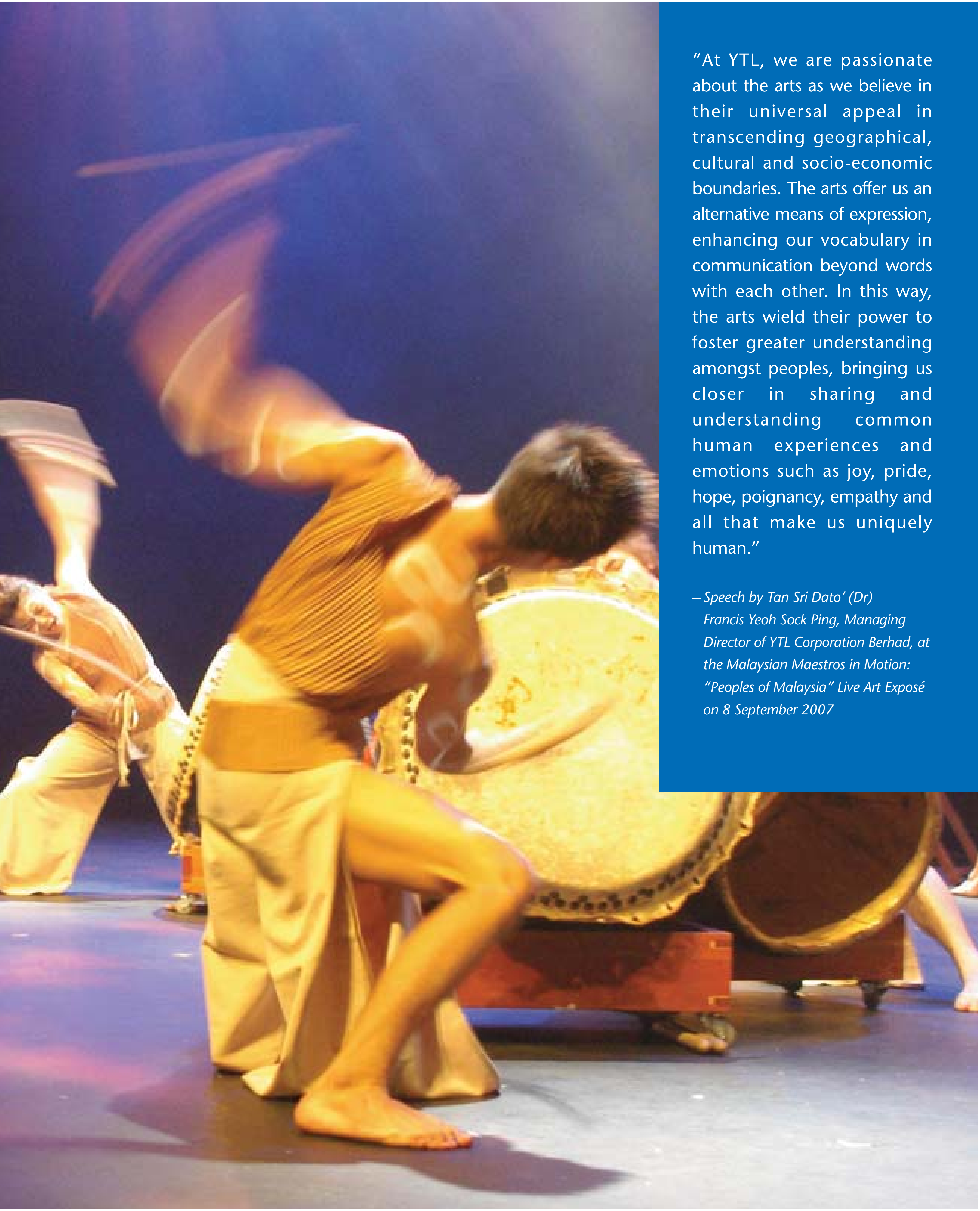
PROGRESS UPDATE ON BIRD ISLAND GREEN HOMES COMPETITION

(From left to right) Stephen Pimbley, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping and Ms Chong Yee Loon, Senior Architect for the YTL Design Group, discuss the merits of each submission.

(From left to right) Lord Norman Foster, Chairman of Foster + Partners, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping and Lady Elena Foster at a lunch hosted by YTL Corp. Foster + Partners is a leading firm of architects in the United Kingdom that has a long history of involvement in sustainable approaches to architecture in a wide range of projects around the world.

PROMOTION OF ARTS & CULTURE





"At YTL, we are passionate about the arts as we believe in their universal appeal in transcending geographical, cultural and socio-economic boundaries. The arts offer us an alternative means of expression, enhancing our vocabulary in communication beyond words with each other. In this way, the arts wield their power to foster greater understanding amongst peoples, bringing us closer in sharing and understanding common human experiences and emotions such as joy, pride, hope, poignancy, empathy and all that make us uniquely human."

– Speech by Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad, at the Malaysian Maestros in Motion: "Peoples of Malaysia" Live Art Exposé on 8 September 2007

Corporate Events

5 SEPTEMBER 2007

TUNKU – THE MUSICAL

YTL Corp sponsored "*Tunku – The Musical*" at the Kuala Lumpur Performing Arts Centre (KLPac) from 12–15 September 2007 with free tickets given out to the public for all performances.

Created and directed by Joe Hasham, KLPac's Artistic Director, the musical pays tribute to Malaysia's founding leader, Tunku Abdul Rahman, and played to full houses throughout its run.

The cast of "*Tunku – The Musical*" with Tan Sri Dato' (Dr) Francis Yeoh Sock Ping and special guest Mel Gibson.

5 SEPTEMBER 2007

DATIN PADUKA SERI ENDON MAHMOOD AWARD FOR PERFORMING ARTS EXCELLENCE

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping (right), Managing Director of YTL Corp, presented freelance artist and dance choreographer Aris Kadir (left) with the inaugural Datin Paduka Seri Endon Mahmood Award for Performing Arts Excellence. The award is sponsored by YTL Corp and the winner receives a RM50,000 scholarship fund to further his education in his chosen discipline.

8 SEPTEMBER 2007

MALAYSIAN MAESTROS IN MOTION: "PEOPLES OF MALAYSIA" LIVE ART EXPOSÉ

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corp, with artists Jack Ting, Yusri Sulaiman, Fauzul Yusri, Eric Quah and Yusof Ghani at The Gallery @ Starhill Gallery which hosted the Live Art Expose entitled "Peoples of Malaysia" performed by the six artists.

18 JANUARY 2007

NST FLOOD VICTIMS ASSISTANCE FUND

YTL Corp donated RM3 million to the NST Flood Victims Assistance Fund, the single largest donation by a corporate body, to lend a helping hand to thousands of flood victims in Johor.

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping (centre), Managing Director of YTL Corp, at the cheque presentation with Datuk Kalimullah Hassan (left), Deputy Chairman of New Straits Times Press (M) Bhd, and Datuk Syed Faisal Albar (right), Chief Executive Officer of New Straits Times Press (M) Bhd.

29 JUNE 2007

YTL Corp remains committed to improving educational standards of Malaysia's next generation of leaders. This commitment is carried throughout the organisation to reiterate the message that educational development begins at home.

(From left to right) YTL Corp Executive Director Dato' Yeoh Sock Hong and his wife YTL Corp Group Legal Adviser Datin Kathleen Chew Wai Lin, their son Yeoh Keong Yuan, Yeoh Keong Junn, son of YTL Corp Managing Director Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Tan Chien Yih, and parents YTL Corp Executive Director Dato' Yeoh Soo Min and Dato' Robert Tan. Yeoh Keong Junn, Yeoh Keong Yuan and Tan Chien Yin graduated from Harrow School with flying colours.

4 OCTOBER 2007

SUPPORT FOR WWF & RARE CONSERVATION

(From left to right) Nigel Sizer, Rare Vice President for Asia-Pacific, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, YTL Corp Managing Director, Dr. Dionysius Sharma, Executive Director & CEO of WWF-Malaysia, Ruth Yeoh Pei Cheen, YTL Corp Director of Investments, and Dato' Yeoh Soo Min, Executive Director of YTL Corp, at the grant presentation.

(From left to right) Dr. Dionysius Sharma, Ruth Yeoh Pei Cheen, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping and Nigel Sizer at the press conference.

SUPPORTING EDUCATION & COMMUNITY DEVELOPMENT

"To us, it is not just about donations. It is about contributing through our actions to improving the state of mankind and the world around us. It is the least we can do for our nation and future generations".

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

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE TWENTY-FOURTH 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 FRIDAY, THE 7TH DAY OF DECEMBER, 2007 AT 3.30 P.M. TO TRANSACT THE FOLLOWING BUSINESS:

AS ORDINARY BUSINESS

1 To receive the Audited Financial Statements for the financial year ended 30 June 2007 together with the Reports of the Directors and Auditors thereon; **Resolution 1**

2 To sanction the declaration of a Final Dividend of 5% gross less Malaysian Income Tax in respect of the financial year ended 30 June 2007; **Resolution 2**

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

i Dato' Yeoh Seok Kian **Resolution 3**
ii Dato' Mark Yeoh Seok Kah **Resolution 4**
iii Dato' Chong Keap Thai @ Cheong Keap Tai **Resolution 5**

4 To consider and if thought fit, to 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 (B) Dato' Haron Bin Mohd Taib, 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 RM260,000 for the financial year ended 30 June 2007; **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 Listing Requirements 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 7 December 2006, 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 2007, the audited Retained Profits and Share Premium Account of the Company were RM2,493,996,000.00 and RM652,522,349.70 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 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 Listing Requirements of Bursa Securities and all other relevant governmental/regulatory authorities."

Resolution 13

ORDINARY RESOLUTION 3

9 PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND NEW SHAREHOLDERS' 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 a major shareholder, as specified in section 2.1.2 of the Circular to Shareholders dated 15 November 2007 subject to the following:

Notice of Annual General Meeting

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 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**

SPECIAL RESOLUTION 1

10 PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION

"THAT the alterations, deletions, modifications and additions to the Articles of Association of the Company as set out in Appendix I of the Circular to Shareholders dated 15 November 2007 be and are hereby approved." **Resolution 15**

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 12 December 2007 for the entitlement of the following:

Proposed Final Dividend of five percent (5%) gross less Malaysian Income Tax in respect of the financial year ended 30 June 2007 as recommended by the Directors on 23 August 2007.

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

a shares transferred into the Depositor's Securities Account before 4.00 p.m. on 12 December 2007 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 Final Dividend of five percent (5%) gross less Malaysian Income Tax in respect of the financial year ended 30 June 2007, if approved by the shareholders at the forthcoming Twenty-Fourth Annual General Meeting, shall be on 31 December 2007.

1999/2009 warrant holders are reminded to lodge with the Company's Registrar, YTL Corporation Berhad of 11th Floor Yeoh Tiong Lay Plaza, 55 Jalan Bukit Bintang, 55100 Kuala Lumpur, their subscription forms and subscription monies for subscription of new shares by 5.00 p.m. on 12 December 2007 to qualify for the above dividend entitlement.

By Order of the Board,

HO SAY KENG
Company Secretary

KUALA LUMPUR
15 November 2007

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 30 November 2007. Only a depositor whose name appears on the General Meeting Record of Depositors as at 30 November 2007 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 15 November 2007 which is despatched together with the Company's Annual Report 2007.

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 15 November 2007 which is despatched together with the Company's Annual Report 2007.

Proposed Amendments to Articles of Association

For Resolution 15, details of the Proposed Amendments to Articles of Association are set out in the Circular to Shareholders dated 15 November 2007 which is despatched together with the Company's Annual Report 2007.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.28(2) of the 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-Fourth 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 D Eng (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, SIMP, DPMS, DPMP, JMN, JP
Hon D Eng (Kingston), B Sc (Hons) Civil Engineering, FFB, F Inst D, MBIM, RIM

Deputy Managing Director
Dato' Yeoh Seok Kian
DSSA
B Sc (Hons) Bldg, MCIOB, FFB

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

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

Dato' Cheong Keap Tai

Dato' Yeoh Soo Min
DSPN
BA (Hons) Accounting

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

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

Dato' Yeoh Soo Keng
DIMP
B Sc (Hons) Civil Engineering

Dato' Mark Yeoh Seok Kah
DSSA
LLB (Hons)

Eu Peng Meng @ Leslie Eu
B Com, FCILT

Syed Abdullah Bin Syed Abd. Kadir
B Sc (Engineering Production), B Com (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)

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping
(Group Managing Director)

Mej Jen (B) Dato' Haron Bin Mohd Taib
(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
Am Investment Bank Berhad
Barclays Bank Plc
Bayerische Landesbank
BNP Paribas
Calyon
CIMB Bank Berhad (formerly known as Bumiputra-Commerce Bank Berhad)
Citibank Berhad
Citibank Malaysia (L) Limited
DBS Bank Ltd
Deutsche Bank (Malaysia) Berhad
European Investment Bank
Great Eastern Life Assurance (Malaysia) Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
HSBC Bank Plc
ING Bank N.V.
KBC Bank N.V.
Malayan Banking Berhad
Mega International Commercial Bank Co Ltd
Mizuho Corporate Bank Ltd
National Australia Bank Limited
OCBC Bank (Malaysia) Berhad
Oversea-Chinese Banking Corporation Limited
RHB Bank Berhad
Societe Generale
Standard Chartered Bank Malaysia Berhad
Standard Chartered Bank Singapore
The Bank of East Asia Limited
The Bank of Tokyo-Mitsubishi UFJ, Ltd
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING
Bursa Malaysia Securities Berhad
Main Board (3.4.1985)

Tokyo Stock Exchange
Foreign Section (29.2.1996)

Profile of the Board of Directors

TAN SRI DATO' SERI (DR) YEOH TIONG LAY, Malaysian, aged 77, 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 ("ACF"). 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 ("IFAWPCA"). Tan Sri Yeoh Tiong Lay is currently an EXCO member of the Malaysian Crime Prevention Foundation ("MCPF") and Vice President of the Malaysian Japanese Economic Association ("MAJECA"). He is also the Honorary Chairman of the 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 Board 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 53, 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. He is a member of the Audit Committee. 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 Board of Bursa Malaysia Securities Berhad. Tan Sri Francis is also the Executive Chairman of YTL e-Solutions Berhad, which is listed on the MESDAQ Market of Bursa Malaysia Securities Berhad. 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 and CNBC Asia Pacific recently named him Malaysia CEO of the Year.

He was appointed as member of Barclays Asia-Pacific Advisory Committee in 2005. He also sits on the IBLF International Advisory Board, which is chaired by James Wolfensohn, Former President of the World Bank.

In 2006, he was awarded the Commander of the Most Excellent Order of the British Empire (CBE) by Her Majesty Queen Elizabeth II.

Profile of the Board of Directors

DATO' YEOH SEOK KIAN, Malaysian, aged 50, 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 Board 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, YTL Vacation Club Berhad and private utilities company, Wessex Water Limited. He is also a director of Pintar Projek Sdn Bhd, the Manager of Starhill Real Estate Investment Trust.

DATO' (DR) YAHYA BIN ISMAIL, Malaysian, aged 79, was appointed to the Board on 6 April 1984 as an Independent Non-Executive Director. He is the Chairman of the Audit Committee. He holds a Bachelor of Veterinary Science degree from University of Sydney, Australia which he obtained in 1957. He was formerly with the Government and his last appointment was the 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 since 1986. Dato' Yahya is a director of YTL Power International Berhad, a company listed on the Main Board of Bursa Malaysia Securities Berhad and several other public companies including YTL Industries Berhad and Metroplex Berhad. He also serves on the board of Pintar Projek Sdn Bhd, the Manager of Starhill Real Estate Investment Trust.

MEJ JEN (B) DATO' HARON BIN MOHD TAIB, Malaysian, aged 72, was appointed to the Board on 3 July 1990 as an Independent Non-Executive Director. He is a member of the Audit Committee. He was enlisted as an officer cadet at the Royal Military College in Sungei Besi, Kuala Lumpur in 1957 and was commissioned as a Second Lieutenant at Royal Military Academy Sandhurst, England in 1957. Some of his various notable appointments include the Director of Manpower Planning in the Ministry of Defence in 1972, the Chief of Logistic Staff in 1986 and the 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 59, was appointed to the Board on 30 September 2004 as an Independent Non-Executive Director. He is 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 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. He is also a director of YTL Land & Development Berhad, YTL e-Solutions Berhad, Cement Industries of Malaysia Berhad, Opus International Group Plc, Gromutual Berhad and certain private limited companies.

DATO' YEOH SOO MIN, Malaysian, aged 51, 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 setting up of the accounting and finance systems for the YTL Group. She is a Member of the Malaysian Institute of Management and has been a Committee Member of the Women for Women Association, Malaysia since 1990. She was the past President of the Women in Travel Industry. She has been one of the Governors of International Students House, London since 1995 and a Trustee of Yayasan Tuanku Fauziah (Queen's Foundation). She also holds directorships in YTL Power International Berhad, a company listed on the Main Board of Bursa Malaysia Securities Berhad, YTL Industries Berhad and YTL Vacation Club Berhad.

DATO' YEOH SEOK HONG, Malaysian, aged 48, 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's 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. He continues to be actively involved in the construction activities of the YTL Group, his most recent project being the construction of the Express Rail Link between the Kuala Lumpur International Airport and the Kuala Lumpur Sentral Station, and is also responsible for developing the power and utility businesses of the YTL Power International Berhad Group. He is also a director of YTL Power International Berhad, YTL Cement Berhad and YTL Land & Development Berhad, all listed on the Main Board of Bursa Malaysia Securities Berhad and YTL e-Solutions Berhad, a company listed on the MESDAQ Market of Bursa Malaysia Securities Berhad. Dato' Yeoh Seok Hong also sits on the board of other public companies such as YTL Industries Berhad, YTL Foundation, Wessex Water Limited and Wessex Water Services Limited.

DATO' MICHAEL YEOH SOCK SIONG, Malaysian, aged 47, was appointed to the Board on 19 June 1985 as an Executive Director. He graduated from the Bradford University, United Kingdom in 1983 with a Bachelor of Engineering (Hons) Civil & Structural Engineering Degree. Dato' Michael Yeoh is primarily responsible for YTL Group's Manufacturing Division which activities involve cement manufacturing, ready-mixed concrete 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 Board of Bursa Malaysia Securities Berhad and YTL e-Solutions Berhad, a company listed on the MESDAQ 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.

DATO' YEOH SOO KENG, Malaysian, aged 44, 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 currently responsible for bulk purchases of building materials and related items for YTL Group's construction, hotels and resorts, and property development divisions. 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 Board of Bursa Malaysia Securities Berhad.

DATO' MARK YEOH SEOK KAH, Malaysian, aged 42, was appointed to the Board on 22 June 1995. He graduated from King's College, University of London with an 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 takeovers of ElectraNet SA (Australia), Wessex Water Limited (UK) and P.T. Jawa Power (Indonesia). He also serves on the board of YTL Power International Berhad, YTL Cement Berhad, YTL Land & Development Berhad, all listed on the Main Board of the Bursa Malaysia Securities Berhad and YTL e-Solutions Berhad, a company listed on the MESDAQ Market of Bursa Malaysia Securities Berhad. He is also a board member of YTL Vacation Club Berhad and private utilities company, Wessex Water Limited.

Profile of the Board of Directors

EU PENG MENG @ LESLIE EU, Malaysian, aged 72, 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. He 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 Board 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 53, 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 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 from November 1994 to February 1996. 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' 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 6 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	6
Dato' Yeoh Seok Kian	4
Dato' (Dr) Yahya Bin Ismail	6
Mej Jen (B) Dato' Haron Bin Mohd Taib	4
Dato' Cheong Keap Tai	5
Dato' Yeoh Soo Min	6
Dato' Yeoh Seok Hong	6
Dato' Michael Yeoh Sock Siong	5
Dato' Mark Yeoh Seok Kah	6
Eu Peng Meng @ Leslie Eu	6
Dato' Yeoh Soo Keng	6
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 2007, 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 provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia.

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)

Mej Jen (B) Dato' Haron Bin Mohd Taib
(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, majority of whom should be 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 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;

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 excluding the attendance of the executive members 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 with the external auditors, the audit plan;

   b with the external auditors, his evaluation 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 with the external auditors, the audit report;

   d the assistance given by the employees of the Company to the external auditors;

   e the adequacy of the scope, functions 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.

Audit Committee Report

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 Listing Requirements of Bursa Securities.

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 Senior Management or any relevant employee 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 subparagraphs 15.10(1) of the Listing Requirements of Bursa Securities, the Company must fill the vacancy within 3 months.

Minutes

1 The Committee 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 all attendees at the meetings and members of the Committee.

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 2007 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 unaudited financial results announcements and recommending for the Board of Directors' approval.

5 Reviewing the audited financial statements before recommending for the Board of Directors' approval.

6 Reviewing the Company's compliance, in particular the quarterly and year end financial statements, with the Listing Requirements of Bursa Securites and the applicable approved accounting standards issued by the Malaysian Accounting Standards Board.

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

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

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	5
Mej Jen (B) Dato' Haron Bin Mohd Taib	3
Dato' Cheong Keap Tai	4

Statement on Corporate Governance

YTL Corporation Berhad ("YTL Corp" or "Company") and its subsidiaries ("YTL Corp Group") have a long-standing commitment to corporate governance and protection of shareholder value. This commitment has been integral to the YTL Corp Group's achievements and strong financial profile to date and the Board of Directors ("Board") remains firmly committed to implementing and attaining the highest standards of corporate governance throughout the YTL Corp Group. Good corporate governance 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 other stakeholders.

During the year under review, the Board continued to adhere to the measures recommended by the Malaysian Code on Corporate Governance ("Code") to enhance its corporate governance practices, and to fully comply with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"). 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. 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 thirteen Directors comprising nine executive members and four non-executive members, all of whom are independent. This is in compliance with the requirement for one-third of the Board to be independent.

The positions 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 working 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. 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 presence of Independent Non-Executive Directors brings an additional element of balance to the Board and these Independent Non-Executive Directors have the experience to carry sufficient weight in the Board's decisions. 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 responsible for the YTL Corp Group's operations and for ensuring that strategies proposed by management 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 possess 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 to whom concerns may be conveyed, mainly because the Chairman encourages full deliberation of issues affecting the YTL Corp Group by all members of the Board and shareholders.

DIRECTORS' TRAINING

All the Directors have successfully completed the Mandatory Accreditation Programme and each Director has now obtained the applicable number of points under the Continuing Education Programme ("CEP") that they were required to obtain prior to the repeal of the CEP by Bursa Securities. During the financial year under review, the Directors attended various other conferences and programmes, including speaking engagements, to enhance their knowledge and expertise, and the Board will continue to evaluate and determine the training needs of its Directors on an ongoing basis.

BOARD MEETINGS & ACCESS TO INFORMATION

The Board met five times during the financial year ended 30 June 2007. 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 have full and unrestricted access to all information pertaining to the YTL Corp Group's business and affairs, both as a full Board and in their individual capacities, 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 full set of Board papers containing information relevant to the business of the meeting. This allows the Directors to obtain further explanations or clarification, where necessary, in order to be properly briefed before each meeting.

All Directors have full access to the advice and services of the Company Secretary who 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 decision lies with the entire Board to ensure that the resulting mix of experience and expertise of members of the Board is sufficient to address the issues affecting the YTL Corp Group.

In accordance with the Company's Articles of Association, one-third of the Directors are required to retire from office at each Annual General Meeting ("AGM"). Retiring Directors can offer themselves for re-election. 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 annually in accordance with Section 129 of the Companies Act, 1965. Details of Directors seeking re-election at the forthcoming AGM are disclosed in the Statement Accompanying the Notice of AGM in this Annual Report.

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 and retain directors of the calibre needed to run the YTL Corp Group successfully. In general, 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 6 of the Notes to the Financial Statements in this Annual Report (for security reasons, details are not shown with reference to Directors individually).

DIALOGUE WITH SHAREHOLDERS & INVESTORS

The YTL Corp Group values dialogue with investors as a means of effective communication that enables the Board to convey information about performance, corporate strategy and other matters affecting shareholders' interests. The Board recognises the importance of timely dissemination of information to shareholders and accordingly ensures that they are 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 meets with analysts, institutional shareholders and investors throughout the year. Presentations based on permissible disclosures are made to explain the YTL Corp Group's performance and major development programs. Price-sensitive information that may be regarded as undisclosed material information about the YTL Corp Group is, however, not disclosed in these sessions until after the prescribed announcement to Bursa Securities has been made.

Statement on Corporate Governance

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 Managing Director responds 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.

THE AUDIT COMMITTEE

The Company has in place an Audit Committee which comprises three Non-Executive Directors and one Executive Director. The Audit Committee holds quarterly meetings to review matters including the YTL Corp Group's financial reporting, the audit plans for the year and recurrent related party transactions, as well as to deliberate the findings of the internal and external auditors.

The Audit Committee met five times during the financial year ended 30 June 2007. Full details of the composition, complete terms of reference and 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 provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia. 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 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

Information on the YTL Corp Group's system of internal control is presented in the Statement on Internal Control 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 auditors, Messrs HLB Ler Lum.

ADDITIONAL DISCLOSURE

- **Employees' Share Option Scheme:** 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:** 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 2007.

This statement was approved by the Board of Directors on 25 October 2007.

Statement on Internal Control

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

The Code requires the Board of Directors ("Board") of listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the Company's assets. Paragraph 15.27(b) of the Listing Requirements requires the Board to include in the annual report of the Company a statement on the status of the system of internal control.

RESPONSIBILITIES OF THE BOARD

The Board is responsible for maintaining a sound system of internal control 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 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, 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 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 which senior management operates. Responsibility levels are communicated throughout the YTL Corp Group which set out, among others, authorisation levels, segregation of duties and other control procedures.

- **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. 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 key treasury matters including changes to equity, financing, cheque signatories, opening of bank accounts and foreign operations. Comprehensive due diligence is carried out when a business is to be acquired.

- **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. Updates of internal policies and procedures are undertaken to reflect changing risks or resolve operational deficiencies. Internal audit visits are systematically arranged over specific periods to monitor and scrutinise compliance with procedures and assess the integrity of financial information provided.

Statement on Internal Control

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 in-house internal audit department is complemented by the internal audit functions outsourced to a professional firm. The internal auditors report to the Audit Committee, which reviews the effectiveness of the system of internal financial and accounting control as it operated during the year under review and reports their conclusions to the Board. The team advises executive and operational management on areas for improvement and subsequently reviews the extent to which its recommendations have been implemented.

  During the year under review, the internal auditors reviewed the YTL Corp Group's system of internal control covering financial, accounting, operational and compliance controls. None of the weaknesses identified during this review have 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 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 Office of Water Services (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 by way of timely meetings 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.

  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 the internal auditors. 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 all divisional heads. The purpose of these meetings is to deliberate and decide upon all urgent company matters. Decisions can then be communicated to all members of staff immediately. From these meetings, the Board is able to identify significant operational and financial risks of the business units concerned.

- **Treasury Meetings:** Weekly meetings to discuss significant financial and treasury matters and to monitor the financial standing of the YTL Corp Group are conducted. These meetings ensure that any new financial developments and/or areas of concern are highlighted early and can dealt with promptly. The members of this meeting comprise at least the YTL Corp Group Managing Director, Executive Directors, Company Secretary, Legal Adviser and Treasurer.

- **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.

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 the Paka and Pasir Gudang power stations, the Express Rail Link, an indirect investment of 33.5% in ElectraNet and a 35% equity interest in 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 and a virtual monopoly in their respective markets of operation.

In addition, the YTL Corp Group has a long-standing policy of entering into joint venture agreements with local authorities and state governments in undertaking construction projects and cement plant operations, in order to reduce risk levels.

In its property development division, the YTL Corp Group has pursued joint venture agreements with landowners, particularly Government bodies, when undertaking projects. This strategy has helped keep holding costs low and provided better resilience against severe downswings in the property market. The Sentul development project, for instance, is being undertaken as a joint venture with Keretapi Tanah Melayu Berhad, whilst Pantai Hillpark is being developed with Kuala Lumpur City Hall. Other projects, such as Taman Puncak Kinrara and Taman Pakatan Jaya involve joint ventures with the Selangor and Perak State Governments, respectively.

The Board acknowledges that all areas of the YTL Corp Group's business activities involve some degree of risk and is committed to ensuring that there is an effective risk management framework which allows Management to manage risks within defined parameters and standards.

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 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 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.

The Managing Director reports to the Board on significant changes in the business and the external environment which affects significant risks. 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.

CONCLUSION

The Board is of the view that the system of internal controls being instituted throughout the YTL Corp Group is sound and effective. 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 25 October 2007.

Analysis of Share/Warrant Holdings
as at 5 October 2007

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	1,758	16.31	56,259	0.00
100 – 1,000	2,381	22.09	1,599,210	0.10
1,001 – 10,000	5,074	47.09	16,785,394	1.12
10,001 – 100,000	1,224	11.36	35,844,719	2.39
100,001 to less than 5% of issued shares	337	3.13	598,738,327	39.88
5% and above of issued shares	2	0.02	848,392,008	56.51
Total	10,776	100.00	1,501,415,917	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	706,260,225	47.04
2	Employees Provident Fund Board	142,131,783	9.47
3	DB (Malaysia) Nominee (Asing) Sdn Bhd - Exempt An for Deutsche Bank Ag Singapore (PWM Asing)	53,452,619	3.56
4	Mayban Nominees (Tempatan) Sdn Bhd - Pledged Securities A/c for Yeoh Tiong Lay & Sons Holdings Sdn Bhd (414011602000)	50,000,000	3.33
5	Amanah Raya Nominees (Tempatan) Sdn Bhd - Skim Amanah Saham Bumiputera	30,074,000	2.00
6	Mayban Nominees (Tempatan) Sdn Bhd - Pledged Securities A/c for Yeoh Tiong Lay & Sons Holdings Sdn Bhd (414011601080)	26,500,000	1.77
7	HSBC Nominees (Asing) Sdn Bhd - Exempt An for JPMorgan Chase Bank, National Association (JPMINTL BK Ltd)	23,400,704	1.56
8	HSBC Nominees (Asing) Sdn Bhd - BBH and Co. Boston for Fidelity Contrafund	16,252,000	1.08
9	UOBM Nominees (Asing) Sdn Bhd - Deutsche Bank Ag Singapore Branch (PBD) for Orchestral Harmony Limited	15,556,403	1.04
10	UOBM Nominees (Asing) Sdn Bhd - Deutsche Bank Ag Singapore Branch (PBD) for Velvet Properties Limited	15,233,920	1.01
11	Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	14,033,652	0.93
12	Valuecap Sdn Bhd	9,900,000	0.66
13	Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	9,300,000	0.62
14	HSBC Nominees (Asing) Sdn Bhd - Morgan Stanley & Co. International PLC (Firm A/C)	9,091,500	0.61
15	UOBM Nominees (Asing) Sdn Bhd - Deutsche Bank Ag Singapore Branch (PBD) for Windchime Developments Limited	8,839,763	0.59

	Name	No. of Shares	% #
16	Cartaban Nominees (Asing) Sdn Bhd - Investors Bank and Trust Company For Ishares, Inc.	8,776,888	0.58
17	HSBC Nominees (Asing) Sdn Bhd - BNY Brussels for JF Asean Fund	8,500,000	0.57
18	Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	8,200,894	0.55
19	Citigroup Nominees (Tempatan) Sdn Bhd - Exempt An for Prudential Assurance Malaysia Berhad	8,004,352	0.53
20	UOBM Nominees (Asing) Sdn Bhd - Deutsche Bank Ag Singapore Branch (PBD) for Water City Limited	7,980,582	0.53
21	HSBC Nominees (Tempatan) Sdn Bhd - Nomura Asset Mgmt Malaysia for Employees Provident Fund	7,195,256	0.48
22	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	6,951,120	0.46
23	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pheim Asset Management Sdn Bhd for Employees Provident Fund	6,800,000	0.45
24	Cartaban Nominees (Asing) Sdn Bhd - SSBT Fund 24D4 for Fidelity Advisor Diversified International Fund	6,796,800	0.45
25	Dato' Yeoh Soo Min	6,371,573	0.42
26	Cartaban Nominees (Asing) Sdn Bhd - SSBT Fund ZM47 for AIM Developing Markets Fund	6,237,000	0.42
27	Citigroup Nominees (Asing) Sdn Bhd - CBNY for DFA Emerging Markets Fund	5,993,600	0.40
28	Pertubuhan Keselamatan Sosial	5,954,391	0.40
29	Dato' Yeoh Seok Kian	5,321,210	0.35
30	HSBC Nominees (Asing) Sdn Bhd - BBH and Co. Boston for Variable Insurance Products Contra Fund (II)	5,136,700	0.34
	Total	1,234,246,935	82.20

SUBSTANTIAL SHAREHOLDERS (as per register of substantial shareholders)

	No. of Shares Held			
Name	Direct	% #	Indirect	% #
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	790,320,911	52.64	–	–
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	8,200,894	0.55	790,320,911 *	52.64
Employees Provident Fund Board	166,858,239	11.11	–	–

* Deemed interested by virtue of his interests in 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 RM826,418,811.00 comprising 1,652,837,622 ordinary shares and after deduction of 151,421,705 treasury shares retained by the Company as per Record of Depositors.

