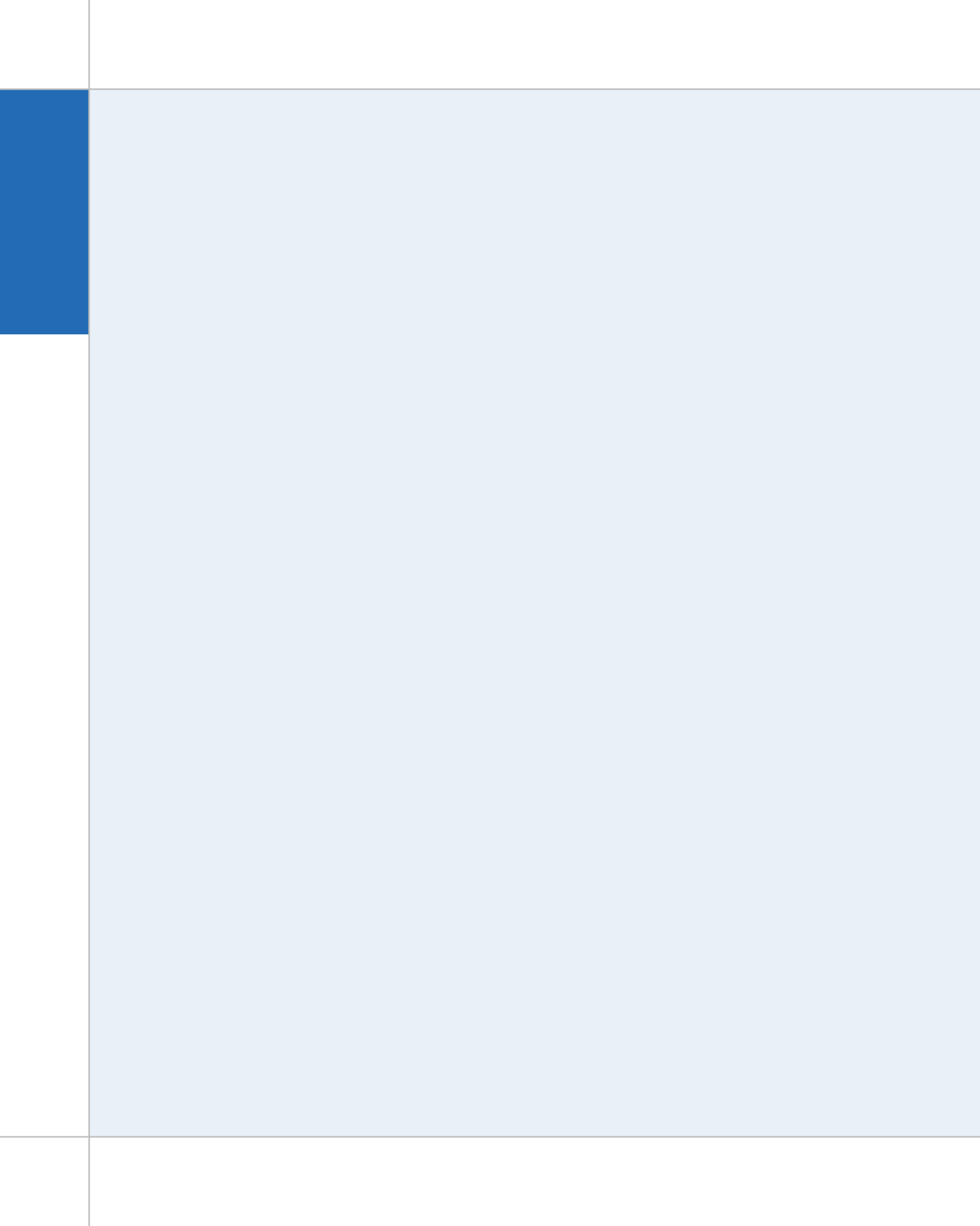




YTL
CORPORATION
BERHAD 92647-H

the journey continues...

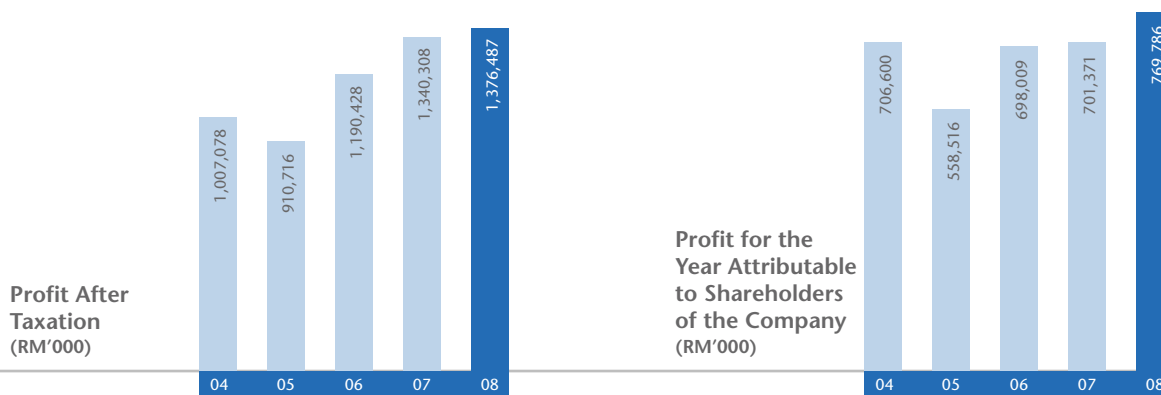
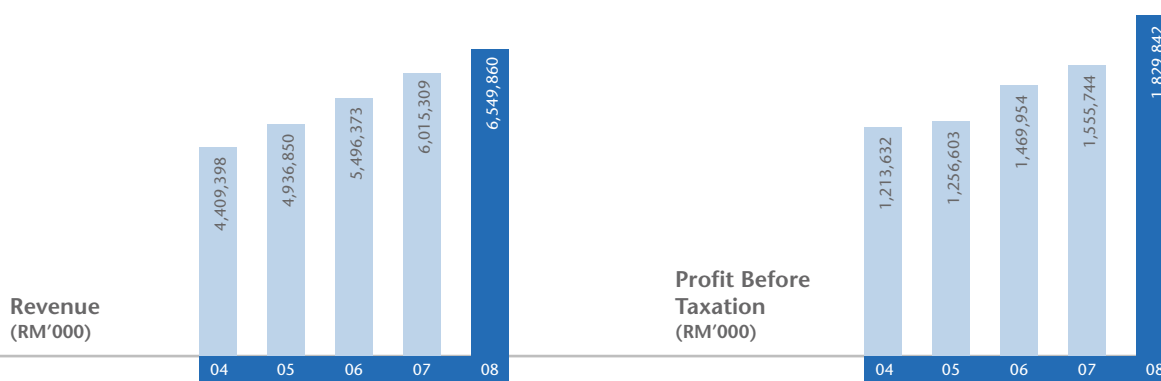
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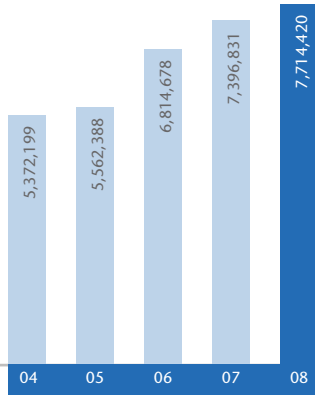
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Financial Highlights

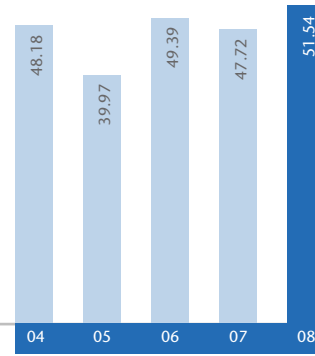
	2008	2007	2006	2005	2004
Revenue (RM'000)	6,549,860	6,015,309	5,496,373	4,936,850	4,409,398
Profit Before Taxation (RM'000)	1,829,842	1,555,744	1,469,954	1,256,603	1,213,632
Profit After Taxation (RM'000)	1,376,487	1,340,308	1,190,428	910,716	1,007,078
Profit for the Year Attributable to Shareholders of the Company (RM'000)	769,786	701,371	698,009	558,516	706,600
Shareholders' Funds (RM'000)	7,714,420	7,396,831	6,814,678	5,562,388	5,372,199
Earnings per Share (Sen)	51.54	47.72	49.39	39.97	48.18
Dividend per Share (Sen)	25	25	7.5	7.5	7.5
Total Assets (RM'000)	38,458,561	33,912,520	30,370,822	28,980,646	26,543,055
Net Assets per Share (RM)	5.16	4.91	4.74	3.91	3.82



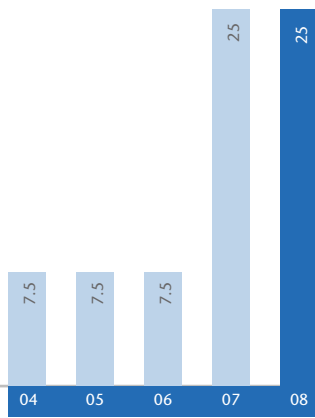
Shareholders' Funds (RM'000)



Earnings per Share (Sen)



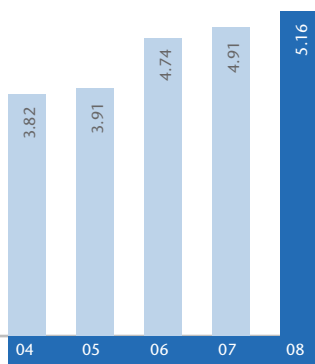
Dividend per Share (Sen)



Total Assets (RM'000)



Net Assets per Share (RM)



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 2008.



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

OVERVIEW

Strong performances from the Group's utilities and cement businesses ensured another year of solid results, with the Group's overseas operations in countries including the United Kingdom ("UK"), China, Australia and Indonesia, continuing to contribute the bulk of revenue. The strength of the year's performance has, in turn, enabled YTL Corp to sustain its dividend distribution levels, and the Group expects to be able to continue to reward long-term shareholders with dividends for future years.

The Malaysian economy remained relatively resilient during the year under review. Real gross domestic product (GDP) grew by 6.3% for the 2007 calendar year, but is projected to moderate to 5.7% by the end of 2008 as increased external uncertainties have had a dampening effect on domestic growth. Global GDP grew by 5.0% for the 2007 calendar year, driven primarily by emerging and developing economies, but growth is projected to slow to 4.1% by the end of 2008 as rising inflation and fluctuations in the prices of commodities and oil continue to take their toll (source: Economic Report 2008/2009).

Utilities

The Group's utilities division achieved another year of robust financial performance, with its diversified income streams providing a strong buffer against economic turbulence. Underpinned by a business model which is centred on the ownership and management of regulated utilities operating under long-term concessions, the Group has continued to perform well even in times of global economic uncertainty. These businesses encompass power generation in Malaysia and Indonesia, power transmission in Australia, the provision of water and sewerage services in the UK, and plant operations and maintenance.

Foreign utility operations remain the most significant contributors to the Group's earnings. The utility-driven nature of these businesses, coupled with geographic and economic diversification into well-developed markets, continues to safeguard the Group against the more severe shifts in economic sentiment.

Cement Manufacturing

The Group's strategy of organic and acquisition-driven growth in its cement operations, coupled with increasing improvements in plant and logistical efficiencies, continues to ensure strong and sustainable financial performance. As with other energy-intensive industries, the local cement sector continues to experience escalating operational costs such as the unprecedented increase in coal prices, as well as rising prices of petroleum and electricity. Nevertheless, the need to mitigate these challenges has been at the forefront of the Group's operating strategy, ensuring that all divisions have continued to pursue ever-increasing operational and logistical efficiencies, including the utilisation of alternative fuels and energy sources to redress these costs.

The Government's liberalisation of the prices of cement and other building materials in June 2008 has enabled the industry to price its products in a more customer-oriented and market-driven manner. This is a much-needed development for the industry, which has come under increasing pressure in recent years from higher costs of raw materials, packaging and transportation, all of which have resulted in steeper production costs. The liberalised market is expected to benefit those cement manufacturers with the ability to offer customers the most advantageous terms and the highest quality products, and the Group is well-positioned in its ability to cater to the requirements of its customer base.

In November 2007, the Group completed the acquisition of 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 in the People's Republic of China, and has begun to see positive gains from this investment. The cement division's focus on regional development has enabled it to successfully diversify its operations and markets, and the Group's investments in China and other parts of Southeast Asia are well in line with this policy.

Construction Contracting

The construction industry remained steady and is estimated to grow at 4.0% by the end of the 2008 calendar year, compared to 4.6% in 2007 (source: Economic Report 2008/2009). The Group's construction division continued to perform steadily throughout the year under review, completing construction on several phases of residential housing projects, and continuing work on the Electrified Double Track Railway Project between Sentul and Batu Caves for Malaysia's Ministry of Transport.

Infrastructure

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



Property Development

The property division's performance for the year under review remained satisfactory, as it adhered to its proven approach of utilising strong market research to determine launch strategy for new phases. Although the domestic residential property sector continues to face an overhang in residential units, with inflationary pressures and concerns over interest rates continuing to impact purchasing sentiment, demand for the Group's higher-end, well-located and well-designed properties remains buoyant as buyers continue to be attracted not only to the innovative design features of the Group's homes but also to the sound potential for capital appreciation that these properties have demonstrated.

During the year under review, the Group's Sentul West and Sentul East Master Plan won the prestigious FIABCI Malaysia Prix d'Excellence Property Award 2007 for Best Master Plan which, since 2002, has uplifted the former railway town of Sentul to rival the city's established business and residential addresses. Meanwhile, The Kuala Lumpur Performing Arts Centre (KLPAc), which is located at Sentul Park and is the premiere centre for the development of the performing arts in Malaysia, won the FIABCI Malaysia 2007 Special Award for National Contribution.