Analysis of Share/Warrants Holdings
as at 5 October 2007

Type of Securities : Warrants 1999/2009
Voting rights : One vote per warrant 1999/2009 holder on a show of hands or one vote per warrant 1999/2009 on a poll in respect of meeting of warrant 1999/2009 holders

DISTRIBUTION OF WARRANT 1999/2009 HOLDINGS

Size of holding	No. of Warrant 1999/2009 Holders	%	No. of Warrants 1999/2009	%
Less than 100	79	3.18	3,066	0.00
100 – 1,000	577	23.26	421,796	0.15
1,001 – 10,000	1,473	59.37	4,880,048	1.79
10,001 – 100,000	303	12.21	9,484,499	3.48
100,001 to less than 5% of issued warrants 1999/2009	47	1.90	37,023,522	13.57
5% and above of issued warrants 1999/2009	2	0.08	221,062,861	81.01
Total	2,481	100.00	272,875,792	100.00

THIRTY LARGEST WARRANT 1999/2009 HOLDERS (without aggregating securities from different securities accounts belonging to the same person)

	Name	No. of Warrants 1999/2009	%
1	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	178,116,597	65.27
2	DB (Malaysia) Nominee (Asing) Sdn Bhd - Exempt An for Deutsche Bank Ag Singapore (PWM Asing)	42,946,264	15.74
3	Yeoh Tiong Lay & Sons Holdings Sdn Bhd	8,006,400	2.93
4	Bara Aktif Sdn Bhd	6,681,876	2.45
5	HSBC Nominees (Asing) Sdn Bhd - Exempt An for JPMorgan Chase Bank, National Association (JPMINTL BK Ltd)	5,364,000	1.97
6	Tan Sri Dato’ (Dr) Francis Yeoh Sock Ping, CBE	2,285,472	0.84
7	Tan Sri Dato’ Seri (Dr) Yeoh Tiong Lay	1,117,350	0.41
8	Elewinton Investment Limited	874,800	0.32
9	HSBC Nominees (Asing) Sdn Bhd - Morgan Stanley & Co International London PLC (Firm A/c)	810,000	0.30
10	Woon Kia Hong	790,000	0.29
11	Dato' Yeoh Seok Kian	655,866	0.24
12	Dato’ Yeoh Soo Keng	654,600	0.24
13	Dato' Yeoh Seok Hong	648,372	0.24
14	Lim Yong Keat	582,900	0.21
15	Dato’ Michael Yeoh Sock Siong	550,110	0.20

Name	No. of Warrants 1999/2009	%
16 Sally Shirley Bambrough	550,000	0.20
17 Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong	547,800	0.20
18 Datin Tan Siew Bee	547,180	0.20
19 Public Nominees (Tempatan) Sdn Bhd	436,200	0.16
- Pledged Securities Account for Lim Ngeok Kong (E-KLC)		
20 Yeoh Tiong Lay & Sons Holdings Sdn Bhd	420,100	0.15
21 Alliancegroup Nominees (Asing) Sdn Bhd	417,500	0.15
- Pledged Securities A/c for Lee Chin Weng (100685)		
22 HDM Nominees (Tempatan) Sdn. Bhd.	408,000	0.15
- OCBC Securities Pte Ltd for Gooi Seong Lim (MT)		
23 Dato' Mark Yeoh Seok Kah	271,800	0.10
24 HDM Nominees (Tempatan) Sdn. Bhd.	240,000	0.09
- UOB Kay Hian Pte Ltd for Chen Joon Lee (Margin)		
25 Kho Boon Lian	224,900	0.08
26 Teoh Kok Lin	220,000	0.08
27 Tng Geok Tin	220,000	0.08
28 Chua Yih Tan	211,400	0.08
29 CIMSEC Nominees (Asing) Sdn Bhd	205,325	0.08
- Exempt An for CIMB-GK Securities Pte Ltd (Retail Clients)		
30 Tay Teck Ho	205,000	0.08
Total	255,209,812	93.53

Statement of Directors' Interests

in the company and related corporations as at 5 October 2007

THE COMPANY
YTL CORPORATION BERHAD

Name	Direct	No. of Shares Held %	Indirect	%	No. of Share Options
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	8,200,894	0.55	794,890,767 [1]	52.94	5,000,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	14,203,652	0.95	–	–	5,000,000
Dato' Yeoh Seok Kian	5,321,210	0.35	510,683 [2]	0.03	3,500,000
Dato' (Dr) Yahya Bin Ismail	236,738	0.02	101,261 [2]	0.01	–
Dato' Yeoh Soo Min	6,371,573	0.42	189,471 [2]	0.01	3,000,000
Dato' Yeoh Seok Hong	5,036,490	0.34	3,228,126 [3]	0.22	3,000,000
Dato' Michael Yeoh Sock Siong	4,577,997	0.30	2,526,451 [2]	0.17	3,000,000
Dato' Yeoh Soo Keng	5,048,166	0.34	68,899 [2]	*	3,000,000
Dato' Mark Yeoh Seok Kah	3,246,248	0.22	611,133 [2]	0.04	3,000,000
Eu Peng Meng @ Leslie Eu	20,000	*	–	–	–
Syed Abdullah Bin Syed Abd Kadir	752,611	0.05	2,937 [2]	*	3,000,000

Name	Direct	No. of Warrants 1999/2009 Held %	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,117,350	0.41	187,090,897 [1]	68.56
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	2,285,472	0.84	–	–
Dato' Yeoh Seok Kian	655,866	0.24	–	–
Dato' (Dr) Yahya Bin Ismail	40,950	0.02	2,000 [2]	*
Dato' Yeoh Seok Hong	648,372	0.24	–	–
Dato' Michael Yeoh Sock Siong	550,110	0.20	547,180 [2]	0.20
Dato' Yeoh Soo Keng	654,600	0.24	14,400 [2]	0.01
Dato' Mark Yeoh Seok Kah	271,800	0.10	–	–
Syed Abdullah Bin Syed Abd Kadir	600	*	674 [2]	*

HOLDING COMPANY
YEOH TIONG LAY & SONS HOLDINGS SDN BHD

Name	Direct	No. of Shares Held %	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	8,220,004	20.18	–	–
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	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' 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	Direct	No. of Shares Held %	Indirect	%	No. of Share Options
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,681,634	0.35	238,825,990 [4]	50.83	1,400,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	2,042,923	0.43	–	–	1,400,000
Dato' Yeoh Seok Kian	618,754	0.13	83,200 [2]	0.02	350,000
Dato' (Dr) Yahya Bin Ismail	45,136	0.01	–	–	–
Mej Jen (B) Dato' Haron Bin Mohd Taib	–	–	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' Michael Yeoh Sock Siong	1,265,634	0.27	1,109,388 [2]	0.24	1,000,000
Dato' Yeoh Soo Keng	918,251	0.20	90,251 [2]	0.02	700,000
Dato' Mark Yeoh Seok Kah	187,200	0.04	135,200 [2]	0.03	–
Eu Peng Meng @ Leslie Eu	20,000	*	–	–	–

Name	Direct	No. of Irredeemable Convertible Unsecured Loan Stocks 2005/2015 Held %	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,681,634	0.35	451,415,984 [4]	93.56
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	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' 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	Direct	No. of Shares Held %	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	1,002,081,700 [5]	74.22
Dato' (Dr) Yahya Bin Ismail	292,000	0.02	–	–
Syed Abdullah Bin Syed Abd Kadir	300,000	0.02	–	–

Statement of Directors' Interests
in the company and related corporations as at 5 October 2007

YTL LAND & DEVELOPMENT BERHAD

	No. of Shares Held			
Name	Direct	%	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	217,964,800 [5]	57.25
Dato' Yeoh Soo Min	–	–	106,000 [2]	0.03
Eu Peng Meng @ Leslie Eu	20,000	0.01	–	–

	No. of Irredeemable Convertible Preference Shares 2001/2011 Held			
Name	Direct	%	Indirect	%
Dato' Yeoh Seok Kian	240,000	0.12	–	–
Dato' Yeoh Soo Min	–	–	200,000 [2]	0.10

	No. of Irredeemable Convertible Preference Shares 2003/2008 Held			
Name	Direct	%	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	370,285,058 [6]	69.43

YTL POWER INTERNATIONAL BERHAD

	No. of Shares Held				No. of Share
Name	Direct	%	Indirect	%	Options
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	8,945,040	0.18	3,124,769,222 [7]	61.46	7,000,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	13,109,251	0.26	–	–	7,000,000
Dato' Yeoh Seok Kian	4,369,367	0.09	1,050,436 [2]	0.02	3,000,000
Dato' (Dr) Yahya Bin Ismail	576,999	0.01	32,240 [2]	*	–
Mej Jen (B) Dato' Haron Bin Mohd Taib	–	–	105,909 [2]	*	–
Dato' Yeoh Soo Min	4,383,875	0.09	383,890 [2]	0.01	3,000,000
Dato' Yeoh Seok Hong	6,540,529	0.13	2,100,362 [2]	0.04	5,000,000
Dato' Michael Yeoh Sock Siong	4,023,374	0.08	700,424 [2]	0.01	3,000,000
Dato' Yeoh Soo Keng	4,251,239	0.08	100,894 [2]	*	3,000,000
Dato' Mark Yeoh Seok Kah	5,218,469	0.10	734,966 [2]	0.01	3,000,000
Eu Peng Meng @ Leslie Eu	17,576	*	–	–	–
Syed Abdullah Bin Syed Abd Kadir	2,045,990	0.04	305 [2]	*	3,000,000

YTL POWER INTERNATIONAL BERHAD

	No. of Warrants 2000/2010 Held			
Name	**Direct**	**%**	**Indirect**	**%**
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	726,210,046 [7]	81.97
Dato' Yeoh Seok Kian	–	–	86,000 [2]	0.01
Dato' (Dr) Yahya Bin Ismail	136,000	0.02	6,000 [2]	*
Mej Jen (B) Dato' Haron Bin Mohd Taib	–	–	24,000 [2]	*
Dato' Yeoh Soo Min	–	–	58,960 [2]	0.01
Dato' Michael Yeoh Sock Siong	–	–	100,000 [2]	0.01
Dato' Yeoh Soo Keng	–	–	21,240 [2]	*
Syed Abdullah Bin Syed Abd Kadir	87,000	0.01	–	–

* Negligible

1 Deemed interested by virtue of his interests in Yeoh Tiong Lay & Sons Holdings Sdn Bhd and Shares/Warrants held by his spouse.

2 Deemed interested by virtue of Shares/ICULS/Warrants/ICPS held by their respective spouses.

3 Deemed interested by virtue of Shares held by his spouse and children.

4 Deemed interested by virtue of his interests in Yeoh Tiong Lay & Sons Holdings Sdn Bhd, YTL Corporation Berhad, YTL Power International Berhad and YTL Industries Berhad, and Shares/ICULS held by his spouse and children.

5 Deemed interested by virtue of his interests in Yeoh Tiong Lay & Sons Holdings Sdn Bhd and YTL Corporation Berhad.

6 Deemed interested by virtue of his interests in YTL Corporation Berhad.

7 Deemed interested by virtue of his interests in Yeoh Tiong Lay & Sons Holdings Sdn Bhd, YTL Corporation Berhad and YTL Power Services Sdn Bhd, and Shares/Warrants held by his spouse.

By virtue of Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay deemed interests in the shares of the Company pursuant to section 6A of the Companies Act, 1965 through Yeoh Tiong Lay & Sons Holdings Sdn Bhd, Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay is deemed to have interests in the shares of the subsidiaries of the Company to the extent the Company has an interest.

Schedule of Share Buy-Back

For the financial year ended 30 June 2007

The details of shares bought back/cancelled during the financial year are as follows:

Monthly Breakdown Bought back	No. of Shares Purchased & Retained As Treasury Shares	Purchase Price Share (RM) Lowest	Highest	Average Cost Per Share (RM)	Total Cost (RM)	No. of Treasury Shares Cancelled
July 2006	4,086,200	4.76	5.10	4.9795	20,347,158.61	–
August 2006	4,969,800	4.84	5.30	5.0363	25,029,256.87	–
September 2006	3,713,900	5.20	5.40	5.3191	19,754,731.69	–
October 2006	8,897,200	5.20	5.70	5.4093	48,127,850.46	–
November 2006	9,807,400	5.45	6.60	5.8865	57,731,332.72	–
December 2006	13,236,200	6.25	6.95	6.6040	87,411,551.78	13,000,000
January 2007	23,335,600	6.35	7.65	7.1051	165,801,063.97	20,000,000
February 2007	22,402,100	6.00	8.05	7.6319	170,970,837.97	–
March 2007	1,376,300	6.40	7.05	6.8678	9,452,173.20	–
April 2007	3,652,000	7.00	7.45	7.2994	26,657,429.78	–
May 2007	9,477,400	7.40	8.90	8.0611	76,398,203.98	–
June 2007	8,886,200	8.05	8.85	8.5200	75,710,580.65	–
TOTAL	113,840,300			6.8815	783,392,171.68	33,000,000

The details of shares re-sold during the financial year are as follows:

Sold	No. of Shares	Resale Price Per Share (RM) Lowest	Highest	Average	Total Consideration Received (RM)
January 2007	50,000,000	7.10	7.10	7.0290	351,449,300.00
May 2007	11,700,000	7.45	8.00	7.5185	87,966,450.00
TOTAL	61,700,000			7.1218	439,415,750.00

During the financial year, all the shares purchased by the Company were retained as treasury shares. 61,700,000 and 33,000,000 treasury shares were resold and cancelled respectively during the financial year. As at 30 June, 2007 a total of 146,063,105 ordinary shares were held as treasury share

List of Properties
as at 30 June 2007

Location	Tenure	Land Area	Description and Existing Use	Built up Area (sq.m.)	Approximate Age of Building (years)	Lease Expiry Date	Net Book Value RM'000	Date of Acquisition
Lot 6416 & 6435, Mukim Johol, State of Negeri Sembilan	Freehold	119.28 hectare	Oil palm plantation	–	–	–	2,000	30.6.1978
Lot 8907, 8909, 8910, 8911 to 8914, 013397 & 11170/1 Mukim Bagan Serai, District of Kerian, State of Perak	Freehold	37.58 hectare	Industrial land with 1 storey brick factory	6,013.2	23	–	1,545	16.3.1982
Lot 964, 976, 2181, 3169/4 & 3802/3 Mukim Port Dickson, State of Negeri Sembilan	Freehold	22.43 hectare	Agricultural land/Industrial land with factory building	–	–	–	2,102	Year 1977 to Year 1982
Lot 876 (Mukim Pontian) Lot 1055 (Mukim Endau) Lot 737 (Mukim Bebar) Daerah Rompin, State of Pahang	Freehold	6.07 hectare	Agricultural land	–	–	–	200	17.9.1981
Lot 3434, Gm 398, 9th Mile, Mukim Kapar, Kelang, State of Selangor	Freehold	2.45 hectare	Industrial land with 3 double storey factory	13,183	9	–	6,420	21.1.1982/ 30.6.1999
GM 161, Lot 1387, Mukim Kuala Paka, Dungun, State of Terengganu	Freehold	2.04 hectare	Vacant land	–	–	–	113	1.10.1980
HS (D) 8557, PT64, Sek 11 Mukim Kuala Selangor, Daerah Kuala Selangor, State of Selangor	Leasehold	4,046.86 sq.m.	Vacant land	–	–	Year 2102	268	24.6.1978
HS (D) 1034 to 1043, Lot Nos. PT 20 to PT 29 Mukim Jeram, Pekan Sungai Buloh, State of Selangor	Leasehold	1,712.00 sq.m.	Commercial land -Vacant	–	–	Year 2090 – 2097	726	Year 1989

* Details not stated on titles

List of Properties
as at 30 June 2007

Location	Tenure	Land Area	Description and Existing Use	Built up Area (sq.m.)	Approximate Age of Building (years)	Lease Expiry Date	Net Book Value RM'000	Date of Acquisition
Lot 30, 31, 32 and 62 to 66, Mukim Tanjong Karang, Daerah Kuala Selangor, Selangor	Freehold	2,590.41 sq.m.	Commercial land - Vacant	–	–	–	950	24.6.1978
Lot 4935 & 4952, Batu 5 ¾, Jalan Meru, Mukim Kapar, Kelang, Selangor	Freehold	1.214 hectare	Industrial land and 1 block of factory and 4 blocks of steel factories	4,650	12	–	7,244	23.7.1969
Lot 2228 to 2229, CT 13478/13479 Section 41, Town of Kuala Lumpur	Freehold	287.44 sq.m.	5 storey office building	703.8	25	–	2,800	16.6.1978
Lot 665, CT 13477, Mukim of Kuala Lumpur	Freehold	72.048 sq.m.	Vacant land	–	Pre-war	–	385	6.6.1983
Grant 11013-11014, Lot 21 to 22, Mukim Kelang, Daerah Kelang, State of Selangor	Freehold	392.88 sq.m.	Vacant land	–	–	–	240	24.6.1978
G19584/4/1069-4-4, Parcel no 1069-4-4 Wilayah Persekutuan	Freehold	– (strata title)	3rd floor of a 4 storey shophouse 54C	148.6	32	–	252	15.12.1978
CT 7404, Lot 70, Section 13 Town of Kuala Lumpur	Freehold	123.40 sq.m.	5 ½ storey office building	598.8	39	–	1,500	14.9.1981
14th Floor, Bonds Tower, Jalan Horley, Kuala Lumpur of Federal Territory	Freehold	– (strata title)	Apartment	104.5	23	–	200	21.1.1982
Lot 948, Mukim Port Dickson, Daerah Port Dickson, Tanjong Gelam, Seremban	Freehold	0.7588 hectare	Agriculture land	–	–	–	30	5.9.1983
G 19584, Pelan 1069-4-5, Lot 1069, Section 57, Kuala Lumpur	Freehold	– (strata title)	3rd floor of 4 storey shophouse 56C	148.6	31	–	172	1.3.1983

* Details not stated on titles

Location	Tenure	Land Area	Description and Existing Use	Built up Area (sq.m.)	Approximate Age of Building (years)	Lease Expiry Date	Net Book Value RM'000	Date of Acquisition
GRN 26745, Lot 106 & GRN 27114, Lot 107, Bandar Kuala Lumpur	Freehold	– (strata title)	72 units of condominium known as Vistana Apartments	7,963	13	–	13,940	29.6.1992
Unit F-02-1, F-02-2 & F-02-4 Phase 1, Pantai Hillpark, Jalan Pantai Dalam, Kuala Lumpur	Leasehold	– (strata title)	3 units of condominium known as Pantai Hillpark	366.6	15	Year 2090	444	11.8.1992
A sublease over land held under HS (D) 8331, PT 7044, Mukim of Lumut, Daerah Manjung, Perak Darul Ridzuan	Leasehold	15 acres	9 estates Marina Bay Resort	25,084	9	Year 2095	61,858	13.4.2001
No 1, Clifton Place, London SW 10, Hollywood Road, Kensington, Title No NGI 692081	Freehold	*	Residential	2,400 sq.ft.	18	–	3,585	8.11.1991
Fairwinds, London Road, Virgin Water, Title No SY461901	Freehold	*	Residential	*	79	–	4,532	22.9.1993
Lane's End, Portnall Drive, London Road, Title No SY394312	Freehold	*	Residential	*	*	–	9,291	28.11.1994
Room 2610-2611, Tower Two, Lippo Centre, Hong Kong	Leasehold	3,144 sq.ft.	Office Space	3,144	22	Year 2059	17,980	15.11.1994
Amanpuri Villa 13, Thailand	Leasehold	*	Residential	*	*	Year 2023	5,375	1.7.1994
Land known as Site 7 on the piece of land covered by Sorkor1, No 423 located at Cheng Talay, Sub district Thalong District, Phuket Province, Thailand	Leasehold	*	Resort known as Layan Headland Resort	–	–	3 consecutive periods of 30 years upon grant of master lease	3,902	12.4.1999

* Details not stated on titles

List of Properties
as at 30 June 2007

Location	Tenure	Land Area	Description and Existing Use	Built up Area (sq.m.)	Approximate Age of Building (years)	Lease Expiry Date	Net Book Value RM'000	Date of Acquisition
Lot 14-B, 14-C and 14-D, Majada del Madrorid, District of Benahavis, Spain	Freehold	29,298 sq.m.	Residential	–	–	–	7,277	15.4.1999
G24619, Lot 254, Section 19, Town of Kuala Lumpur	Freehold	1,600 sq.m.	2 storey residential building, Tengkat Tung Shin	2,010 sq.ft.	Pre-war	–	314	21.10.1981
HS(D) 84475 PT 59, Seksyen 84, Bandar Kuala Lumpur	Freehold	200.69 sq.m.	5-storey shop office	736.56	9	–	1,942	9.8.1999
CT 4253, Lot 73, Section 17 Town of Kuala Lumpur	Freehold	229.84 sq.m.	3 storey shophouse building	689.5	Pre-war	–	1,976	13.6.198
Title deed no 8874, Tambol Samsen Nai (North) Amphur Payathai (Babsue), Bangkok, Thailand	Freehold	177 sq.m.	Office condominium	177	15	–	1,183	18.4.1995
Lot 37, Sek 20, Town of Petaling Jaya, State of Selangor	Leasehold	3,318.42 sq.m.	Industrial land with 1 storey building	2,092.30	30	Year 2104	4,341	28.12.1983
Master Title HS(M) 8544 PT 5134, Lot 738 & Lot 740 Mukim Damansara	Leasehold	2,731 sq.m.	Office space @ Kelana Centre Point	2,731	9	Year 2094	685	Year 2000
8th Floor, Menara ING, Jalan Raja Chulan, Kuala Lumpur of Federal Territory	Freehold	– (strata title)	Office space	832.78	22	–	4,946	14.10.1982
Parcel No. C-7-03, C-7-08, A-7-04, Kelab Golf Sultan Aziz Shah	Leasehold	– (strata title)	3 units of condominiums known as Sri Alam	8,556 sq.ft.	6	Strata titles not issued yet	1,620	30.5.2001
Parcel No. 2-12-A2, Phase 1B, Ratu Mutiara	Freehold	– (strata title)	1 unit of condominium	1,325 sq.ft.	8	–	320	1.3.2001

* Details not stated on titles

Location	Tenure	Land Area	Description and Existing Use	Built up Area (sq.m.)	Approximate Age of Building (years)	Lease Expiry Date	Net Book Value RM'000	Date of Acquisition
Parcel No. B-28-006 to B-28-011, Berjaya Times Square	Freehold	– (strata title)	4 units of service suite	2,474 sq.ft.	6	–	1,363	20.2.2002
Plot No. 020, Phase 2B, Bandar Tasik Kesuma	Freehold	2,520 sq.ft.	3 storey office at Bandar Tasik Kesuma	7,222 sq.ft.	6	–	631	16.5.2001
HS(D) 4211 PT No 1678, Daerah Timur Laut, Negeri Pulau Pinang	Leasehold	0.8155 hectare	Land with 1 unit of hotel block/apartment known as Vistana, Penang	40,244.48	8	Year 2094	66,327	4.12.1996
Grant No 25142/3/4 & 30587, Lot 1806-1808 & 843, Mukim of Serendah, Daerah Hulu Selangor	Freehold	35 acres	Vacant land	–	–	–	1,526	28.5.1993
HS(M) 8968, PT No. 11816, Mukim of Kapar, District of Klang, Selangor	Freehold	153 sq.m.	Single terrace house	153	12	–	84	20.6.1995
Geran 15978, Lot 14924 Mukim Kuala Lumpur, 83, Jalan Maarof, Bangsar, 59000 Kuala Lumpur	Freehold	549 sq.m.	Single storey detached house	137	12	–	1,484	26.4.1995
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	17	29.7.2076	341,000	16.12.2005

* Details not stated on titles

List of Properties
as at 30 June 2007

Location	Tenure	Land Area	Description and Existing Use	Built up Area (sq.m.)	Approximate Age of Building (years)	Lease Expiry Date	Net Book Value RM'000	Date of Acquisition
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	12	–	480,000	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	10	–	329,000	16.12.2005
Geran 47693, Lot No. 1308 Seksyen 67, Bandar Kuala Lumpur, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur	Freehold	2,810 sq.m.	60 units of serviced apartments, 4 levels of commercial podium,1 level of facilities deck and 2 levels of basement car park.	29,599	2	–	125,000	16.5.2007
Geran 5552, Lot 72, Mukim Tanah Rata, Daerah Cameron Highlands, Pahang	Leasehold	5.1319 hectare	Hotel	–	31	19.11.2035	13,931	30.8.2005
Lot 3821/U65, Mukim 4, Ulu Pandan, Singapore	Freehold	136 sq.m. (Strata Floor Area)	1 unit of Apartment	136	30	–	S$1,030	1983/1984
Lot 2124/U3, Mukim 2, Tanglin, Singapore	Freehold	194 sq.m. (Strata Floor Area)	1 unit of Apartment	194	20	–	S$1,600	1983/1984
Lot No PT2467, HS (D) 340, Mukim of Kuala Paka, Terengganu	Leasehold	16.187 hectare	Power plant	–	12	Year 2018	1,294,133	3.12.1995

* Details not stated on titles

Location	Tenure	Land Area	Description and Existing Use	Built up Area (sq.m.)	Approximate Age of Building (years)	Lease Expiry Date	Net Book Value RM'000	Date of Acquisition
Lot No. PT64062, HS (D) 69515, Mukim of Plentong, Johor	Leasehold	2.0577 hectare	Power plant	–	12	Year 2018	684,443	3.12.1995
Avonmouth STW, Kings Weston Lane, Avonmouth, Bristol BS11 OYS	Freehold	394,600 sq.m.	Sewerage treatment works	–	–	–	367,429	21.5.2002
Poole STW, Cabot Lane, Poole, Dorset, BH17 7BX	Freehold	91,800 sq.m.	Sewerage treatment works	–	–	–	253,498	21.5.2002
Claverton Down Road, Bath BA2 7WW	Freehold	27,100 sq.m.	Head Office, Operation Centre	5,640	7	–	194,585	21.5.2002
W-S-Mare STW, Accomodation Road, Bleadon, Weston Super Mare, BS24 OAP	Freehold	157,500 sq.m.	Sewerage treatment works	–	–	–	154,348	21.5.2002
Holdenhurst STW, Riverside Ave, Castle Lane East, Bournemouth, Dorset BH7 7ES	Freehold	102,000 sq.m.	Sewerage treatment works	–	–	–	93,934	21.5.2002
Ham Lane STW, Creech St. Michael, Taunton, Somerset TA3 5NU	Freehold	120,000 sq.m.	Sewerage treatment works	–	–	–	79,097	21.5.2002
Minehead STW, Lower Marsh, Dunster, Minehead , Somerset, TA24 6P	Freehold	43,700 sq.m.	Sewerage treatment works	–	–	–	71,142	21.5.2002
Chilton Trinity STW, Wylds Road, Bridgwater, Somerset TA6 3JS	Freehold	34,600 sq.m.	Sewerage treatment works	–	–	–	66,238	21.5.2002
Lot 3870, CT 16290, Mukim of Setul, District of Seremban	Freehold	1 acre	Future Development Land	–	–	–	300	1993/1994
CT 21247, Lot 1839, Mukim of Ampang, District of Gombak	Freehold	0.483 acres	2 storey detached house for residential use	1,078.23	11	–	5,303	2002

* Details not stated on titles

List of Properties
as at 30 June 2007

Location	Tenure	Land Area	Description and Existing Use	Built up Area (sq.m.)	Approximate Age of Building (years)	Lease Expiry Date	Net Book Value RM'000	Date of Acquisition
HSD 23805-23812, PT 10579-10586, Mukim Lumut, Daerah Manjung, Perak	Leasehold	102.050 acres	Future Development Land	–	–	Year 2105	10,649	2006
HSD 13902, PT 8561, Mukim Lumut, Daerah Manjung, Perak	Leasehold	93.500 acres	Future Development Land	–	–	Year 2097	3,789	1997
Section 81, 83 & 84 Bandar Kuala Lumpur, Wilayah Persekutuan and Mukim Batu, Kuala Lumpur	Freehold	37.592 acres	Park Land	–	–	–	21,448	1995
		47.212 acres	Future Development Land	–	–	–	62,663	1995
		72.32 acres	Mixed residential and commercial development	–	–	–	74,928	1995
		2.349 acres	Commercial development	–	–	–	3,948	2004
Geran 2897, Lot 2763, Mukim Batu, Daerah Kuala Lumpur	Freehold	0.500 acres	Future Development Land	–	–	–	2,880	2007
Lot 742 & 743 Part Lot No. 939 to 942, Mukim of Sungei Petai, Daerah Alor Gajah, Malacca	Leasehold	186.390 acres	Future Development Land	–	–	Year 2048	4,186	1995
Lot 3543, HSD 68386, Mukim of Kuala Lumpur	Leasehold	38.917	Future Development Land	–	–	Year 2090	25,145	1990
PT 12418, HSD 50456, Mukim of Petaling, District of Petaling	Leasehold	100.000 acres	Residential Development	–	–	Year 2090	5,909	1991
PT 296, GRN 29723, Bandar Kuala Lumpur	Freehold	3.255 acres	Future Development Land	–	–	–	42,882	1992

* Details not stated on titles

Location	Tenure	Land Area	Description and Existing Use	Built up Area (sq.m.)	Approximate Age of Building (years)	Lease Expiry Date	Net Book Value RM'000	Date of Acquisition
Geran 44701, Lot 20213, Bandar Johor Bahru, Johor	Freehold	– (strata title)	4 units of apartments known as Indera Putera Courts	558	22	-	818	21.5.1985
		– (strata title)	2 units of apartments known as Indera Putera Courts	276	22	-	447	10.5.1985
		– (strata title)	2 units of apartments known as Indera Putera Courts	276	22	-	443	6.6.1984
		– (strata title)	1 unit of apartment known as Indera Putera Courts	138	22	-	222	15.6.1984
		– (strata title)	1 unit of apartment known as Indera Putera Courts	138	22	-	216	28.9.1984
		– (strata title)	1 unit of apartment known as Indera Putera Courts	138	22	-	222	28.5.1984
		– (strata title)	2 units of apartments known as Indera Putera Courts	647.34	22	-	880	28.2.1984
			1 unit of apartment known as Indera Putera Courts					28.6.1985
			1 unit of apartment known as Indera Putera Courts					10.5.1985

* Details not stated on titles

List of Properties
as at 30 June 2007

Location	Tenure	Land Area	Description and Existing Use	Built up Area (sq.m.)	Approximate Age of Building (years)	Lease Expiry Date	Net Book Value RM'000	Date of Acquisition
HS (D) 60573, Lot A/607573, Mukim Kuala Lumpur	Leasehold	7,281.047 sq.m.	Industrial land with batching plant	–	–	Year 2067	891	9.6.1992
PM 82, Lot 7445, Mukim of Ulu Kelang, Ampang, Selangor	Freehold	– (strata title)	4 units of apartments known as Tudor Courts	353	17	–	316	31.12.1989
Pajakan Negeri No. 10023, Lot 45609 Mukim of Kuala Lumpur	Leasehold	3,218.05 sq.m.	Industrial land	–	–	Year 2067	1,396	30.9.1995
Sublease from Port Klang Authority Selangor	Leasehold	107,888 sq.m.	Slag cement plant	6,752	11	Year 2024	76,180	January 1996
Lot No. 38, Section 12, Phase 1A, Pulau Indah Industrial Park, Pulau Indah, Mukim Klang, Selangor	Leasehold	1 hectare	Slag cement plant	–	–	Year 2094	2,110	16.5.2002
Sublease of part of a land held under master title HS (D) 238642, PT: D119841, Mukim Plentong, Daerah Johor Bahru, Johor	Leasehold	35,810 sq.m.	Slag cement plant	7,796	11	Year 2022	64,117	October 1997
Land title under title HS (D) 00013857, PT 000988, Mukim Ulu Kuantan, Pahang	Leasehold	121.4 hectare	Cement plant	759,480	9	24.9.2061	369,470	25.9.1995
Land title under title HS (D) 00015539, PT 000991, Mukim Ulu Kuantan, Pahang	Leasehold	8.09 hectare	Cement plant		9	2.6.2062		2.6.1996
Land title under title HS (D) 00011079, PT 000980 Mukim Ulu Kuantan, Pahang	Leasehold	81 hectare	Cement plant		9	9.11.2060		9.11.1994
Geran 31549, Lot No. 3792, Mukim & District of Klang, Selangor	Freehold	387,684 sq.ft.	Land with factory building	11,603	7	–	7,899	30.6.2004

* Details not stated on titles

Location	Tenure	Land Area	Description and Existing Use	Built up Area (sq.m.)	Approximate Age of Building (years)	Lease Expiry Date	Net Book Value RM'000	Date of Acquisition
HS (D) 606, Lot No. 4150, Mukim Tanjung Bunga, Pulau Pinang	Freehold	– (strata title)	2 units of apartments known as Azuria	130.06	–	–	235	30.11.2002
QT (R) 479, TLO No. 443, District of Johor Bahru, Johor	Leasehold	3.875 acres	Industrial land with batching plant	–	–	Year 2038	1,952	23.2.2005
PT No. 6017, HS (D) 22115, Bandar Johor Bahru, Daerah Johor Bahru, Johor	Leasehold	3.875 acres	Industrial land with batching plant	–	–	Year 2038	1,952	23.2.2005
HS (M) 22017, PT 35760, Mukim Bandar Selayang	Leasehold	178.37 sq.m.	Shop office	–	4	Year 2098	800	26.7.2004
HS (M) 22018, PT 35761, Mukim Bandar Selayang	Leasehold	178.37 sq.m.	Shop office	–	4	Year 2098	800	26.7.2004
HS (D) 460/88 PT 1122 #	Leasehold	59.79 acres	Cement plant	–	–	Year 2087	1,101,037	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

* Details not stated on titles

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

List of Properties
as at 30 June 2007

Location	Tenure	Land Area	Description and Existing Use	Built up Area (sq.m.)	Approximate Age of Building (years)	Lease Expiry Date	Net Book Value RM'000	Date of Acquisition
HS (D) 2678 PT 1330 #	Leasehold	102.33 acres	Cement plant	–	–	Year 2095	1,101,037	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
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

* Details not stated on titles

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

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, 2007.

PRINCIPAL ACTIVITIES

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

The principal activities of the Group are that of an integrated infrastructure development comprising construction contracting, power generation, property development, manufacturing of industrial products and supplies, hotel development and management, consultancy, incubating and advisory services for internet businesses, supply of water and the treatment and disposal of waste water.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the year	1,434,321	465,091
Attributable to:		
Equity holders of the Company	755,062	465,091
Minority interests	679,259	–
Profit for the year	1,434,321	465,091

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, 2006:	
First and final dividend of 15% less 27% tax, paid on 5 January, 2007	82,170
In respect of the financial year ended 30 June, 2007:	
First interim dividend of 15% less 27% tax, paid on 4 December, 2006	81,836
Second interim dividend of 15% less 27% tax, paid on 18 April, 2007	82,037
Third interim dividend of 15% less 27% tax, paid on 25 June, 2007	82,732
	328,775

The Board of Directors has recommended a final dividend of 5% less Malaysian income tax of 27% for the financial year ended 30 June, 2007 subject to the approval by the shareholders at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year except as disclosed in the Notes to the Financial Statements.

SHARE CAPITAL

Repurchase of shares

The shareholders of the Company granted a mandate to the Company to repurchase its own shares at the Annual General Meeting held on 7 December, 2006. 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.

The Company's repurchase of its own shares on the Main Board of Bursa Malaysia Securities Berhad are summarised as follows:

Financial year ended	No. of shares repurchased/ (distributed as share dividend/ shares cancelled*/ shares resold#)	Average price paid/ (distributed as share dividend/ shares cancelled*/ shares resold#) RM/share	Total consideration RM
30 June, 2001	52,024,000	4.81	249,979,832
30 June, 2002	(28,425,050)	(4.81)	(136,585,208)
30 June, 2003	775,000	3.38	2,621,528
30 June, 2004	42,702,400	4.51	192,620,786
30 June, 2005	127,906,500	5.24	669,724,236
30 June, 2005	(91,257,845)	(4.78)	(436,258,128)
30 June, 2006	23,197,800	5.44	126,166,275
30 June, 2007	113,840,300	6.88	783,392,171
30 June, 2007	(33,000,000) *	(5.42)	(178,912,900)
30 June, 2007	(61,700,000) #	(5.67)	(350,105,530)
Total	146,063,105		922,643,062

The repurchase transactions were financed by internally generated funds. The repurchased shares are being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.

WARRANTS AND EMPLOYEES' SHARE OPTION SCHEME

The Warrants 1997/2007 and Warrants 1999/2009 were constituted under the Deed Poll dated 20 September, 1997 and 31 July, 1999 respectively.

As at 30 June, 2007, the total number of warrants that remain unexercised were as follows:

Warrants 1997/2007	1,794,945
Warrants 1999/2009	272,891,092

Directors' Report

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

The main features of the New ESOS are as follows:

i The New 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 New 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 New 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 New 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 as 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.

Set out below are details of options over the ordinary shares of the Company granted under the scheme:

Date granted	Exercisable period	Subscription price RM	Number of share options At beginning of financial year RM'000	Offered and accepted RM'000	Exercised RM'000	Lapsed RM'000	At end of financial year RM'000
Financial year ended 30.6.2007							
Scheme							
16.10.2002	16.10.2005 - 29.11.2011	2.79	305	–	(67)	(11)	227
01.07.2005	01.07.2008 - 29.11.2011	4.81	47,599	–	–	(358)	47,241
07.08.2006	07.08.2009 - 29.11.2011	4.41	–	727	–	(98)	629
			47,904	727	(67)	(467)	48,097

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of option holders granted less than 500,000 options each during the year pursuant to the New ESOS. No person has been granted options in excess of 500,000 options during the year.

DIRECTORATE

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
Dato' Yeoh Seok Kian
Dato' (Dr) Yahya Bin Ismail
Mej. Jen. (B) Dato' Haron Bin Mohd. Taib
Dato' Chong Keap Thai @ Cheong Keap Tai
Dato' Yeoh Soo Min
Dato' Yeoh Seok Hong
Dato' 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' Report

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 1.7.2006	Acquired	Disposed	Balance at 30.6.2007
Direct Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	7,901,974	298,920	–	**8,200,894**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	12,387,447	1,816,205	–	**14,203,652**
Dato' Yeoh Seok Kian	5,146,010	175,200	–	**5,321,210**
Dato' (Dr) Yahya Bin Ismail	186,818	34,800	–	**221,618**
Dato' Yeoh Soo Min	5,416,475	955,098	–	**6,371,573**
Dato' Yeoh Seok Hong	4,863,690	172,800	–	**5,036,490**
Dato' Michael Yeoh Sock Siong	4,433,997	144,000	–	**4,577,997**
Dato' Yeoh Soo Keng	4,892,166	156,000	–	**5,048,166**
Dato' Mark Yeoh Seok Kah	3,246,248	–	–	**3,246,248**
Syed Abdullah Bin Syed Abd. Kadir	752,611	–	–	**752,611**
Eu Peng Meng @ Leslie Eu	–	20,000	–	**20,000**
Deemed Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	733,437,926 (1)	56,882,985	–	**790,320,911** (1)

	Number of Warrants			
	Balance at 1.7.2006	Acquired	Exercised/ Disposed	Balance at 30.6.2007
Direct Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay				
- Warrants 1997/2007	298,920	–	(298,920)	–
- Warrants 1999/2009	1,117,350	–	–	**1,117,350**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE				
- Warrants 1997/2007	573,600	206,000	(779,600)	–
- Warrants 1999/2009	2,147,472	138,000	–	**2,285,472**
Dato' Yeoh Seok Kian				
- Warrants 1997/2007	175,200	–	(175,200)	–
- Warrants 1999/2009	655,866	–	–	**655,866**

	Number of Warrants			
	Balance at 1.7.2006	Acquired	Exercised/ Disposed	Balance at 30.6.2007
Dato' (Dr) Yahya Bin Ismail				
- Warrants 1997/2007	22,320	–	(7,200)	**15,120**
- Warrants 1999/2009	68,550	–	(27,600)	**40,950**
Dato' Yeoh Soo Min				
- Warrants 1997/2007	180,000	–	(180,000)	–
- Warrants 1999/2009	775,098	–	(775,098)	–
Dato' Yeoh Seok Hong				
- Warrants 1997/2007	172,800	–	(172,800)	–
- Warrants 1999/2009	648,372	–	–	**648,372**
Dato' Michael Yeoh Sock Siong				
- Warrants 1997/2007	144,000	–	(144,000)	–
- Warrants 1999/2009	550,110	–	–	**550,110**
Dato' Yeoh Soo Keng				
- Warrants 1997/2007	156,000	–	(156,000)	–
- Warrants 1999/2009	654,600	–	–	**654,600**
Dato' Mark Yeoh Seok Kah				
- Warrants 1999/2009	271,800	–	–	**271,800**
Syed Abdullah Bin Syed Abd. Kadir				
- Warrants 1999/2009	600	–	–	**600**
Deemed Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay				
- Warrants 1997/2007	56,882,985 (1)	–	(56,882,985)	–
- Warrants 1999/2009	186,355,397 (1)	165,700	–	**186,521,097** (1)

	Number of options over ordinary shares of RM0.50 each			
	Balance at 1.7.2006	Granted	Exercised	Balance at 30.6.2007
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	5,000,000	–	–	**5,000,000**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	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' 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**

HOLDING COMPANY
YEOH TIONG LAY & SONS HOLDINGS SDN. BHD.

	Number of ordinary shares of RM1.00 each			
	Balance at 1.7.2006	Acquired	Disposed	Balance at 30.6.2007
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	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' 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**

SUBSIDIARIES
YTL CEMENT BERHAD

	Number of ordinary shares of RM0.50 each			
	Balance at 1.7.2006	Acquired	Disposed	Balance at 30.6.2007
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	1,681,634	361,289	–	**2,042,923**
Dato' Yeoh Seok Kian	618,754	–	–	**618,754**
Dato' (Dr) Yahya Bin Ismail	45,136	–	–	**45,136**
Mej. Jen. (B) Dato' Haron Bin Mohd. Taib	44,428	–	(44,428)	–
Dato' Yeoh Soo Min	225,634	–	–	**225,634**
Dato' Yeoh Seok Hong	225,634	–	–	**225,634**
Dato' Michael Yeoh Sock Siong	1,265,634	–	–	**1,265,634**
Dato' Yeoh Soo Keng	918,251	–	–	**918,251**
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	250,124,222 (2)	8,314,983	(20,000,000)	**238,439,205** (2)

SUBSIDIARIES
YTL CEMENT BERHAD

	Number of Irredeemable Convertible Unsecured Loan Stocks 2005/2015			
	Balance at 1.7.2006	Acquired	Exercised/ Disposed	Balance at 30.6.2007
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	1,681,634	45,789	–	**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**
Dato' 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	451,100,099 (2)	185,000,000	(185,000,000)	**451,100,099** (2)

	Number of options over ordinary shares of RM0.50 each			
	Balance at 1.7.2006	Granted	Exercised	Balance at 30.6.2007
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,400,000	–	–	**1,400,000**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	1,400,000	–	–	**1,400,000**
Dato' Yeoh Seok Kian	350,000	–	–	**350,000**
Dato' 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 1.7.2006	Acquired	Disposed	Balance at 30.6.2007
Direct Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	7,780,278	1,164,762	–	**8,945,040**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	10,905,834	2,203,417	–	**13,109,251**
Dato' Yeoh Seok Kian	3,669,194	700,173	–	**4,369,367**
Dato' (Dr) Yahya Bin Ismail	549,767	27,232	–	**576,999**
Mej. Jen. (B) Dato' Haron Bin Mohd. Taib	101,836	–	(101,836)	–

Directors' Report

SUBSIDIARIES
YTL POWER INTERNATIONAL BERHAD

	Number of ordinary shares of RM0.50 each			
	Balance at 1.7.2006	Acquired	Disposed	Balance at 30.6.2007
Direct Interests				
Dato' Yeoh Soo Min	3,578,108	805,767	–	**4,383,875**
Dato' Yeoh Seok Hong	5,485,322	1,055,207	–	**6,540,529**
Dato' Michael Yeoh Sock Siong	3,410,829	612,545	–	**4,023,374**
Dato' Yeoh Soo Keng	3,582,913	668,326	–	**4,251,239**
Dato' Mark Yeoh Seok Kah	4,693,134	525,335	–	**5,218,469**
Eu Peng Meng @ Leslie Eu	–	17,576	–	**17,576**
Syed Abdullah Bin Syed Abd. Kadir	1,892,038	153,952	–	**2,045,990**
Deemed Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	2,956,045,044 (3)	317,116,415	(149,269,997)	**3,123,891,462** (3)

	Number of Warrants 2000/2010			
	Balance at 1.7.2006	Acquired	Exercised/ Disposed	Balance at 30.6.2007
Direct Interests				
Dato' (Dr) Yahya Bin Ismail	136,000	–	–	**136,000**
Mej. Jen. (B) Dato' Haron Bin Mohd. Taib	24,000	–	(24,000)	–
Syed Abdullah Bin Syed Abd. Kadir	87,000	–	–	**87,000**
Deemed Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	748,920,488 (3)	–	(22,710,442)	**726,210,046** (4)

SUBSIDIARIES
YTL POWER INTERNATIONAL BERHAD

	Number of options over ordinary shares of RM0.50 each			
	Balance at 1.7.2006	Granted	Exercised	Balance at 30.6.2007
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	7,000,000	–	–	**7,000,000**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	7,000,000	–	–	**7,000,000**
Dato' Yeoh Seok Kian	3,000,000	–	–	**3,000,000**
Dato' Yeoh Soo Min	3,000,000	–	–	**3,000,000**
Dato' Yeoh Seok Hong	5,000,000	–	–	**5,000,000**
Dato' 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**

YTL LAND & DEVELOPMENT BERHAD

	Number of ordinary shares of RM0.50 each			
	Balance at 1.7.2006	Acquired	Disposed	Balance at 30.6.2007
Deemed Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	217,964,800 (5)	–	–	**217,964,800** (5)

	Number of Irredeemable Convertible Preference Shares 2001/2011 of RM0.50 each			
	Balance at 1.7.2006	Acquired	Exercised/ Disposed	Balance at 30.6.2007
Direct Interests				
Dato' Yeoh Seok Kian	240,000	–	–	**240,000**
Eu Peng Meng @ Leslie Eu	–	20,000	–	**20,000**

Directors' Report

SUBSIDIARIES
YTL LAND & DEVELOPMENT BERHAD

	Number of Irredeemable Convertible Preference Shares 2003/2008 of RM0.50 each			
	Balance at 1.7.2006	Acquired	Disposed	Balance at 30.6.2007
Deemed Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	370,285,058 (6)	–	–	**370,285,058** (6)

YTL E-SOLUTIONS BERHAD

	Number of ordinary shares of RM0.10 each			
	Balance at 1.7.2006	Acquired	Disposed	Balance at 30.6.2007
Direct Interests				
Dato' (Dr) Yahya Bin Ismail	292,000	–	–	**292,000**
Syed Abdullah Bin Syed Abd. Kadir	300,000	–	–	**300,000**
Deemed Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,000,520,500 (5)	–	–	**1,000,520,500** (5)

* INFOSCREEN NETWORKS PLC

	Number of ordinary shares of £0.01 each			
	Balance at 1.7.2006	Acquired	Disposed	Balance at 30.6.2007
Direct Interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	100	–	–	**100**

* YTL CORPORATION (UK) PLC

	Number of ordinary shares of £0.25 each			
	Balance at 1.7.2006	Acquired	Disposed	Balance at 30.6.2007
Direct Interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	1	–	–	**1**

* Incorporated in the United Kingdom

SUBSIDIARIES
SYARIKAT PELANCONGAN SERI ANDALAN (M) SDN. BHD.

	Number of ordinary shares of RM1.00 each			
	Balance at 1.7.2006	Acquired	Disposed	Balance at 30.6.2007
Direct Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1	–	–	**1**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	1	–	–	**1**

 # YEOH TIONG LAY CONSTRUCTION (S) PTE. LTD.

	Number of ordinary shares			
	Balance at 1.7.2006	Acquired	Disposed	Balance at 30.6.2007
Direct Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1	–	–	**1**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	2	–	–	**2**

Incorporated in Singapore

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

(2) Deemed interests by virtue of his interests in 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.

(3) Deemed interests by virtue of his interests in 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.

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

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

(6) Deemed interests by virtue of his interests in 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' Report

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 as may arise from the share options to be granted pursuant to the New 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.

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.

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

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 Company 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.

On behalf of the Board,

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay

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

25 October, 2007
Kuala Lumpur

Statement by Directors

We, TAN SRI DATO' SERI (DR) YEOH TIONG LAY and TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING, CBE, 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 provisions of the Companies Act, 1965 and applicable 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, 2007 and of the results of the operations and cash flows of the Group and of the Company for the year ended on that date.

On behalf of the Board,

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay

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

25 October, 2007
KUALA LUMPUR

Statutory Declaration

I, TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING, CBE, 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.

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

Subscribed and solemnly declared by the abovenamed
TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING, CBE
at Kuala Lumpur on 25 October, 2007

Before me :

Soh Ah Kau, AMN
Commissioner for Oaths

Auditors' Report

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

We have audited the financial statements set out on pages 110 to 226. These financial statements are the responsibility of the Company's directors. It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

a the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities so as to give a true and fair view of:

  i the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and

  ii the state of affairs of the Group and of the Company as at 30 June, 2007 and of the results of the operations and cash flows of the Group and of the Company for the year ended on that date;

and

b the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and its subsidiaries, of which we are the auditors, have been properly kept in accordance with the provisions of the said Act.

The names of the subsidiaries of which we have not acted as auditors are indicated in Note 14 to the financial statements. We have considered the financial statements of these subsidiaries and the auditors' report thereon except as disclosed in Note 14(b) to the financial statements.

We are satisfied that the financial statements 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 consolidated financial statements and we have received satisfactory information and explanations as required by us for these purposes.

The auditors' report on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Companies Act, 1965.

HLB LER LUM
(Firm Number: AF 0276)
Chartered Accountants

LER CHENG CHYE
871/3/09(J/PH)
Partner of the Firm

25 October 2007
KUALA LUMPUR

Income Statements

for the financial year ended 30 June 2007

		Group		Company	
		2007	2006 (Restated)	2007	2006
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	4	**6,015,309**	5,496,373	**582,685**	311,010
Cost of sales	5	**(3,167,435)**	(2,956,418)	**–**	–
Gross profit		**2,847,874**	2,539,955	**582,685**	311,010
Other operating income		**324,431**	207,101	**70,517**	94,439
Selling & distribution costs		**(195,660)**	(186,021)	**–**	–
Administration expenses		**(439,118)**	(405,554)	**(36,728)**	(17,015)
Other operating expenses		**(270,154)**	(92,111)	**–**	–
Finance costs	6	**(867,594)**	(783,165)	**(77,148)**	(69,826)
Share of profits of associated companies		**155,965**	189,749	**–**	–
Profit before taxation	7	**1,555,744**	1,469,954	**539,326**	318,608
Taxation	8	**(121,423)**	(279,526)	**(74,235)**	(65,532)
Profit for the year		**1,434,321**	1,190,428	**465,091**	253,076
Attributable to:					
Equity holders of the Company		**755,062**	698,009	**465,091**	253,076
Minority interests		**679,259**	492,419	**–**	–
Profit for the year		**1,434,321**	1,190,428	**465,091**	253,076
Earnings per share					
Basic	9	**51.37 sen**	49.39 sen		
Diluted	9	**47.79 sen**	46.03 sen		
Gross dividend per share recognised as distribution to ordinary equity holders of the Company	10	**30.0 sen**	7.5 sen		

The notes set out on pages 122 to 226 form an integral part of these financial statements.

Balance Sheets
as at 30 June 2007

	Note	Group 2007 RM'000	Group 2006 (Restated) RM'000	Company 2007 RM'000	Company 2006 (Restated) RM'000
ASSETS					
Non-current assets					
Property, plant & equipment	11	**16,952,942**	16,300,506	**3,510**	2,856
Investment properties	12	**1,379,366**	1,363,945	**–**	–
Development expenditure	13	**1,041,533**	653,699	**–**	–
Investment in subsidiaries	14	**181,704**	181,704	**3,981,747**	3,388,352
Investment in associated companies	16	**1,328,826**	1,289,351	**216,478**	216,821
Quoted investments	17	**15,979**	16,919	**2,449**	1,709
Unquoted investments	18	**595,379**	588,211	**12,950**	6,950
Fixed deposits	19	**424**	687,753	**–**	–
Intangible assets	20	**953**	–	**–**	–
Goodwill	21	**941,330**	848,159	**–**	–
		22,438,436	21,930,247	**4,217,134**	3,616,688
Current assets					
Inventories	22	**354,049**	333,558	**–**	–
Property development costs	23	**138,122**	184,914	**–**	–
Trade receivables	24	**1,110,535**	1,466,541	**–**	–
Accrued billings in respect of property development costs	23	**–**	38,191	**–**	–
Amount due from contract customers	25	**17,768**	12,713	**–**	–
Other receivables, deposits & prepayments	26	**752,575**	734,911	**19,995**	19,408
Tax recoverable		**54,342**	70,924	**77,128**	92,684
Amount due from subsidiaries	14	**–**	–	**753,254**	1,009,412
Amount due from related companies	28	**3,046**	9,106	**1,668**	1,651
Amount due from associated companies	16	**10,581**	11,697	**332**	305
Short term investments	29	**175,283**	70,585	**130,776**	27,448
Fixed deposits	19	**8,753,951**	5,437,331	**603,645**	390,298
Cash & bank balances	19	**103,832**	70,104	**1,880**	1,444
		11,474,084	8,440,575	**1,588,678**	1,542,650
TOTAL ASSETS		**33,912,520**	30,370,822	**5,805,812**	5,159,338

The notes set out on pages 122 to 226 form an integral part of these financial statements.

Balance Sheets
as at 30 June 2007

	Note	Group 2007 RM'000	Group 2006 (Restated) RM'000	Company 2007 RM'000	Company 2006 (Restated) RM'000
EQUITY AND LIABILITIES					
Equity attributable to equity holders					
Share capital	30	**825,611**	782,355	**825,611**	782,355
Share premium	31	**652,522**	389,756	**652,522**	389,756
Other reserves	31	**196,321**	877,809	**14,749**	–
Unappropriated profits		**6,542,668**	5,433,027	**2,493,996**	2,301,644
Treasury shares, at cost	30	**(922,643)**	(668,269)	**(922,643)**	(668,269)
Share capital and reserves		**7,294,479**	6,814,678	**3,064,235**	2,805,486
Minority interests		**3,591,979**	3,414,510	**–**	–
TOTAL EQUITY		**10,886,458**	10,229,188	**3,064,235**	2,805,486
NON-CURRENT LIABILITIES					
Long term payables	32	**110,624**	104,058	**–**	–
Bonds	33	**11,100,477**	8,840,668	**500,000**	500,000
Borrowings	34	**3,144,493**	3,757,591	**–**	–
Hire purchase liabilities	35	**2,097**	3,632	**498**	390
Finance lease liabilities	36	**555,798**	566,345	**–**	–
Deferred income	37	**147,363**	147,203	**–**	–
Deferred taxation	38	**2,373,794**	2,450,196	**–**	–
Post-employment benefit obligations	39	**382,853**	409,243	**–**	–
		17,817,499	16,278,936	**500,498**	500,390

The notes set out on pages 122 to 226 form an integral part of these financial statements.

		Group		Company	
		2007	2006 (Restated)	2007	2006 (Restated)
	Note	RM'000	RM'000	RM'000	RM'000
Current liabilities					
Amount due to contract customers	25	**22,653**	8,604	**–**	–
Trade payables	40	**256,100**	234,754	**–**	–
Progress billings in respect of property development costs	23	**2,879**	–	**–**	–
Other payables & accruals	41	**1,066,590**	1,005,988	**12,876**	5,889
Hire purchase liabilities	35	**4,207**	5,400	**599**	316
Finance lease liabilities	36	**36,934**	21,661	**–**	–
Amount due to holding company	27	**8**	550	**–**	–
Amount due to subsidiaries	14	**–**	–	**823,661**	719,700
Amount due to related companies	28	**2,926**	5,262	**88**	159
Amount due to associated companies	16	**–**	20	**–**	–
Bonds	33	**1,111,443**	974,509	**–**	–
Short term borrowings	34	**2,446,793**	1,251,182	**1,403,855**	1,127,398
Bankers' acceptances	42	**67,667**	95,451	**–**	–
Bank overdrafts	42	**20,420**	67,610	**–**	–
Provision for liabilities & charges	43	**47,337**	49,428	**–**	–
Post-employment benefit obligations	39	**1,655**	1,256	**–**	–
Provision for taxation		**120,951**	141,023	**–**	–
		5,208,563	3,862,698	**2,241,079**	1,853,462
TOTAL LIABILITIES		**23,026,062**	20,141,634	**2,741,577**	2,353,852
TOTAL EQUITY AND LIABILITIES		**33,912,520**	30,370,822	**5,805,812**	5,159,338
NET ASSETS PER SHARE		**484.63 sen**	473.97 sen		

The notes set out on pages 122 to 226 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2007

	Attributable to equity holders of the Company							
		Non distributable		Distributable				
Group	**Share capital RM'000**	**Share premium RM'000**	**Other reserves RM'000**	**Unappropriated profits RM'000**	**Treasury shares RM'000**	**Total RM'000**	**Minority interests RM'000**	**Total equity RM'000**
Balance at 1 July, 2005								
- as previously reported	762,966	290,759	238,146	4,812,620	(542,103)	5,562,388	2,557,164	8,119,552
- prior years adjustments	–	–	–	(9,889)	–	(9,889)	(5,902)	(15,791)
- as restated	762,966	290,759	238,146	4,802,731	(542,103)	5,552,499	2,551,262	8,103,761
Currency translation differences	–	–	(46,720)	–	–	(46,720)	(30,198)	(76,918)
Net expenses recognised directly in equity	–	–	(46,720)	–	–	(46,720)	(30,198)	(76,918)
Profit for the year								
- as previously reported	–	–	–	1,368,919	–	1,368,919	477,796	1,846,715
- prior years adjustments	–	–	–	(670,910)	–	(670,910)	14,623	(656,287)
- as restated	–	–	–	698,009	–	698,009	492,419	1,190,428
Total recognised income and expenses for the year	–	–	(46,720)	698,009	–	651,289	462,221	1,113,510
Treasury shares	–	–	–	–	(126,166)	(126,166)	–	(126,166)
Issue of shares	19,389	98,997	–	–	–	118,386	–	118,386
Effect of issue of shares by subsidiaries to minority interests	–	–	–	–	–	–	226,420	226,420
Equity component of Irredeemable Convertible Unsecured Loan Stocks	–	–	24,369	–	–	24,369	–	24,369
Balance carried forward	782,355	389,756	215,795	5,500,740	(668,269)	6,220,377	3,239,903	9,460,280

The notes set out on pages 122 to 226 form an integral part of these financial statements.

Group	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Unappro-priated profits RM'000	Treasury shares RM'000	Total RM'000	Minority interests RM'000	Total equity RM'000
	Attributable to equity holders of the Company							
		Non distributable		Distributable				
Balance brought forward	782,355	389,756	215,795	5,500,740	(668,269)	6,220,377	3,239,903	9,460,280
Revaluation reserve	–	–	646,018	–	–	646,018	–	646,018
Transfer to capital reserve	–	–	234	(234)	–	–	–	–
Transfer to statutory reserve	–	–	15,762	(15,762)	–	–	–	–
Dividend paid to minority interest	–	–	–	–	–	–	(133,764)	(133,764)
Acquisition of new subsidiaries	–	–	–	–	–	–	424,645	424,645
Increase/(Decrease) arising from changes in composition of the Group	–	–	–	26,204	–	26,204	(95,297)	(69,093)
Acquisition of additional shares in subsidiaries from minority interests	–	–	–	–	–	–	(20,977)	(20,977)
Dividends paid	–	–	–	(77,921)	–	(77,921)	–	(77,921)
Balance at 30 June, 2006	782,355	389,756	877,809	5,433,027	(668,269)	6,814,678	3,414,510	10,229,188
Balance at 1 July, 2006								
- as previously reported	782,355	389,756	231,791	6,113,825	(668,269)	6,849,458	2,945,802	9,795,260
- prior years adjustments	–	–	646,018	(680,798)	–	(34,780)	468,708	433,928
- as restated	782,355	389,756	877,809	5,433,027	(668,269)	6,814,678	3,414,510	10,229,188
Currency translation differences	–	–	(40,967)	(2,628)	–	(43,595)	45,676	2,081
Transfer from revaluation reserve	–	–	(646,018)	646,018	–	–	–	–
Adjustment on negative goodwill	–	–	(34,454)	47,199	–	12,745	6,664	19,409
(Expenses)/Income recognised directly in equity	–	–	(721,439)	690,589	–	(30,850)	52,340	21,490
Profit for the year	–	–	–	755,062	–	755,062	679,259	1,434,321
Total recognised income and expenses for the year	–	–	(721,439)	1,445,651	–	724,212	731,599	1,455,811
Balance carried forward	782,355	389,756	156,370	6,878,678	(668,269)	7,538,890	4,146,109	11,684,999

The notes set out on pages 122 to 226 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2007

Group	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Unappro-priated profits RM'000	Treasury shares RM'000	Total RM'000	Minority interests RM'000	Total equity RM'000
	Attributable to equity holders of the Company							
		Non distributable		Distributable				
Balance brought forward	782,355	389,756	156,370	6,878,678	(668,269)	7,538,890	4,146,109	11,684,999
Issue of share capital	59,756	425,179	–	–	–	484,935	–	484,935
Treasury shares	(16,500)	(162,413)	–	–	(254,374)	(433,287)	–	(433,287)
Effect of issue of shares by subsidiaries to minority interests	–	–	–	–	–	–	201,148	201,148
Equity component of Irredeemable Convertible Unsecured Loan Stocks	–	–	(210)	–	–	(210)	–	(210)
Equity component of exchangeable bonds	–	–	(931)	–	–	(931)	–	(931)
Revaluation reserve	–	–	7,470	–	–	7,470	–	7,470
Share options granted	–	–	18,300	–	–	18,300	–	18,300
Transfer to statutory reserve	–	–	15,322	(15,322)	–	–	–	–
Dividends paid to minority interests	–	–	–	–	–	–	(394,924)	(394,924)
Acquistion of new subsidiary	–	–	–	–	–	–	16,351	16,351
Increase/(Decrease) arising from changes in composition of the Group	–	–	–	8,087	–	8,087	(203,604)	(195,517)
Acquisition of additional shares in subsidiaries from minority interests	–	–	–	–	–	–	(173,101)	(173,101)
Dividends paid	–	–	–	(328,775)	–	(328,775)	–	(328,775)
Balance at 30 June, 2007	**825,611**	**652,522**	**196,321**	**6,542,668**	**(922,643)**	**7,294,479**	**3,591,979**	**10,886,458**

The notes set out on pages 122 to 226 form an integral part of these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2007

		Non-distributable		Distributable		
Company	**Share capital RM'000**	**Share premium RM'000**	**Other reserves RM'000**	**Unappropriated profits RM'000**	**Treasury shares RM'000**	**Total RM'000**
Balance at 1 July, 2005	762,966	290,759	–	2,126,489	(542,103)	2,638,111
Issue of share capital	19,389	98,997	–	–	–	118,386
Treasury shares	–	–	–	–	(126,166)	(126,166)
Profit for the year, representing total recognised income and expenses for the year	–	–	–	253,076	–	253,076
Dividends paid	–	–	–	(77,921)	–	(77,921)
Balance at 30 June, 2006	782,355	389,756	–	2,301,644	(668,269)	2,805,486
Issue of share capital	59,756	335,868	–	–	–	395,624
Treasury shares	(16,500)	(73,102)	–	–	(254,374)	(343,976)
Profit for the year, representing total recognised income and expenses for the year	–	–	–	465,091	–	465,091
Increase due to Renounceable Restricted Offer for Sale of shares in a subsidiary	–	–	–	56,036	–	56,036
Share options granted	–	–	14,749	–	–	14,749
Dividends paid	–	–	–	(328,775)	–	(328,775)
Balance at 30 June, 2007	**825,611**	**652,522**	**14,749**	**2,493,996**	**(922,643)**	**3,064,235**

The notes set out on pages 122 to 226 form an integral part of these financial statements.