Phases completed during the year under review included The Saffron at Sentul East, which was completed and handed over to purchasers 12 months ahead of schedule in May 2008.

The raft of investor-friendly measures introduced by the Government over the last 2 years has proven successful in attracting foreign buyers to the Malaysian property market. The Group, which holds a Malaysia: My Second Home ("MM2H") licence, continues to assist foreign homeowners with their applications to the Ministry of Tourism's MM2H centre. This added level of service has been well-received by potential buyers, particularly as Sentul continues to attract 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

The extension of the Ministry of Tourism's Visit Malaysia Year 2007 initiative to August 2008 continued to provide a boost to tourist arrivals (source: Economic Report 2008/2009) and, concurrently, to hotel occupancy rates, and the Group's hotels and resorts registered healthy occupancy levels during the year under review.

YTL Corp's focus on developing hotels and resorts to a standard that rivals the world's best continues to prove successful and the hotel division won a number of significant awards during the year including the UK's Condé Nast Traveller Annual Readers' Spa Awards for Tanjong Jara Resort and two awards at the 2007 AsiaSpa Awards in Hong Kong for its Spa Villages.

The Group launched its newest hotel property during the year under review. The Majestic Malacca is the first YTL Classic Hotel and also houses Spa Village Malacca. The Group's award-winning Spa Village concept can now be found at Pangkor Laut, Tanjong Jara, Kuala Lumpur, Bali, Cameron Highlands and Malacca.

Information Technology (IT) Initiatives

In the IT sector, the Government reiterated its commitment to developing a knowledge-based economy, through targets such as the achievement of broadband coverage encompassing 50% of households by 2010, in the mid-term review of the Ninth Malaysia Plan in June this year, and this continues to present the Group with good development opportunities, as the bulk of its IT activities are concentrated in this area.



The roll-out of the Group's Worldwide Interoperability for Microwave Access ("WiMax") services got underway in August 2008. Y-Max Networks Sdn Bhd ("Y-Max Networks"), a Group subsidiary, announced a WiMAX enterprise connectivity service to selected businesses in the Bukit Bintang area of Kuala Lumpur, an introductory service focused on providing high speed enterprise data and wireless internet broadband access to a selected number of corporate customers. Y-Max Networks also announced a strategic alliance with Sprint-Nextel Corp ("Sprint") of the USA for the deployment of WiMAX infrastructure and services in Malaysia. A leader in the development and deployment of the next generation of broadband technology, Sprint will play a major role in the Group's establishment of a WiMAX ecosystem in Malaysia, providing strategic technical and business development support.

FINANCIAL PERFORMANCE

The Group achieved an 8.9% growth in revenue to RM6,549.9 million for the financial year ended 30 June 2008, compared to RM6,015.3 million for the previous financial year ended 30 June 2007, whilst profit before tax grew to RM1,829.8 million for the 2008 financial year, a 17.6% increase over RM1,555.7 million for the last financial year.

The improvements in the Group's revenue and profit for the financial year ended 30 June 2008 were principally due to better performance recorded by the Group's overseas operations in its utilities division, as well as improved operational efficiencies and selling prices in the cement division.

The Group's foreign operations continue to be large earnings contributors, with overseas operations accounting for approximately 49.3% of the Group's revenue and 63.2% of total assets for the 2008 financial year, compared to 48.2% and 63.0%, respectively, for the previous financial year.

DIVIDENDS

YTL Corp maintained returns to shareholders during the financial 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 15 ordinary shares of RM0.50 each held in YTL Corp at an offer price of RM1.00 per YTL Power share, which was completed on 18 January 2008.

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 financial year ended 30 June 2008. This dividend is recommended in concurrence with the Group's policy of creating value for shareholders through a sustainable dividend policy. This is the 24th consecutive year that YTL Corp has declared dividends to shareholders since listing on the Main Board of Bursa Securities in 1985.

SIGNIFICANT CORPORATE DEVELOPMENTS

- On 12 October 2007, the Company announced that Batu Tiga Quarry Sdn Bhd ("BTQ"), a wholly-owned subsidiary of YTL Corp's wholly-owned subsidiary, YTL Industries Berhad, had entered into share sale agreements with Kenneison Quarries Sdn Bhd ("KQSB") to acquire a 100% interest in each of Kenneison Construction Materials Sdn Bhd and Kenneison Northern Quarry Sdn Bhd for a cash consideration of RM17.0 million and RM0.5 million, respectively.



The company also entered into a sale and purchase agreement with KQSB for the purchase of quarry equipment and other assets for a total consideration of RM6.5 million and a quarry agreement with Kenneison Brothers Sdn Bhd ("KBSB") for the rights to carry out quarry operations on certain parcels of land for a 12-year period with a minimum guaranteed annual payment of RM3.0 million per annum and the proposed lease by KBSB of all immovable property or assets on the said lands for the duration of the term at a nominal consideration of RM10.00. These transactions were completed on 31 October 2007.

- On 12 October 2007, YTL Hotels BV, a wholly-owned subsidiary of YTL Hotels & Properties Sdn Bhd, which is a wholly-owned subsidiary of YTL Corp, acquired 35 million shares representing a 50% equity interest in Samui Hotel 2 Co Ltd in Thailand.
- On 16 November 2007, YTL Power announced the proposed issue of RM2.2 billion 3% 5-year redeemable bonds ("2008/2013 Bonds") with detachable warrants ("Warrants") to be issued on the basis on 1 new Warrant for every 3 YTL Power shares held. The Bonds were issued on 18 April 2008, whilst the offer for sale of the Warrants was completed with the listing of the 1,776,371,304 Warrants of YTL Power on the Main Board of Bursa Securities on 18 June 2008.
- On 16 November 2007, YTL Power declared a distribution of 1 treasury share for every 25 existing YTL Power shares held on the entitlement date of 24 December 2007, which was completed on 7 January 2008.
- On 27 November 2007, YTL Corp announced that it had been awarded the tender for the en-bloc purchase of fifty residential units and the common property of Westwood Apartments, located at Orchard Boulevard in Singapore, for a total cash consideration of SGD435.0 million.
- YTL Cement Berhad ("YTL Cement"), a subsidiary of YTL Corp listed on the Main Board of Bursa Securities, has received all necessary approvals for its proposal to issue guaranteed exchangeable bonds of up to USD200 million, exchangeable into ordinary shares of RM0.50 each in YTL Cement, via a wholly-owned subsidiary to be incorporated in the Federal Territory of Labuan. On 26 September 2008, the Securities Commission granted YTL Cement an extension of time until 4 April 2009 to implement the proposal. The proceeds arising from the bond issue will be utilised to fund YTL Cement's future investments and projects.
- On 25 March 2008, YTL e-Solutions Berhad, a subsidiary of YTL Corp listed on the Mesdaq Market of Bursa Securities, acquired an additional 2.7 million ordinary shares of RM1.00 each representing a 10% interest in Y-Max Networks for a cash consideration of RM1.5 million, increasing its shareholding in Y-Max Networks to 60%.
- On 19 August 2008, YTL Power declared a distribution of 1 treasury share for every 40 existing YTL Power shares on the entitlement date of 11 September 2008, which was completed on 22 September 2008.
- Status of utilisation of proceeds raised from corporate proposals:
 - 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, and the net proceeds from the issue of the 2008/2013 Bonds are currently placed under fixed deposits pending investment in utility assets.
 - The net proceeds received from the issue of the USD300 Million Guaranteed Exchangeable Bonds due 2012 by YTL Corp Finance (Labuan) Limited, a wholly-owned subsidiary of YTL Corp, are currently placed under fixed deposits pending investment.



CORPORATE SOCIAL RESPONSIBILITY

YTL Corp was honoured to receive a Commendation for Social Reporting at the ACCA Malaysia Environmental and Social Reporting Awards (MESRA) 2007. 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.

For the second consecutive year, YTL Corp has issued its "Sustainability Report 2008" as a separate report, to enable its shareholders and stakeholders to better quantify and assess the Group's sustainability record. Meanwhile, YTL Corp's statements on corporate governance and internal control, which elaborate further its systems and controls, can be found as a separate section in this Annual Report.

FUTURE PROSPECTS

The Group's expansion strategy which encompasses both acquisition-driven and organic growth, will continue to form the cornerstone of the Group's development, with opportunities for investments and acquisitions in Asia, the Middle East and Europe under consideration, as well as private finance initiatives (PFI) in Malaysia. The Group's determinants for investment, including stable concession periods, economic viability on a stand-alone basis and decisive rates of returns, have ensured the fundamental strength of its investments to date, and will continue to underpin YTL Corp's strategy going forward.

The global economic and financial environment is expected to be more challenging going forward. Global growth is expected to weaken with a more protracted slowdown in a number of the developed economies and some moderation in growth in the emerging economies. Fluctuations in food and fuel prices, geopolitical tensions and continued imbalances in economic and financial stability are expected to continue to impact global growth prospects. On the domestic front, Malaysia's GDP growth

will be affected by these external developments, and rising commodity and fuel prices and costs are expected to continue to have a deflationary impact on domestic demand, as well as affecting consumer and business sentiments (sources: Economic Report 2008/2009, Bank Negara Malaysia).

The Group expects to continue to drive future growth largely through ongoing investments in economically viable, high quality assets with strong returns. The utilities division will continue 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 its cement division, YTL Corp will continue to strengthen its market presence throughout Malaysia and in its overseas markets, in addition to pursuing investment opportunities to complement its existing cement and ready-mixed concrete operations. The Group has made good progress in developing its cement and cement-related products to meet the needs of export customers in a number of countries in the ASEAN region and on the Indian sub-continent in recent years, and export volumes remain an integral element in the division's development strategy.

YTL Corp remains committed to its growth strategy which focuses on prudent and cohesive expansion into activities closely correlated with the Group's core competencies and which will diversify its 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



YTL Corporation Berhad ("YTL Corp") achieved another year of strong performance, with our foreign operations in the United Kingdom, Australia, and Indonesia leading the way. YTL Corp's diversified revenue base continues to provide the Group with a reliable buffer against economic turbulence both domestically and on the wider global front, and our expansion efforts continue to focus on regulated businesses operating under long-term concessions and activities that speak to the Group's core competencies.



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

We have, in recent years, intensified our efforts to source for viable opportunities in this region, particularly in countries including Singapore, Indonesia, the Middle East and China. In November 2007, YTL Corp was awarded the tender for the en-bloc purchase of the Westwood Apartments located on Singapore's famed Orchard Boulevard, the largest residential collective sale transaction since Singapore's new en-bloc legislations came into force in October 2007. The Westwood Apartments comprise 50 condominiums, and the building is strategically located on the Orchard Road shopping and entertainment belt and within easy access of several stations on Singapore's efficient Mass Rapid Transit system. We were further blessed with an increase in plot ratio in this development which made our acquisition costs per square foot per plot ratio substantially lower.

This acquisition, our third land acquisition in Singapore in the last few years, is well in line with our broader strategy in this area which focuses on upscale real estate in well-established markets that enable us to employ our branding to enhance the value of these properties. Our other two properties in Singapore, the Lakefront Collection and Sandy Island, form part of the country's iconic Sentosa Cove development.

In the last two decades, the Group has worked towards elevating the standard of upmarket lifestyle concepts in this region of the world to an international standard, through the development of hotels, villas and retail and residential properties. Southeast Asia, with its vast coastal areas, natural beauty and pristine waters, has largely untapped potential to become the Mediterranean of the East. Our focus continues to lie in developing the very finest in luxury homes, hotels, marinas and other real estate, architecturally designed and crafted to a world-class standard of excellence, and which blend ecologically with their natural surroundings to preserve the environmental value of these areas.

In a wider context, we believe that this focus on inculcating world-class standards throughout the Group continues to reinforce the strength of our foundations and creates value for our shareholders and investors in terms of higher earnings, better branding and a sustainable dividend policy. And we continue to see the rewards for these efforts through the recognition of our peers.

In our utilities division, for example, Wessex Water Limited achieved another excellent set of results for the year, in addition to topping the league tables of the UK water regulator, Ofwat, and retaining its position as the most efficient water and sewerage operator in the UK for another year. The company also won a Queen's Award for Enterprise in recognition of its approach to sustainability, industry publication Utility Week's customer care award and the award for best creditor of the year at the UK Citizen's Advice Bureau's Social Policy Oscars.

Meanwhile, in Indonesia, P.T. YTL Jawa Timur, a Group subsidiary which operates the power station owned by our 35% associate, P.T Jawa Power, earned two prestigious safety awards from the Governor of East Java. These were the Golden Flag Award for the Best Safety Management System for best compliance with safety practices, and the Zero Accident Award, which requires a site to record no lost-time accidents either from their own personnel or contract staff for three years.

Our property division won the FIABCI Malaysia Prix d'Excellence Property Award 2007 for Best Master Plan for its Sentul West and Sentul East Master Plan, whilst The Kuala Lumpur Performing Arts Centre (KLPac), in which YTL Corp is a founding partner, won the FIABCI Malaysia 2007 Special Award for National Contribution. Our hotels division also earned a raft of awards this year, including two awards at Hong Kong's 2007 AsiaSpa Awards and the UK's Condé Nast Traveller Annual Readers' Spa Awards for Tanjong Jara Resort.

Our immensely successful Starhill Gallery was described by Forbes magazine as one of the most beautiful shopping malls in Asia. We were able to expand this brand to Dubai and Almaty because of its differentiation and we continue to attract investors from Singapore and London.

YTL Corp remains committed to enhancing shareholder value by ensuring the continuing strength of the Group's performance through acquisition-driven growth, ever-increasing technical and operational efficiency and cost-effectiveness of our existing operations. We believe that our efforts during the year under review enabled us to deliver on this commitment this year and that we will continue to be able to do so going forward.

TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING

PSM, CBE, FICE, SIMP, DPMS, DPMP, JMN, JP



Operations Review

UTILITIES

The Group's utilities division, which comprises power generation and transmission activities and the provision of water and sewerage services, achieved another year of sound performance.

The division's power generation and transmission activities encompass two power stations in Malaysia owned by YTL Power Generation Sdn Bhd ("YTLPG"), a wholly-owned subsidiary of the Group, a 35% stake in Jawa Power in Indonesia and an indirect investment of 33.5% in ElectraNet Pty Ltd ("ElectraNet") in Australia.

The Group's Malaysian power stations registered higher average station availability of 97.83% for the year under review, compared to 92.29% last year. Paka Power Station recorded average availability of 96.69% for the year ended 30 June 2008, compared to 96.72% last year, whilst Pasir Gudang Power Station registered average availability of 98.97% this year compared to 87.85% last year. Lower availability at Pasir Gudang Power Station last year arose from the upgrading of the station's Distributed Control System (DCS) throughout June and July 2006, overlapping the 2007 financial year.

Located in Paka, Terengganu, and Pasir Gudang, Johor, YTLPG's two combined-cycle, gas-fired power stations have a total generating capacity of 1,212 megawatts ("MW") – 808 MW at Paka Power Station and 404 MW at Pasir Gudang Power Station. YTLPG has a 21-year power purchase agreement with Tenaga Nasional Berhad, which is effective until 2015. Operations and maintenance ("O&M") for the Paka and Pasir Gudang power stations continues to be undertaken by YTL Power Services Sdn Bhd, a wholly-owned subsidiary of the Group, under an 8-year O&M agreement entered into in December 2001.

In Indonesia, Jawa Power continues to operate at optimal levels to meet Indonesia's escalating demand for electricity. Jawa Power is the owner of a 1,220 MW coal-fired power station consisting of two electricity generation units with a net installed capacity of 610 MW each. The plant is located at the Paiton Power Generation Complex on Indonesia's most developed and populated island, Java, and supplies power to P.T. Perusahaan Listrik Negara ("PLN"), the Indonesian state-owned integrated utility, under a 30-year power purchase agreement.

For its financial year ended 31 December 2007, Jawa Power posted another year of strong operational performance with average availability of 89.90%, well in excess of the 83% rate contracted under its power purchase agreement. This enabled the station to generate 9,162 gigawatt hours ("GWh") of electricity compared to 9,109 GWh last year. This is a key performance target as Jawa Power receives a bonus payment from PLN for dispatch in excess of 83% of contracted availability. For the six months ended 30 June 2008, the plant posted an availability of 96.05% and had also achieved 2,025 days without lost time resulting from accidents.

O&M for Jawa Power is carried out by P.T. YTL Jawa Timur ("Jawa Timur") under a 30-year agreement. Jawa Timur is a wholly-owned 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 material required to operate and maintain the power station.



In Australia, ElectraNet continued to perform well during the year under review, maintaining transmission line availability in excess of 99%. ElectraNet is a regulated transmission network service provider in Australia's National Electricity Market ("NEM") and owns South Australia's high voltage electricity transmission network, which transports electricity from electricity generators to receiving end-users across the state. ElectraNet's network covers approximately 200,000 square kilometres of South Australia via more than 5,500 circuit kilometres of transmission lines and 76 high voltage substations. The company also provides the important network link from South Australia to the NEM via two regulated interconnectors, one of which is owned by ElectraNet. The Group also has a 33.5% investment in ElectraNet Transmission Services Pty Limited, which manages ElectraNet's transmission assets.

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

Meanwhile, Wessex Water Limited ("Wessex Water"), the Group's water and sewerage services provider in the UK, maintained its position as the most efficient operating company, achieving its highest-ever score of 418 points (96%) in the year's service league tables compiled by Ofwat, the UK water industry regulator. Once again, Wessex Water's compliance with drinking water standards shows that the company has been supplying water of the highest possible quality, maintaining compliance levels of 99.9%. The company also won a number of awards during the year, including a Queen's Award for Enterprise, industry publication Utility Week's customer care award and the award for best creditor of the year at the UK Citizen's Advice Bureau's Social Policy Oscars.

Wessex Water's innovative approach to delivering capital investment has enabled the company to continue to outperform its regulatory targets and share the benefits with customers by investing additional sums in improving the resilience of Wessex Water's asset network, reducing the number of customers served by single sources of supply, further reducing the risk of sewage flooding and improving support to customers who have difficulty paying their bills.

Wessex Water provides water services to 1.25 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 £2,114 million (RM14.06 billion, based on the average exchange rate of £1.00 : RM6.65 for the financial year ended 30 June 2008) for its regulatory year ended 31 March 2008, compared to £1,987 million (RM13.21 billion) for its previous regulatory year. As at 30 June 2008, Wessex Water's RAB had grown to £2,135 million (RM14.20 billion).



CEMENT MANUFACTURING

The streamlining of the cement division's enlarged plant capacities, logistics and distribution networks have continued to enable the Group to expand its range of higher-margin blended and composite cement products, such as fly-ash cement and blastfurnace slag cement. These products were developed to meet specific requirements of customers in niche markets, as well as to cater for broader industry needs. The Group's cement division has the distinction of being the only cement producer in the country with the ability to manufacture and supply the full range of cement products, all of which have proven to be valuable additions to the Group's income-generating activities.

New contracts undertaken during the year under review, for example, include the supply of concrete for the single plane cable-stayed bridge, currently the world's longest such bridge, which is being constructed as part of the Senai-Desaru expressway in Johor.

The Group's well-known brand names, including Cap Orang Kuat, Castle, Dragon, Marinecem, Mascem, Pozzolanic Cement, Slagcem, SRC (sulphate resisting cement), Target and Wallcem, continue to command premiums in their own right, with their well-established reputation for strong quality control and reliability.

In addition to ongoing research and development into innovative new products for the benefit of the Group's customers, initiatives to utilise alternative fuel sources are also progressing well and are being pursued by the cement division as part of its efforts to reduce the Group's carbon emissions and as an option to mitigate the rising cost of conventional fuels.

The Group's slag cement plants and downstream activities in the ready-mixed concrete division continued to operate at peak efficiency levels during the year under review, driven by strong customer demand and the better performance of 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. The cement division has continued to monitor efficiency levels throughout its operations and has continuously implemented more stringent manufacturing controls to ensure the quality of the Group's products, and to enhance customer service levels.

The geographical location of the Group's facilities throughout the Peninsula continues to provide the cement division with a strong competitive advantage. The Group's cement plant in Pahang remains the only cement plant in the Eastern Corridor, whilst its integrated cement plant in Perak and grinding plants in Johor and Klang are ideally positioned to meet the needs of projects under construction and to cater to the Group's customers across the country.

Regionally, as reported last year, YTL Concrete (S) Pte Ltd, a subsidiary of the Group in Singapore, secured a project to supply up to 1.2 million cubic metres of concrete to one of the biggest integrated resort developments on Singapore's iconic Sentosa Island in September 2007. The division's three 120 cubic metre per hour ready-mixed concrete batching plants at the site are now complemented by their own fleet of trucks, ensuring a cohesive and fully-operational division to supply the project's concrete requirements and the island's other extensive development projects.

The Group also completed its acquisition of Zhejiang Lin'an Jin Yuan Cement Co Ltd ("Jin Yuan Cement") in China during the year under review. The plant commenced operations in January 2005 and has production capacities of 1.55 million tonnes per annum for clinker and 1.50 million tonnes per annum for cement. Jin Yuan Cement is the largest cement manufacturer in the Lin'an district of the Zhejiang Province in China, and has a market share of approximately 60%. Jin Yuan Cement is also one of the top 5 cement suppliers in the wider Hangzhou market.



CONSTRUCTION CONTRACTING

The Group's construction division performed well during the year under review underpinned by its portfolio of contracts for infrastructure development projects, as well as residential and commercial properties, despite escalating costs affecting the industry, such as increases in the prices of steel and other building materials.

Construction on the Electrified Double Track Railway Project between Sentul and Batu Caves is well underway and targeted for completion in mid-2009. Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd ("SPYTL"), a wholly-owned subsidiary and the flagship construction company of YTL Corp, was awarded the contract for the design, construction, completion, testing, commissioning and maintenance of the project by the Ministry of Transport in November 2006. The project involves a 7.5km extension from Sentul to Batu Caves comprising the construction of an electrified double track railway line, including the installation of a new signalling, communication and electrification system, four stations and five road bridges.

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.

On the residential property front, construction on The Saffron at Sentul East was completed 12 months ahead of schedule in May 2008. The Saffron comprises 468 units of high-cost condominiums in four high-rise tower blocks at the Group's Sentul urban regeneration development. New projects at Sentul during the year under review included d7, which will comprise boutique offices and shop lots, and is expected to be completed in late 2009.

During the year under review, construction was completed on Phase 4 of the Group's 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 was completed on schedule in early 2008.

At SPYTL's development in Sungei Besi, new contracts include the construction of one 18-storey block comprising 308 condominiums in Phase 2, Midfields, which is scheduled to be completed in mid-2010. Construction on a further 246 units of offices and shop lots in Phase 2A at Lake Fields, Sungei Besi, is progressing on schedule and expected to be completed by the end of 2009.

Construction is also progressing on schedule on Phase 4B1 of the Taman Pakatan Jaya development in Tambun, Perak, comprising 133 units of double storey terrace houses, which is being developed by PYP Sendirian Berhad, also a wholly-owned subsidiary of YTL Corp. This phase is expected to be completed by the end of 2009.

Work has begun on Pantai 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.

SPYTL has also commenced construction on two 20-storey blocks comprising 160 units of condominiums for Sunway City Bhd in Sri Hartamas in Kuala Lumpur, which is scheduled for completion in late-2009.



PROPERTY DEVELOPMENT

The Group's urban regeneration of Sentul continues to captivate the market. In January 2008, the preview of the project's latest addition of boutique offices, d6 at Sentul East, recorded a remarkable 90% uptake, mirroring the sell-out success of d7 at Sentul East, Sentul's first commercial project launched last year. Already in demand for its quality homes, Sentul is now shaping itself as a business precinct that redefines traditional offices with a new class of architecturally stunning offices for the next generation. Together with d7, the 80-unit d6 boutique offices are a dynamic complement to Sentul East's stylish, cosmopolitan environment, and businesses have come to realise that of equal importance to having a reputable address is the cachet of being associated with a vibrant new genre of offices, to reflect their own unique identity.

On the residential side, The Maple at Sentul West, Sentul's maiden private park homes, have recorded remarkable capital appreciation, due mainly to the upsurge in interest from foreign buyers who have been encouraged by recent measures taken by the country to facilitate property ownership by foreign buyers.

The completion and handing over of The Saffron at Sentul East 12 months ahead of schedule in May 2008 marks the second development at Sentul East, following the debut of the highly successful first development, The Tamarind. Buyers have been attracted by The Saffron's design features which include extensive landscaping, three separate swimming pools, themed gardens, a yoga lawn and the exclusive Saffron Park, in addition to its freehold status and convenient location.

Excellent connectivity and location have proven to be highly compelling factors in Sentul's success. The area is easily accessible through the dedicated Sentul Link that connects Lebuhraya Mahameru to Jalan Sentul, the Duta-Segambut Link, which has eased traffic flow at Jalan Segambut and the Jalan Duta roundabout, as well as the Duta-Ulu Klang Expressway (DUKE), which directly links to the SPRINT, Federal and North-South highways. Public transportation is also available via the KTM Komuter and LRT stations in the near vicinity.

The Group's highly popular Lake Edge development in Puchong, meanwhile, has successfully established itself as a sought-after address due to its distinct architecture and its design as an entire, holistic lifestyle concept, creating an enclave of high-quality homes within a thriving gated community.

The most recent preview launch took place in September 2007 with the debut of Parkville Homes, comprising 16 exclusive bungalows and semi-detached homes. To date, the four phases of Lake Edge launched have achieved excellent take-up rates, namely Courtyard Homes, Pavilion Terraces, Garden Terraces and Promenade Homes. Waterville Homes, the next phase of Lake Edge, consists of 2½-storey semi-detached units with a built up area of 3,800 sq.ft., each encompassing four bedrooms, each with an en-suite bathroom. A private lap pool is an additional unique feature of each unit.

In Sungei Besi, the Group has two developments underway, namely, Lake Fields, which was launched in 2007, and Midfields, which was unveiled during the year under review. Midfields features prime residential and commercial units, and is designed to offer its residents and business owners the best aspects of both business and leisure. Midfields' residential units comprise cutting-edge condominiums, whilst its commercial precinct comprises office and retail units, with the added benefit of a resident population of potential customers, as well as busy surrounding neighbourhoods. The entire development is readily accessible through four major expressways – the Besraya, Putrajaya, Cheras Metramac and Federal highways.

The development of Centrio, the latest offering the Group's popular Pantai Hillpark development in the heart of Kuala Lumpur, is also well underway. Centrio features an eclectic mix of 80 SOHO (small office/home office) suites, retail stores and boutiques, with unique features including stunning floor-to-ceiling windows, spacious rooftop gardens and illuminating skylights, as well as open sun decks above units, all of which are unheard of in other comparably sized SOHO developments in the market. 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.



HOTEL DEVELOPMENT & MANAGEMENT

The year ended 30 June 2008 was another banner year for the Group’s hotels with satisfactory growth in occupancy, revenue and profits. Product enhancements completed at Pangkor Laut Resort and Tanjong Jara Resort over the past year have been well received by guests as well as local and international media.

A highlight this year was the Group’s first major step into international hotel and resort operations. The Group’s brands, “Pangkor Laut Resort” and “Spa Village” were licensed to City-D Development Limited, a company registered in Dubai, United Arab Emirates. These are intended to be the brand names for the ultra luxurious Resort and Spa Project being built in The World, Dubai. YTL Hotels & Properties Sdn Bhd (“YTL Hotels”), a wholly-owned subsidiary of the Group, was appointed by City-D Development to manage and operate this project under a management agreement for a term of 25 years, with an option for an additional term of 25 years.

The World Islands, created by Nakheel, Dubai’s premier developer, is located 4 kilometres off the prestigious Jameirah coastline, between Burj Al Arab and Port Rashid. It is a project of three hundred islands ranging in size from 150,000 sq. ft. to 500,000 sq. ft., laid out in a pattern that portrays the Earth’s continents and major islands. Most of the smaller islands will be private residences, with the larger islands being resorts. Pangkor Laut Luxury Resort & Spa Village Dubai will occupy five islands located in the Central Asia region of this project.

Pangkor Laut Luxury Resort, Residence & Spa Village Dubai

Pangkor Laut Luxury Resort, Residence & Spa Village, scheduled to open in 2011, is built over five islands totalling 1,600,000 sq. ft. in The World, Dubai. The Resort will be built with 120 deluxe guest rooms and suites and twenty beach front villas. However, the scope of its operations will also include the operation and management of 92 service apartments, 20 semi-detached villas and 38 bungalows, all privately owned but to be operated and managed as part of the Resort.

This project includes an eclectic range of restaurants, leisure facilities and exclusive retail outlets. Together with the facilities of the Spa Village, the Resort is intended to be the marketplace and entertainment centre for all adjacent islands in The World, and a must see venue for visitors on the mainland. Designed by architect and engineering firm, Agostine and Raphael Group, the resort development will bring together some of the best names in resort conception, fit-out and design, including Bang & Olufsen, Bagnaresi and ABB.

Pangkor Laut Resort

Pangkor Laut Resort continues to garner awards from around the world. The Resort was awarded the Five Star Diamond Award by The American Academy of Hospitality Sciences for the seventh consecutive year while Spa Village Pangkor Laut was voted in the top ten Overseas Spa Retreats in the World in UK’s Condé Nast Traveller Annual Readers’ Spa Awards.

Pangkor Laut’s Emerald Bay was listed as one of the World’s Top Ten Beaches by Ultratravel, the luxury travel magazine by prominent UK newspaper The Daily Telegraph in their Summer 2008 issue. It is the only beach in Asia to be listed. SpaFinder, Inc., the global spa resource, has announced that Spa Village Pangkor Laut was named spa-goers’ favourite spa in Malaysia as part of its sixth annual SpaFinder Readers’ Choice Awards.



Operations Review

Tanjong Jara Resort

Tanjong Jara Resort has enhanced its competitive edge by creating considerable improvements to its product, which include renovations and design upgrades to all guestrooms earlier this year. At Condé Nast Traveller U.K. Readers' Spa Awards 2008 The Spa Village Tanjong Jara was voted Best Hotel Spa in Asia Pacific and the Indian Subcontinent as well as Number Two Spa in the World, ranking second in the prestigious "best of the best" list of the World's Top 26 Spas. The resort also received the annual Five Star Diamond Award from the American Academy of Hospitality Sciences for the seventh consecutive year.

Cameron Highlands Resort

Cameron Highlands Resort continues to build on its reputation as a quality retreat for both leisure and business travellers. Activities created by the Resort have proven popular with guests, in particular the treks on the Jim Thompson Mystery Trail, Spa Tea Baths, and the exclusive Boh Plantations Tea Gardens picnic. For the second consecutive year, the Resort has garnered the coveted Five Star Diamond Award 2007 from The American Academy of Hospitality Sciences.

Spa Village

Since its inception in 2002 with its flagship spa in Pangkor Laut, Spa Village has grown apace and has been successful in introducing individual and authentic treatments that combine the therapeutic properties of natural local ingredients with age-old healing practices and presenting them to the world. In six short years, the Group has expanded rapidly with the opening of five Spa Villages across Malaysia and a luxury spa resort in Bali. The Spa Village brand is now a recognisable identity that is anchored in the principle of honouring the healing culture of the region in which each Spa Village is built.

In recognition of the success of Spa Village, YTL Hotels published and launched the sales of a book titled 'Spa Village: Honouring Healing Traditions' a few months ago. This book explores each Spa Village, their locales and treatments, along with the fascinating history behind their inception. It celebrates the brand's philosophy of preserving some of the oldest and most unique healing rituals that have evolved from Asia's diverse history of people and cultures. The book is brought to life by the work of renowned spa photographer Luca Invernizzi Tettoni as well as celebrated author Kim Inglis, who is recognised for her passion in indigenous healing traditions.

For the third 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 has resulted in extensive exposure of the Spa Village Pangkor Laut throughout Harrods, and gained significant editorial coverage in premium British fashion and beauty publications.

And for the second consecutive year, the Spa Village promoted its products and services in Paris, France. The Spa Village brand, therapies and products were again showcased at the world-renowned Alexandre Zouari Hair and Beauty Salon which caters to visiting royalty, celebrities and the glitterati of Paris. This year the Spa Village promotion was covered by France 3, a national television channel, in its hour long feature of Alexandre Zouari, the founder, and his Salon. The fashion magazines Elle, Madame Figaro, Vogue (France), and Jalouse, the oldest and most respected French fashion publication, ran special features on Spa Village. Overall, this was a very successful promotion of the Spa Village brand.



Spa Village Resort Tembok, Bali

In its first year of operation as the first YTL Luxury Spa Resort, Spa Village Resort Tembok, Bali is building a reputation as a quality spa retreat. Amongst the visitors to the 31 room Resort were actors Ms Bellamy Young and Ms Samaire Armstrong of the critically-acclaimed American television series "Dirty Sexy Money", as well as Ms Kiera Knightley, known for her role in "Pirates of the Caribbean", as well as the face of Chanel.

The Majestic Malacca

The Group's first Classic Hotel set in the historical seaport city of Malacca opened in January 2008. YTL Classic Hotels are designed to harness the heritage of historical locations. The Majestic Malacca, with influences drawn from the Portuguese, the Dutch, the British and the Peranakan Chinese, is an integral part of Malacca's history. The original mansion has been restored while preserving the integrity of the building's history and heritage. Many original features such as the Portuguese porcelain floor tiles, louvered window shutters and European style roof were retained.

Treatments at Spa Village Malacca, the only spa in the world offering a range of spa therapies inspired by the unique Nyonya-Baba or Peranakan healing traditions of Malacca, have been very well received. In this first year of operation, an important highlight was UNESCO's listing of Malacca as a World Heritage Site - 'a city with unique architectural and cultural townscape without parallel anywhere in East and Southeast Asia'.

In celebration The Majestic Malacca presents a specially designed heritage discovery package as a way for its guests to discover this World Heritage city. The hotel is perfectly positioned with its historical background to take advantage of the renewed international interest in the city. The hotel's resident historical guide offers three unique historical tours which are proving to be very popular with guests.

The Ritz-Carlton, Kuala Lumpur

Quality product and service levels remain the hallmarks of The Ritz-Carlton, Kuala Lumpur. The hotel maintains its position as the pre-eminent luxury boutique hotel in Kuala Lumpur. Recent awards include "Service Excellence of The Year" - Hospitality Asia Platinum Awards; "Hotel Spa of The Year" - Hospitality Asia Platinum Awards; "Best Serviced Residence" - The Best of Malaysia Travel Awards 2007 by Expatriate Lifestyle; "Best City Spa" - The Best of Malaysia Travel Awards 2007 by Expatriate Lifestyle, and being listed in "Expedia® Insiders' Select List Of the World's Best Hotels" by Expedia.com.

JW Marriott Hotel Kuala Lumpur

Led by its aggressive marketing and sales efforts, The JW Marriott Hotel Kuala Lumpur continues to consolidate its strong position 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 and competitive edge well received by meeting organisers.



Operations Review

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Vistana Group of Hotels

The Vistana Hotels are being upgraded with the intention of moving toward an image of hotels that feature international standards and are designed for regional and business travellers. The Vistana Hotels will be marketed as YTL Quality Hotels. Planned promotional and advertising support will carry 'A YTL Quality Hotel' tag.

The refurbishments are of a modern contemporary design, and guestrooms will feature Internet broadband access, LCD TV's, feather pillows, duvets, feather-filled mattress toppers and baths equipped with rain shower heads. All refurbishments are expected to be completed by the end of the year. The Vistana Penang has added two new function rooms on the second floor that can accommodate 130 persons and 70 persons respectively for meetings, seminars and social events.

YTL Travel Centre

The YTL Travel Centre remains the largest source of travel business for the all YTL Luxury Resorts as well as Spa Village Resort Tembok, Bali. Overall sales have increased handsomely over the previous year. The Travel Centre was relocated to a larger premise in April to handle increased sales volumes and function more effectively as a central reservations office for all YTL Resorts

The Travel Centre continues to streamline its operational efficiency as well as improving its customer service delivery. An on-line booking system implemented two years ago to provide around-the-clock reservation convenience is currently being reviewed. An improved system which is more user-friendly to on-line customers as well as providing better opportunities for attaining higher revenue yields will be introduced soon.

Eastern & Oriental Express

As E&O marks its 15th anniversary the company has performed well with growth in passenger numbers and revenue over the last 12 months. Two new itineraries were introduced in October and both have been well received. The 3-night journeys – to Chiang Mai and Vientiane respectively - are designed to capitalise on the increased demand in "touring train" holidays as well as to attract repeat E&O guests seeking new destinations. The train continues to enjoy excellent media coverage. Highlights of the past year include a 3-part report on the E&O which was broadcast worldwide on the BBC travel programme "Fast Track". In Asia-Pacific, E&O appeared on the cover of the new South-east Asia edition of Travel + Leisure and the Vientiane trip was featured in a story in Travel + Leisure Australia.

Maintaining the train's luxurious standards remains a priority. A complete renovation of the Presidential carriage has now been completed. Improvements include more spacious bathrooms, a full mini-bar and personal music systems in each compartment.



IT & E-COMMERCE INITIATIVES

The Group's main information technology ("IT") and e-Commerce operations continued to perform well during the year under review. These comprise Alternative Voice Service Provider ("AVSP") services carried out by Extiva Communications Sdn Bhd ("Extiva"), and digital media applications under Infoscreen Networks Plc ("INP") and its wholly-owned subsidiary, YTL Info Screen Sdn Bhd ("YTLIS"). In addition, the Group has also progressed well in its WiMAX/broadband initiatives during the year.

In June 2008, the Group entered into an agreement with Sprint Nextel Corp's XOHM business unit to leverage XOHM's WiMAX experience in the USA, further ensuring a successful nationwide rollout of the Group's WiMAX network in Peninsular Malaysia. As a leader in the development and deployment of mobile WiMAX, the next generation of broadband technology, XOHM will play a major role in the establishment of the Group's WiMAX ecosystem, including assigning a support team of specialists. XOHM will provide the expertise and the experience it has gained from the rollout of its own US-based WiMAX operations in key areas including ecosystem strategy, infrastructure design and network deployment.

WiMAX mobility enables end-users to enjoy a significantly enhanced roaming experience, making WiMAX a major platform for next generation converged communication services. In Malaysia, the Group's target is to deliver an affordable WiMAX package with fast, wide-coverage, and ubiquitous and always-connected voice, data and video convergence services, catering to and complementing the communication needs of consumers from all walks of life, including the enterprise community.

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

Extiva, meanwhile performed well in the challenging conditions prevailing in the AVSP market. The division's cost cutting strategy ensured that despite flat revenues during the period, the company achieved profit growth well into double digits. In cognizance of the challenging market conditions, Extiva continues to explore new technologies and initiatives that are synergistic to its current services.

Through its investments in WiMAX and broadband companies such as Y-Max Networks Sdn Bhd and Airzed Broadband Sdn Bhd, the Group expects its exposure to the nascent fixed wireless broadband and mobile WiMAX industry to provide the division with important new revenue streams and good growth potential in future years, positioning the Group to benefit from the impending convergence revolution in the technology, media and telecommunications industry.





28 October 2007

FIABCI Malaysia Prix d'Excellence Awards 2007

Best Master Plan – Sentul West and Sentul East Master Plan

Special Award for National Contribution – The Kuala Lumpur Performing Arts Centre

Dato' Yeoh Seok Kian, Deputy Managing Director of YTL Corporation Berhad (right), receives the award from Sultan Sharafuddin Idris Shah, Sultan of Selangor (left).



From left to right (beginning 3rd from left): Datin Lim Lee Lee and Dato' Yeoh Seok Kian; Dato' Suleiman Bin Abdul Manan, Chairman of YTL Land & Development Berhad, a subsidiary of YTL Corporation Berhad, and his wife, Datin Ramona Suleiman; Puan Sri Jamilah Sudin and Tan Sri Datuk Seri Panglima Dr Abu Hassan Bin Othman, Independent Non-Executive Director of YTL Land & Development Berhad.



18 December 2007

Groundbreaking Ceremony for the Low Temperature Waste Heat Power Plant at Zhejiang Lin'an Jin Yuan Cement Co Ltd, China

From left to right: Mr. Wang Hong, Mayor of Lin'an City; Mr. Shao Yi, Lin'an City Party Secretary; Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Executive Chairman of YTL Corporation Berhad; Mr Eu Peng Meng @ Leslie Eu, Independent Non-Executive Director of YTL Corporation Berhad; Dato' Yoogalingam A/L Vyrarnuttu, Independent Non-Executive Director of YTL Cement Berhad; Mej Jen Dato' Hj Abdul Shukor Bin Haji Jaafar (B), Independent Non-Executive Director of YTL Cement Berhad; and Dato' Tan Guan Cheong, Independent Non-Executive Director of YTL Cement Berhad.