Cash Flow Statements

for the year ended 30 June 2007

	Group		Company	
	2007	2006 (Restated)	2007	2006
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before taxation	**1,555,744**	1,469,954	**539,326**	318,608
Adjustments for:				
Adjustment on fair value of investment properties	**(30,624)**	–	–	–
Allowance for diminution in value of unquoted investment	**331**	–	–	–
Allowance for doubtful debts - net	**155,529**	(2,179)	–	–
Amortisation of development expenditure	**207**	431	–	–
Amortisation of grant	**(6,240)**	(5,767)	–	–
Amortisation of intangible assets	**79**	–	–	–
Bad debts recovered	**(341)**	(651)	–	–
Bad debts written off	**2,046**	4,739	–	25
Depreciation	**700,978**	643,813	**809**	617
Defined benefit plan	**54,227**	72,764	–	–
Defined contribution plan	**15,616**	13,199	–	–
Development expenditure charged to Income Statement	**16**	213	–	–
Development expenditure written off	**33,250**	7,928	–	–
Dividend income	**(44,105)**	(17,162)	**(556,691)**	(288,697)
Gain on disposal of development expenditure	–	(232)	–	–
Gain on disposal of investments	**(52,034)**	(21,607)	**(69,613)**	(37)
Gain on redemption of investment	–	(94,400)	–	(94,400)
(Gain)/Loss on disposal of property, plant & equipment - net	**(10,198)**	8,505	**5**	–
Impairment loss on development expenditure	**1,008**	–	–	–
Impairment loss on investment	**322**	–	–	–
Interest expenses	**867,594**	783,165	**77,148**	69,826
Interest income	**(368,727)**	(247,381)	**(25,566)**	(21,823)
Inventories written off	**15**	–	–	–
Investment written off	–	230	–	230
Negative goodwill recognised in Income Statement	**(3,475)**	–	–	–
Project expenses written off	**95**	–	**41**	–
Property, plant & equipment written off	**384**	881	–	–
Provision for liabilities & charges	**72,624**	9,258	–	–
Share based payments	**18,371**	78	**10,401**	–
Share of profits of associated companies	**(155,965)**	(189,749)	–	–
Unrealised gain on foreign exchange - net	**(35,971)**	(6,997)	–	–
Operating profit/(loss) before changes in working capital	**2,770,756**	2,429,033	**(24,140)**	(15,651)
Net changes in balances with contract customers	**9,482**	29	–	–
Inventories	**(19,358)**	(49,591)	–	–
Balance carried forward	**2,760,880**	2,379,471	**(24,140)**	(15,651)

The notes set out on pages 122 to 226 form an integral part of these financial statements.

	Group		Company	
	2007	2006 (Restated)	2007	2006
	RM'000	RM'000	RM'000	RM'000
Balance brought forward	**2,760,880**	2,379,471	**(24,140)**	(15,651)
Property development costs	**92,405**	(4,228)	–	–
Receivables	**221,806**	(126,848)	**(628)**	1,377
Payables	**103,449**	660,112	**6,987**	12
Holding company	**(424)**	635	–	2
Subsidiaries	–	–	**364,467**	871,068
Related companies	**(7,527)**	1,535	**(88)**	(1,537)
Associated companies	**1,096**	713	**(27)**	(7)
Cash generated from operations	**3,171,685**	2,911,390	**346,571**	855,264
Dividends received	**87,142**	87,089	**477,945**	207,866
Interest paid	**(871,397)**	(698,520)	**(77,148)**	(69,826)
Interest received	**366,100**	250,622	**25,566**	21,823
Payment to a retirement benefits scheme	**(106,495)**	(106,759)	–	–
Tax paid	**(277,229)**	(367,541)	**(8,970)**	(363)
Tax refund	**30,264**	433	**29,037**	–
Net cash from operating activities	**2,400,070**	2,076,714	**793,001**	1,014,764
Cash flows from investing activities				
Acquisition of additional shares in existing subsidiaries	**(323,592)**	(43,979)	**(717,093)**	(73,150)
Acquisition of additional shares in existing associated company	–	(113,400)	–	(113,400)
Acquisition of associated company	**(35)**	(20,134)	–	–
Acquisition of subsidiaries (net of cash acquired)	**719,737**	25,916	–	–
Development expenditure incurred	**(39,874)**	(94,102)	–	–
Grants received in respect of infrastructure assets	**48,012**	47,648	–	–
Grants received in respect of non-infrastructure assets	–	6,637	–	–
Proceeds from disposal of property, plant & equipment	**36,032**	12,429	**234**	–
Proceeds from disposal of investments	**155,685**	47,717	**251,308**	788
Proceeds from redemption of investments	–	130,550	–	130,550
Proceeds from disposal of subsidiary (net of cash disposed)	**26**	–	–	–
Proceeds from disposal of shares in existing subsidiary	**100,597**	–	–	–
Proceeds from disposal of development expenditure	–	268	–	–
Purchase of investment properties	–	(13,931)	–	–
Purchase of property, plant & equipment	**(1,125,971)**	(714,439)	**(804)**	(517)
Purchase of short term investments	**(103,328)**	(747)	**(103,328)**	(747)
Purchase of intangible assets	**(668)**	–	–	–
Purchase of investments	**(11,189)**	(12,024)	**(8,358)**	(566,826)
Net cash used in investing activities	**(544,568)**	(741,591)	**(578,041)**	(623,302)

The notes set out on pages 122 to 226 form an integral part of these financial statements.

Cash Flow Statements
for the financial year ended 30 June 2007

		Group		Company	
		2007	2006 (Restated)	2007	2006
	Note	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities					
Dividends paid		**(328,775)**	(77,921)	**(328,775)**	(77,921)
Dividends paid to minority shareholders of a subsidiary		**(394,924)**	(133,764)	**–**	–
Purchase of own shares (at net)		**(254,374)**	(126,166)	**(254,374)**	(126,166)
Purchase of own shares by subsidiaries		**(413,960)**	(171,748)	**–**	–
Proceeds from borrowings		**1,816,543**	1,097,344	**276,457**	250,000
Proceeds from issue of shares to minority interests in subsidiaries		**200,840**	226,154	**–**	–
Proceeds from issue of bonds		**2,212,859**	400,000	**–**	–
Proceeds from issue of shares		**306,022**	118,385	**306,022**	118,385
Repayment of bonds		**(1,000,080)**	(225,000)	**–**	–
Net repayment of hire purchase liabilities		**(5,976)**	(7,824)	**(507)**	(559)
Repayment of borrowings		**(1,276,980)**	(1,876,347)	**–**	(335,900)
Repayment of finance lease liabilities		**(11,093)**	(18,165)	**–**	–
Net cash from/(used in) financing activities		**850,102**	(795,052)	**(1,177)**	(172,161)
Net changes in cash and cash equivalents		**2,705,604**	540,071	**213,783**	219,301
Effects of exchange rate changes		**4,605**	(54,286)	**–**	–
Cash and cash equivalents brought forward		**6,127,578**	5,641,793	**391,742**	172,441
Cash and cash equivalents carried forward	19	**8,837,787**	6,127,578	**605,525**	391,742

NOTES TO CONSOLIDATED CASH FLOW STATEMENTS

a Summary of net assets acquired:

	Group	
	2007	2006 (Restated)
	RM'000	RM'000
Investment properties	**–**	1,150,000
Other tangible assets	**364**	–
Property, plant & equipment	**4,740**	–
Development expenditure	**336,088**	–
Inventories	**233**	–
Receivables	**1,216**	1,977
Deferred taxation	**(27)**	–
Inter-company balances	**(11,438)**	–
Cash & cash equivalents	**1,052,649**	97,992
Balance carried forward	**1,383,825**	1,249,969

The notes set out on pages 122 to 226 form an integral part of these financial statements.

a Summary of net assets acquired (con't):

	Group 2007 RM'000	2006 (Restated) RM'000
Balance brought forward	**1,383,825**	1,249,969
Payables	**(4,547)**	(47,212)
Borrowings	**(1,034,878)**	(180,000)
Minority interests	**(16,350)**	(468,570)
Net assets acquired	**328,050**	554,187
Goodwill on consolidation	**5,111**	10,644
Total cost of acquisition	**333,161**	564,831
Purchase consideration satisfied by issue of shares	–	(513,595)
Cost of investment, previously an associated company	(294)	–
Share of loss of associated company, now a subsidiary	45	–
Expenses directly attributable to the acquisition, paid in cash	–	20,840
Add : Cash & cash equivalents of subsidiaries acquired	**(1,052,649)**	(97,992)
Net cash acquired	**(719,737)**	(25,916)

b Analysis of acquisition of property, plant & equipment:

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Cash	**1,125,971**	714,439	**804**	517
Hire purchase arrangements	**4,936**	4,576	**898**	288
Transfer from investment properties	–	1,642	–	–
Issue of shares by a subsidiary	–	304	–	–
Receivables	–	1,619	–	–
Transfer from development expenditure	–	65	–	–
	1,130,907	722,645	**1,702**	805

c Analysis of acquisition of investment properties:

	Group 2007 RM'000	Group 2006 RM'000	Company 2007 RM'000	Company 2006 RM'000
Cash	–	13,931	–	–
Issue of shares by a subsidiary	**125,000**	1,150,000	–	–
	125,000	1,163,931	–	–

The notes set out on pages 122 to 226 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 14 to the financial statements.

The Company is a limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board 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 covers 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. Deposits with licensed financial institutions are held for short term and not for speculative purposes.

c Credit risk

The Group is exposed to credit risk mainly from cash deposits and trade receivables. The Group extends credit to its customers based upon established credit evaluation and monitoring guidelines. The Group considers the risk of material loss in the event of non-performance by a financial counter party to be unlikely.

In the Group's Power Generation business, trade receivables are solely from its offtaker, a national electricity utility company and the counter party risk is considered to be minimal. As 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.

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 provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities.

The preparation of financial statements in conformity with the applicable MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and the provisions of 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. Actual results could differ from those estimates.

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 53.

The financial statements are presented in Ringgit Malaysia, which is the Group's functional and presentation currency.

The adoption of the relevant new or revised Financial Reporting Standards ("FRS") and Interpretation Committee ("IC") Interpretations, effective for the financial year beginning on or after 1 July, 2006 are as follows:

FRS 1 First-time Adoption of Financial Reporting Standards
FRS 2 Share-based Payments
FRS 3 Business Combinations
FRS 5 Non-current Assets Held for Sale and Discontinued Operations
FRS 101 Presentation of Financial Statements
FRS 102 Inventories
FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110 Events after the Balance Sheet Date
FRS 116 Property, Plant and Equipment
FRS 121 The Effect of Changes in Foreign Exchange Rates
FRS 127 Consolidated and Separate Financial Statements
FRS 131 Interests in Joint Ventures
FRS 128 Investments in Associates
FRS 132 Financial Instruments: Disclosure and Presentation
FRS 133 Earnings per Share
FRS 136 Impairment of Assets
FRS 138 Intangible Assets
FRS 140 Investment Property
Amendment to FRS 119 Employee Benefits
– Actuarial Gains and Losses, Group Plans and Disclosures
– in relation to the 'asset ceiling' test
IC 107 Introduction of the Euro
IC 110 Government Assistance – No Specific Relation to Operating Activities
IC 112 Consolidation – Special Purpose Entities
IC 113 Jointly Controlled Entities – Non-Monetary Contributions by Venturers
IC 115 Operating Leases - Incentives
IC 121 Income Taxes - Recovery of Revalued Non-Depreciable Assets
IC 125 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
IC 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease
IC 129 Disclosure – Service Concession Arrangements
IC 131 Revenue – Barter Transactions Involving Advertising Services
IC 132 Intangible Assets – Web Site Costs

The financial statements have been amended as required, in accordance with the relevant transitional provisions in the respective FRSs and IC Interpretations.

b Property, plant & equipment and depreciation

Property, plant & equipment except for infrastructure assets and certain freehold and leasehold 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. The cost of certain property, plant and equipment include the costs of dismantling, removal and restoration, the obligation which was incurred as a consequence of installing the asset.

Subsequent cost 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 and leasehold 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 property, plant & equipment have not been updated and they continue to be stated at their previously revalued amounts less depreciation and impairment losses.

Infrastructure assets comprise a network of systems of mains and sewers, impounding and pumped raw water storage reservoirs, dams, sludge pipelines, sea outfalls and infrastructure investigations and studies. Expenditure on infrastructure assets relating to enhancements of the network is treated as additions, which are included after deducting connection charges and grants. The system or network is required to be maintained in perpetuity and on this basis was deemed to have no finite useful economic life in previous years. Accordingly, no depreciation was charged to the Income Statement in relation to the use of the infrastructure assets due to its immateriality. During the current financial year, the Group revised the useful lives of infrastructure assets to 110 years. The revision was accounted for as a change in accounting estimate and as a result, the depreciation charge for current and future periods will increase by RM23,560,188.

Property, plant and 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 whilst assets under construction are not depreciated. Depreciation for assets under construction will only be charged when the construction of the assets are completed for their intended use.

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 lives.

The principal annual rates of depreciation used are as follows:

Leasehold land & buildings	16 - 99 years
	%
Factory & other buildings	1 - 20
Mains & lines	5
Infrastructure & site facilities	0.9 - 20
Plant, machinery & equipment	4 - 20
Furniture, fixtures & equipment	10 - 50
Motor vehicles & accessories	10 - 33 $^{1}/_{3}$
Yachts & boats	10
Helicopter	10
Aircraft	10 - 20
Crockery & other operating assets	10 - 50

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 and 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, the 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 Investment properties

Investment properties, comprising principally land and buildings, are held for long term rental yield or for capital appreciation or both, and are not occupied by the Group.

Investment properties are stated 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 recorded in the Income Statement as part of other income.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised (eliminated from the balance sheet). The difference between the net disposal proceeds and the carrying amount is recognised in Income Statement in the period of the retirement or disposal.

e 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(x) 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.

f Investment in associated companies

In the Company's separate financial statements, investment in associated companies is 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.

g 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.

Jointly controlled operations

Jointly controlled operations are formed to combine the operations, resources and expertise of the Group with third parties. Assets controlled and liabilities and expenses incurred by the Group are recognised directly in the financial statements of the relevant subsidiaries and consequently in the consolidated financial statements of the Group.

h Investments

Investments held on long term basis are stated at cost. An allowance is made when the directors are of the opinion that there is a diminution other than temporary in their value.

Short term unquoted investments are stated at cost while short term quoted investments are carried at the lower of cost and market value, determined on an aggregate portfolio basis by category of investment. Cost is derived at on the weighted average basis. Market value is calculated by reference to 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/charged to the Income Statement. An allowance is made when the directors are of the opinion that there is a diminution in their value which is other than temporary.

i 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).

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 is stated at cost and incurred in respect of the preparation for an industrial development project. Those amounts are deferred and will be capitalised upon completion of the plant.

Expenditure on development activities are recognised as intangible asset when the following criteria are fulfilled:

i it is technically feasible to complete the intangible asset so that it will be available for use or sale;
ii management intends to complete the intangible asset and use or sell it;
iii there is an ability to use or sell the intangible asset;
iv it can be demonstrated how the intangible asset will generate probable future economic benefits;
v adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
vi the expenditure attributable to the intangible asset during its development can be reliably measured.

The expenditure capitalised includes the cost of direct labour and an appropriate proportion of overheads. Other development expenditure that do not meet these criteria are recognised as an expense when incurred. 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.

j Other Intangible assets

i Computer software

Software which forms an integral part of the related hardware is capitalised with that hardware and included within property, plant and equipment.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (three to five years).

ii Investment in programmes for future sale

Investment in programmes for future sale is stated at cost, after writing off the costs of programmes that are considered irrecoverable, less accumulated amortisation. Amortisation of investment in programmes for future sale is charged to the Income Statement over the estimated average marketable life of the programme genre which is generally between five and ten years. The cost and accumulated amortisation of investment in programmes for future sale are reduced by programmes which are fully written off.

iii Broadband network customer base and coverage

Broadband network customer base and coverage are stated at cost, less accumulated amoritsation. Amortisation is charged to the Income Statement over the estimated useful life of the asset.

k 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 consist 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.

l 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.

m 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.

n Amount due from/to customers for construction contracts

Amount due from contract customers for construction contracts within current assets is the net amount of costs incurred plus recognised profits less the sum of recognised losses and progress billings, for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings.

Amount due to contract customers for construction contracts within current liabilities is the net amount of costs incurred plus recognised profits less the sum of recognised losses and progress billings, for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

Cost on construction contracts includes the cost of materials, direct labour, subcontract costs and attributable overheads which include interest expenses relating to the financing of the construction.

o 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, whether or not billed to the Group and the Company.

p Property maintenance funds

Property maintenance funds relate to the accounts maintained in respect of the maintenance of the condominiums/apartments on behalf of the purchasers. All services charges and attributable expenses incurred have been credited/charged to these accounts. The excess of income over expenditure will be utilised for repairs and renewals in the future.

q Hire purchase

Property, plant & equipment acquired under hire purchase arrangements which in substance transfer the risks and benefits of ownership, are capitalised at the value equivalent to the principal sum of total hire purchase payables. The corresponding obligations are treated as liabilities.

Finance charges are allocated to the Income Statement to give a constant periodic rate of interest on the remaining hire purchase liabilities.

r Finance lease

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are treated as consisting of a capital element and finance cost, the capital element reducing the obligation to the lessor and the finance charge being written off to the Income Statement over the period of the lease in reducing amounts in relation to the outstanding obligations. The interest element of the finance charge is charged to the Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

All other leases are regarded as operating leases. Payments made under operating leases are charged to the Income Statement on a straight line basis over the lease period.

s Bonds and Borrowings

Bonds and borrowings are initially recognised based on the proceeds received, net of transaction costs incurred, if any, including underwriting expenses. In subsequent financial years, 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 borrowings.

t Interest capitalisation

Interest on borrowings relating to property, plant & equipment is capitalised as part of the cost of assets during the financial year or time that is required to complete and prepare the assets for its intended use. Interest on borrowings relating to development property is capitalised during the period in which the activities to prepare and develop the property are carried out.

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.

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. Any property, plant and equipment that are no longer required for their original use are transferred to current assets and carried at the lower of the carrying amount and estimated net realisable value.

w 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.

Defined contribution plan

A defined contribution plan is a pension plan under which the Group and the Company pay 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 employee benefits relating to employee service in the current and prior periods.

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 lives of the related employees participating in the defined benefit plan.

iii Share-based compensation

The Group has applied the provision of FRS 2 to all equity instruments granted after 31 December, 2004 but not yet vested as at 1 July, 2006, the effective date the Group adopted this FRS. Details of the Group's Employees' Share Option Scheme are set out in Note 30 to the financial statements.

The Group operates an 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 to subsidiaries, 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.

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

y Grants and contributions

Grants and contributions in respect of specific expenditure on non infrastructure fixed assets are treated as deferred income and recognised in the Income Statement over the expected useful economic lives of the related assets. Grants and contributions relating to infrastructure assets have been deducted from the cost of those assets.

z Treasury shares

Shares bought back are held as treasury shares and are accounted for on the cost method. Should such shares be cancelled, their nominal amounts will be eliminated, and the differences between their cost and nominal amounts will be taken to reserves, as appropriate.

aa Deferred income

Government grants relating to the purchase of non-infrastructure assets are included in non-current liabilities as deferred income and are credited to the Income Statement on a straight line basis over the expected useful economic lives of the related assets.

bb 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 Property development projects

Revenue from property development projects is recognised on the percentage of completion method. Where foreseeable losses are anticipated, full allowance for these losses is made in the financial statements.

v Construction contracts

Contract revenue from fixed price construction contracts is recognised on the percentage of completion method when the outcome of the contracts can be reliably estimated. The percentage of completion is measured by reference to the construction costs incurred for contract works performed to date compared to the total estimated contract costs.

Where the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that is probable to be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

Any expected loss on a contract is recognised immediately in the Income Statement.

vi Interest income

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

vii Dividend income

Revenue is recognised when the shareholders' right to receive the payment is established.

viii Rental income

Revenue is recognised on received and receivable basis unless collectibility is in doubt.

ix 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.

cc Income tax and deferred tax

Income tax on the profit or loss for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the 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 substantially 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.

dd 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 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 average exchange rates; 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.

ee Financial instruments

Financial instruments carried on the Balance Sheet include cash and bank balances, investments, receivables, payables, borrowings and share capital. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item, where applicable.

The Group is also a party to financial instruments that comprises 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.

The Group has taken advantage of the exemption provided by FRS 132 'Financial Instruments: Disclosure and Presentation' not to reclassify compound instruments issued by the Group prior to 1 July, 2003 into liability and equity components. These instruments (together with their associated interest) continue to be classified according to their legal form.

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.

Irredeemable Convertible Unsecured Loan Stocks ("ICULS")

ICULS is a compound instrument which contains both a liability component and an equity component. The fair value of the liability component is determined by discounting the future contractual cash flows of principal and interest payments at the prevailing market rate for equivalent non-convertible loan stocks. This amount is carried as liability on the amortised cost basis until extinguished on conversion or maturity of the instrument.

The fair value of the equity component represented by the conversion option is determined by deducting the fair value of the liability component from the notional amount of the loan stocks and is included in shareholders' equity.

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.

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. The carrying amount of other financial assets and liabilities at the balance sheet date approximate their fair values unless stated otherwise in the Notes to the financial statements.

ff Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank overdrafts and 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.

gg 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	
	2007	**2006**	**2007**	**2006**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Sale of goods	**1,184,026**	1,005,607	–	–
Rendering of services	**229,253**	170,495	**428**	490
Sale of electricity	**1,127,569**	1,160,621	–	–
Sale of water, treatment and disposal of waste water	**2,649,102**	2,368,738	–	–
Property development projects	**235,570**	218,950	–	–
Construction contracts	**129,783**	177,340	–	–
Interest income	**226,832**	202,274	**25,566**	21,823
Gross dividends				
- quoted	**3,311**	2,376	**556,691**	288,697
- unquoted	**33,438**	14,715	–	–
Rental income	**31,800**	29,548	–	–
Hotel & restaurant operations	**164,625**	145,709	–	–
	6,015,309	5,496,373	**582,685**	311,010

5 COST OF SALES

Cost of inventories, cost of construction contracts and cost of services rendered recognised as an expense to the Income Statement included in cost of sales are as follows:

	Group	
	2007	2006 (Restated)
	RM'000	RM'000
Cost of inventories (for goods sold, electricity and water sold)	**2,642,554**	2,419,305
Cost of construction contracts (including property development costs)	**330,378**	376,552
Cost of services rendered	**194,503**	160,561
	3,167,435	2,956,418

6 FINANCE COSTS

	Group		Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Bonds interest	**508,628**	493,189	**36,199**	33,938
Bank overdraft interest	**79**	353	**–**	–
Bankers' acceptances, trust receipts, hire purchase & other interest	**84,696**	54,052	**55**	43
Medium term notes, term loans, revolving credits, time loans, bridging loans interest & Bai Bithaman Ajil expenses and ICULS	**274,191**	235,571	**40,894**	35,845
	867,594	783,165	**77,148**	69,826

Notes to the Financial Statements

7 PROFIT BEFORE TAXATION

	Group 2007 RM'000	Group 2006 (Restated) RM'000	Company 2007 RM'000	Company 2006 RM'000
Profit before taxation is stated after charging:				
Allowance for diminution in value of unquoted investments	**331**	–	**–**	–
Allowance for doubtful debts - net	**155,529**	–	**–**	–
Amortisation of development expenditure (Note 13)	**207**	431	**–**	–
Amortisation of intangible assets (Note 20)	**79**	–	**–**	–
Amortisation of revaluation reserve	**5,341**	–	**–**	–
Directors' remuneration				
- emoluments	**35,436**	15,197	**9,858**	–
- fees	**940**	925	**260**	280
- benefits in kind	**343**	231	**68**	47
Auditors' remuneration				
- statutory				
- current year	**2,753**	2,409	**143**	103
- under-provision in prior year	**17**	49	**–**	–
- others	**994**	151	**183**	–
Bad debts written off	**2,046**	4,739	**–**	25
Depreciation (Note 11)	**700,978**	643,813	**809**	617
Development expenditure charged to Income Statement	**16**	213	**–**	–
Development expenditure written off	**33,250**	7,978	**–**	–
Hiring of plant, machinery, equipment & motor vehicles	**1,295**	4,773	**–**	–
Impairment loss on development expenditure (included in administration expenses)	**1,008**	–	**–**	–
Impairment loss on investment (included in administration expenses)	**322**	–	**–**	–
Inventories written off	**15**	–	**–**	–
Investment written off	**–**	230	**–**	230
Loss on disposal of property, plant & equipment	**–**	8,505	**5**	–
Loss on foreign exchange				
- realised	**629**	607	**–**	–
- unrealised	**74**	1,228	**–**	–
Net provision of liquidated ascertained damages	**–**	256	**–**	–
Other rental	**2,958**	256	**–**	–
Property, plant & equipment written off	**384**	881	**–**	–
Project expenses written off	**95**	–	**41**	–
Provision for liabilities & charges	**72,624**	9,258	**–**	–
Rental of land & buildings	**9,898**	7,292	**670**	635
Rental of office equipment	**304**	628	**14**	8
Rental of plant & machinery	**11,564**	11,211	**–**	–

	Group		Company	
	2007	2006 (Restated)	2007	2006
	RM'000	RM'000	RM'000	RM'000
And crediting (other than those disclosed in Note 4):				
Adjustment on fair value of investment properties	**30,624**	–	**–**	–
Allowance for doubtful debts no longer required - net	**–**	2,179	**–**	–
Amortisation of grant	**6,240**	5,767	**–**	–
Bad debts recovered	**341**	651	**–**	–
Gain on disposal of development expenditure	**–**	232	**–**	–
Gain on disposal of property, plant & equipment	**10,198**	–	**–**	–
Gain on disposal of investments	**52,034**	21,607	**69,613**	37
Gain on foreign exchange				
- realised	**17,526**	590	**–**	–
- unrealised	**36,045**	8,225	**–**	–
Gain on redemption of Mudharabah Redeemable Convertible Preference Shares	**–**	94,400	**–**	94,400
Gross dividend from quoted investments - within Malaysia	**7,356**	71	**–**	–
Hiring income from plant, machinery & equipment	**4,191**	1,259	**–**	–
Interest income	**141,895**	45,107	**–**	–
Nagative goodwill recognised in Income Statements	**3,475**	–	**–**	–
Rental income	**2,831**	2,576	**13**	–

The aggregate remuneration of directors categorised into appropriate components for the year ended 30 June, 2007 are as follows:

Group	Fees RM'000	Salaries RM'000	Bonus RM'000	Others* RM'000	Total RM'000
Executive directors	**715**	**12,830**	**7,668**	**15,189**	**36,402**
Non-executive directors	**225**	**–**	**–**	**92**	**317**

Company	Fees RM'000	Salaries RM'000	Bonus RM'000	Others* RM'000	Total RM'000
Executive directors	**180**	**–**	**–**	**9,893**	**10,073**
Non-executive directors	**80**	**–**	**–**	**33**	**113**

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, 2007 are as follows:

	Group		Company	
	No. of Directors		No. of Directors	
Range of remuneration	**Executive**	**Non-Executive**	**Executive**	**Non-Executive**
Below RM50,001	–	–	–	4
RM50,001 - RM100,000	–	3	–	–
RM100,001 - RM150,000	–	1	–	–
RM150,001 - RM950,000	–	–	–	–
RM950,001 - RM1,000,000	–	–	6	–
RM1,000,001 - RM1,100,000	–	–	–	–
RM1,100,001 - RM1,150,000	–	–	1	–
RM1,150,001 - RM1,550,000	–	–	–	–
RM1,550,001 - RM1,600,000	–	–	1	–
RM1,600,001 - RM1,650,000	–	–	1	–
RM1,650,001 - RM1,950,000	–	–	–	–
RM1,950,001 - RM2,000,000	1	–	–	–
RM2,000,001 - RM2,150,000	–	–	–	–
RM2,150,001 - RM2,200,000	1	–	–	–
RM2,200,001 - RM3,150,000	–	–	–	–
RM3,150,001 - RM3,200,000	1	–	–	–
RM3,200,001 - RM3,250,000	–	–	–	–
RM3,250,001 - RM3,300,000	1	–	–	–
RM3,300,001 - RM3,700,000	–	–	–	–
RM3,700,001 - RM3,750,000	1	–	–	–
RM3,750,001 - RM3,800,000	–	–	–	–
RM3,800,001 - RM3,850,000	1	–	–	–
RM3,850,001 - RM4,000,000	–	–	–	–
RM4,000,001 - RM4,050,000	1	–	–	–
RM4,050,001 - RM4,600,000	–	–	–	–
RM4,600,001 - RM4,650,000	1	–	–	–
RM4,650,001 - RM9,550,000	–	–	–	–
RM9,550,001 - RM9,600,000	1	–	–	–

* Included in the remuneration of directors are the following:

	Group		Company	
	2007	**2006**	**2007**	**2006**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Defined contribution plan	**2,480**	1,654	–	–
Share options expenses	**12,331**	–	**9,825**	–

8 TAXATION

	Group		Company	
	2007	2006 (Restated)	2007	2006
	RM'000	RM'000	RM'000	RM'000
Tax charge for the current year				
- Malaysian income tax	**182,026**	209,094	**74,235**	65,532
- Foreign income tax	**63,651**	73,304	**–**	–
Deferred taxation (Note 38)	**(124,254)**	(2,872)	**–**	–
	121,423	279,526	**74,235**	65,532
Income tax				
- Tax charge for the current year	**237,440**	283,882	**70,000**	64,485
- Under/(Over-provision) in prior years	**8,237**	(1,484)	**4,235**	1,047
Deferred tax				
- Origination and reversal of temporary differences	**(70,920)**	62,194	**–**	–
- Over-provision of deferred tax in prior years	**(53,334)**	(65,066)	**–**	–
	121,423	279,526	**74,235**	65,532

A reconciliation of income tax expense applicable to profit before taxation 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	
	2007	2006 (Restated)	2007	2006
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	**1,555,744**	1,469,954	**539,326**	318,608
Income tax using Malaysian tax rate of 27% (2006: 28%)	**420,051**	411,587	**145,618**	89,210
Non-deductible expenses	**220,793**	194,116	**3,519**	1,670
Income not subject to tax	**(249,778)**	(228,106)	**(79,164)**	(26,442)
Reinvestment allowances	**(4,361)**	(1,236)	**–**	–
Utilisation of industrial building allowances	**–**	(161)	**–**	–
Utilisation of current year's capital allowances	**(8,683)**	(455)	**–**	–
Different tax rates in other countries	**21,523**	27,775	**–**	–
Under/(Over)-provision in prior years	**8,237**	(1,484)	**4,235**	1,046
Tax effect of deferred tax assets not recognised during the year	**4,555**	778	**27**	48
Tax effect of unrecognised deferred tax assets in prior years	**(110,925)**	(57,516)	**–**	–
Over-provision of deferred tax in prior years	**(53,334)**	(65,066)	**–**	–
Change in tax rates	**(126,655)**	(706)	**–**	–
	121,423	279,526	**74,235**	65,532

Subject to agreement with the Inland Revenue Board, the Company has exempt income estimated at RM15,008,587 (2006: RM15,008,587) pursuant to Section 12 of the Income Tax (Amendment) Act, 1999, from which tax exempt dividends can be declared.

Based on prevailing tax rate applicable to dividends and the estimated tax credits under Section 108 of the Income Tax Act, 1967 and the tax exempt account balance as mentioned above, the unappropriated profits of the Company as at 30 June, 2007 available for distribution by way of dividends without additional tax liabilities being incurred amounted to RM862,084,061 (2006: RM737,375,991). This is, however, subject to confirmation by the Inland Revenue Board.

If the balance of the unappropriated profits of RM1,631,911,645 (2006: RM1,564,268,062) were distributed as dividends prior to there being sufficient tax credit, the Company would have a Section 108 short fall of approximately RM635,814,258 (2006: RM608,326,469).

9 EARNINGS PER SHARE (EPS)

	Group	
	2007	**2006 (Restated)**
Basic EPS		
Profit for the year attributable to ordinary shareholders (RM'000)	**755,062**	698,009
Weighted average number of ordinary shares in issue for basic EPS ('000)	**1,469,897**	1,413,173
Basic EPS (sen)	**51.37**	49.39

Basic EPS of the Group is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

	Group	
	2007	**2006 (Restated)**
Diluted EPS		
Profit for the year attributable to ordinary shareholders (RM'000)	**755,062**	698,009
Weighted average number of ordinary shares in issue for basic EPS as above ('000)	**1,469,897**	1,413,173
Adjustment for:		
- ordinary shares deemed issued at no consideration on assumed exercise of Options and Warrants ('000)	**110,213**	103,401
	1,580,110	1,516,574
Diluted EPS (sen)	**47.79**	46.03

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.

10 DIVIDENDS

	Group/Company			
	2007		2006 (Restated)	
	Gross dividend per share (sen)	Amount of dividend, net of tax RM'000	Gross dividend per share (sen)	Amount of dividend, net of tax RM'000
Dividend paid in respect of:				
a Year ended 30 June, 2005				
- final, less 28% tax	–	–	7.5	77,921
b Year ended 30 June, 2006				
- final, less 28% tax	**7.5**	**82,170**	–	–
c Year ended 30 June, 2007				
- first interim, less 27% tax	**7.5**	**81,836**	–	–
- second interim, less 27% tax	**7.5**	**82,037**	–	–
- third interim, less 27% tax	**7.5**	**82,732**	–	–
Dividend recognised as distribution to ordinary equity holders of the Company	**30.0**	**328,775**	7.5	77,921
Proposed final dividend, less 27% tax (2006: 27% tax)	**2.5**	**37,629**	7.5	77,641

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 30 June, 2007 of 2.5 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, 2008.

Notes to the Financial Statements

11. PROPERTY, PLANT & EQUIPMENT

Group - 2007

	Balance at 1.7.2006 (Restated) RM'000	Arising on acquisitions RM'000	Additions RM'000
Freehold land			
- at cost	125,697	–	2,894
- at valuation	5,904	–	–
Long term leasehold land			
- at cost	66,759	–	–
- at valuation	200	–	–
Short term leasehold land			
- at cost	23,605	–	–
Buildings on freehold land			
- at cost	101,277	–	2,160
- at valuation	709	–	11
Buildings on long term leasehold land			
- at cost	804,927	–	4,896
Buildings on short term leasehold land			
- at cost	21,469	1,694	–
Freehold oil palm plantation			
- at valuation	2,000	–	–
Factory & other buildings	4,335,488	–	37,800
Mains & lines	22,700	–	–
Infrastructure & site facilities	5,019,020	–	226,179
Plant, machinery & equipment	8,309,261	–	365,377
Furniture, fixtures & equipment	480,760	3,041	32,195
Motor vehicles	208,564	1,170	11,130
Motor vehicles accessories	36	–	–
Yachts & boats	14,742	–	–
Helicopter	14,373	–	–
Crockery & other operating assets	636	–	4
Assets under construction	714,208	–	448,261
	20,272,335	5,905	1,130,907

	Cost/Valuation				
Disposals	Written off	Grants & contributions	Transfers/ Others	Translation differences	Balance at 30.6.2007
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
(1,922)	–	–	(9,005)	1,403	**119,067**
–	–	–	140	–	**6,044**
(378)	–	–	(4,085)	–	**62,296**
–	–	–	–	–	**200**
–	–	–	–	–	**23,605**
(392)	–	–	(10,776)	–	**92,269**
–	–	–	(140)	–	**580**
–	(128)	–	2,436	844	**812,975**
–	–	–	6,789	–	**29,952**
–	–	–	–	–	**2,000**
(18,990)	–	–	82,665	91,724	**4,528,687**
–	–	–	–	–	**22,700**
–	–	(49,482)	157,045	137,342	**5,490,104**
(88,254)	(12,709)	–	223,434	105,425	**8,902,534**
(4,809)	(1,440)	–	4,774	9,367	**523,888**
(13,126)	(1,245)	–	–	512	**207,005**
(31)	–	–	–	–	**5**
–	–	–	–	(671)	**14,071**
–	–	–	–	–	**14,373**
–	–	–	–	–	**640**
–	–	–	(489,211)	18,336	**691,594**
(127,902)	(15,522)	(49,482)	(35,934)	364,282	**21,544,589**

Notes to the Financial Statements

	Balance at 1.7.2006 (Restated) RM'000	Arising on acquisitions RM'000	Charge for the year RM'000
Freehold land			
- at cost	–	–	–
- at valuation	–	–	–
Long term leasehold land			
- at cost	9,314	–	595
- at valuation	106	–	(98)
Short term leasehold land			
- at cost	6,931	–	1,116
Buildings on freehold land			
- at cost	12,057	–	1,143
- at valuation	83	–	36
Buildings on long term leasehold land			
- at cost	112,082	–	15,925
Buildings on short term leasehold land			
- at cost	2,493	–	770
Freehold oil palm plantation			
- at valuation	–	–	–
Factory & other buildings	679,547	–	110,175
Mains & lines	13,052	–	1,135
Infrastructure & site facilities	612	–	47,704
Plant, machinery & equipment	2,749,656	–	462,943
Furniture, fixtures & equipment	244,100	1,089	36,605
Motor vehicles	121,732	76	22,542
Motor vehicles accessories	35	–	–
Yachts & boats	10,154	–	904
Helicopter	9,313	–	–
Crockery & other operating assets	562	–	24
Assets under construction	–	–	–
	3,971,829	1,165	701,519

Accumulated Depreciation					
Disposals	Written off	Grants & contributions	Transfers/ Others	Translation differences	Balance at 30.6.2007
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
–	–	–	–	–	–
–	–	–	–	–	–
(41)	–	–	(273)	–	**9,595**
–	–	–	–	–	**8**
–	–	–	–	–	**8,047**
(27)	–	–	(1,570)	–	**11,603**
–	–	–	–	–	**119**
–	–	–	(167)	–	**127,840**
–	–	–	–	–	**3,263**
–	–	–	–	–	–
(8,563)	–	–	(1,659)	8,825	**788,325**
–	–	–	–	–	**14,187**
–	–	–	–	258	**48,574**
(78,143)	(12,701)	–	–	25,892	**3,147,647**
(4,597)	(1,373)	–	(1,050)	3,988	**278,762**
(10,666)	(1,064)	–	–	96	**132,716**
(31)	–	–	–	–	**4**
–	–	–	–	–	**11,058**
–	–	–	–	–	**9,313**
–	–	–	–	–	**586**
–	–	–	–	–	–
(102,068)	(15,138)	–	(4,719)	39,059	**4,591,647**

Notes to the Financial Statements

Group - 2006

	Balance at 1.7.2005 (Restated) RM'000	Additions RM'000
Freehold land		
- at cost	121,177	4,535
- at valuation	9,898	–
Long term leasehold land		
- at cost	66,688	71
- at valuation	200	–
Short term leasehold land		
- at cost	17,607	5,998
Buildings on freehold land		
- at cost	103,296	–
- at valuation	400	–
Buildings on long term leasehold land		
- at cost	803,252	1,675
Buildings on short term leasehold land		
- at cost	19,399	2,070
Freehold oil palm plantation		
- at valuation	2,000	–
Factory & other buildings	4,374,721	19,553
Mining lease	344	–
Mains & lines	22,700	–
Infrastructure & site facilities	5,119,341	34,471
Plant, machinery & equipment	8,256,977	153,109
Furniture, fixtures & equipment	442,683	37,687
Motor vehicles	195,322	30,356
Motor vehicles accessories	36	–
Yachts & boats	15,196	–
Helicopter	14,373	–
Aircraft	1,324	–
Crockery & other operating assets	590	46
Assets under construction	342,194	433,074
	19,929,718	722,645

Cost/Valuation					
Disposals	Written off	Grants & contributions	Transfers/ Others	Translation differences	Balance at 30.6.2006 (Restated)
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
(9)	–	–	1,705	(1,711)	**125,697**
–	–	–	(4,079)	85	**5,904**
–	–	–	–	–	**66,759**
–	–	–	–	–	**200**
–	–	–	–	–	**23,605**
(314)	–	–	(1,705)	–	**101,277**
–	–	–	309	–	**709**
–	–	–	–	–	**804,927**
–	–	–	–	–	**21,469**
–	–	–	–	–	**2,000**
(3,991)	(1,139)	–	13,716	(67,372)	**4,335,488**
–	(344)	–	–	–	**–**
–	–	–	–	–	**22,700**
–	(10)	(45,010)	9,585	(99,357)	**5,019,020**
(51,940)	(5,942)	–	28,313	(71,256)	**8,309,261**
(2,830)	(700)	–	9,602	(5,682)	**480,760**
(16,817)	(3)	–	–	(294)	**208,564**
–	–	–	–	–	**36**
–	–	–	–	(454)	**14,742**
–	–	–	–	–	**14,373**
(1,324)	–	–	–	–	**–**
–	–	–	–	–	**636**
–	–	–	(61,217)	157	**714,208**
(77,225)	(8,138)	(45,010)	(3,771)	(245,884)	**20,272,335**

Notes to the Financial Statements

	Balance at 1.7.2005 (Restated) RM'000	Charge for the year RM'000
Freehold land		
- at cost	–	–
- at valuation	–	–
Long term leasehold land		
- at cost	8,311	1,003
- at valuation	105	1
Short term leasehold land		
- at cost	6,087	844
Buildings on freehold land		
- at cost	10,884	1,208
- at valuation	36	12
Buildings on long term leasehold land		
- at cost	97,281	14,801
Buildings on short term leasehold land		
- at cost	2,071	422
Freehold oil palm plantation		
- at valuation	–	–
Factory & other buildings	580,111	104,791
Mining lease	344	–
Mains & lines	11,917	1,135
Infrastructure & site facilities	609	13
Plant, machinery & equipment	2,346,793	456,594
Furniture, fixtures & equipment	207,902	39,742
Motor vehicles	113,868	21,988
Motor vehicles accessories	35	–
Yachts & boats	9,250	904
Helicopter	8,450	863
Aircraft	556	20
Crockery & other operating assets	590	–
Assets under construction	–	–
	3,405,200	644,341

Accumulated Depreciation					
Disposals RM'000	Written off RM'000	Grants & contributions RM'000	Transfers/ Others RM'000	Translation differences RM'000	Balance at 30.6.2006 (Restated) RM'000
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	**9,314**
–	–	–	–	–	**106**
–	–	–	–	–	**6,931**
–	–	–	(35)	–	**12,057**
–	–	–	35	–	**83**
–	–	–	–	–	**112,082**
–	–	–	–	–	**2,493**
–	–	–	–	–	–
(1,667)	(333)	–	–	(3,355)	**679,547**
–	(344)	–	–	–	–
–	–	–	–	–	**13,052**
–	(10)	–	–	–	**612**
(38,890)	(5,876)	–	–	(8,965)	**2,749,656**
(1,144)	(690)	–	–	(1,710)	**244,100**
(14,017)	(3)	–	–	(104)	**121,732**
–	–	–	–	–	**35**
–	–	–	–	–	**10,154**
–	–	–	–	–	**9,313**
(576)	–	–	–	–	–
–	–	–	(28)	–	**562**
–	–	–	–	–	–
(56,294)	(7,256)	–	(28)	(14,134)	**3,971,829**

	Net Book Value at 30.6.2007 RM'000	at 30.6.2006 (Restated) RM'000
Freehold land		
- at cost	**119,067**	125,697
- at valuation	**6,044**	5,904
Long term leasehold land		
- at cost	**52,701**	57,445
- at valuation	**192**	94
Short term leasehold land		
- at cost	**15,558**	16,674
Buildings on freehold land		
- at cost	**80,666**	89,220
- at valuation	**461**	626
Buildings on long term leasehold land		
- at cost	**685,135**	692,845
Buildings on short term leasehold land		
- at cost	**26,689**	18,976
Freehold oil palm plantation		
- at valuation	**2,000**	2,000
Factory & other buildings	**3,740,362**	3,655,941
Mains & lines	**8,513**	9,648
Infrastructure & site facilities	**5,441,530**	5,018,408
Plant, machinery & equipment	**5,754,887**	5,559,605
Furniture, fixtures & equipment	**245,126**	236,660
Motor vehicles	**74,289**	86,832
Motor vehicles accessories	**1**	1
Yachts & boats	**3,013**	4,588
Helicopter	**5,060**	5,060
Aircraft	**–**	–
Crockery & other operating assets	**54**	74
Assets under construction	**691,594**	714,208
	16,952,942	16,300,506

Depreciation charge for the year is allocated as follows:

	Group 2007 RM'000	2006 (Restated) RM'000
Income Statement (Note 7)	**700,978**	643,813
Amount due from contract customers (Note 25)	**541**	431
Property maintenance funds	**–**	97
	701,519	644,341

Assets under hire purchase & finance lease

The net book value of the property, plant & equipment of the Group acquired under hire purchase arrangement and finance lease are as follows:

	Group	
	2007	**2006**
	RM'000	**RM'000**
Plant & machinery	**535,491**	565,833
Motor vehicles	**8,610**	12,178
Office equipment	–	236
	544,101	578,247

Security

The net book value of the Group's property, plant and equipment that have been charged to financial institutions for facilities granted to the Group are as follows:

	Group	
	2007	**2006**
	RM'000	**RM'000**
Freehold land	**9,035**	12,643
Long term leasehold land & buildings	**40,880**	41,404
Short term leasehold land	**3,473**	3,775
Factory & other buildings	**1,113,865**	1,157,725
Mains & lines	**8,512**	9,647
Plant, machinery & equipment	**2,421,742**	2,500,977
Furniture, fixtures & equipment	**4,472**	5,245
Motor vehicles	**24,835**	27,129
	3,626,814	3,758,545

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 and impairment losses are as follows:

	Group	
	2007	**2006**
	RM'000	**RM'000**
Freehold land	**2,954**	2,954
Buildings	**1,340**	1,360
Long term leasehold land	**56**	57
Freehold oil palm plantation	**916**	916
	5,266	5,287

Notes to the Financial Statements

Company - 2007

	Cost			
	Balance at 1.7.2006 RM'000	**Additions RM'000**	**Disposals RM'000**	**Balance at 30.6.2007 RM'000**
Freehold building	1,207	–	–	**1,207**
Yacht	1,960	–	–	**1,960**
Furniture, fixtures & equipment	1,415	176	–	**1,591**
Renovations	346	274	–	**620**
Motor vehicles	2,325	1,252	(460)	**3,117**
	7,253	1,702	(460)	**8,495**

	Accumulated Depreciation			
	Balance at 1.7.2006 RM'000	**Charge for the year RM'000**	**Disposals RM'000**	**Balance at 30.6.2007 RM'000**
Freehold building	271	24	–	**295**
Yacht	1,959	–	–	**1,959**
Furniture, fixtures & equipment	802	157	–	959
Renovations	118	112	–	230
Motor vehicles	1,247	516	(221)	**1,542**
	4,397	809	(221)	**4,985**

Company - 2006

	Cost			
	Balance at 1.7.2005 RM'000	**Additions RM'000**	**Disposals RM'000**	**Balance at 30.6.2006 RM'000**
Freehold building	1,207	–	–	**1,207**
Yacht	1,960	–	–	**1,960**
Furniture, fixtures & equipment	1,210	205	–	**1,415**
Renovations	66	280	–	**346**
Motor vehicles	2,005	320	–	**2,325**
	6,448	805	–	**7,253**

	Accumulated Depreciation			
	Balance at 1.7.2005 RM'000	**Charge for the year RM'000**	**Disposals RM'000**	**Balance at 30.6.2006 RM'000**
Freehold building	247	24	–	**271**
Yacht	1,959	–	–	**1,959**
Furniture, fixtures & equipment	680	122	–	**802**
Renovations	61	57	–	**118**
Motor vehicles	833	414	–	**1,247**
	3,780	617	–	**4,397**

	Net Book Value at 30.6.2007 RM'000	at 30.6.2006 RM'000
Freehold building	**912**	936
Yacht	**1**	1
Furniture, fixtures & equipment	**632**	613
Renovations	**390**	228
Motor vehicles	**1,575**	1,078
	3,510	2,856

The net book value of the motor vehicles of the Company under hire purchase arrangement is RM1,386,280 (2006: RM966,507).

12 INVESTMENT PROPERTIES

	Group 2007 RM'000	2006 (Restated) RM'000
At beginning of the year		
- Freehold land & buildings	**1,017,884**	464,903
- Long term leasehold land & buildings	**346,061**	101,245
	1,363,945	566,148
Add : Fair value adjustment		
Freehold land & building	**5,822**	–
Add : Additions during the year		
- Freehold land & building	**125,000**	822,931
- Long term leasehold land	**–**	341,000
	125,000	1,163,931
Less : Disposed during the year		
- Freehold land & buildings	**–**	(419,325)
- Long term leasehold land	**(94,377)**	(96,184)
	(94,377)	(515,509)
Less : Costs charged out to Income Statement		
- Freehold land & buildings	**–**	(1,642)
Add : Costs transferred from property, plant & equipment		
- Freehold land & building	**13,276**	–
- Long term leasehold land & building	**25,805**	–
	39,081	–

	Group 2007 RM'000	2006 (Restated) RM'000
Less : Costs transferred to land held for property development cost		
- Freehold land - at cost	**(22,758)**	–
- Development cost	**(37,347)**	–
	(60,105)	–
Add : Costs transferred from project development expenditure		
- Freehold land & buildings	–	151,017
At end of the year	**1,379,366**	1,363,945

In prior years, certain freehold land of the Group was subject to a charge in favour of banks for term loans granted (Note 34). This charge was discharged during the current financial year.

13 DEVELOPMENT EXPENDITURE

	Group 2007 RM'000	2006 RM'000
a Land held for property development:		
At beginning of the year		
Freehold land - at cost	**194,897**	194,040
Leasehold land - at cost	**33,022**	17,776
Development costs	**262,438**	255,936
	490,357	467,752
Add : Costs incurred during the year		
Freehold land - at cost	**2,880**	893
Leasehold land - at cost	**206**	15,246
Development costs	**5,376**	6,502
	8,462	22,641
Less : Disposed during the year		
Freehold land - at cost	–	(36)
Less : Costs written off to Income Statement		
Development costs	**(110)**	–
Add : Costs transferred from investment properties		
Freehold land - at cost	**22,758**	–
Development costs	**37,347**	–
	60,105	–

		Group 2007 RM'000	Group 2006 RM'000
Less :	Costs transferred to property development costs		
	Leasehold land - at cost	**(1,191)**	–
	Development costs	**(3,352)**	–
		(4,543)	–
At end of the year		**554,271**	490,357

b Project development expenditure:

		Group 2007 RM'000	Group 2006 RM'000
At beginning of the year			
Freehold land - at cost		**30,334**	30,334
Leasehold land - at cost		**42,896**	42,896
Development costs		**90,331**	177,931
Accumulated amortisation		**(1,243)**	(1,036)
		162,318	250,125
Add :	Arising from acquisition of subsidiaries		
	Freehold land	**328,320**	–
	Development costs	**7,768**	–
		336,088	–
Add :	Costs incurred during the year		
	Development costs	**1,299**	71,460
	Less : Amortisation	**(207)**	(207)
		1,092	71,253
Less :	Cost charged to Income Statement		
	Development costs	**(2,393)**	–
Less :	Cost written off during the year		
	Development costs	**(634)**	(7,978)
Less :	Costs transferred to property, plant & equipment		
	Freehold land	**(8,500)**	–
	Development costs	**(503)**	(65)
		(9,003)	(65)
Less :	Costs transferred to investment properties		
	Development costs	–	(151,017)
Less :	Others		
	Development costs	**(206)**	–
At end of the year		**487,262**	162,318

		Group	
		2007	2006
		RM'000	RM'000
c	**Internet portal development expenditure:**		
	At beginning of the year	**1,024**	1,461
	Charged to Income Statement	**(16)**	(213)
	Amortised during the year	–	(224)
	Impairment loss	**(1,008)** *	–
	At end of the year	–	1,024
		1,041,533	653,699

* From the Group's year-end assessment of impairment of non-financial assets, it was noted that certain market indicators suggested that the fair value of internet portal development expenditure carried by a subsidiary is now negligible. This led to the recognition of RM1,007,848 impairment loss during the year.

Development expenditure for the Group can also be analysed as follows:

	Group	
	2007	2006
	RM'000	RM'000
Cost	**1,044,909**	655,860
Less : Accumulated amortisation	**(2,368)**	(2,161)
Accumulated impairment loss	**(1,008)**	–
Net book value	**1,041,533**	653,699

Included in the development expenditure are current charges of:

Director's remuneration		
- emoluments	–	106
- benefits in kind	–	17
Interest expenses	–	271
Staff costs	–	2,949

In prior years, certain freehold land of the Group included in land held for property development was subject to a charge in favour of banks for term loans granted (Note 34). This charge was discharged during the current financial year.

14 SUBSIDIARIES

a Investment in subsidiaries

	Group		Company	
	2007	2006	2007	2006 (Restated)
	RM'000	RM'000	RM'000	RM'000
Quoted shares, at cost	–	–	**3,072,637**	2,755,962
Unquoted shares, at cost	–	–	**422,151**	421,495
# Quoted warrants, at cost	**181,704**	181,704	**181,704**	181,704
* Quoted ICULS, at cost	–	–	**305,255**	29,191
	181,704	181,704	**3,981,747**	3,388,352
Market value				
- Quoted shares	–	–	**8,096,000**	6,618,548
- Quoted warrants	**697,054**	471,964	**697,054**	471,964
- Quoted ICULS	–	–	**471,220**	28,607

The number of warrants held in a subsidiary is as follows:

Warrants in				
- YTL Power International Berhad	**726,098**	726,098	**726,098**	726,098

\# Each warrant entitles its registered holder to subscribe for one (1) new ordinary share of 50 sen each in YTL Power International Berhad at the revised exercise price of RM1.41 payable in cash. On 11 January, 2007, the exercise price was increased from RM1.43 to RM1.45 pursuant to Appendix A of the Deed Poll. 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 warrants may be exercised at any time or 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.

The warrants are quoted on Bursa Malaysia Securities Berhad.

* 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.

Notes to the Financial Statements

Details of the subsidiaries are as follows:

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2007 %	2006 %
Amanresorts Sdn. Bhd.	Malaysia	Dormant	**52.88**	56.36
Arah Asas Sdn. Bhd.	Malaysia	Property development	**100.00**	100.00
* Austasia Metal Sdn. Bhd.	Malaysia	Inactive	**100.00**	100.00
Austasia Timbers Malaysia Sendirian Berhad	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	Investment holding	**49.72**	50.76
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 developer	**52.88**	56.36
* Boom Time Strategies Sdn. Bhd.	Malaysia	Inactive	**52.88**	56.36
Budaya Bersatu Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
Buildcon Concrete Enterprise Sdn. Bhd.	Malaysia	Investment holding	**49.72**	50.76
Buildcon Concrete Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	**49.72**	50.76
Buildcon-Cimaco Concrete Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	**25.08**	25.61
Buildcon-Ensidesa Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	**25.36**	25.89
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 operator	**100.00**	100.00
Cane Creations (Marketing) Sdn. Bhd.	Malaysia	Trading in cane furniture, local handicrafts & accessories	**100.00**	100.00
Cane Creations Sdn. Bhd.	Malaysia	Manufacture & trading of cane furniture	**100.00**	100.00
C.I. Readymix Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	**49.72**	50.76
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
Dynamic Marketing Sdn. Bhd.	Malaysia	Trading of building & construction materials	**100.00**	100.00

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2007 %	2006 %
Dynamic Project Development Sdn. Bhd. (formerly known as Perwira YTL Corporation Sdn. Bhd.)	Malaysia	Civil engineering works and construction	**100.00**	49.00 #
Dynamic Property Management Sdn. Bhd.	Malaysia	Property development	**100.00**	100.00
Emerald Hectares Sdn. Bhd.	Malaysia	Property development	**70.00**	70.00
Extiva Communications Sdn. Bhd.	Malaysia	Developing & marketing of VoIP telephony services	**66.66**	51.85
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
Hipmobile (M) Sdn. Bhd.	Malaysia	Telecommunication services & consultancy & the creation, aggregation & sale of wireless content multimedia works & applications	**–**	51.85
Intellectual Learning Sdn. Bhd.	Malaysia	Education & training using advanced technology	**74.07**	74.07
Intellectual Mission Sdn. Bhd.	Malaysia	Education & training using advanced technology	**100.00**	100.00
Island Air Sdn. Bhd.	Malaysia	Chartering of aircrafts	**80.00**	70.00
Jaksa Quarry Sdn. Bhd.	Malaysia	Quarry operator, manufacture of granite blocks, aggregate chippings & crusher run	**100.00**	100.00
Katagreen Development Sdn. Bhd.	Malaysia	Dormant	**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	**52.88**	56.36
Marble Valley Sdn. Bhd.	Malaysia	Dormant	**80.00**	–
* Mayang Sari Sdn. Bhd.	Malaysia	Inactive	**52.88**	56.36
Mini-Mix Sdn. Bhd.	Malaysia	Inactive	**49.72**	50.76
Noriwasa Sdn. Bhd.	Malaysia	Dormant	**52.88**	56.36
* Pahang Cement Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement & clinker	**49.72**	50.76
* Pahang Cement Marketing Sdn. Bhd.	Malaysia	Marketing of cement products	**49.72**	50.76
Pakatan Perakbina Sdn. Bhd.	Malaysia	Property development & building construction	**52.88**	56.36
PDC Heritage Hotel Sdn. Bhd.	Malaysia	Dormant	**51.00**	51.00
Perak-Hanjoong Simen Sdn. Bhd.	Malaysia	Manufacture & sale of clinker, ordinary portland cement & blended cement	**32.24**	32.91

Dynamic Project Development Sdn. Bhd. was an associated company as at 30 June, 2006.