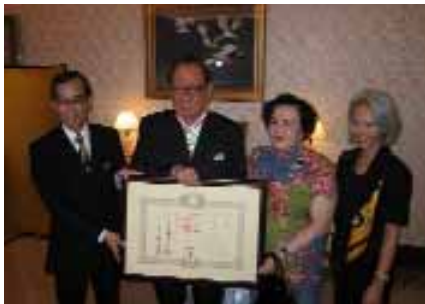
The project involves the construction of a power generation plant which recycles the waste heat discharged during clinker production as a source of energy. Zhejiang Lin'an Jin Yuan Cement Co Ltd is a subsidiary of YTL Cement Berhad, YTL Corporation Berhad's listed subsidiary.



21 December 2007

Wessex Water Limited Wins 2007 Utility Industry Achievement Award for Customer Care

Mr Keith Harris, Director of Finance and Policy for Wessex Water Services Limited (far right), with the Wessex Water team. In a hat-trick of awards during the month, Wessex Water won also a Queen's Award for Enterprise and the award for best creditor of the year at the UK Citizen's Advice Bureau's Social Policy Oscars.



18 January 2008

Japan's Order of the Rising Sun Conferred on YTL Corporation Berhad's Executive Chairman

From left to right: His Excellency Mr Masahiko Horie, Ambassador of Japan to Malaysia; Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Executive Chairman of YTL Corporation Berhad, and his wife, Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong; and Mrs Yoko Horie. The prestigious Order of the Rising Sun was awarded to Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay in recognition of his outstanding contribution towards economic cooperation and friendship between Japan and Malaysia.



11 February 2008

Fellow of the Institution of Civil Engineers (FICE) Awarded to YTL Corporation Berhad's Managing Director

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad, receives the award from Mr David Orr, President of the Institution of Civil Engineers (ICE). The award of 'Fellow' is the highest grade of membership of the ICE and is awarded to persons in a position of responsibility for the promotion, planning, design, construction, maintenance or management of significant engineering works.



15-19 March 2008

Corporate Visit to Motorola Headquarters, United States of America

Front row (beginning third from left): Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director, YTL Corporation Berhad; Mr Dan Maloney, President, Home & Networks Mobility, Motorola; Dato' Yeoh Seok Hong, Executive Director, YTL Corporation Berhad; Dato' Michael Yeoh Sock Siong, Executive Director, YTL Corporation Berhad (front row, far left); and Mr Jacob Yeoh Keong Yeow, Director of Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd, a wholly-owned subsidiary of YTL Corporation Berhad (back row, 6th from left).



1-4 April 2008

Friends of the Louvre Site Visit to Beijing, China

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director, YTL Corporation Berhad (far right), and Mr Kip Forbes, Chairman of Friends of the Louvre (6th from right), with the delegation from Friends of the Louvre during a site visit to the new CCTV building, under construction in Beijing.



7 April 2008

YTL Corporation Berhad Hosts His Majesty King Carl XVI Gustaf of Sweden, at the Ritz-Carlton, Kuala Lumpur

From left to right: Her Majesty Queen Silvia Sommerlath and His Majesty King Carl XVI Gustaf of Sweden; Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Executive Chairman of YTL Corporation Berhad, and his wife, Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong.



23 April 2008

1st Credit Suisse Salon 2008 at Museum Rietberg, Zurich

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad, with Mr Kofi Annan, former Secretary General of the United Nations.



From left to right: Tan Sri Dato' (Dr) Francis Yeoh Sock Ping; Mr Walter Kiehholz, Chairman, Credit Suisse Group; Mrs Nane Annan; and Mr John Major, former Prime Minister of the United Kingdom.



19 June 2008

WiMAX Strategic Collaboration between YTL e-Solutions Berhad & Sprint Nextel

Ms Teresa Kellet, Director of Global Development, Sprint Nextel, and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad, at the signing ceremony for the collaboration between YTL e-Solutions Berhad, a subsidiary of YTL Corporation Berhad, and Sprint Nextel's XOHM business unit.



27 August 2008

Meeting with the Mayor of Lin'an City, Zhejiang Province, China

From left to right: Dato' Michael Yeoh Sock Siong, Executive Director, YTL Corporation Berhad; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director, YTL Corporation Berhad; Mr Wang Hong, Mayor of The People's Government of Lin'an City, Zhejiang Province; Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Executive Chairman, YTL Corporation Berhad; and Mr Zhang Jinliang, Chairman, Executive Committee, Lin'an City of Zhejiang Province,



27 August 2008

Site Visit to Zhejiang Lin'an Jin Yuan Cement Co Ltd, China

Third from left: Dato' Michael Yeoh Sock Siong, Executive Director, YTL Corporation Berhad; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director, YTL Corporation Berhad; and Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Executive Chairman, YTL Corporation Berhad, with the senior staff at the Zhejiang Lin'an Jin Yuan Cement Co Ltd cement plant in China, which is wholly-owned by the YTL Corporation Berhad group of companies.



Tan Sri Dato' (Dr) Francis Yeoh Sock Ping surveys the tree planting site at the Zhejiang Lin'an Jin Yuan Cement Co Ltd cement plant, a new environmental initiative being undertaken to improve the area's ecology.



27 August 2008

Meeting with Officials of the Hangzhou West Lake District People's Government, China

From left to right: Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Executive Chairman, YTL Corporation Berhad; Mr Gan Xinwei, Deputy Director, Hangzhou West Lake District People's Government; and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director, YTL Corporation Berhad.



28 August 2008

Luncheon with Officials of Hangzhou City, China

From left to right: Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Executive Chairman, YTL Corporation Berhad; Ms Tong Guoli, Vice Mayor of Hangzhou City, in charge of Foreign Investments; and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director, YTL Corporation Berhad.



8-10 September 2008

Launch of the Forbes Asia Luxury Forum: The Art of Time

Mr Christopher Forbes, Vice Chairman of Forbes Inc, and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad, announcing the launch of the Forum at the prestigious Forbes Global CEO Conference in Singapore.



Tan Sri Dato' (Dr) Francis Yeoh Sock Ping (far left) during the panel discussion at the Forbes Global CEO Conference.

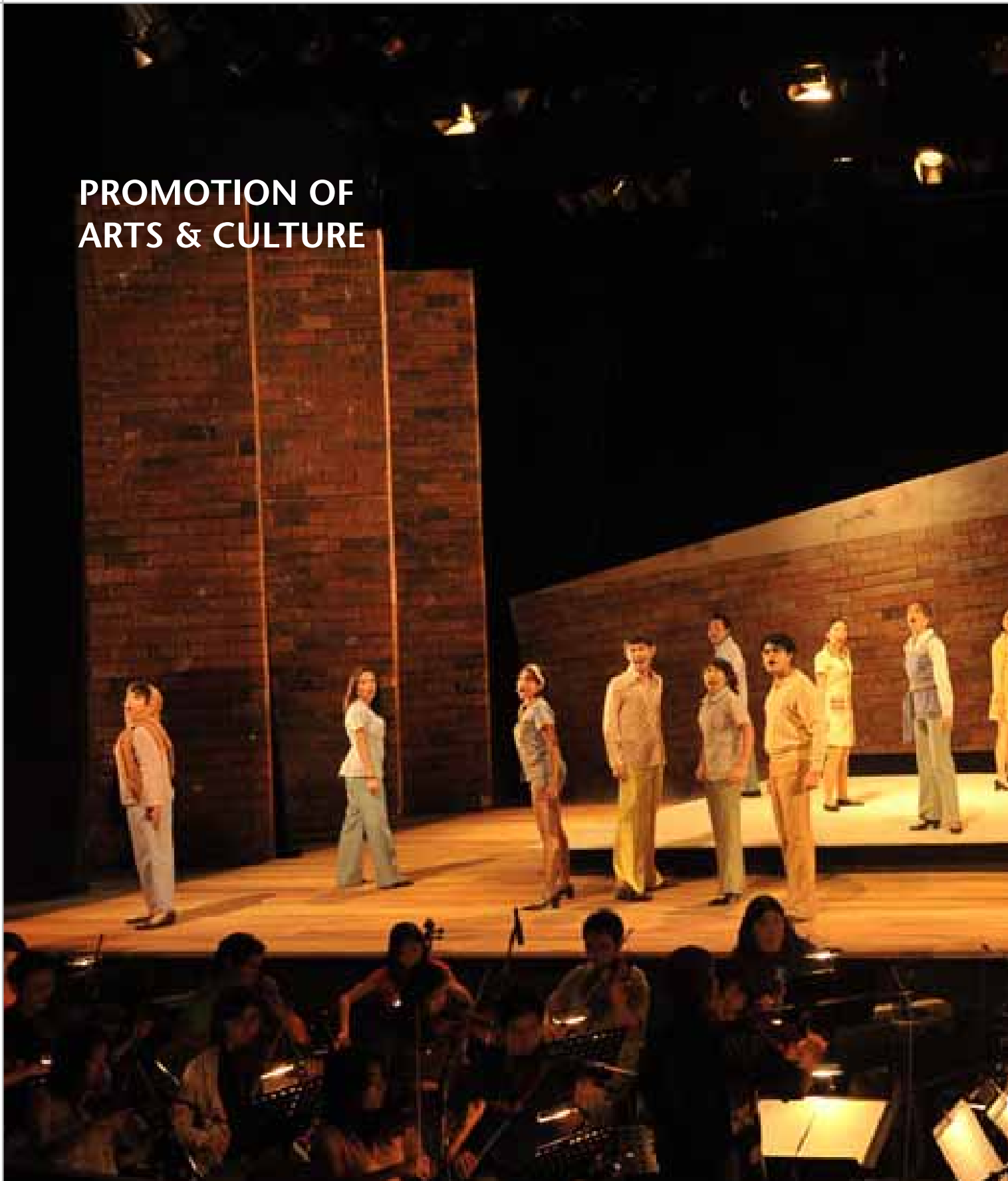


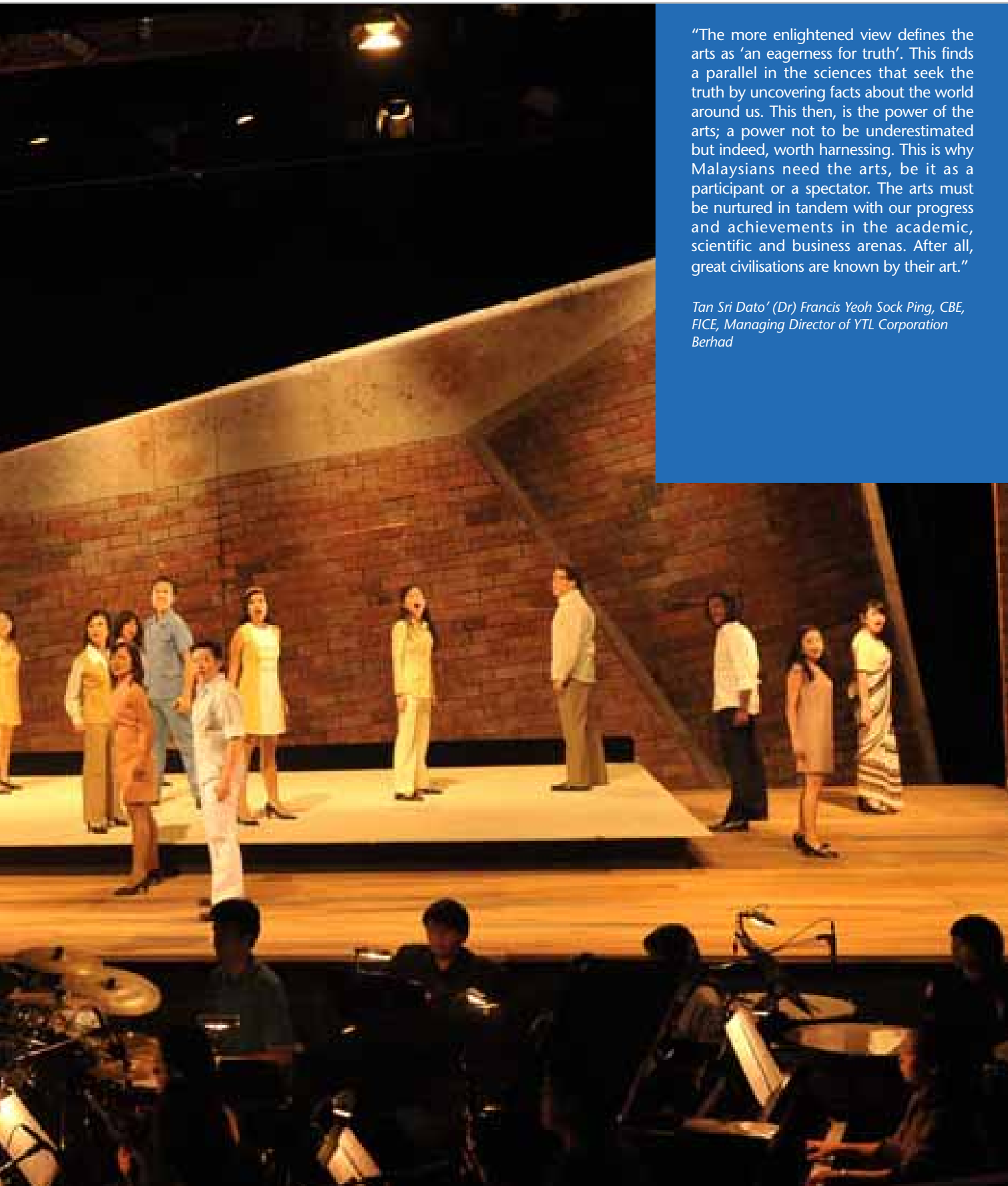
18 September 2008

Signing Ceremony for YTL Corp Finance (Cayman) Limited's S\$460 Million 3-Year Syndicated Term Loan Facility

From left to right: Mr Kazuya Oimatsu, Senior Manager, Corporate Banking, The Bank of Tokyo-Mitsubishi UFJ (M) Berhad; Mr Fumikazu Ono, General Manager, The Bank of Tokyo-Mitsubishi UFJ (M) Berhad; Ms Jeanette Wong, Chief Financial Officer, DBS Bank Ltd; Mr Jeffrey Ling, General Manager, DBS Bank Ltd; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director, YTL Corporation Berhad; Mr Nicholas Tan, Vice President, Wholesale Corporate Marketing, OCBC Bank Plc; Mr Junichi Ikeno, General Manager, Sumitomo Mitsui Banking Corporation; and Mr Benson Chua, Senior Vice President & Head of Syndicates South Asia Group, Sumitomo Mitsui Banking Corporation.

PROMOTION OF ARTS & CULTURE



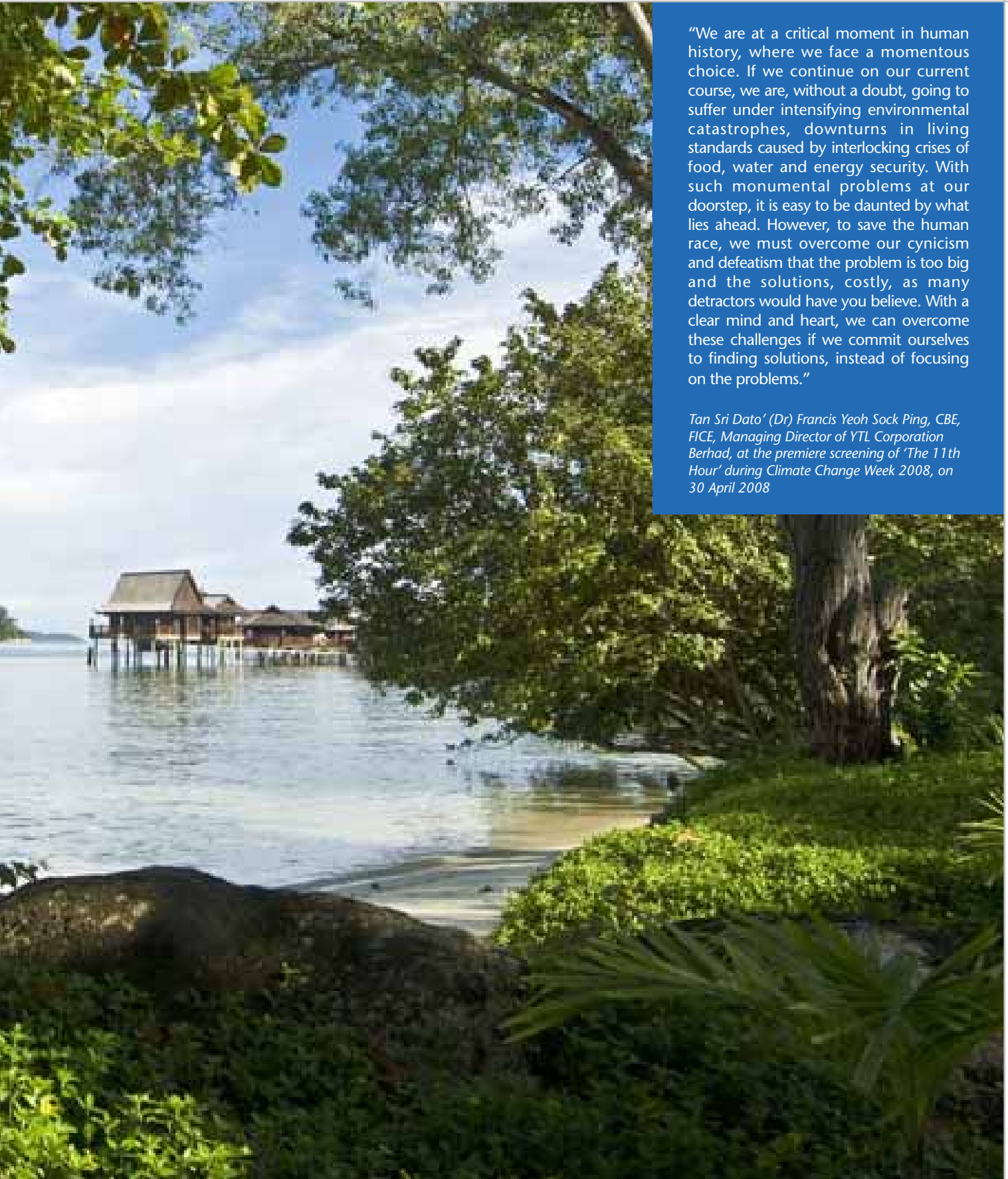


"The more enlightened view defines the arts as 'an eagerness for truth'. This finds a parallel in the sciences that seek the truth by uncovering facts about the world around us. This then, is the power of the arts; a power not to be underestimated but indeed, worth harnessing. This is why Malaysians need the arts, be it as a participant or a spectator. The arts must be nurtured in tandem with our progress and achievements in the academic, scientific and business arenas. After all, great civilisations are known by their art."

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

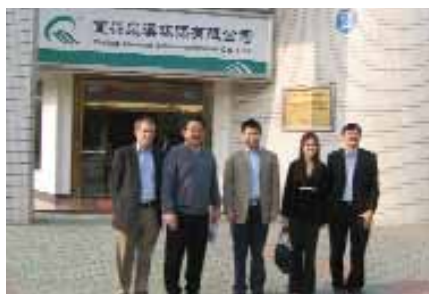
A large, leafy tree with a thick trunk and many green leaves is the central focus of the image. The tree is positioned in the foreground, with its branches extending across the frame. Behind the tree, a body of water is visible, and in the distance, there are green hills under a blue sky with some clouds. The overall scene is a natural, outdoor setting.

PROTECTION OF THE ENVIRONMENT



"We are at a critical moment in human history, where we face a momentous choice. If we continue on our current course, we are, without a doubt, going to suffer under intensifying environmental catastrophes, downturns in living standards caused by interlocking crises of food, water and energy security. With such monumental problems at our doorstep, it is easy to be daunted by what lies ahead. However, to save the human race, we must overcome our cynicism and defeatism that the problem is too big and the solutions, costly, as many detractors would have you believe. With a clear mind and heart, we can overcome these challenges if we commit ourselves to finding solutions, instead of focusing on the problems."

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE, Managing Director of YTL Corporation Berhad, at the premiere screening of 'The 11th Hour' during Climate Change Week 2008, on 30 April 2008



11 March 2008
Corporate Visit to Yixing Quanxi Environmental Co Ltd, China

From left to right: Mr Ralph Dixon, Director of Environmental Investments, YTL Corporation Berhad; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director, YTL Corporation Berhad; Mr Huang Zhengxin, General Manager, Asia Environment Holdings Ltd; Ms Ruth Yeoh Pei Cheen, Director of Investments, YTL Corporation Berhad; Mr Choong Khuat Hock, Director of Research, KSC Capital Bhd – Investment Management.

Yixing Quanxi Environmental Co Ltd is involved in the design and manufacture of water treatment and supply equipment in Yixing, a government-designated environmental hub in China.



28 March 2008
Asia Environment Holdings Ltd (AEH) Tour of Wessex Water Limited, United Kingdom

Front row, left to right: Mr Dave Elliott, Director of Planning and Asset Management, Wessex Water Services Limited; Mr KT Ng, Manager, Regional Business Development, AEH; Mr Koh Poh Yeok, Chief Financial Officer, AEH; Mr Wang Hong Chun, Chief Executive Officer, AEH; Ms Ruth Yeoh Pei Cheen, Director of Investments, YTL Corporation Berhad; Mr Ralph Dixon, Director of Environmental Investments, YTL Corporation Berhad; Mr Huang Zhengxin, General Manager, AEH. Back row, left to right: Mr Choong Khuat Hock, Director of Research, KSC Capital Bhd – Investment Management; Mr Alvin Goh, Executive, Managing Director's Office, YTL Corporation Berhad.

YTL Corporation Berhad and AEH entered into an agreement in June 2008 to collaborate in the fast growing and lucrative China water industry. The partnership combines YTL Corporation Berhad's water expertise, branding and financial strength and AEH's local knowledge and proven execution skills in China.



11 April 2008
Launch of Climate Change Week 2008

From left to right: Ms Ruth Yeoh Pei Cheen, Director of Investments, YTL Corporation Berhad; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director, YTL Corporation Berhad; Dato' Yeoh Soo Min, Executive Director, YTL Corporation Berhad; and Mr Jacob Yeoh Keong Yeow, Director of Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd, a wholly-owned subsidiary of YTL Corporation Berhad, at the launch.



29 April-4 May 2008
Climate Change Week 2008

For the second consecutive year, YTL Corporation Berhad organised and sponsored Climate Change Week, featuring free screenings of 'The 11th Hour', the acclaimed climate change documentary, produced and narrated by Hollywood actor & environmental activist, Leonardo DiCaprio, a business conference themed 'Energy Security and Climate Change in the 21st Century' and the international book launch of 'WASTEnomics: Turning Waste Liabilities into Assets'.



Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad, speaking at the inaugural screening of 'The 11th Hour' at the Kuala Lumpur Performing Arts Centre.



2 May 2008

Launch of YTL-SV Carbon

From left to right: Ms Ruth Yeoh Pei Cheen, Director of Investments, YTL Corporation Berhad; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad; and Mr Soeren Varming, Chief Executive Officer of YTL-SV Carbon Sdn Bhd, at the unveiling ceremony during Climate Change Week 2008. YTL-SV Carbon Sdn Bhd is a Clean Development Mechanism (CDM) consultancy.



3 May 2008

Climate Change Week 2008 Charity Gala & International Book Launch of 'WASTEnomics: Turning Waste Liabilities into Assets'

From left to right: Dr Kenny Tang, Founder & Chief Executive Officer of Oxbridge Climate Capital; Datuk Suboh Mohd Yassin, Secretary General of the Ministry of Natural Resources and Environment; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director of YTL Corporation Berhad; Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Executive Chairman of YTL Corporation Berhad; and Mr Jacob Yeoh Keong Yeow, Director of Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd, a wholly-owned subsidiary of YTL Corporation Berhad. Dr Kenny Tang and Mr Jacob Yeoh Keong Yeow are the co-editors of 'WASTEnomics: Turning Waste Liabilities into Assets'.



22 May 2008

Commendation of Social Reporting at the ACCA-MESRA Awards 2007

Ms Ruth Yeoh Pei Cheen, Director of Investments at YTL Corporation Berhad (2nd from left), received the award on behalf of YTL Corporation Berhad at the ACCA's Malaysia Environmental & Social Reporting (MESRA) Awards 2007.




28 August 2008

Site Visit to Asia Environment Holdings Ltd's (AEH) Water Treatment and Supply Plant in Nantong, China

Beginning far left: Mr Wang Hong Chun, Chief Executive Officer, AEH; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director, YTL Corporation Berhad; and Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Executive Chairman, YTL Corporation Berhad (4th from left), together with the team at AEH's water treatment and supply plant.

SUPPORTING EDUCATION & COMMUNITY DEVELOPMENT





"It is the present generation of youth that will inherit the future. We can't start early enough training them to be good citizens and self reliant, based on sound physical activities and a clean healthy life. You could not have come, therefore, to a better place than Malaysia – with its wonderful beaches, clear waters, coral reefs and spectacular marine life. Malaysia has the most ancient forests in the world with exotic fauna and flora accessible only by rivers and jungle treks. We also have the best physical infrastructure in the region. And we must now ensure that we match this with the right and the most honourable human infrastructure."

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE, Managing Director of YTL Corporation Berhad, at a dinner in honour of His Majesty King Carl XVI Gustaf of Sweden, representing the World Scout Foundation, on 3 October 2007

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Fifth Annual General Meeting of YTL Corporation Berhad will be held at Starhill 2, Level 4, JW Marriott Hotel Kuala Lumpur, 183, Jalan Bukit Bintang, 55100 Kuala Lumpur on Tuesday, the 2nd day of December, 2008 at 3.00 p.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2008 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 2008; **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 Soo Min **Resolution 3**
 - ii) Dato' Yeoh Seok Hong **Resolution 4**
 - iii) Syed Abdullah Bin Syed Abd. Kadir **Resolution 5**
4. To consider and if thought fit, pass the following Ordinary Resolutions in accordance with Section 129(6) of the Companies Act, 1965:
 - i) "THAT Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." **Resolution 6**
 - ii) "THAT Dato' (Dr) Yahya Bin Ismail, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." **Resolution 7**
 - iii) "THAT Mej Jen Dato' Haron Bin Mohd Taib (B), retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." **Resolution 8**

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

5. To approve the payment of Directors' fees amounting to RM280,000 for the financial year ended 30 June 2008; **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 2007, 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 2008, the audited Retained Profits and Share Premium Account of the Company were RM2,576,173,000.00 and RM513,721,000.00 respectively; and
- iii) The shares purchased by the Company pursuant to the Proposed Share Buy-Back may be dealt with by the Directors in all or any of the following manner:
 - a) the shares so purchased may be cancelled; and/or
 - b) the shares so purchased may be retained in treasury for distribution as dividend to the shareholders and/or resold on the market of Bursa Securities and/or subsequently cancelled; and/or
 - c) part of the shares so purchased may be retained as treasury shares with the remainder being cancelled.

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

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

Resolution 13

Notice of Annual General Meeting

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 major shareholder, as specified in section 2.1.2 of the Circular to Shareholders dated 10 November 2008 subject to the following:

- i) the transactions are of a revenue or trading in nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries and are transacted on terms consistent or comparable with market or normal trade practices and/or based on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders; and
- ii) disclosure is made in the annual report of the aggregate value of transactions conducted during the financial year pursuant to the shareholders' mandate in accordance with the Listing Requirements of Bursa Malaysia Securities Berhad.