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2007 %	Effective Equity Interest 2006 %
Permai Property Management Sdn. Bhd. (Formerly known as JDSB-SPYTL Sdn. Bhd.)	Malaysia	Inactive	**100.00**	100.00
PHS Trading Sdn. Bhd.	Malaysia	Marketing of cement products	**32.24**	32.91
Pintar Projek Sdn. Bhd.	Malaysia	Management of real estate investment trust funds	**70.00**	70.00
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	**44.44**	44.44
Puncak Serunding Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
PYP Sendirian Berhad	Malaysia	Property development	**52.88**	56.36
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 and dealers of fish, other marine products, property investment & investment holding	**55.00**	55.00
* Sentul Park Management Sdn. Bhd.	Malaysia	Park management	**37.02**	39.45
* Sentul Raya City Sdn. Bhd.	Malaysia	Property investment	**37.02**	39.45
* Sentul Raya Golf Club Berhad	Malaysia	Inactive	**37.02**	39.45
* Sentul Raya Sdn. Bhd.	Malaysia	Property development & property investment	**37.02**	39.45
Slag Cement Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement and blended cement	**49.72**	50.76
Slag Cement (Southern) Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement and blended cement	**49.72**	50.76
Specialist Cement Sdn. Bhd.	Malaysia	Inactive	**42.26**	43.15
* SR Property Management Sdn. Bhd.	Malaysia	Provision of property management services	**52.88**	56.36
Star Hill Hotel Sdn. Bhd.	Malaysia	Hotel operator	**100.00**	100.00
Star Hill Living. Com Sdn. Bhd.	Malaysia	Trading of paintings & related products	**100.00**	100.00
Starhill Real Estate Investment Trust	Malaysia	Real estate investment trust	**65.03**	56.78
Straits Cement Sdn. Bhd.	Malaysia	Manufacture & sale of cement & development of greenfield integrated cement plant	**49.72**	50.76

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2007 %	2006 %
Suri Travel & Tours Sdn. Bhd.	Malaysia	Car rental & air ticketing	**70.00**	70.00
Syarikat Kemajuan Perumahan Negara Sdn. Bhd.	Malaysia	Property development	**52.88**	56.36
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
Tugas Sejahtera Sdn. Bhd.	Malaysia	Investment holding	**49.72**	50.76
Udapakat Bina Sdn. Bhd.	Malaysia	Property development	**52.88**	56.36
Y-Max Networks Sdn. Bhd. (Formerly known as Bizsurf (M) Sdn. Bhd.)	Malaysia	Providing computer networking & related information technology services	**37.04**	–
Y-Max Solutions Holdings Sdn. Bhd. (formerly known as Titan Awards Sdn. Bhd.)	Malaysia	Dormant	**51.85**	–
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	**49.72**	50.76
YTL Cement Berhad	Malaysia	Investment holding, management services & hiring of vehicles	**49.72**	50.76
YTL Cement Marketing Sdn. Bhd.	Malaysia	Marketing of cement products	**49.72**	50.76
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
YTL Corp Finance (Labuan) Limited	Malaysia	Special purpose vehicle for issuance of securities	**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	Provision of incubation services for technology companies, internet & non-internet related businesses, provision of consultancy & advisory services for electronic or internet commerce businesses	**74.07**	74.07

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2007 %	2006 %
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 & trading in cement	**100.00**	100.00
YTL Info Screen Sdn. Bhd.	Malaysia	Creating, providing & advertising content, web media & up-to-date information via electronic media	**73.91**	73.91
* YTL Land & Development Berhad	Malaysia	Investment holding & the provision of financial, treasury & secretarial services	**52.88**	56.36
YTL Land & Development (MM2H) Sdn. Bhd.	Malaysia	Dormant	**52.88**	–
YTL Land Sdn. Bhd.	Malaysia	Property investment	**100.00**	100.00
YTL Majestic Hotel Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00
* YTL Power Generation Sdn. Bhd.	Malaysia	Developing, constructing, completing, maintaining & operating power plants	**57.13**	58.06
* YTL Power International Berhad	Malaysia	Investment holding & provision of administrative & technical support services	**57.13**	58.06
YTL Power Services Sdn. Bhd.	Malaysia	Operation & maintenance of power stations	**100.00**	100.00
YTL Premix Sdn. Bhd.	Malaysia	Inactive	**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	**49.72**	50.76
YTL Technologies Sdn. Bhd.	Malaysia	Servicing & hiring of equipment	**79.89**	80.30
YTL Vacation Club Berhad	Malaysia	Dormant	**100.00**	100.00
* Buildcon Vietnam Limited	British Virgin Islands	Dormant	**34.80**	35.53
* Dynamic Marketing (UK) Limited	England	Inactive	**100.00**	100.00
* Hipmobile Singapore Pte. Ltd.	Singapore	Telecommunication services & consultancy & the creation, aggregation & sale of wireless content multimedia works & applications	**–**	51.85

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2007 %	2006 %
* Infoscreen Networks Plc	United Kingdom	Digital narrowcasting & digital media content development & delivery solutions	**73.91**	73.91
* Lakefront Pte. Ltd.	Singapore	Real estate developer	**70.00**	–
* P.T. Jepun Bali	Indonesia	Managing & operating a hotel	**100.00**	–
* P.T. YTL Jawa Timur	Indonesia	Construction management, consultancy services & power station operation services	**57.13**	58.06
* Sandy Island Pte. Ltd.	Singapore	Real estate developer	**70.00**	–
* S.A. SC Technology France	France	Waste treatment processes	**57.13**	58.06
* SC Technology GmbH	Switzerland	Waste treatment processes	**57.13**	58.06
* SC Technology Denmark ApS	Denmark	Waste treatment processes	**57.13**	58.06
* SC Technology Deutschland GmbH	Germany	Waste treatment processes	**57.13**	58.06
* SC Technology Nederlands BV	Netherlands	Waste treatment processes	**57.13**	58.06
* Wessex Engineering & Construction Services Ltd.	England & Wales	Engineering & construction services	**57.13**	58.06
* Wessex Logistics Ltd.	England & Wales	Dormant	**57.13**	58.06
* Wessex Promotions Ltd.	England & Wales	Entertainment promotion	**57.13**	58.06
* Wessex Property Services Ltd.	England & Wales	Dormant	**57.13**	58.06
* Wessex Spring Water Ltd.	England & Wales	Dormant	**57.13**	58.06
* Wessex Water Commercial Ltd.	England & Wales	Dormant	**57.13**	58.06
* Wessex Water Engineering Services Limited	England & Wales	Dormant	**57.13**	58.06
* Wessex Water Enterprises Limited	England & Wales	Water supply & waste water services	**57.13**	58.06
Wessex Water International Limited	Cayman Islands	Investment holding	**57.13**	–
* Wessex Water Limited	England & Wales	Investment holding	**57.13**	58.06
* Wessex Water Pension Scheme Trustee Limited	England & Wales	Management of Wessex Water Pension Scheme	**57.13**	58.06
* Wessex Water Services Finance Plc	England & Wales	Issue of bonds	**57.13**	58.06
* Wessex Water Services Limited	England & Wales	Water supply & waste water services	**57.13**	58.06
* Wessex Water Trustee Company Limited	England & Wales	Dormant	**57.13**	58.06
* Yeoh Tiong Lay Construction (S) Pte. Ltd.	Singapore	Property investment	**100.00**	100.00
* YTL Cayman Limited	Cayman Islands	Ownership & chartering of yachts & vessels	**100.00**	100.00
* YTL Cement Singapore Pte. Ltd.	Singapore	Investment holding and general importers & exporters of construction materials	**49.72**	50.76
* YTL Concrete (S) Pte. Ltd.	Singapore	Dormant	**49.72**	–
* YTL Construction (SA) (Proprietary) Ltd.	South Africa	Inactive	**100.00**	100.00

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2007 %	2006 %
* YTL Corp Finance (Cayman) Ltd.	Cayman Islands	Dormant	**100.00**	100.00
* YTL Corporation (UK) PLC	England	Dormant	**100.00**	100.00
* YTL-CPI Power Limited	Hong Kong	Dormant	**29.14**	29.61
* YTL Engineering Limited	England & Wales	Dormant	**57.13**	58.06
* YTL Events Limited	England & Wales	Providing public entertainment events & public relations services	**57.13**	58.06
* YTL (Guernsey) Limited	Guernsey	Investment & property holding	**100.00**	100.00
YTL Jawa O & M Holdings B.V.	Netherlands	Investment holding	**57.13**	58.06
YTL Jawa O & M Holdings Limited	Cyprus	Investment holding	**57.13**	58.06
YTL Jawa Power B.V.	Netherlands	Investment holding	**57.13**	58.06
YTL Jawa Power Finance Ltd.	Cayman Islands	Investment holding	**57.13**	58.06
YTL Jawa Power Holdings B.V.	Netherlands	Investment holding	**57.13**	58.06
YTL Jawa Power Holdings Limited	Cyprus	Investment holding	**57.13**	58.06
YTL Jawa Power Services B.V.	Netherlands	Investment holding	**57.13**	58.06
YTL Power Australia Limited	Cayman Islands	Investment holding	**57.13**	58.06
YTL Power Finance (Cayman) Limited	Cayman Islands	Investment holding	**57.13**	58.06
YTL Power International Holdings Limited	Cayman Islands	Investment holding	**57.13**	58.06
* YTL Services Limited	England & Wales	Dormant	**57.13**	58.06
YTL Utilities Finance Limited	Cayman Islands	Investment holding	**57.13**	58.06
YTL Utilities Finance 2 Limited	Cayman Islands	Investment holding	**57.13**	58.06
YTL Utilities Finance 3 Limited	Cayman Islands	Investment holding	**57.13**	58.06
YTL Utilities Holdings Limited	Cayman Islands	Investment holding	**57.13**	58.06
YTL Utilities Limited	Cayman Islands	Investment holding	**57.13**	58.06
* YTL Utilities (UK) Limited	England & Wales	Investment holding	**57.13**	58.06

* Subsidiaries not audited by HLB Ler Lum

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, 2007 as disclosed in the current cost balance sheet of Wessex Water Services Limited was RM73,493 million [GBP10,625 million] (2006: RM68,692 million [GBP10,199 million]).

b Subsidiaries' financial statements

The unaudited financial statements of Buildcon Vietnam Limited, YTL Cayman Limited and YTL (Guernsey) 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 Amount due from/to subsidiaries

The amount due from/to subsidiaries pertain mainly to payments on behalf and advances made and received. The outstanding amounts are unsecured, interest free and have no fixed terms of repayment except for certain advances given to and received from subsidiaries which bear interest at rates ranging from 4.4% to 10% per annum (2006: 3.3% to 5.0% per annum).

d Significant subsidiaries acquired

i On 14 September, 2006, YTL Hotels & Properties Sdn. Bhd. ("YTLHP"), a wholly-owned subsidiary of the Company, subscribed for 1,000,000 ordinary shares of RM1.00 each representing 80% of the issued and paid-up share capital of Marble Valley Sdn. Bhd. ("MVSB") for a cash consideration of RM1,000,000.

ii On 26 January, 2007, wholly-owned subsidiaries, YTLHP and YTL (Guernsey) Limited acquired 4,999 ordinary shares of USD100 each and 1 ordinary share of USD100 respectively in PT Jepun Bali, representing 100% of the issued and paid-up share capital of PT Jepun Bali for a total cash consideration of USD1,750,000. As a result of the acquisition, PT Jepun Bali became a subsidiary of YTLHP and an indirect subsidiary of the Company.

PT Jepun Bali is a limited liability company incorporated in Indonesia on 23 June, 1999. It has an authorised share capital of USD825,000 comprising 8,250 shares of USD100 each.

iii On 16 May, 2007, YTL e-Solutions Berhad ("YTLE") subscribed for 3,499,998 ordinary shares of RM1.00 each at par value per share, and 31,500,000 redeemable preference shares of RM0.10 each at RM1.00 per share for a total cash consideration of RM34,999,998 in the capital of Y-Max Solutions Holdings Sdn. Bhd. (formerly known as Titan Awards Sdn. Bhd.) ("YSHSB"). As a result of the shares subscription, YSHSB became a 70%-owned subsidiary of YTLE.

e Increase in equity stake

On 4 June, 2007, YTLE announced that it had entered into an agreement with Chew Pang Hua, Su Chua Teck and Extiva Communications Sdn. Bhd. ("Extiva") for the acquisition of an additional 100,000 ordinary shares of RM1.00 each representing 20% of the issued and paid-up share capital of Extiva from Chew Pang Hua and Su Chua Teck for a total cash consideration of RM4,000,000. The acquisition, which resulted in an increase in YTLE's equity stake in Extiva to 90%, was completed on 25 June, 2007

15 SUMMARY OF EFFECT OF ACQUISITION OF SUBSIDIARIES

During the year, the Group has completed the acquisition of certain subsidiaries, namely Dynamic Project Development Sdn. Bhd. (formerly known as Perwira YTL Corporation Sdn. Bhd.), Lakefront Pte. Ltd., PT Jepun Bali, Sandy Island Pte. Ltd., Wessex Water International Limited, Y-Max Networks Sdn. Bhd. (formerly known as Bizsurf (M) Sdn. Bhd.), Y-Max Solutions Holdings Sdn. Bhd. (formerly known as Titan Awards Sdn. Bhd.), YTL Land & Development (MM2H) Sdn. Bhd. and YTL Concrete (S) Pte. Ltd. These acquisitions were accounted for using the acquisition method of accounting.

a The effect of the acquisition of these subsidiaries on the financial results for the financial year is as follows:

	Group	
	2007	**2006**
	RM'000	**RM'000**
Revenue	**749**	82,006
Cost of sales	**(395)**	(5,424)
Gross profit	**354**	76,582
Other operating income	**277**	–
Other operating expenses	**(30)**	(11)
Administration expenses	**(2,361)**	(25,409)
(Loss)/Profit from operations	**(1,760)**	51,162
Finance costs	**(5,185)**	(1,529)
(Loss)/Profit before taxation	**(6,945)**	49,633
Taxation	**(45)**	(30)
(Loss)/Profit after taxation	**(6,990)**	49,603
Minority interests	**(39)**	(39)
(Loss)/Profit for the year	**(7,029)**	49,564
Increase in (loss)/profit	**(7,029)**	49,564

If the acquisitions had occurred on 1 July, 2006, the Group's revenue and profit for the year would have been RM6,016,057,193 and RM748,035,350 respectively.

b The effect of the acquisition of these subsidiaries on the financial position as at 30 June, 2007 is as follows:

	Group	
	2007	2006
	RM'000	RM'000
Property, plant & equipment	**5,516**	1,476
Development expenditure	**336,088**	–
Investment in associated companies	–	224,914
Unquoted investments	–	868
Inventories	**233**	239
Receivables	**1,665**	951
Inter-company balances	**(11,582)**	3,174,193
Cash & cash equivalents	**1,103,253**	755,708
Payables	**(5,097)**	(25,874)
Post-employment benefit obligations	**(23)**	–
Borrowings	**(1,034,878)**	–
Taxation	**(71)**	(21)
Goodwill on acquisition	**355**	–
	395,459	4,132,454
Minority interests	**(1,997)**	(794)
Purchase consideration	**(1,058,353)**	(579,172)
(Decrease)/Increase in net assets	**(664,891)**	3,552,488

16 ASSOCIATED COMPANIES

a **Investment in associated companies**

	Group		Company	
	2007	2006 (Restated)	2007	2006
	RM'000	RM'000	RM'000	RM'000
Unquoted shares, at cost	**903,289**	936,612	**216,478**	216,821
Share of post acquisition profits	**425,537**	352,739	–	–
	1,328,826	1,289,351	**216,478**	216,821

	Group	
	2007	2006 (Restated)
	RM'000	RM'000
Represented by:		
Share of net assets other than goodwill	**1,291,647**	1,253,818
Net premium on acquisition	**37,179**	35,533
	1,328,826	1,289,351

Details of the associated companies are as follows:

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest 2007 %	Effective Equity Interest 2006 %
Business & Budget Hotels (Kuantan) Sdn. Bhd.	Malaysia	Hotel & resort operator	**50.00**	50.00
* Express Rail Link Sdn. Bhd.	Malaysia	Operation & maintenance of Express Rail Link railway system between KLIA & KL Sentral	**50.00**	50.00
Jimah Power Generation Sdn. Bhd.	Malaysia	Dormant	**27.99**	28.45
North South Development Sdn. Bhd.	Malaysia	Property development	**49.00**	49.00
RME-SPYTL Sdn. Bhd.	Malaysia	Inactive	**50.00**	50.00
Skaarup & Jespersen (Malaysia) Sdn. Bhd.	Malaysia	Management & consultancy services	**–**	40.00
SMC Mix Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	**24.86**	25.38
Superb Aggregates Sdn. Bhd.	Malaysia	Extraction, removal, processing & sale of sand	**50.00**	50.00
* Teknologi Tenaga Perlis (Overseas) Consortium Sdn. Bhd.	Malaysia	Dormant	**17.14**	17.42
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	**28.57**	29.03
* 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	**19.14**	19.45
* Jurong Cement Limited	Singapore	Investment holding	**10.41**	10.63
* P.T. Jawa Power	Indonesia	To construct, commission & operate a coal-fired thermal power station	**20.00**	20.32
* Surin Bay Company Limited	Thailand	Hotel operations	**49.00**	49.00

* Companies not audited by HLB Ler Lum

The summarised financial information of the associated companies are as follows:

	Group 2007 RM'000	2006 RM'000
Assets and liabilities:		
Non-current assets	**3,986,482**	4,314,804
Current assets	**702,300**	655,281
Total assets	**4,688,782**	4,970,085
Current liabilities	**298,826**	281,113
Non-current liabilities	**3,124,587**	3,359,364
Total liabilities	**3,423,413**	3,640,477
Results:		
Revenue	**896,439**	814,006
Profit for the year	**241,926**	203,267

b Amount due from/to associated companies

The amount due from/to associated companies pertain mainly to trade receivables and payables, fees charged, payments on behalf and advances. The outstanding amounts are unsecured, interest free and have no fixed terms of repayment.

17 QUOTED INVESTMENTS

The investments are quoted shares of corporations within and outside Malaysia, stated at cost. The cost and market value of the quoted investments are as follows:

	Group		Company	
	2007	2006 (Restated)	2007	2006 (Restated)
	RM'000	RM'000	RM'000	RM'000
Cost				
Within Malaysia	**16,188**	16,806	**2,343**	1,603
Less : Accumulated impairment loss	**(322)**	–	–	–
	15,866	16,806	**2,343**	1,603
Outside Malaysia	**113**	113	**106**	106
	15,979	16,919	**2,449**	1,709
Market value				
Within Malaysia	**253,686**	127,466	**5,603**	1,524
Outside Malaysia	**39**	6	**5**	6
	253,725	127,472	**5,608**	1,530

18 UNQUOTED INVESTMENTS

	Group		Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
* Within Malaysia	**18,625**	12,625	**12,950**	6,950
Outside Malaysia	**576,754**	575,586	–	–
	595,379	588,211	**12,950**	6,950

* Included in this amount is an allowance for diminution in value amounting to RM331,000 recognised during the year. This impairment loss was recognised as it was noted that an investee company had ceased operations.

The directors are of the opinion that it is not practicable within the constraints of cost to estimate the fair value of shares in unquoted corporations reliably. However, it is the directors' view that the carrying value of investments in unquoted corporations approximated its fair value at balance sheet as the investee companies are profitable and are in net tangible assets position.

19 CASH & CASH EQUIVALENTS

	Group		Company	
	2007	2006 (Restated)	2007	2006
	RM'000	RM'000	RM'000	RM'000
Fixed deposits				
- licensed banks	**8,727,711**	5,829,934	**603,645**	376,970
- licensed finance companies	–	46,090	–	–
- other corporations	**26,664**	249,060	–	13,328
	8,754,375	6,125,084	**603,645**	390,298
Cash & bank balances	**103,832**	70,104	**1,880**	1,444
Bank overdrafts	**(20,420)**	(67,610)	–	–
	8,837,787	6,127,578	**605,525**	391,742

Fixed deposits of a certain subsidiary amounting to RM424,166 (2006: RM687,752,745) have been pledged to financial institutions for banking facilities granted to that subsidiary.

Cash and bank balances of the Group include accounts totalling RM14,367,433 (2006: RM9,432,594) held under Housing Development Accounts pursuant to Section 7A of the Housing Developers (Control and Licensing) Act, 1966.

The weighted average interest rates of deposits that were effective at the balance sheet date were as follows:

	Group		Company	
	2007	2006	2007	2006
	%	%	%	%
Deposits with licensed banks	**4.12**	3.40	**2.71**	2.71
Deposits with licensed finance companies	–	3.47	–	–
Deposits with other corporations	**3.30**	3.40	**2.66**	2.66

Deposits of the Group and of the Company have maturities ranging from 1 to 54 days (2006: 1 to 365 days). Bank balances are deposits held at call with banks.

20 OTHER INTANGIBLE ASSETS

Group

	Computer software RM'000	Investment in programmes for future sale RM'000	Broadband network customer base and coverage RM'000	Total RM'000
Cost				
At beginning of the year	–	–	–	–
Acquisition through business combination	–	–	364	364
Additions	29	639	–	668
At end of the year	29	639	364	1,032
Accumulated amortisation				
At beginning of the year	–	–	–	–
Charge for the year	6	64	9	79
At end of the year	6	64	9	79
Net book value				
As at 30 June, 2007	**23**	**575**	**355**	**953**

21 GOODWILL

	Group 2007 RM'000	2006 (Restated) RM'000
At beginning of the year	**848,159**	767,544
Arising from acquisition of new subsidiaries	**5,076**	10,676
Arising from acquisition of additional shares in existing subsidiaries	**65,761**	22,982
Realisation of goodwill on disposal of shares in subsidiaries	**(13,866)**	(12)
Arising from deemed acquisition due to share buy-back by the listed subsidiaries	**41,575**	50,607
Realisation of goodwill upon deemed dilution of interest in subsidiaries	**(5,375)**	(3,638)
At end of the year	**941,330**	848,159

Goodwill is allocated for impairment test to the individual entity which is also the cash-generating unit (CGU) identified according to the respective companies.

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 judgement.

The recoverable amount of the CGU is determined based on value-in-use calculation. The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management covering periods up to June 2012.

Key assumption used in the value-in-use calculation:

Pre-tax discount rates	5.8% - 13.8%

The discount rates used are pre-tax and reflect specific risks relating to the CGU. The discount rates applied to the cash flow projections are derived from the cost of capital plus a reasonable risk premium at the date of the assessment of the respective CGU.

22 INVENTORIES

	Group	
	2007	**2006**
	RM'000	**RM'000**
Completed properties	**75,388**	54,425
Finished goods	**17,173**	29,897
Work-in-progress	**28,660**	25,481
Raw materials	**40,442**	53,556
Consumable stores	**14,653**	10,704
Spare parts	**177,733**	159,495
	354,049	333,558

Included in inventories is an amount of RM37.56 million (2006: RM37.83 million) comprising completed properties for sale, stated at net realisable value.

23 PROPERTY DEVELOPMENT COSTS

	Group	
	2007	**2006**
	RM'000	**RM'000**
At beginning of the year		
Freehold land - at cost	**15,247**	18,874
Leasehold land - at cost	**17,440**	5,118
Development costs	**580,825**	525,205
	613,512	549,197
Less : Adjustment *	**(24,669)**	(24,669)
Allowance for foreseeable losses	**(11,632)**	(11,632)
Accumulated costs charged to Income Statement	**(392,297)**	(329,331)
	184,914	183,565

	Group 2007 RM'000	Group 2006 RM'000
Add : Costs incurred during the year		
Freehold land - at cost	**417**	35
Leasehold land - at cost	**19,788**	12,322
Development costs	**146,849**	138,445
	167,054	150,802
Less : Portion related to completed projects		
Leasehold land	**(198)**	–
Development costs	**(167,240)**	(72,298)
Accumulated costs charged to Income Statement	**167,438**	72,298
	–	–
Add : Costs transferred from land held for property development		
Leasehold land - at cost	**1,191**	–
Development costs	**3,352**	–
	4,543	–
Less : Costs transferred to inventories		
Freehold land - at cost	**(2,062)**	(3,662)
Development cost	**(29,137)**	(10,527)
	(31,199)	(14,189)
Less : Costs charged to Income Statement	**(181,849)**	(135,264)
Less : Amortisation of revaluation reserve	**(5,341)**	–
	(187,190)	(135,264)
At end of the year	**138,122**	184,914
Progress billings recognised	**486,526**	132,508
Less : Actual billings	**(489,405)**	(94,317)
(Progress billings)/Accrued billings	**(2,879)**	38,191

Included in the property development costs are current charges of:

	Group 2007 RM'000	Group 2006 RM'000
Interest expenses	**8,580**	5,534
Director's emoluments	**115**	–
Rental of premises	**30**	30
Staff costs (excluding director's emoluments)	**4,205**	102

The title deeds of the leasehold land are pending registration of the transfer from Employees Provident Fund Board in favour of the identified buyers upon completion of development units pursuant to a Development Agreement.

* 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.

24 TRADE RECEIVABLES

	Group 2007 RM'000	Group 2006 (Restated) RM'000
Trade receivables	**1,159,158**	1,320,076
Less : Allowance for doubtful debts	**(302,788)**	(144,077)
	856,370	1,175,999
Progress billings & final sum receivables	**252,322**	286,652
Retention sum	**1,843**	3,890
	1,110,535	1,466,541

Credit terms of trade receivables ranged from 7 to 180 days (2006: 7 to 180 days).

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, 2007, 13% (2006: 10%) of trade receivables of the Group was due from a customer in relation to the sale of electricity.

25 AMOUNT DUE FROM/TO CONTRACT CUSTOMERS

	Group 2007 RM'000	Group 2006 RM'000
Aggregate costs incurred to date	**292,136**	545,392
Recognised profits less recognised losses	**62,135**	66,295
	354,271	611,687
Progress billings	**(359,156)**	(607,578)
	(4,885)	4,109
Amount due to contract customers classified as current liabilities	**22,653**	8,604
Amount due from contract customers	**17,768**	12,713

Included in aggregate costs incurred to date are current charges:

	Group 2007 RM'000	Group 2006 RM'000
Depreciation (Note 11)	**541**	431
Hiring of motor vehicles	**8**	10
Hiring of plant, machinery & equipment	**1,746**	2,377
Interest expenses	**1,349**	1,845
Other rental	**–**	3
Rental of land	**720**	720
Staff costs	**13,239**	12,242

26 OTHER RECEIVABLES, DEPOSITS & PREPAYMENTS

	Group 2007 RM'000	Group 2006 (Restated) RM'000	Company 2007 RM'000	Company 2006 RM'000
Other receivables	**624,670**	598,350	**18,533**	17,744
Less : Allowance for doubtful debts	**(95)**	(95)	**–**	–
	624,575	598,255	**18,533**	17,744
Deposits	**11,211**	17,695	**343**	342
Prepayments	**116,789**	118,961	**1,119**	1,322
	752,575	734,911	**19,995**	19,408

27 HOLDING COMPANY

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

The amount due to holding company pertains mainly to payments on behalf and advances received. The outstanding amount is unsecured, interest free and has no fixed terms of repayment.

28 AMOUNT DUE FROM/TO RELATED COMPANIES

The amount due from/to related companies pertain mainly to trade receivables/payables, advances and payments on behalf. These are unsecured, interest free and have no fixed terms of repayment.

29 SHORT TERM INVESTMENTS

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Unquoted debt securities of corporations in Malaysia and unit trusts				
At cost	**175,283**	70,585	**130,776**	27,448

Short term investments comprise commercial papers, which would mature within the next financial year or are renewable on a monthly basis, and unit trusts.

The directors are of the opinion that it is not practicable within the constraints of cost to estimate the fair value of shares in unquoted debt securities of corporations and unit trusts reliably. However, it is the directors' view that the carrying value of investment in unquoted debt securities of corporations and unit trusts approximated its fair value.

30 SHARE CAPITAL

	Group/Company	
	2007 RM'000	2006 RM'000
Authorised:		
At beginning and end of the year		
- 3,000,000,000 ordinary shares of RM0.50 each	**1,500,000**	1,500,000
Issued and fully paid:		
At beginning of the year		
- 1,564,710,610 (2006: 1,525,932,001) ordinary shares of RM0.50 each	**782,355**	762,966
Exercise of ESOS options		
- 66,500 (2006: 30,892,500) ordinary shares of RM0.50 each	**33**	15,446

	Group/Company 2007 RM'000	2006 RM'000
Exercise of warrants		
- 119,446,035 (2006: 7,885,659) ordinary shares of RM0.50 each	**59,723**	3,943
Cancellation of treasury shares		
- 33,000,000 (2006: Nil) ordinary shares of RM0.50 each	**(16,500)**	–
At end of the year		
- 1,651,222,695 (2006: 1,564,710,160) ordinary shares of RM0.50 each	**825,611**	782,355

TREASURY SHARES

The shareholders of the Company granted the authority to the directors to repurchase its own shares at an Extraordinary General Meeting held on 2 October, 2000 of which the mandate was subsequently renewed at the Annual General Meeting held on 7 December, 2006. 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.

The Company's repurchase of its own shares on the Main Board of Bursa Malaysia Securities Berhad are summarised as follows:

Financial year ended	No. of shares repurchased/ (distributed as share dividend/ shares cancelled*/ shares resold#)	Average price paid/ (distributed as share dividend/ shares cancelled*/ shares resold#) RM/share	Total consideration RM'000
30 June, 2001	52,024,000	4.81	249,980
30 June, 2002	(28,425,050)	(4.81)	(136,585)
30 June, 2003	775,000	3.38	2,622
30 June, 2004	42,702,400	4.51	192,621
30 June, 2005	127,906,500	5.24	669,724
30 June, 2005	(91,257,845)	(4.78)	(436,258)
30 June, 2006	23,197,800	5.44	126,166
30 June, 2007	113,840,300	6.88	783,392
30 June, 2007	(33,000,000) *	(5.42)	(178,913)
30 June, 2007	(61,700,000) #	(5.67)	(350,106)
Total	146,063,105		922,643

The repurchase transactions were financed by internally generated funds. The repurchased shares are being held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

WARRANTS AND EMPLOYEES' SHARE OPTION SCHEME

The Warrants 1997/2007 and Warrants 1999/2009 were constituted under the Deed Poll dated 20 September, 1997 and 31 July, 1999 respectively.

Each of the Warrants 1997/2007 and Warrants 1999/2009 entitles the holder to the right of allotment of one ordinary share in the Company for every warrant held at a subscription price of RM2.75 per share and RM4.23 per share respectively which are payable in cash (initial subscription price was RM3.80 per share and RM5.45 per share respectively and subsequently adjusted to RM2.95 per share and RM4.54 per share respectively). 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.

Warrants 1997/2007 and Warrants 1999/2009 may be exercised at any time before 20 September, 2007 and 26 June, 2009 respectively; thereafter the outstanding warrants will cease to be valid for any purpose.

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 warrants are quoted on Bursa Malaysia Securities Berhad.

As at 30 June, 2007, the total number of warrants that remain unexercised are as follows:

Warrants 1997/2007	1,794,945
Warrants 1999/2009	272,891,092

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

The main features of the New ESOS are as follows:

i The New 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 New 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 New 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 New 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 as 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.

Set out below are details of options over the ordinary shares of the Company granted under the scheme:

			Number of share options				
Date granted	**Exercisable period**	**Subscription price RM**	**At beginning of financial year '000**	**Offered and accepted '000**	**Exercised '000**	**Lapsed '000**	**At end of financial year '000**
Financial year ended 30.6.2007							
Scheme							
* 16.10.2002	16.10.2005 - 29.11.2011	**2.79**	**305**	**–**	**(67)**	**(11)**	**227**
01.07.2005	01.07.2008 - 29.11.2011	**4.81**	**47,599**	**–**	**–**	**(358)**	**47,241**
07.08.2006	07.08.2009 - 29.11.2011	**4.41**	**–**	**727**	**–**	**(98)**	**629**
			47,904	**727**	**(67)**	**(467)**	**48,097**
Financial year ended 30.6.2006							
Scheme							
* 16.10.2002	16.10.2005 - 29.11.2011	2.79	31,343	–	(30,892)	(146)	305
01.07.2005	01.07.2008 - 29.11.2011	4.81	–	48,212	–	(613)	47,599
			31,343	48,212	(30,892)	(759)	47,904

* FRS 2 not applicable to these options.

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
Valuation assumptions:		
Expected volatility	24.7%	21.5%
Expected dividend yield	5.2%	5.6%
Expected option life	3 - 4 years	3 - 4 years
Risk-free interest rate per annum (based on Malaysian securities bonds)	3.2%	4.1%

The volatility is based on statistical analysis of daily share prices over the last three years from 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 2007 RM'000	Company 2007 RM'000
Share options granted	**18,300**	14,749
Allocation to subsidiaries	–	(4,348)
Total share options expenses	**18,300**	10,401

31 NON-DISTRIBUTABLE RESERVES

A Share premium

	Group/Company 2007 RM'000	2006 RM'000
At beginning of the year	**389,756**	290,759
Shares issued upon exercise of warrants	**335,716**	28,253
Shares issued upon exercise of ESOS	**152**	70,744
Cancellation of treasury shares	**(162,413)**	–
Sale of treasury shares	**89,311**	–
At end of the year	**652,522**	389,756

B Other reserves

	Group		Company	
	2007	2006 (Restated)	2007	2006
	RM'000	RM'000	RM'000	RM'000
Capital reserve [Note 31(B)(i)]	**102,439**	102,529	**–**	–
Equity component of exchangeable bonds [Note 31(B)(ii)]	**34,301**	35,232	**–**	–
Equity component of Irredeemable Convertible Unsecured Loan Stocks [Note 31(B)(iii)]	**24,159**	24,369	**–**	–
Exchange difference reserve [Note 31(B)(iv)]	**(31,836)**	9,041	**–**	–
Reserve on consolidation [Note 31 (B)(v)]	**–**	34,454	**–**	–
Revaluation reserve [Note 31(B)(vi)]	**7,627**	646,175	**–**	–
Share options reserve [Note 31(B)(vii)]	**18,300**	–	**14,749**	–
Statutory reserve [Note 31(B)(viii)]	**41,331**	26,009	**–**	–
	196,321	877,809	**14,749**	–

The movement in each category of reserves are as follows:

i Capital reserve

	Group/Company	
	2007	2006
	RM'000	RM'000
At beginning of the year	**102,529**	102,295
Currency translation differences	**(90)**	–
Transferred from distributable unappropriated profits	**–**	234
At end of the year	**102,439**	102,529

ii Equity component of exchangeable bonds

	Group	
	2007	2006
	RM'000	RM'000
At beginning of the year	**35,232**	35,232
Conversion of bonds during the year	**(931)**	–
At end of the year	**34,301**	35,232

iii Equity component of Irredeemable Convertible Unsecured Loan Stock ('ICULS')

	Group 2007 RM'000	Group 2006 RM'000
At beginning of the year	**24,369**	–
(Conversion to ordinary shares of YTL Cement Berhad)/ Equity component of ICULS recognised during the year	**(210)**	24,369
At end of the year	**24,159**	24,369

iv Exchange difference reserve

	Group 2007 RM'000	Group 2006 RM'000
At beginning of the year	**9,041**	55,761
Currency translation differences	**(40,877)**	(46,720)
At end of the year	**(31,836)**	9,041

v Reserve on consolidation

	Group 2007 RM'000	Group 2006 RM'000
At beginning of the year	**34,454**	208,757
Derecognised and adjustment to unappropriated profits	**(34,454)**	(174,303)
At end of the year	–	34,454

vi Revaluation reserve

	Group 2007 RM'000	Group 2006 (Restated) RM'000
At beginning of the year	**646,175**	157
Revaluation (deficit)/surplus arising from investment properties in subsidiaries	**(638,548)**	646,018
At end of the year	**7,627**	646,175

vii Share options reserve

	Group		Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
At beginning of the year	–	–	–	–
ESOS granted during the year				
- recognised in Income Statement	**18,300**	–	**10,401**	–
- allocated to subsidiaries	–	–	**4,348**	–
At end of the year	**18,300**	–	**14,749**	–

viii Statutory reserve

	Group	
	2007	2006
	RM'000	RM'000
At beginning of the year	**26,009**	10,247
Share of associated company's statutory reserves transferred from distributable unappropriated profits	**15,322**	15,762
At end of the year	**41,331**	26,009

32 LONG TERM PAYABLES

	Group	
	2007	2006
		(Restated)
	RM'000	RM'000
Deposits	**41,408**	34,842
Amount due to Keretapi Tanah Melayu Berhad ("KTMB")	**69,216**	69,216
	110,624	104,058

Deposits represent money received from developers of housing development in relation to the provision of water and sewerage infrastructure.

Amount due to KTMB represents the balance of the total purchase consideration of not less than RM105,616,000 (2006: 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.

33 BONDS

	Group		Company	
	2007	2006	**2007**	2006
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current:				
Fixed Rate Bonds [Note 33(A)]	**125,000**	125,000	–	–
Medium Term Notes [Note 33(H)]	**100,000**	100,000	–	–
7% Redeemable Non-Guaranteed Unsecured Bonds 2000/2007 [Note 33(B)]	–	749,509	–	–
Zero Coupon Exchangeable Guaranteed Bonds Due 2010 [Note 33(I)]	**886,443**	–	–	–
	1,111,443	974,509	–	–
Non current:				
Fixed Rate Bonds [Note 33(A)]	**62,500**	187,500	–	–
5.875% Guaranteed Unsecured Bonds [Note 33(C)]	**1,379,113**	1,340,448	–	–
Guaranteed Variable Coupon Bonds Due 2009 [Note 33(D)]	**691,710**	673,520	–	–
3.52% Retail Price Index Guaranteed Bonds [Note 33(E)]	**392,372**	371,096	–	–
5.75% Guaranteed Unsecured Bonds [Note 33(F)]	**2,388,445**	2,324,432	–	–
5.375% Guaranteed Unsecured Bonds [Note 33(G)]	**1,368,118**	1,331,423	–	–
Medium Term Notes [Note 33(H)]	**1,699,462**	1,699,372	**500,000**	500,000
Zero Coupon Exchangeable Guaranteed Bonds Due 2010 [Note 33(I)]	**1,010,131**	912,877	–	–
1.75% Index Linked Guaranteed Bonds [Note 33(J)]	**1,054,313**	–	–	–
1.369% and 1.374% Index Linked Guaranteed Bonds [Note 33(K)]	**1,054,313**	–	–	–
	11,100,477	8,840,668	**500,000**	500,000
	12,211,920	9,815,177	**500,000**	500,000
Repayable not later than 1 year	**1,111,443**	974,509	–	–
Repayable later than 1 year and not later than 5 years	**3,943,453**	3,614,345	**500,000**	500,000
Repayable later than 5 years	**7,157,024**	5,226,323	–	–
	12,211,920	9,815,177	**500,000**	500,000

	Group	
	Carrying amount RM'000	Fair value RM'000
2007		
Fixed Rate Bonds	**187,500**	**198,576**
5.875% Guaranteed Unsecured Bonds	**1,379,113**	**1,366,653**
Guaranteed Variable Coupon Bonds Due 2009	**691,710**	**691,710**
3.52% Retail Price Index Guaranteed Bonds	**392,372**	**445,624**
5.75% Guaranteed Unsecured Bonds	**2,388,445**	**2,419,775**
5.375% Guaranteed Unsecured Bonds	**1,368,118**	**1,304,676**
Zero Coupon Exchangeable Guaranteed Bonds Due 2010	**1,896,574**	**1,914,855**
1.75% Index Linked Guaranteed Bonds	**1,054,313**	**1,024,704**
1.369% and 1.374% Index Linked Guaranteed Bonds	**1,054,313**	**982,424**
2006		
Fixed Rate Bonds	312,500	334,636
7% Redeemable Non-Guaranteed Unsecured Bonds 2000/2007	749,509	863,774
5.875% Guaranteed Unsecured Bonds	1,340,448	1,360,525
Guaranteed Variable Coupon Bonds Due 2009	673,520	683,608
3.52% Retail Price Index Guaranteed Bonds	371,096	430,379
5.75% Guaranteed Unsecured Bonds	2,324,432	2,518,965
5.375% Guaranteed Unsecured Bonds	1,331,423	1,353,102
Zero Coupon Exchangeable Guaranteed Bonds Due 2010	912,877	906,900

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 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 financial year 1999.

B 7% REDEEMABLE NON-GUARANTEED UNSECURED BONDS 2000/2007

Pursuant to a Trust Deed dated 5 January, 2000, a subsidiary, YTL Power International Berhad issued RM750 million nominal value of 7-year 7.0% Redeemable Non-Guaranteed Unsecured Bonds 2000/2007 ('RNGU Bonds') with 572,166,338 detachable warrants.

The RNGU Bonds with 572,166,338 detachable warrants were constituted under a Trust Deed and Deed Poll dated 5 January, 2000 and 13 March, 2000 respectively.

The principle features of the RNGU Bonds are as follows:

i The RNGU Bonds bear interest at 7.0% per annum, payable semi-annually on 11 July and 11 January of each financial year. The subsidiary entered into an associated interest rate swap agreement as set out in Note 45 (a).

ii The RNGU Bonds are redeemable on 11 January, 2007 ("Maturity Date") at one hundred percent (100%) of its nominal value. Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the subsidiary, the Bonds will be redeemed in full by the subsidiary on the Maturity Date at one hundred percent (100%) of its nominal value together with all accrued interest on the surrender of the bond certificate.

The nominal value of the RNGU Bonds with 572,166,338 detachable warrants, amounting to RM750 million were redeemed on 11 January, 2007.

C 5.875% GUARANTEED UNSECURED BONDS

On 30 March, 1999, a subsidiary of the Group, Wessex Water Services Finance Plc ('Issuer'), 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'), another 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 and GBP199,377,273 remained outstanding as at 30 June, 2007, net of amortised fees and discount.

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 financial 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.

D GUARANTEED VARIABLE COUPON BONDS DUE 2009

On 30 March, 2001, GBP100,000,000 nominal value of the GU Bonds 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 remained outstanding as at 30 June, 2007 (2006: 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 financial year. Other features of the GVC Bonds remain similar to that of the GU Bonds mentioned in Note 33 (C).

E 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'). 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, 2007 is 7.39% (2006: 5.95%).

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, 2007, net of amortised fees and discount.

F 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'). 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 GBP345,295,672 (2006: GBP350,000,000 and GBP345,117,039) remained outstanding as at 30 June, 2007, 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 financial 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 the Guarantor 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.

G 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'). 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 and GBP197,787,870 (2006: GBP200,000,000 and GBP197,681,261) remained outstanding as at 30 June, 2007, 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 financial 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.

H MEDIUM TERM NOTES ("MTNs")

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, 2004 to refinance the Company's RM500 million nominal value 8.5% Redeemable Non-Guaranteed Unsecured Bonds 1999/2004. The coupon rate of the MTNs is 5.30% per annum, payable semi-annually in arrears and the MTNs are redeemable on 25 June, 2009 at nominal value.

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 facility bears interest rates ranging from 3.80% to 4.55% per annum (2006: 3.20% to 4.05% per annum).

A principal amount of RM100 million was repaid by YTLPG during the financial year.

During the financial year, YTLPG issued an additional unsecured MTNs at a nominal value of RM100 million for a period of 1 year which bears an interest rate of 3.80% per annum. Interest is payable semi-annually.

I 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 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 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.

ii The ZCEG Bonds which constitute direct, unsurbordinated, 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, 2007 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.

J 1.75% INDEX LINKED GUARANTEED BONDS

On 31 July, 2006, Wessex Water Services Finance Plc ('Issuer') 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'). 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, 2007 is 5.62%.

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, 2007, 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 1.369% AND 1.374% INDEX LINKED GUARANTEED BONDS

On 31 January, 2007, Wessex Water Services Finance Plc ('Issuer') issued GBP 75,000,000 nominal value of 1.369% Index Linked Guaranteed Bonds and GBP 75,000,000 nominal value of 1.374% Index Linked Guaranteed Bonds, both due 2057 ('ILG Bonds') unconditionally and irrevocably guaranteed by Wessex Water Services Limited ('Guarantor'). 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, 2007 is 5.24%.

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, 2007, 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.

34 BORROWINGS

	Group		Company	
	2007	2006 (Restated)	2007	2006
	RM'000	RM'000	RM'000	RM'000
Term loans [Note 34(A)]	**3,089,825**	2,505,326	–	–
Revolving credit [Note 34(B)]	**1,421,855**	1,826,720	**1,153,855**	877,398
Committed bank loans [Note 34(C)]	**70,292**	43,011	–	–
Commercial papers [Note 34(D)]	**1,000,000**	250,000	**250,000**	250,000
Bai Bithaman Ajil [Note 34(E)]	–	373,815	–	–
Irredeemable Convertible Unsecured Loan Stocks [Note 34(F)]	**9,314**	9,901	–	–
	5,591,286	5,008,773	**1,403,855**	1,127,398

	Group		Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Repayable not later than 1 year	**2,446,793**	1,251,182	**1,403,855**	1,127,398
Repayable later than 1 year and not later than 5 years	**2,403,913**	1,990,219	–	–
Repayable later than 5 years	**740,580**	1,767,372	–	–
	5,591,286	5,008,773	**1,403,855**	1,127,398
Represented by:				
Current	**2,446,793**	1,251,182	**1,403,855**	1,127,398
Non-current	**3,144,493**	3,757,591	–	–
	5,591,286	5,008,773	**1,403,855**	1,127,398

The carrying amounts of borrowings of the Group and of the Company at the balance sheet date approximated their fair values.

	Group		Company	
	2007	2006	2007	2006
	%	%	%	%
Weighted average effective interest rate				
Terms loans	**4.19**	4.44	–	–
Revolving credit	**3.84**	4.27	**3.30**	3.30
Committed bank loans	**4.00**	4.28	–	–
Commercial papers	**3.58**	3.69	**3.61**	3.69
Bai Bithaman Ajil	–	6.08	–	–
Irredeemable Convertible Unsecured Loan Stocks	**4.00**	4.00	–	–

Group 2007 RM'000	Group 2006 (Restated) RM'000	Securities
4,178,320	3,127,203	- Clean
336,707	373,815	- 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
324,432	–	- Corporate guarantee by the Company
		- Personal guarantee by a subsidiary's directors
385,000	181,000	- Corporate guarantee by subsidiaries
180,000	180,000	- A first fixed charge over the investment properties of a subsidiary
162,400	224,000	- A first fixed and floating charge over the assets of a subsidiary
24,427	28,869	- 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
–	648,322	- Secured by fixed deposits of a subsidiary
–	188,413	- A first party first fixed charge over the freehold land of a subsidiary
–	57,151	- A deferred payment facility and is secured by progress payment from Dewan Bandaraya Kuala Lumpur
5,591,286	5,008,773	

Company 2007 RM'000	Company 2006 RM'000	Securities
1,403,855	1,127,398	- Clean

A TERM LOANS

	Group 2007 RM'000	Group 2006 (Restated) RM'000
The currency exposure profile of the term loans is as follows:		
Denominated in Great Britain Pounds	**1,359,902**	1,324,140
Denominated in US Dollar	**586,991**	622,753
Denominated in Ringgit Malaysia	**1,142,932**	558,433
	3,089,825	2,505,326

i Term loans denominated in Great Britain Pounds

The term loans of RM1,359,901,860 [GBP196,600,000] (2006: RM1,324,140,320 [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 0.15% for GBP21,600,000 loan only, and LIBOR plus a different variable margin for each of the GBP75,000,000 and GBP100,000,000 loans respectively. Wessex Water Services Limited entered into interest rate swap agreements in relation to the term loans as set out in Note 45(b).

ii Term loans denominated in US Dollars

During the financial year, YTL Power International Berhad ("YTLPI"), a subsidiary of the Company, repaid the balance of USD170,000,000 term loan which bore an interest rate of LIBOR plus 0.475% margin. YTLPI had drawndown a new unsecured term loan of USD170,000,000 during the year which bears an interest rate of LIBOR plus 0.265% margin and is repayable in full on 29 January, 2010.

iii Term loans denominated in Ringgit Malaysia

Certain term loans of the subsidiaries, Lakefront Pte. Ltd. and Sandy Island Pte. Ltd. ("Lakefront and Sandy Island"), amounting to RM324,431,631 [SGD142,879,278] (2006: Nil) bear floating interest rates at 4.09% and 3.08% (2006: Nil) per annum respectively and mature in December, 2009 and June, 2010 respectively. These facilities are secured by a corporate guarantee given by the Company and personal guarantees obtained from the directors of a subsidiary, Yeoh Tiong Lay Construction (S) Pte. Ltd., the holding company of Lakefront and Sandy Island.

During the year 30 June, 2006, interest on the term loan of Sentul Raya Sdn. Bhd., a subsidiary of the YTL Land & Development Berhad ("YTL L&D") was at 1.25% per annum above the banks' cost of funds. This term loan was secured by a first legal charge on the freehold land of the Sentul Raya Project and a corporate guarantee of YTL L&D. During the current financial year, the subsidiary of YTL L&D refinanced this term loan with a new term loan ("new Term Loan"). The new Term Loan of the subsidiary of YTL L&D bears interest at 0.75% per annum above the banks' cost of funds and is secured by a corporate guarantee of YTL L&D. It shall be repaid by way of 13 semi-annual instalments of RM14,286,000 each and one final instalment of RM18,282,000; the first instalment to commence on the first day of the 42nd month from the drawdown date.

The term loan of a subsidiary, Starhill Real Estate Investment Trust ("Starhill REIT"), amounting to RM180,000,000 (2006: RM180,000,000), is secured by a first fixed charge over investment properties of the Starhill REIT. The term loan has a tenure of five years at a fixed interest rate of 4.80% (2006: 4.80%) per annum. The term loan shall be repaid in one lump sum on 16 December, 2010 and the interest is payable monthly.

B REVOLVING CREDIT

The revolving credit facility of the Company is unsecured.

Certain revolving credit of the Group as at 30 June, 2006, was secured by fixed deposits of YTL Utilities Finance Limited, a subsidiary of the Group (Note 34). The facility bore an interest rate of LIBOR plus 0.10%. This revolving credit has been repaid during the current financial year.

C COMMITTED BANK LOANS

A committed bank loan totalling RM70,291,510 [EUR15,068,842] (2006: RM43,010,988 [EUR9,226,486]) is guaranteed by Wessex Water Limited, a subsidiary of the Group. The loan bears an interest rate of EURO base rate plus 0.60% and varies depending on the credit rating of Wessex Water Limited.

D COMMERCIAL PAPERS ("CP")

The CP of the Company were constituted under the Trust Deed dated 18 June, 2004 and expires on 20 October, 2012. The first issuance of the Company's CP was made on 20 October, 2005 at a nominal value of RM250 million with upfront interest rate ranging from 2.86% to 3.69% per annum and tenure period ranging from one to six 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. YTLPI's first issuance under the CP/MTN Programme was made on 8 June, 2007 with the issue of RM750,000,000 nominal value of CP at a discount of 3.57% per annum with tenure of 1 month.

E BAI BITHAMAN AJIL

During the current financial year, Perak-Hanjoong Simen Sdn. Bhd. ("PHS"), a subsidiary of YTL Cement Berhad, refinanced RM356,514,000 of the Bai Bithaman Ajil Facility into a term loan facility.

The Bai Bithaman Ajil Facility bore interest rates ranging from 5.20% to 6.80% (2006: 5.35% to 6.80%) per annum and was secured by identified landed properties, a debenture to create a fixed and floating charges over the present and future assets, a first fixed charge over all designated account and all insurance policies of PHS.

The Bai Bithaman Ajil Facility was repayable over 15 semi-annual instalments, where the first of which was paid on 15 May, 2006.

The other main terms and conditions of the Bai Bithaman Ajil Facility were as follows:

i gearing must be maintained at a ratio not exceeding 1.85 times at all times during the remaining tenure of the Bai Bithaman Ajil Facility;

ii minimum Debt Service Coverage Ratio ("DSCR") of 1.3 times at all times during the remaining tenure of the Bai Bithaman Ajil Facility; and

iii cash flow management through establishment of Designated Accounts and annual budget for operational and capital expenditures.

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.

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 is RM2.72
- For conversion at any time after fourth anniversary of issue up to the seventh anniversary is RM2.04
- For conversion at any time after seventh anniversary of issue up to the maturity date 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 loan stocks.

The ICULS is recognised in the Balance Sheet of the Group as follows:

	Group	
	2007	**2006**
	RM'000	**RM'000**
Face value of ICULS issued	**483,247**	483,247
Less : ICULS held by the Company and certain subsidiaries	**(451,081)**	(451,081)
	32,166	32,166
Equity component, net of deferred tax	**(21,965)**	(21,965)
Liability component on initial recognition	**10,201**	10,201
Interest expenses recognised in Income Statement		
At beginning of the year	**521**	–
Recognised in Income Statement	**792**	521
At end of the year	**1,313**	521
Interest paid		
At beginning of the year	**(641)**	–
Paid during the year	**(1,285)**	(641)
At end of the year	**(1,926)**	(641)
Accrued interest	**(182)**	(180)
Conversion to ordinary shares of YTL Cement Berhad during the year	**(92)**	–
Liability component at end of the year	**9,314**	9,901

	Group	
	2007 RM'000	2006 RM'000
Equity component, net of deferred tax	**21,965**	21,965
Deferred tax assets	**2,856**	2,856
Equity component on initial recognition	**24,821**	24,821
Conversion to ordinary shares of YTL Cement Berhad		
At beginning of the year	**(452)**	–
Conversion during the year	**(210)**	(452)
At end of the year	**(662)**	(452)
Equity component at end of the year	**24,159**	24,369

Interest expenses on the ICULS is calculated on the effective yield basis by applying the effective interest rate of 8% per annum, for an equivalent non-convertible loan stock to the liability component of the ICULS.

35 HIRE PURCHASE LIABILITIES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Minimum hire purchase payments:				
Payable not later than 1 year	**4,460**	5,765	**639**	344
Payable later than 1 year and not later than 5 years	**2,144**	3,800	**514**	403
	6,604	9,565	**1,153**	747
Less : Financing charges	**(300)**	(533)	**(56)**	(41)
Present value of hire purchase liabilities	**6,304**	9,032	**1,097**	706

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Present value of hire purchase liabilities:				
Payable not later than 1 year	**4,207**	5,400	**599**	316
Payable later than 1 year and not later than 5 years	**2,097**	3,632	**498**	390
	6,304	9,032	**1,097**	706
Represented by hire purchase liabilities:				
Current	**4,207**	5,400	**599**	316
Non-current	**2,097**	3,632	**498**	390
	6,304	9,032	**1,097**	706

The hire purchase liabilities of the Group and the Company carry weighted average interest at the balance sheet date at 2.44% (2006: 2.57%) and 2.63% (2006: 2.58%) per annum respectively.

36 FINANCE LEASE LIABILITIES

	Group	
	2007	**2006**
	RM'000	**RM'000**
Minimum lease payments:		
Payable not later than 1 year	**66,250**	51,214
Payable later than 1 year and not later than 5 years	**737,123**	771,448
	803,373	822,662
Less : Financing charges	**(210,641)**	(234,656)
Present value of minimum lease payments	**592,732**	588,006
Present value of minimum lease payments:		
Payable not later than 1 year	**36,934**	21,661
Payable later than 1 year and not later than 5 years	**555,798**	566,345
	592,732	588,006
Represented by finance lease liabilities:		
Current	**36,934**	21,661
Non-current	**555,798**	566,345
	592,732	588,006

Finance lease of RM592,731,513 [GBP85,690,754] (2006: RM587,943,607 [GBP87,294,157]) is an unsecured obligation of a subsidiary of the Group, Wessex Water Services Limited. 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.

37 DEFERRED INCOME

	Group	
	2007	**2006**
	RM'000	**RM'000**
At beginning of the year	**147,203**	149,213
Currency translation differences	**3,955**	(2,881)
Credited to Income Statement	**(6,240)**	(5,767)
Received during the financial year	**2,445**	6,638
At end of the year	**147,363**	147,203

Deferred income represents government grants in respect of specific expenditure on non-infrastructure assets.

38 DEFERRED TAXATION

	Group	
	2007	2006 (Restated)
	RM'000	RM'000
At beginning of the year	**2,450,196**	2,500,964
Credited to Income Statement (Note 8)	**(124,254)**	(2,872)
Currency translation differences	**47,908**	(45,040)
Acquisition of subsidiaries	**27**	–
Arising from issue of Irredeemable Convertible Unsecured Loan Stocks	**–**	(2,856)
Transfer to capital reserve	**(83)**	–
At end of the year	**2,373,794**	2,450,196

Deferred tax provided are in respect of:

	Group	
	2007	2006 (Restated)
	RM'000	RM'000
Deferred tax assets		
Deferred revenue	**(60)**	–
Property, plant & equipment - depreciation in excess of capital allowances	**(1,515)**	(1,155)
Unabsorbed tax losses	**(35,820)**	(137,137)
Unutilised capital allowances	**(137,189)**	(131,295)
Retirement benefits	**(105,153)**	(119,707)
Temporary differences - Irredeemable Convertible Unsecured Loan Stocks	**(2,590)**	(2,773)
Others	**(5,045)**	(8,422)
	(287,372)	(400,489)
Deferred tax liabilities		
Property, plant & equipment - capital allowances in excess of depreciation	**2,582,956**	2,775,570
Potential real property gains tax on revaluation surplus	**–**	99
Revaluation surplus arising from freehold land	**57,807**	59,203
Other temporary differences	**20,403**	15,813
	2,373,794	2,450,196

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2007	2006
	RM'000	RM'000
Unabsorbed tax losses	**55,451**	51,556
Unutilised capital allowances	**31,447**	26,413
Unutilised investment tax allowance	**34,705**	–
Deductible temporary differences	**71**	3,877
Taxable temporary differences - property, plant & equipment	**(9,494)**	(12,856)
	112,180	68,990
Potential tax benefits calculated at 27% (2006: 28%) tax rate	**30,289**	19,317

The unabsorbed tax losses, unutilised capital allowances and unutilised investment allowances are subject to agreement with the Inland Revenue Board.

39 POST-EMPLOYMENT BENEFIT OBLIGATIONS

a Defined contribution plan - current

	Group 2007 RM'000	Group 2006 RM'000
Malaysia	**1,655**	1,256

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 2007 RM'000	Group 2006 RM'000
Malaysia	–	2,599
Overseas		
- United Kingdom	**379,791**	404,011
- Indonesia	**3,062**	2,633
	382,853	409,243

i Malaysia

	Group 2007 RM'000	Group 2006 RM'000
At 1 July	**2,599**	10,250
Charged to Income Statement	**64**	1,789
Payments	**(2,663)**	(9,440)
At 30 June	–	2,599

The above defined benefit plan, operated by one of the Group's subsidiaries, was terminated during the year via cash settlement of the obligations under the defined benefit plan.

ii Overseas

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, 2004. This valuation was updated as at 30 June, 2007 using revised assumptions.

Notes to the Financial Statements

The movements during the financial year in the amounts recognised in the Balance Sheet are as follows:

	Group 2007 RM'000	2006 RM'000
At begining of the year	**404,011**	415,544
Pension cost	**53,120**	69,425
Contributions and benefits paid	**(88,061)**	(72,835)
Currency translation differences	**10,721**	(8,123)
At end of the year	**379,791**	404,011

The amounts recognised in the Balance Sheet may be analysed as follows:

	Group 2007 RM'000	2006 RM'000
Present value of funded obligations	**2,320,038**	2,251,476
Fair value of plan assets	**(2,003,192)**	(1,770,010)
Status of funded plan	**316,846**	481,466
Unrecognised actuarial loss	**62,945**	(77,455)
Liability in the balance sheet	**379,791**	404,011

The pension cost recognised may be analysed as follows:

	Group 2007 RM'000	2006 RM'000
Current service cost	**47,471**	52,508
Interest cost	**119,021**	103,293
Expected return on plan assets	**(119,709)**	(92,700)
Past service cost	**6,337**	6,324
Total, included in staff costs	**53,120**	69,425
Actual return on plan assets	**224,238**	114,188

The charge to the Income Statement was included in the following line items:

	2007	2006
Cost of sales	**11,359**	21,288
Administration expenses	**30,643**	26,949
Finance cost	**(688)**	10,594
Total charge to Income Statement	**41,314**	58,831
Capitalised spread across property, plant & equipment	**11,806**	10,594
	53,120	69,425

The principal actuarial assumptions used in respect of the defined benefit plans were as follows:

	Group	
	2007	**2006**
	%	**%**
Discount rate	**5.80**	5.20
Expected rate of increase in pension payment	**3.10**	2.80
Expected rate of salary increase	**4.10**	3.80
Price inflation	**3.10**	2.80

Indonesia

Summary of obligations relating to employee benefits due under prevailing law and regulations as well as under the Indonesia subsidiary's regulations are as presented below:

	Group	
	2007	**2006**
	RM'000	**RM'000**
Obligation relating to post-employment benefits	**1,926**	1,497
Obligation relating to other long term employee benefits	**1,136**	1,136
Total	**3,062**	2,633

Detailed information pertaining to post-employment benefits and other long term benefit obligations are outlined in the following pages. The obligations for post employment and other long term employee benefits were recognised with reference to actuarial report prepared by an independent actuary. The latest actuarial report was dated 29 June, 2007.

The obligations relating to post-employment benefits recognised in the Balance Sheet are as follows:

	Group	
	2007	**2006**
	RM'000	**RM'000**
Present value of obligations	**5,469**	4,698
Fair value of plan assets	**(2,051)**	(1,937)
Status of funded plan	**3,418**	2,761
Unrecognised actuarial loss	**(922)**	(445)
Unrecognised past service cost	**(570)**	(819)
Liability in the balance sheet	**1,926**	1,497

The company has a defined contribution retirement plan (the "Plan") which covers qualified permanent national employees. The company's contribution is 5% of employee basic salary, while the employees' contributions range from 3% to 14%.

The company's accumulated fund in the Plan was RM2,051,058 (2006: RM1,937,449). This amount has been accounted in the actuarial calculation as a deduction to the present value of obligations for post-employment benefits as presented above, considering that these amounts will be used to fund the payments of any post-employment benefits due.

The amounts relating to post-employment benefit obligation recognised in the Income Statement are as follows:

	Group	
	2007	**2006**
	RM'000	**RM'000**
Current service cost	**564**	773
Interest cost	**339**	200
Past service cost	**40**	40
Total	**943**	1,013

All of the charges above were included in the cost of revenues.

Movements in the liability recognised relating to post-employment benefits in the Balance Sheet are as follows:

	Group	
	2007	**2006**
	RM'000	**RM'000**
At beginning of the year	**1,497**	1,218
Pension cost	**943**	1,013
Contributions and benefits paid	**(483)**	(674)
Currency translation differences	**(31)**	(60)
At end of the year	**1,926**	1,497

The principal actuarial assumptions for the obligation relating to post-employee benefits are as follows:

	Group	
	2007	**2006**
	%	**%**
Discount rate	**9.5**	12.0
Expected rate of return on plan assets	**8.0**	9.0
Expected rate of salary increase	**8.0**	10.0

Other long term employee benefit obligations

The obligations relating to other long term employee benefits (i.e. long leave service benefits) recognised in the Balance Sheet are as follows:

	Group	
	2007	**2006**
	RM'000	**RM'000**
Present value of obligations	**1,136**	1,136
Fair value of plan assets	–	–
Liability in the balance sheet	**1,136**	1,136

The amounts relating to other long term employee benefit obligations recognised in the Income Statement are as follows:

	Group	
	2007	2006
	RM'000	RM'000
Current service cost	**80**	464
Interest cost	**20**	73
Total	**100**	537

All of the charges above were included in the operating expenses.

Movements in the liability recognised relating to other long term benefits in the Balance Sheet are as follows:

	Group	
	2007	2006
	RM'000	RM'000
At beginning of the year	**1,136**	773
Pension cost	**100**	537
Contributions and benefits paid	**(71)**	(159)
Currency translation differences	**(29)**	(15)
At end of the year	**1,136**	1,136

40 TRADE PAYABLES

Credit terms of trade payables granted to the Group vary from 7 to 180 days (2006: 21 to 180 days).

41 OTHER PAYABLES & ACCRUALS

	Group		Company	
	2007	2006 (Restated)	**2007**	2006
	RM'000	RM'000	**RM'000**	RM'000
Other payables	**400,694**	415,678	**9,677**	2,938
Property maintenance funds	**149**	153	**–**	–
Accruals	**665,747**	590,157	**3,199**	2,951
	1,066,590	1,005,988	**12,876**	5,889

42 BANKERS' ACCEPTANCES & BANK OVERDRAFTS

Included in the bank overdrafts is RM378,383 (2006: Nil) of secured loan of a subsidiary of the Group. This secured loan is repayable in full on demand and bears interest of Base Rate plus 1.5%.

Included in bank overdrafts is RM16,601,042 [GBP2,400,000] (2006: RM63,923,783 [GBP9,491,000]) of unsecured loans of Wessex Water Services Limited, Wessex Water Limited and SC Technology Nederlands BV, subsidiaries of the Group. These overdrafts are repayable in full on demand and bear interest of Base Rate plus 1%. The effective weighted average interest rates charged on the other unsecured bank overdrafts and bankers' acceptances are 6.34% and 7.17% (2006: 4.59% and 3.83%) per annum respectively.

43 PROVISION FOR LIABILITIES & CHARGES

	Group	
	2007	**2006 (Restated)**
	RM'000	**RM'000**
At beginning of the year	**49,428**	45,409
Currency translation differences	**949**	(488)
Charged to Income Statement	**72,624**	9,258
Payments	**(75,664)**	(4,751)
At end of the year	**47,337**	49,428

Provision for liabilities and charges of RM28.02 million (2006: RM37.17 million) relate to the scaling down of operations of certain subsidiaries of the Group.

Provision for liabilities and charges of RM8.48 million (2006: RM14.80 million) relate to final income distribution of 2.1529 sen per unit (2006: 3.4524 sen per unit) of the Starhill Real Estate Investment Trust (Starhill REIT).

The other provision for liabilities and charges relate to expected liquidated ascertained damages claims in respect of projects undertaken by the Group. The provisions are recognised for expected liquidated damages claims based on the terms of the applicable sale and purchase agreements.

44. EMPLOYEES INFORMATION

	Group		Company	
	2007	**2006**	**2007**	**2006**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Staff costs (excluding directors' remuneration)	**496,095**	449,569	**6,267**	4,358
Included in staff costs are:				
Defined contribution plan	**15,615**	13,200	**485**	371
Defined benefit plan	**54,227**	72,764	–	–
Share based payments	**6,040**	78	**576**	–

45. FINANCIAL INSTRUMENTS

Interest rate swaps

Under the interest rate swaps, the Group agrees with other parties to exchange, the differences between interest amounts calculated by reference to the agreed notional principal amounts and payment terms.