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

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

Resolution 14

NOTICE OF BOOK CLOSURE

Notice is hereby given that the Register of Members of the Company will be closed at 5.00 p.m. on 10 December 2008 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 2008 as recommended by the Directors on 19 August 2008.

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 10 December 2008 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 2008, if approved by the shareholders at the forthcoming Twenty-Fifth Annual General Meeting, shall be on 26 December 2008.

Holders of Warrants 1999/2009 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 10 December 2008 to qualify for the above dividend entitlement.

By Order of the Board,

HO SAY KENG

Company Secretary

KUALA LUMPUR
10 November 2008

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 25 November 2008. Only a depositor whose name appears on the General Meeting Record of Depositors as at 25 November 2008 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 10 November 2008 which is despatched together with the Company's Annual Report 2008.

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 10 November 2008 which is despatched together with the Company's Annual Report 2008.

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-Fifth Annual General Meeting of the Company.

BOARD OF DIRECTORS

Executive Chairman

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay

PSM, SPMS, DPMS, KMN, PPN, PJK
Hon DEng (Heriot-Watt), DBA (Hon) (UMS),
Chartered Builder
FCIOB, FAIB, FFB, FBIM, FSIET, FBGAM, FMID

Managing Director

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping

PSM, CBE, FICE, SIMP, DPMS, DPMP, JMN, JP
Hon DEng (Kingston), BSc (Hons) Civil Engineering,
FFB, F Inst D, MBIM, RIM

Deputy Managing Director

Dato' Yeoh Seok Kian

DSSA
BSc (Hons) Bldg, MCIQB, FFB

Directors

Dato' (Dr) Yahya Bin Ismail

DPMJ, DPCM, DPMP, KMN, PPT
Bachelor of Veterinary Science

Mej Jen Dato' Haron Bin Mohd Taib (B)

PSAT, DPMJ, DPMT, DPMK, JMN, PMK, SMT, PIS,
PJK, PKB, psc

Dato' Cheong Keap Tai

Dato' Yeoh Soo Min

DSPN, DPMP
BA (Hons) Accounting

Dato' Yeoh Seok Hong

DSPN, JP
BE (Hons) Civil & Structural Engineering, FFB

Dato' Michael Yeoh Sock Siong

DIMP
BE (Hons) Civil & Structural Engineering, FFB

Dato' Yeoh Soo Keng

DIMP
BSc (Hons) Civil Engineering

Dato' Mark Yeoh Seok Kah

DSSA
LLB (Hons)

Eu Peng Meng @ Leslie Eu

BCom, FCILT

Syed Abdullah Bin Syed Abd. Kadir

BSc (Engineering Production), BCom (Economics)

COMPANY SECRETARY

Ho Say Keng

REGISTERED OFFICE

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

BUSINESS OFFICE

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

REGISTRAR

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

SOLICITORS

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

AUDIT COMMITTEE

Dato' (Dr) Yahya Bin Ismail

(Chairman and Independent Non-Executive Director)

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping

(Group Managing Director)

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

Dato' Cheong Keap Tai

(Independent Non-Executive Director)

AUDITORS

HLB Ler Lum (AF 0276)

Chartered Accountants
(A member of HLB International)

PRINCIPAL BANKERS OF THE GROUP

Affin Bank Berhad
Banco Bilbao Vizcaya Argentina, S.A.
Bank of China Limited
Barclays Bank Plc
Bayerische Landesbank
BNP Paribas
Calyon
Cathay United Bank
CIMB Bank Berhad
Citibank Berhad
Citibank Malaysia (L) Limited
DBS Bank Ltd
DBS Bank (China) Limited
Deutsche Bank (Malaysia) Berhad
DZ Bank AG Deutsche Zentral -
Genossenschaftsbank Frankfurt Am Main
European Investment Bank
Fortis Bank S.A./N.V.
Great Eastern Life Assurance (Malaysia)
Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
HSBC Bank Plc
ING Bank N.V.
Malayan Banking Berhad
Mega International Commercial Bank
Co Ltd
Mizuho Corporate Bank Ltd
National Australia Bank Limited
OCBC Bank (Malaysia) Berhad
Oversea-Chinese Banking Corporation
Limited
RHB Bank Berhad
Societe Generale
Standard Chartered Bank Malaysia Berhad
Standard Chartered Bank Singapore
Sumitomo Mitsui Banking Corporation
The Bank of East Asia Limited
The Bank of Nova Scotia Berhad
The Bank of Tokyo-Mitsubishi UFJ, Ltd
The Royal Bank of Scotland plc
United Overseas Bank (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 78, was appointed to the Board on 24 June 1984 and has been the Executive Chairman since 24 January 1985. His contributions are well recognised with the conferment of the title of Doctor of Engineering by Heriot-Watt University, Edinburgh and his appointment as Honorary Life President of the Master Builders Association of Malaysia in 1988. He is the co-founder and the first Chairman of the ASEAN Constructors' Federation. On 26 October 2002, Tan Sri Yeoh Tiong Lay was conferred the Honorary Doctorate in Philosophy (Business Administration) by Universiti Malaysia Sabah. He was installed as Pro-Chancellor for Universiti Malaysia Sabah on 1 July 2005. He is the past President and Lifetime member of the International Federation of Asian and Western Pacific Contractors Association. Tan Sri Yeoh Tiong Lay is currently an EXCO member of the Malaysian Crime Prevention Foundation. On 19 January 2008, Tan Sri Yeoh Tiong Lay was conferred the prestigious Order of the Rising Sun, Gold Rays with Neck Ribbon by the Emperor of Japan in recognition of his outstanding contribution towards the economic co-operation and friendship between Japan and Malaysia, including his efforts as an executive member and Vice President of the Malaysia-Japan Economic Association. He is also the Honorary Chairman of Tung Shin Hospital and is on the board of Governors for several schools. Tan Sri Yeoh Tiong Lay is also the Executive Chairman of YTL Power International Berhad and YTL Cement Berhad, both listed on the Main 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 54, 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 also 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 and Managing Director 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 in 2002 and CNBC Asia Pacific named him Malaysia CEO of the Year in 2005.

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

Profile of the Board of Directors

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Dato' Yeoh Seok Kian, Malaysian, aged 51, 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 an Executive Director of Pintar Projek Sdn Bhd, the Manager of Starhill Real Estate Investment Trust.

Dato' (Dr) Yahya Bin Ismail, Malaysian, aged 80, was appointed to the Board on 6 April 1984 as an Independent Non-Executive Director. He is also the Chairman of the Audit Committee. He was formerly with the Government and his last appointment was as Director General of the National Livestock Authority Malaysia. He was also with the Totalisator Board Malaysia from 1982 to 1990 and served as its Chairman from 1986. Dato' Yahya is a director of YTL Power International Berhad which is listed on the Main Board of Bursa Malaysia Securities Berhad. He also sits on the Board of Metroplex Berhad and Pintar Projek Sdn Bhd, the Manager of Starhill Real Estate Investment Trust.

Mej Jen Dato' Haron Bin Mohd Taib (B), Malaysian, aged 73, was appointed to the Board on 3 July 1990 as an Independent Non-Executive Director. He is also a member of the Audit Committee. He was enlisted as an officer cadet at the Royal Military College in Sungei Besi, Kuala Lumpur in 1957 and was commissioned as a Second Lieutenant at Royal Military Academy Sandhurst, England in 1957. Some of his notable appointments include Director of Manpower Planning in the Ministry of Defence in 1972, Chief of Logistic Staff in 1986 and Commander of Army Logistic Command in 1987. He has been a Director of YTL Power International Berhad since 31 October 1996.

Dato' Cheong Keap Tai, Malaysian, aged 60, was appointed to the Board on 30 September 2004 as an Independent Non-Executive Director. He is also a member of the Audit Committee. Dato' Cheong graduated from the University of Singapore with a Bachelor of Accountancy. He is a Chartered Accountant of Malaysian Institute of Accountants, a Member of the Malaysian Institute of Certified Public Accountants, 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 Group Berhad, Gromutual Berhad and several private limited companies.

Dato' Yeoh Soo Min, Malaysian, aged 52, was appointed to the Board on 24 June 1984 as an Executive Director. She graduated with a Bachelor of Art (Hons) Degree in Accounting from University of North London in 1980. She did her Articleship at Leigh Carr and Partners, London and has gained vast experience in accounting and management. She was responsible for the setting up of the Travel Division of the YTL Group in December 1990. Dato' Yeoh Soo Min is currently responsible for the accounting and finance systems for the YTL Group. She is a Member of the Malaysian Institute of Management. She was the past President of the Women in Travel Industry. She is currently one of the Governors of International Students House, London since 1995 and is a Trustee of Yayasan Tuanku Fauziah (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 49, was appointed to the Board on 19 June 1985 as an Executive Director. He obtained his Bachelor of Engineering (Hons) Civil & Structural Engineering Degree from the University Bradford, United Kingdom in 1982. He is a member of the Faculty of Building, United Kingdom. Dato' Yeoh Seok Hong has vast experience in the construction industry, being the Executive Director responsible for the YTL Group construction division. He was the project director responsible for the development and the construction of the two Independent Power Producer power stations owned by YTL Power Generation Sdn Bhd. His other achievements include the construction of the Express Rail Link between the Kuala Lumpur International Airport and the Kuala Lumpur Sentral Station. He is also responsible for developing the power and utility businesses of the YTL Power International Berhad Group. He is a director of YTL Power International Berhad, YTL Cement Berhad and YTL Land & Development Berhad, all listed on the Main 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 YTL Industries Berhad, YTL Foundation, Wessex Water Limited and Wessex Water Services Limited.

Dato' Michael Yeoh Sock Siong, Malaysian, aged 48, 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 the YTL Group 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 45, was appointed to the Board on 16 May 1996 as an Executive Director. She graduated with a Bachelor of Science (Hons) in Civil Engineering from Leeds University, United Kingdom in 1985. She was the project director for the construction of the British High Commissioner's residence, Kuala Lumpur; the Design & Build of the National Art Gallery in Kuala Lumpur and the Selangor Medical Centre in Shah Alam. She was also in charge of a few turnkey projects such as the construction and completion of Yeoh Tiong Lay Plaza, Pahang Cement plant in Pahang and Slag Cement plants in Selangor and Johor. Dato' Yeoh Soo Keng is the purchasing director responsible for bulk purchases of building materials and related items for the construction, hotels and resorts, and property development divisions of the YTL Group. She is instrumental in the sales and marketing of cement and related products for YTL Cement Berhad, Pahang Cement Marketing Sdn Bhd and Perak-Hanjoong Simen Sdn Bhd. She is also a director of YTL Power International Berhad and YTL Cement Berhad, all listed on the Main Board of Bursa Malaysia Securities Berhad.

Dato' Mark Yeoh Seok Kah, Malaysian, aged 43, was appointed to the Board on 22 June 1995. He graduated from King's College, University of London with a LLB (Hons) and was subsequently called to the Bar at Gray's Inn, London in 1988. Dato' Mark Yeoh joined YTL Group in 1989 and is presently the Executive Director responsible for the YTL Hotels and Resorts Division. In addition, he is also part of YTL Power's Mergers & Acquisitions Team and was involved in the 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 73, 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 54, was appointed to the Board on 20 October 1999 as an Executive Director. He graduated from the University of Birmingham in 1977 with a Bachelor of Science (Engineering Production) and a Bachelor of Commerce (Economics) Double Degree. He has extensive experience in banking and financial services, having been with Bumiputra Merchant Bankers Berhad from 1984 to 1994, holding the position of general manager immediately prior to his departure from the bank. Prior to joining YTL Corporation Berhad Group, he was, from November 1994 to February 1996, the general manager of Amanah Capital Partners Berhad, a public listed company with subsidiaries involved in, *inter alia*, discount, money broking, unit trusts, finance and fund management operations. He also serves on the board of YTL Power International Berhad, YTL e-Solutions Berhad, Iris Corporation Berhad, and Versatile Creative Berhad.

Notes:

- 1. Family Relationship with Director and/or Major Shareholder**
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay who is a deemed major shareholder of the Company, is the father of Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Dato' Yeoh Seok Kian, Dato' Yeoh Soo Min, Dato' Yeoh Seok Hong, Dato' 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 7 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	7
Dato' Yeoh Seok Kian	5
Dato' (Dr) Yahya Bin Ismail	7
Mej Jen Dato' Haron Bin Mohd Taib (B)	7
Dato' Cheong Keap Tai	5
Dato' Yeoh Soo Min	6
Dato' Yeoh Seok Hong	7
Dato' Michael Yeoh Sock Siong	6
Dato' Yeoh Soo Keng	5
Dato' Mark Yeoh Seok Kah	6
Eu Peng Meng @ Leslie Eu	7
Syed Abdullah Bin Syed Abd. Kadir	7

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 2008, the Group has used appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent. The Directors also consider that all applicable approved accounting standards have been followed and confirm that the financial statements have been prepared on a going concern basis.

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

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 Dato' Haron Bin Mohd Taib (B)

(Member/Independent Non-Executive Director)

Dato' Cheong Keap Tai

(Member/Independent Non-Executive Director)

TERMS OF REFERENCE

Primary Purposes

The Committee shall:

1. Provide assistance to the Board in fulfilling its fiduciary responsibilities relating to the corporate accounting and practices for YTL Corporation Berhad and all its wholly and majority owned subsidiaries ("Group").
2. Improve the Group's business efficiency, the quality of the accounting function, the system of internal controls and audit function and strengthen the confidence of the public in the Group's reported results.
3. Maintain through regularly scheduled meetings, a direct line of communication between the Board and the external auditors as well as internal auditors.
4. Enhance the independence of both the external and internal auditors' function through active participation in the audit process.
5. Strengthen the role of the Independent Directors by giving them a greater depth of knowledge as to the operations of the Company and of the Group through their participation in the Committee.
6. Act upon the Board of Directors' request to investigate and report on any issues or concerns in regard to the management of the Group.
7. Review existing practices and recommend to Management to formalise an ethics code for all executives and members of the staff of the Group.
8. Create a climate of discipline and control which will reduce opportunity of fraud.