There were no outstanding interest rate swap contracts outstanding as at 30 June, 2007. However, the Group was party to the following interest rate swap contracts during the year:

a In respect of the 7% RNGU Bonds in Note 33(B), the Group had entered into an associated interest rate swap agreement with a financial institution to reduce the annual coupon rate of 7% per annum to an annual coupon rate of 0.725% per annum. The RNGU were redeemed on 11 January, 2007.

b In respect of certain term loans in Note 34(A), a subsidiary entered into interest rate swap agreements with financial institutions for a total notional principal amount of GBP10,800,000 (2006: GBP10,800,000). The contracts were extinguished on 15 June, 2007. Average floating interest rates ranged from 4.63% to 5.43% (2006: 4.48% to 4.76%) per annum receivable quarterly as compared to fixed interest rate of 5.95% (2006: 5.95%) per annum payable semi-annually as a result of the swap agreements.

	Group	
	Contract or notional principal amount RM'000	**Unfavourable RM'000**
Interest rate swaps		
- at 30 June, 2007	–	–
- at 30 June, 2006	72,740	(2,563)

46 SIGNIFICANT RELATED PARTY TRANSACTIONS

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**	**2007 RM'000**	**2006 RM'000**
Business & Budget Hotels (Kuantan) Sdn. Bhd.	Associated company	Progress billings on construction contracts	–	1,350
		Management & data processing fees	**1,026**	–
Commercial Central Sdn. Bhd.	Subsidiary of holding company	Rental of premises	**707**	1,243
Corporate Promotions Sdn. Bhd.	Subsidiary of holding company	Advertising & promotion	**4,183**	4,536

Entity	Relationship	Type of transactions	Group 2007 RM'000	Group 2006 RM'000
Express Rail Link Sdn. Bhd.	Associated company	Civil engineering & construction works	**14,782**	–
		Sale of computer equipment & services	**3,053**	2,793
		Charges for media rights by ERL	**1,250**	1,667
SMC Mix Sdn. Bhd.	Associated company	Sale of building materials	**2,107**	6,802
Superb Aggregates Sdn. Bhd.	Associated company	Puchase of building materials	**8,046**	5,962
Syarikat Pelanchongan Pangkor Laut Sdn. Bhd.	Subsidiary of holding company	Sale of services rendered	**1,574**	1,376
		Progress billings on construction contracts	–	2,200

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.

47 CONTINGENT LIABILITIES - UNSECURED

a The Company has given corporate guarantees amounting to RM377,289,000 (2006: RM328,653,000) to financial institutions for facilities granted to its subsidiaries as follows:

	Total Amount Guaranteed 2007 RM'000	Total Amount Guaranteed 2006 RM'000
Block discounting/hire purchase facility	**17,000**	22,940
Bank overdrafts	**20,200**	20,200
Letters of credit/trust receipts/bankers' acceptances/shipping guarantees	**154,300**	184,300
Revolving loans/advances	**113,989**	59,413
Bankers guarantees:		
Advance payment bonds/performance bonds, pre-bid bonds and other related guarantees	**71,800**	41,800
	377,289	328,653

	Amount Utilised 2007 RM'000	Amount Utilised 2006 RM'000
Block discounting/hire purchase facility	**2,380**	3,470
Bank overdrafts	**3,182**	171
Letters of credit/trust receipts/bankers' acceptances/shipping guarantees	**26,686**	50,302
Revolving loans/advances	**87,763**	28,870
Advance payment bonds/performance bonds, pre-bid bonds and other related guarantees	**64,019**	32,577
	184,030	115,390

b YTL Power International Berhad, a quoted subsidiary has provided performance guarantees on behalf of its subsidiary in respect of tendering for contracts. The maximum liability as at 30 June, 2007 amounted to RM8,427,512 (2006: RM7,981,771).

c 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 RM40,279,470 (2006: RM42,850,500) in PT Jawa Power, an associate of the Group.

48 COMMITMENTS

	Group	
	2007	**2006**
	RM'000	**RM'000**
Capital commitments:		
Property, plant & equipment		
- Contracted but not provided for in the financial statements	**1,145,465**	741,930
- Authorised but not contracted for in the financial statements	**497,485**	565,501
Investments		
- Contracted but not provided for in the financial statements #	**100,000**	100,000
Lease rental on sublease of land		
Not later than 1 year	**1,473**	1,220
Later than 1 year and not later than 5 years	**3,094**	4,568
Later than 5 years	**19,470**	19,470
	24,037	25,258

Included in the commitments is an amount of RM100 million (2006: RM100 million) relating to a put option granted by a subsidiary, YTL Land & Development Berhad ("YTL L&D"), to Keretapi Tanah Melayu Berhad ("KTMB") for the purchase of KTMB's 30% equity interest in Sentul Raya Sdn. Bhd.("SRSB"), a subsidiary of YTL L&D at a consideration of RM100 million to be satisfied by the issue of new ordinary shares of RM0.50 each at RM1.95 each by YTL L&D. The put option is exercisable by KTMB within three (3) months after the date of approval by shareholders of YTL L&D in the general meeting adopting SRSB's audited financial statements for the financial year ended 30 June,2007.

49 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

Notes to the Financial Statements

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
30 June, 2007								
Revenue	159,135	21,903	130,638	1,186,865	433,416	278,810	3,804,542	6,015,309
Results								
Profit from operations (external)	35,702	6,300	8,758	301,995	156,555	98,447	1,659,616	2,267,373
Finance costs								(867,594)
Share of results of associated companies	–	–	3,452	(85)	(31,974)	–	184,572	155,965
Profit from ordinary activities before tax								1,555,744
Tax								(121,423)
Profit from ordinary activities after tax								1,434,321
At 30 June, 2007								
Other information								
Segment assets	482,323	187,865	208,644	2,541,252	6,535,601	2,858,483	17,977,658	30,791,826
Associated companies	–	–	62,609	39,197	363,891	–	863,129	1,328,826
Unallocated assets								1,791,868
Total assets								33,912,520
Segment liabilities	(84,968)	(6,420)	(39,978)	(212,959)	(60,739)	(63,290)	(891,317)	(1,359,671)
Unallocated liabilities								(21,666,391)
Total liabilities								(23,026,062)
Capital expenditure	342,050	1,273	13,900	12,663	7,129	129,196	1,097,534	1,603,745
Depreciation & amortisation	3,352	1,258	4,180	95,858	6,826	1,968	588,363	701,805

	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
30 June, 2006 (Restated)								
Revenue	273,667	26,535	115,816	1,077,957	314,487	158,552	3,529,359	5,496,373
Results								
Profit from operations (external)	17,703	8,932	11,117	221,425	199,631	75,595	1,528,967	2,063,370
Finance costs								(783,165)
Share of results of associated companies	–	–	2,687	471	20,935	–	165,656	189,749
Profit from ordinary activities before tax								1,469,954
Tax								(279,526)
Profit from ordinary activities after tax								1,190,428
At 30 June, 2006 (Restated)								
Other information								
Segment assets	489,431	174,920	245,016	2,537,178	5,032,440	2,542,173	17,151,138	28,172,296
Associated companies	–	–	54,339	21,920	396,910	–	816,182	1,289,351
Unallocated assets								909,175
Total assets								30,370,822
Segment liabilities	(71,048)	(5,129)	(35,448)	(226,509)	(1,245,615)	(135,762)	(246,721)	(1,966,232)
Unallocated liabilities								(18,175,402)
Total liabilities								(20,141,634)
Capital expenditure	2,028	1,296	10,153	46,257	19,177	79,236	651,998	810,145
Depreciation & amortisation	3,834	1,698	3,538	95,562	4,814	3,406	531,920	644,772

b Secondary reporting format - geographical segments

Although the Group's business segments are managed on a worldwide basis, they operate in two 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

	Revenue 2007 RM'000	Revenue 2006 RM'000	Total assets 2007 RM'000	Total assets 2006 (Restated) RM'000	Capital expenditure 2007 RM'000	Capital expenditure 2006 RM'000
Malaysia	**3,116,400**	2,930,970	**12,545,074**	11,748,807	**227,738**	154,496
United Kingdom	**2,715,170**	2,373,496	**15,826,603**	13,377,718	**1,037,698**	651,998
Other countries	**183,739**	191,907	**5,540,843**	5,244,297	**338,309**	3,651
	6,015,309	5,496,373	**33,912,520**	30,370,822	**1,603,745**	810,145

50 PRIOR YEARS ADJUSTMENTS

The following comparative amounts have been restated as a result of adopting the new and revised FRS.

The effects of these changes on the Group's financial statements are as follows:

i Income Statement for the year ended 30 June, 2006

	As previously reported RM'000	Adjustment FRS 101 RM'000	Adjustment FRS 116 RM'000	Adjustment FRS 140 RM'000	As restated RM'000
Revenue	5,496,373	–	–	–	5,496,373
Cost of sales	(3,084,510)	–	–	11	(3,084,499)
Other operating income	853,120	(646,019)	–	–	207,101
Selling & distribution costs	(46,990)	–	–	–	(46,990)
Administration expenses	(404,447)	–	(1,148)	41	(405,554)
Other operating expenses	(103,061)	–	–	–	(103,061)
Finance costs	(783,165)	–	–	–	(783,165)
Share of profits of associated companies	283,473	(93,459)	(265)	–	189,749
Profit before taxation	2,210,793				1,469,954
Taxation	(364,080)	84,554	–	–	(279,526)
Profit for the year	1,846,713				1,190,428

	As previously reported RM'000	Adjustment FRS 101 RM'000	FRS 116 RM'000	FRS 140 RM'000	As restated RM'000
Attributable to:					
Equity holders of the company	1,368,917	(670,075)	(885)	52	698,009
Minority interests	477,796	15,151	(528)	–	492,419
Profit for the year	1,846,713				1,190,428
Earnings per share					
Basic	96.87 sen				49.39 sen
Diluted	90.26 sen				46.03 sen

Group

ii Balance sheet as at 30 June, 2006

	As previously reported RM'000	Adjustment FRS 3 RM'000	FRS 101 RM'000	FRS 116 RM'000	FRS 140 RM'000	As restated RM'000
Property, plant & equipment	16,321,373	–	–	(14,939)	(5,928)	16,300,506
Investment properties	208,565	1,150,000	–	–	5,380	1,363,945
Investment in associated companies	1,300,133	(8,905)	–	(1,877)	–	1,289,351
Quoted investments	626,164	(609,245)	–	–	–	16,919
Goodwill on consolidation	837,515	10,644	–	–	–	848,159
Trade receivables	1,308,759	1,740	–	–	–	1,310,499
Other receivables, deposits & prepayments	890,716	237	–	–	–	890,953
Fixed deposits	6,027,167	97,917	–	–	–	6,125,084
Cash & bank balances	70,029	75	–	–	–	70,104
Other assets	2,155,302	–	–	–	–	2,155,302
Total assets	29,745,723					30,370,822
Share capital	782,355	–	–	–	–	782,355
Share premium	389,756	–	–	–	–	389,756
Other reserves	231,791	646,018	–	–	–	877,809
Unappropriated profits						
- brought forward (1.7.2005)	4,812,620	–	–	(9,424)	(465)	4,802,731
- current year	1,301,205	(670,439)	363	(886)	53	630,296
Treasury shares, at cost	(668,269)	–	–	–	–	(668,269)
Minority interests	2,945,802	475,577	(363)	(6,506)	–	3,414,510

	As previously reported RM'000	Adjustment FRS 3 RM'000	FRS 101 RM'000	FRS 116 RM'000	FRS 140 RM'000	As restated RM'000
Total equity	9,795,260					10,229,188
Long term borrowings	3,577,591	180,000	–	–	–	3,757,591
Long term payables	85,349	–	18,709	–	–	104,058
Deferred taxation	2,450,332	–	–	–	(136)	2,450,196
Other payables & accruals	1,013,229	11,307	(18,709)	–	–	1,005,827
Other liabilities	12,823,962	–	–	–	–	12,823,962
Total equity & liabilities	29,745,723					30,370,822
Net assets per 50 sen share (sen)	476.39					473.97

Company	As previously reported RM'000	Adjustment FRS 3 RM'000	As restated RM'000
Balance Sheet			
Investment in subsidiaries	2,823,522	564,830	3,388,352
Quoted investments	566,539	(564,830)	1,709

51 COMPARATIVE INFORMATION

Certain comparative figures of the Group have been reclassified to conform with current financial year's presentation as follows:

Group	As previously reported RM'000	Prior years adjustment (Note 50) RM'000	Reclassification RM'000	As re-presented RM'000
i Income Statement				
Cost of sales	(3,084,510)	11	128,081	(2,956,418)
Selling & distribution costs	(46,990)	–	(139,031)	(186,021)
Other operating expenses	(103,061)	–	10,950	(92,111)
ii Balance Sheet				
Fixed deposits				
- Non-current assets	–	–	687,753	687,753
- Current assets	6,027,167	97,917	(687,753)	5,437,331
Trade receivables	1,308,759	1,740	156,042	1,466,541
Other receivables, deposits & prepayments	890,716	237	(156,042)	734,911
Other payables & accruals	1,013,229	(7,402)	161	1,005,988
Property maintenance funds	153	–	(153)	–
Employees' share option	8	–	(8)	–

52 SIGNIFICANT EVENTS DURING THE YEAR

i The proposal announced by the Company on 24 August, 2006 to undertake a Renounceable Restricted Offer for Sale ("ROS") of ordinary shares of RM0.50 each in YTL Power International Berhad ("YTL Power Shares") on the basis of one (1) YTL Power Share for every ten (10) ordinary shares of RM0.50 each in the Company, at an offer price of RM1.00 per YTL Power Share, held on 11 December, 2006 was completed on 26 January, 2007 with the crediting of 149,181,997 YTL Power Shares into the respective CDS accounts of the entitled shareholders.

ii On 15 May, 2007, following the receipt of all required regulatory approvals, YTL Corp Finance (Labuan) Limited, a wholly-owned subsidiary of the Company, issued USD300 million nominal value 5-year guaranteed exchangeable bonds ("Bonds") which are exchangeable into such number of new ordinary shares of RM0.50 each in the Company. The Bonds were listed on the Labuan International Financial Exchange Inc. and Singapore Exchange Securities Trading Limited on 16 May, 2007.

iii On 16 May, 2007, YTL Land Sdn. Bhd. ("YTL Land"), a wholly-owned subsidiary of YTL Corp, completed the disposal to Mayban Trustees Berhad on behalf of Starhill Real Estate Investment Trust ("Starhill REIT") of sixty (60) serviced apartment units located on the fifth (5th) floor to the nineteenth (19th) floor of the block of serviced apartments, four (4) levels of commercial podium located from the ground floor to third (3rd) floor together with one (1) level of deck on the fourth (4th) floor and basement car park levels 2 and 3 of a three (3) storey basement car park (collectively "Property"), all within the building which is known as "The Residences at The Ritz-Carlton, Kuala Lumpur" located on the land held under Geran No. 47693 Lot No. 1308 Seksyen 67, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan ("Land") for a total consideration of RM125,000,000, satisfied by the issuance of 138,888,889 new units in Starhill REIT at an issue price of RM0.90 per unit. The 138,888,889 consideration units were listed and quoted on the Bursa Securities Malaysia Berhad on 16 May, 2007.

53 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements 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 Impairment test on 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 value-in-use calculations. These calculations of fair value less costs to sell calculations require the use of estimates as set out in Note 21 to the financial statements.

b Estimated useful lives of property, plant and equipment

The residual value and the useful life of the assets 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.

c Classification of investment properties

The Group has developed certain criteria based on FRS 140 in making judgement 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 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 judgement 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 judgement, the Group evaluates based on past experience and by relying on the work of specialists.

e 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.

f Taxation

i Income taxes

The Group is subject to income tax in numerous jurisdictions. Judgement 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 asset is recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. This involves judgement regarding future financial performance of a particular entity in which the deferred tax asset has been recognised.

g 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 assumption of the valuation model used to determine fair value is set out in Note 30.

h 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 47 of the financial statements for details.

54 EFFECTS ON FINANCIAL STATEMENTS ON ADOPTION OF NEW OR REVISED FRSs AND IC INTERPRETATIONS

The adoption of FRS 5, 102, 110, 121, 127, 132, 133 and 138 and IC Interpretations do not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the new/revised FRSs are as discussed below:

a FRS 2 Share-based Payment

This FRS requires the entity to recognise share-based payment transactions in its financial statements, including transactions with employees or other parties to be settled in cash, other assets, or equity instruments of the entity or entity's parent or another entity in the same Group as the entity.

The Group operates share-based compensation plan for eligible employees, its subsidiaries and certain of its associates, namely Employees' Share Option Scheme ("ESOS") in relation to the shares of the Company, YTL Cement Berhad and YTL Power International Berhad.

Prior to 1 January, 2006, no compensation expense was recognised in profit or loss for share options granted. The Group and the Company recognised an increase in share capital and share premium when the options were exercised. With the adoption of FRS 2, the compensation expense relating to share options is recognised in profit or loss over the vesting period of the grants with a corresponding increase in equity.

The Group has applied the provisions of FRS 2 to all equity instruments granted after 31 December, 2004 but not yet vested as at 1 July, 2006, the effective date the Group adopted this FRS.The financial impact to the Group arising from the retrospective application of FRS 2 is not material and hence, no restatement of retained earnings is performed.

For the current year under review, the application of FRS 2 has resulted in a charge of approximately RM18.300 million and RM10.401 million to the Group's and Company's Income Statements respectively arising from the ESOS granted by the Group and the Company.

b FRS 3 Business Combinations

Excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost of acquisitions (previously known as "negative goodwill").

Prior to 1 July, 2006, negative goodwill was recognised as reserve on consolidation.

In accordance with the transitional provisions of FRS 3, the negative goodwill as at 1 January, 2006 was derecognised with a corresponding adjustment to retained earnings. There is no effect on prior year consolidated financial statements. This change in accounting policy has been accounted for prospectively for business combinations where the agreement date is on or after 1 July, 2006.

Under FRS 3, in respect of business combinations with agreement dates on/after 1 July, 2006, where the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of acquisitions, the Group shall recognise the excess immediately in profit or loss.

Subsequent accounting for goodwill

Until 30 June, 2006, Goodwill is retained in the consolidated Balance Sheet at cost and an impairment loss was recognised when the directors were of the opinion that there was a permanent diminution in its value.

Under FRS 3, the acquirer shall measure the goodwill after initial recognition at cost less any accumulated impairment losses. Goodwill acquired in a business combination shall not be amortised. Instead, the acquirer shall test it for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, in accordance with FRS 136: Impairment of Assets.

Acounting for acquisitions prior to 1 July, 2006

FRS 122_{2004} (that had been superseded by FRS 3) did not require the recognition of contingent liabilities assumed in a business combination but this is required in FRS 3. In addition, FRS 122_{2004} allowed the recognition of liabilities for terminating or reducing the activities of the acquiree if certain conditions were met but FRS 3 allows these liabilities to be recognised only if the acquiree, at the acquisition date, had an existing obligation in accordance with FRS 137: Provisions, Contingent Liabilities and Contingent Assets.

c FRS 5 Non-current Assets Held for Sale and Discontinued Operations

Previously, non-current assets (or disposal groups) held for sale were neither classified nor presented as current assets or liabilities. There were no differences in the measurement of non-current assets (or disposal groups) held for sale and those for continuing use. With the adoption of FRS 5, non-current assets (or disposal groups) are classified as current assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amounts are recovered principally through a sale transaction rather than through continuing use.

d FRS 101 Presentation of Financial Statements

Classification of assets and liabilities

FRS 101 requires more stringent requirements for the presentation of assets and liabilities on the balance sheet using the current/non-current presentation.

Cash & cash equivalents to be used to settle a liability 12 months or more after the balance sheet date are required to be classified as non-current assets.

Disclosure

FRS 101 required new disclosures of major judgements, apart from those involving estimations, in the process of applying the entity's accounting policies that have the most significant effects on the amounts recognised in the financial statements.

Also required are new disclosures of key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Others

The adoption of the revised FRS 101 has affected the presentation of the Income Statement, Balance Sheet and Statement of Changes in Equity.

In the Consolidated Balance Sheet, minority interests are now presented within total equity. In the consolidated Income Statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the Statement of Changes in Equity. FRS 101 also requires disclosure, on the face of the Statement of Changes in Equity, the total income and expenses for the period, showing separately the amounts attributable to the equity holders of the parent and to minority interest.

The current year's presentation of the Group's financial statements, based on the requirements of the revised FRS 101, required certain comparatives to be restated to conform with the current year's presentation.

e FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

Disclosure

FRS 108 now requires, rather than encourages, disclosure of an impending change in accounting policy when an entity has yet to implement a new Standard or Interpretation that has been issued but not yet come into effect. In addition, it requires disclosure of known or reasonably estimable information relevant to assessing the possible impact that application of the new Standard or Interpretation will have on the Group's financial statements in the period of initial application.

In addition, FRS 108 requires more detailed disclosure of the amounts of adjustments resulting from changing accounting policies or correcting prior period errors. It requires those disclosures to be made for each financial statements line item affected and, for basic and diluted earnings per share.

f FRS 116 Property, plant and equipment

Previously, in accordance with the requirements of FRS 116_{2004} (now superseded by FRS 116), residual values were estimated only at the date of acquisition and not subsequently adjusted for changes in price.

FRS 116 requires the re-measurement of the residual value of an item of property, plant and equipment at least at each financial year end.

g FRS 136 Impairment of Assets

Disclosure

FRS 136 requires disclosure of information for each cash-generating unit (group of units) in relation to the significant carrying amount of goodwill allocated to that unit (group of units). That information is concerned primarily with the key assumptions used to measure the recoverable amounts of such units (groups of units).

FRS 136 also requires specified information to be disclosed if some or all of the insignificant carrying amount of goodwill is allocated across multiple cash-generating units (groups of units). Further disclosures are required if, in such circumstances, the recoverable amounts of any of those units (groups of units) are based on the same key assumption(s) and the aggregate carrying amount of the significant goodwill.

FRS 136 requires disclosure of the amount of the unallocated goodwill together with the reasons why that amount remains unallocated.

h FRS 140 Investment Property

The definition of investment properties under FRS 140 has resulted in identification of additional assets of the Group that meet the definition of investment properties. These properties are now classified into a separate asset category on the balance sheet. Previously, investment properties were included in property, plant and equipment.

The adoption of this new FRS has resulted in a change in accounting policy for investment properties. Investment properties are now stated at fair value, representing open-market value determined on an annual basis by an independent professional valuer. Gains or losses arising from changes in the fair values of investment properties are recognised in profit/loss in the period in which they arise. Prior to 1 July, 2006, investment properties were included in the property, plant and equipment and stated at cost less allowance for any diminution in value other than temporary. Investment properties are not subject to depreciation.

In accordance with transitional provisions of FRS 140, this change in accounting policy is applied prospectively and comparatives as at 30 June, 2006 are not restated. Accordingly, the fair value increase in respect of investment properties at 1 July, 2006 for the Group has been accounted for by restating the opening balance of investment properties as at 1 July, 2006 with a corresponding increase in retained earnings.

Notes to the Financial Statements

55 THE NEW OR REVISED FINANCIAL REPORTING STANDARDS AND IC INTERPRETATIONS TO EXISTING STANDARDS

The new or revised Financial Reporting Standards and IC Interpretations to existing standards which have been published that are mandatory for accounting periods beginning on or after 1 October, 2006 or later periods, are as follows:

a Standards and IC Interpretations to existing standards that are not yet effective and have not been adopted early
b Standards and IC Interpretations to existing standards that are not yet effective and not relevant for the Group's operations

a Standards and IC Interpretations to existing standards that are not yet effective and have not been adopted early

i FRS 117 Leases (effective for accounting periods beginning on or after 1 October, 2006)

This standard requires the classification of leasehold land as prepaid lease payments. The Group will apply this standard from financial year beginning 1 July, 2007.

ii FRS 124 Related Party Disclosures (effective for accounting periods beginning on or after 1 October, 2006)

This standard will affect the identification of related parties and some other related party disclosures. The Group will apply this standard from financial year beginning 1 July, 2007.

iii FRS 139 Financial Instruments : Recognition and Measurement (effective date yet to be determined by Malaysian Accounting Standards Board)

This new standard establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Hedge accounting is permitted only under strict circumstances. The Group will apply this standard when effective.

iv FRS 112 Income Taxes (effective for accounting periods beginning on or after 1 July, 2007)

This standard requires the recognition of deferred tax assets on reinvestment allowance. The Group will apply this standard from financial year beginning 1 July, 2007.

v FRS 107 Cash Flow Statements (effective for accounting periods beginning on or after 1 July, 2007)
FRS 118 Revenue (effective for accounting periods beginning on or after 1 July, 2007)
FRS 134 Interim Financial Reporting (effective for accounting periods beginning on or after 1 July, 2007)
FRS 137 Provisions, Contingent Liabilities and Contingent Assets (effective for accounting periods beginning on or after 1 July, 2007)

Implementation of above the FRSs are not expected to significantly affect the financial statements for the year ending 30 June, 2008.

vi FRS 119 Employee Benefits
FRS 126 Accounting and Reporting by Retirement Benefits Plans
FRS 129 Financial Reporting in Hyperinflationary Economies

The following three FRSs, which have the same effective dates as their original standards, are renamed as:

- FRS 119 Employee Benefits (which supersedes FRS 119_{2004} Employee Benefits and Amendment to FRS 119_{2004} Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures)
- FRS 126 Accounting and Reporting by Retirement Benefits Plans (which supersedes FRS 126_{2004} Accounting and Reporting by Retirement Benefits Plans)
- FRS 129 Financial Reporting in Hyperinflationary Economies (which supersedes FRS 129_{2004} Financial Reporting in Hyperinflationary Economies)

vii Amendment to FRS 121 The Effect of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation (effective for accounting periods beginning on or after 1 July, 2007)

viii FRS 111 Construction Contracts (effective for accounting periods beginning on or after 1 July, 2007)

ix FRS 120 Accounting for Government Grants and Disclosure of Government Assistance (effective for accounting periods beginning on or after 1 July, 2007)

b Standards that are not yet effective and not relevant for the Group's and the Company's operations

FRS 6 Exploration for and Evaluation of Mineral Resources (effective for accounting periods beginning on or after 1 January, 2007)

56 SUBSEQUENT EVENTS

a On 3 July, 2007, a subsidiary of YTL e-Solutions Berhad ("YTLE"), Titan Awards Sdn. Bhd., changed its name to Y-Max Solutions Holdings Sdn. Bhd. ("YSHSB"). On 6 August, 2007, YTLE announced that YSHSB entered into a Subscription cum Shareholders' Agreement with Webtransact Sdn Bhd ("WSB") and Airzed Broadband Sdn Bhd ("AZB") to set out the terms and conditions of YSHSB's subscription of 1,400,000 ordinary shares of par value RM1.00 each and 5,600,000 Redeemable Convertible Preference Shares of par value RM0.10 each in AZB ("Proposed Subscription"), and WSB and YSHSB's relationship with each other as shareholders inter se of AZB and certain aspects of the affairs of AZB. Upon completion of the Proposed Subscription, AZB will become a 70% owned subsidiary of YSHSB and an indirect subsidiary of the Company. The Proposed Subscription is pending approval of relevant authorities.

AZB was incorporated on 19 November, 2002 and is a licensed service provider currently principally engaged in the business of providing broadband internet access utilising the 2.5GHz and 3.5GHz spectrums and other value added services.

b On 23 August, 2007, the Company announced that it proposes to undertake a Renounceable Restricted Offer for Sale ("ROS 2") of ordinary shares of RM0.50 each in YTL Power International Berhad ("YTL Power Shares") on the basis of one (1) YTL Power Share for every fifteen (15) ordinary shares of RM0.50 each in the Company, at an offer price of RM1.00 per YTL Power Shares, held by the shareholders of the Company at a date to be determined by the Board of Directors of the Company and to be announced later.

On 12 October, 2007, the Company announced that the Securities Commission ("SC") has in its letter dated 11 October, 2007 approved the ROS 2 subject to the condition that the Company shall fully comply with the relevant requirements of the Policies and Guidelines on Issue/Offer of Securities issued by the SC relating to the implementation of the ROS 2.

c On 28 August, 2007, YTL Cement Berhad ("YTL Cement") announced that its wholly-owned subsidiary, YTL Cement (Hong Kong) Limited, has entered into a transfer of equity interests contract ("Contract") with the various parties set out therein for the purchase of the entire equity interests in Zhejiang Lin'an Jin Yuan Cement Co. Ltd., a company incorporated in the People's Republic of China ("PRC"), for a total cash consideration of Renminbi (RMB) 150,000,000 or its foreign currency equivalent, subject to downward adjustments (if any) in accordance with the terms and conditions of the Contract. The aforesaid acquisition is subject to the approval of the relevant authorities in the PRC.

d On 29 August, 2007, YTL Cement announced its proposal to issue via a wholly-owned subsidiary to be incorporated in the Federal Territory of Labuan up to USD200 million nominal value five (5) year guaranteed Exchangeable Bonds ("Exchangeable Bonds") which are exchangeable into new ordinary shares of RM0.50 each in YTL Cement ("the proposed Exchangeable Bonds Issue").

On 8 October, 2007, YTL Cement announced that the SC and its Equity Compliance Unit of the Mergers and Acquisitions Division have approved vide the SC's letter dated 4 October, 2007 the proposed Exchangeable Bonds Issue subject to, inter alia, the condition that YTL Cement is required to increase its Bumiputera equity by 3.06% of the new enlarged issued and paid-up share capital of YTL Cement within 2 years after the date of implementation of the proposed Exchangeable Bonds Issue. Following this, an announcement was made on 12 October, 2007 that Bank Negara Malaysia has given its approval-in-principal for the proposed Exchangeable Bonds Issue.

e On 12 October, 2007, the Company announced that Batu Tiga Quarry Sdn. Bhd. ("BTQ"), a wholly-owned subsidiary of YTL Industries Berhad which in turn is a wholly-owned subsidiary of the Company, has entered into the following agreements:

- Share Sale Agreements with Kenneison Quarries Sdn. Bhd. ("KQSB") for the acquisition of 2,000,000 ordinary shares of RM1.00 each representing 100% of the issued and paid-up share capital of Kenneison Construction Materials Sdn. Bhd. ("KCM"), and 1,201,000 ordinary shares of RM1.00 each representing 100% of the issued and paid-up share capital of Kenneison Northern Quarry Sdn. Bhd. ("KNQ") for RM17,000,000 and RM500,000 respectively in cash ("Proposed Acquisitions").

- A Sale and Purchase Agreement with KQSB for the purchase of quarry equipment and other assets for a total consideration of RM6.5 million.

- A Quarry Agreement ("QA") with Kenneison Brothers Sdn. Bhd. ("KBSB") for the rights to carry out quarry operations on all that parcels of leasehold land measuring 625 acres held under Lot 6668, Pajakan Negeri 7957 and Lot 6669, Pajakan 7958, both in Mukim and District of Ulu Langat, State of Selangor Darul Ehsan ("the Quarry Lands") for a period of twelve (12) years with a minimum annual guaranteed payment of RM3.0 million commencing the calendar year 2008 and the proposed lease by KBSB of all immovable property or assets on the Quarry Lands for the duration of the term for a nominal consideration of RM10.00.

  Upon completion of the Proposed Acquisitions, KCM and KNQ will become wholly-owned subsidiaries of BTQ and indirect subsidiaries of the Company.

57 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 25 October 2007

Form of Proxy

SINCE 1955

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 24th 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 Friday, 7 December 2007 at 3.30 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 Final Dividend		
3	Re-election of Dato' Yeoh Seok Kian		
4	Re-election of Dato' Mark Yeoh Seok Kah		
5	Re-election of Dato' Chong Keap Thai @ Cheong Keap Tai		
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 (B) Dato' Haron Bin Mohd Taib		
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 Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
15	Proposed Amendments to the Articles of Association		

Dated this day of 2007

Signature of shareholder

No. of shares held

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 30 November 2007. Only a depositor whose name appears on the General Meeting Record of Depositors as at 30 November 2007 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.

| Affix Stamp Here |

The Company Secretary

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fold here

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