Membership

1. The Committee shall be appointed by the Board from amongst their number and shall be composed of no fewer than three (3) members, 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 or approved by Bursa Malaysia Securities Berhad ("Bursa Securities").
3. The Board must ensure that no alternate Director is appointed as a member of the Audit Committee.
4. The members of the Committee shall elect a Chairman from amongst their number who shall be an Independent Director.

Authority

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

1. have authority to investigate any matter within its terms of reference;
2. have the resources which are required to perform its duties;
3. have full and unrestricted access to any information pertaining to the Company;
4. have direct communication channels with the external auditors and person(s) carrying out the internal audit function;
5. be able to obtain independent professional or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and
6. be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

Functions And Duties

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

1. Review the following and report the same to the Board of the Company:
 - (a) 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, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
- (f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- (g) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focussing particularly on:
 - changes in or implementation of major accounting policy changes
 - significant and unusual events
 - the accuracy and adequacy of the disclosure of information essential to a fair and full presentation of the financial affairs of the Group
 - compliance with accounting standards, other statutory and legal requirements and the going concern assumption;
- (h) any related party transaction and conflict of interest situation that may arise within the Company/Group and any related parties outside the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (i) any letter of resignation from the external auditors of the Company;
- (j) whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment; and
- (k) any significant audit findings, reservations, difficulties encountered or material weaknesses reported by the external and internal auditors.

Audit Committee Report

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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.
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.

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.

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 2008 in discharging its functions:-

1. Review of the external auditors' scope of work and their audit plan.
2. Reviewing with the external auditors on the results of their audit, the audit report and internal control recommendations in respect of control weaknesses noted in the course of their audit.
3. Review of audit reports presented by internal auditors on findings and recommendations and management's responses thereto and ensure that material findings are adequately addressed by management.
4. Review of the quarterly results and annual financial statements to ensure compliance with the Listing Requirements of Bursa Securities, applicable approved accounting standards and other statutory and regulatory requirements prior to recommending for approval by the Board of Directors.
5. Review of the related party transactions entered into by the Group.

INTERNAL AUDIT ACTIVITIES

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

1. Developing the annual internal audit plan and proposing this plan to the Audit Committee.
2. Conducting scheduled internal audit engagements, focusing primarily on the effectiveness of internal controls and recommending improvements where necessary.
3. Conducting follow-up reviews to assess if appropriate action has been taken to address issues highlighted in previous audit reports.
4. Presenting audit findings to the Audit Committee for consideration.

NUMBER OF MEETINGS HELD AND DETAILS OF ATTENDANCE

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

	Attendance
Dato' (Dr) Yahya Bin Ismail	5
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping	5
Mej Jen Dato' Haron Bin Mohd Taib (B)	5
Dato' Cheong Keap Tai	4

Statement on Corporate Governance

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The Board of Directors ("Board") of YTL Corporation Berhad ("YTL Corp" or "Company") remains firmly committed to ensuring an appropriate and sound system of corporate governance throughout the Company and its subsidiaries ("YTL Corp Group"). In implementing its governance system and ensuring full compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"), the Board has been guided by the measures recommended by the Malaysian Code on Corporate Governance ("Code"), which was revised on 1 October 2007.

The YTL Corp Group has a long-standing commitment to corporate governance and protection of shareholder value, which has been integral to the YTL Corp Group's achievements and strong financial profile to date. 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 all stakeholders.

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

BOARD STRUCTURE

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

The Board currently has 13 Directors, comprising 9 executive members and 4 non-executive members, all of whom are independent. This is in compliance with the Listing Requirements, which require 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 Independent Non-Executive Directors have the experience and business acumen necessary to carry sufficient weight in the Board's decisions and the presence of these Independent Non-Executive Directors brings an additional element of balance to the Board as they do not participate in the day-to-day running of the Company. The differing roles of Executive and Non-Executive Directors are delineated, both having fiduciary duties towards shareholders. Executive Directors have a direct responsibility for business operations whereas Non-Executive Directors have the necessary skill and experience to bring an independent judgement to bear on issues of strategy, performance and resources brought before the Board.

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

Together, the Directors 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 full deliberation of issues affecting the YTL Corp Group by all members of the Board and shareholders is encouraged.

DIRECTORS' TRAINING

Throughout the financial year under review, the Directors attended various conferences, seminars and programmes, including speaking engagements, to enhance their knowledge and expertise. In this regard, the Board will continue to evaluate and determine the training needs of its Directors on an ongoing basis.

BOARD MEETINGS & ACCESS TO INFORMATION

Board meetings are scheduled in advance at least 5 times in a year in order to review and approve the annual and interim financial results. Additional meetings may also be held as and when significant issues arise relating to the YTL Corp Group's operations and activities. The Board met 7 times during the financial year ended 30 June 2008. 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 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 clarifications, where necessary, in order to be properly briefed before each meeting. A record of the Board's deliberations of the issues discussed and conclusions reached in discharging its duties and responsibilities is captured in the minutes of each meeting, prepared by the Company Secretary.

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 mix of experience and expertise of members of the Board is sufficient to address the issues affecting the YTL Corp Group. In its deliberations, the Board is required to take into account the integrity, professionalism, skill, knowledge, expertise and experience of the proposed candidate. In accordance with the Board's procedures, deliberations and conclusions in this process reached are recorded by the Company Secretary. During the year under review, there were no new appointments to the Board.

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") and may 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. The names and details of Directors seeking re-election at the forthcoming AGM are disclosed in the Notice of AGM and the Profile of the Board of Directors, respectively, in this Annual Report.

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 7 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 shareholders are kept well-informed of any major developments of the YTL Corp Group. Such information is communicated through the Annual Report, the various disclosures and announcements to Bursa Securities, including quarterly and annual results, and corporate websites.

The Managing Director and the Executive Directors meet with analysts, institutional shareholders and investors throughout the year to provide updates on strategies and new developments. Presentations based on permissible disclosures are made to explain the YTL Corp Group's performance and major development programs. However, information that is price-sensitive or that may be regarded as undisclosed material information about the YTL Corp Group is not disclosed in these sessions until after the prescribed announcement to Bursa Securities has been made.

Statement on Corporate Governance

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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 and Executive Directors respond 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 3 Non-Executive Directors and 1 Executive Director. In accordance with the Code and the Listing Requirements, the Company will ensure that the Audit Committee is comprised fully of Non-Executive Directors by 31 January 2009 or any other deadline set out by Bursa Securities.

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 terms of reference of the Audit Committee were revised during the year to ensure consistency with the recent revisions to the Code and the Listing Requirements, which came into effect during the financial year under review. The Audit Committee will put in place all mechanisms necessary to ensure that these amended functions are effectively discharged, by the end of the financial year ending 30 June 2009 or any other deadline set out by Bursa Securities.

The Audit Committee met 5 times during the financial year ended 30 June 2008. 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 Companies Act 1965 and MASB 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 AND INTERNAL AUDIT

Details of the YTL Corp Group's system of internal control and its internal audit functions are contained in the Statement on Internal Control and the Audit Committee Report in this Annual Report.

RELATIONSHIP WITH THE AUDITORS

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

ADDITIONAL DISCLOSURE

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

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

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

The Board is satisfied that the Company has, in all material aspects, complied with the best practices of the Code as at 30 June 2008.

This statement was approved by the Board of Directors on 16 October 2008.

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 the YTL Corp Group’s system of internal control and risk management, in order to better quantify its compliance with the Malaysian Code on Corporate Governance (“Code”) and the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”).

The Code, which was revised on 1 October 2007, requires the Board of Directors (“Board”) of a listed company 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 to the Executive Directors. The approval of capital and revenue proposals above certain limits is reserved for decision by the Board. Other investment decisions are delegated for approval in accordance with authority limits. Comprehensive appraisal and monitoring procedures are applied to all major investment decisions.

The authority of the Directors is required for decisions on key treasury matters including financing of corporate and investment funding requirements, foreign currency and interest rate risk management, investments, insurance and designation of authorised signatories.
- **Financial Performance:** Interim financial results are reviewed by the Audit Committee and approved by the Board upon recommendation of the Audit Committee before release to Bursa Securities. The full year financial results and analyses of the YTL Corp Group’s state of affairs are disclosed to shareholders after review and audit by the external auditors.
- **Internal Compliance:** The YTL Corp Group monitors compliance with its internal financial controls through management reviews and reports which are internally reviewed by key personnel. 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 YTL Corp Group's internal audit function is co-sourced by its Internal Audit department ("YTLIA") and IBDC (Malaysia) Sdn Bhd ("IBDC"). Both YTLIA and IBDC report directly to the Audit Committee. A description of the activities of the internal audit function can be found in the Audit Committee Report included in this Annual Report.

Costs amounting to approximately RM400,000.00 were incurred in relation to the internal audit function for the financial year ended 30 June 2008.

None of the weaknesses or issues identified during the review for the financial year 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 ("UK") were not covered by the internal audit process discussed above. Wessex Water's operations are subject to stringent financial and operational controls imposed by its regulator, the UK Water Services Regulation Authority (known as OFWAT), a government body, and by its Regulatory Licence. Wessex Water Services Limited ("WWSL") possesses its own internal audit department, and incurred costs of approximately GBP234,000.00 (RM1,558,159.20, based on the average exchange rate of GBP1.00:RM6.6588 for the financial year ended 30 June 2008) during the year under review. The internal audit department reports to WWSL's audit committee, which has the responsibility to ensure the preservation of good financial practices and monitor the controls that are in place to ensure the integrity of those practices. It reviews the annual financial statements and provides a line of communication between the board of directors and the external auditors. It has formal terms of reference which deal with its authorities and duties.

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

- **Senior Management Meetings:** The YTL Corp Group conducts weekly meetings of the senior management which comprises Executive Directors and divisional heads. The purpose of these meetings is to deliberate and decide upon urgent company matters. Decisions can then be effectively communicated to all relevant staff levels in a timely manner. From these meetings, the Board is able to identify significant operational and financial risks of the business units concerned.
- **Treasury Meetings:** Management meetings to discuss significant financial and treasury matters and to monitor the financial standing of the YTL Corp Group are conducted on a weekly basis. These meetings ensure that any new financial developments and/or areas of concern are highlighted early and can be dealt with promptly. The members of this meeting comprise at least the YTL Corp Group Managing Director, Executive Directors, 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 YTL Power International Berhad's wholly-owned subsidiaries, YTL Power Generation Sdn Bhd and Wessex Water Limited, as well as its indirect investment of 33.5% in ElectraNet Pty Ltd and 35% equity interest in P.T. Jawa Power. These assets share common characteristics of highly predictable operating costs and revenue streams, which in turn generate stable and predictable cash flows and profits, underpinned by an established regulatory environment in their respective markets of operation.

The Board acknowledges that all areas of the YTL Corp Group's business activities involve some degree of risk 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 16 October 2008.

Analysis of Share/Warrant Holdings as at 30 September 2008

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	1,926	19.83	60,906	0.00
100 – 1,000	2,199	22.63	1,370,419	0.09
1,001 – 10,000	4,301	44.27	14,009,789	0.94
10,001 – 100,000	1,030	10.60	27,924,052	1.87
100,001 to less than 5% of issued shares	257	2.65	578,661,485	38.68
5% and above of issued shares	2	0.02	873,897,233	58.42
Total	9,715	100.00	1,495,923,884	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	47.21
2 Employees Provident Fund Board	167,637,008	11.21
3 DB (Malaysia) Nominee (Asing) Sdn Bhd - Exempt An for Deutsche Bank Ag Singapore (PWM Asing)	53,902,619	3.60
4 Mayban Nominees (Tempatan) Sdn Bhd - Pledged Securities A/c for Yeoh Tiong Lay & Sons Holdings Sdn Bhd (414011602000)	50,000,000	3.34
5 Amanah Raya Nominees (Tempatan) Sdn Bhd - Skim Amanah Saham Bumiputera	43,420,000	2.90
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	20,877,500	1.40
9 Amanah Raya Nominees (Tempatan) Sdn Bhd - Amanah Saham Wawasan 2020	17,018,600	1.14
10 UOBM Nominees (Asing) Sdn Bhd - Deutsche Bank Ag Singapore Branch (PBD) for Orchestral Harmony Limited	15,556,403	1.04
11 UOBM Nominees (Asing) Sdn Bhd - Deutsche Bank Ag Singapore Branch (PBD) for Velvet Properties Limited	15,233,920	1.02
12 Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,033,652	0.94
13 Cartaban Nominees (Asing) Sdn Bhd - SSBT Fund NB39 for Janus Orion Fund (Janus Inv Fund)	10,793,310	0.72
14 Valuecap Sdn Bhd	9,283,700	0.62
15 Amanah Raya Nominees (Tempatan) Sdn Bhd - Amanah Saham Malaysia	9,028,100	0.60

Name	No. of Shares	%#
16 UOBM Nominees (Asing) Sdn Bhd - Deutsche Bank Ag Singapore Branch (PBD) for Windchime Developments Limited	8,839,763	0.59
17 Alliancegroup Nominees (Tempatan) Sdn Bhd - Pheim Asset Management Sdn Bhd for Employees Provident Fund	8,400,000	0.56
18 Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	8,200,894	0.55
19 UOBM Nominees (Asing) Sdn Bhd - Deutsche Bank Ag Singapore Branch (PBD) for Water City Limited	7,980,582	0.53
20 Citigroup Nominees (Tempatan) Sdn Bhd - Exempt An for Prudential Fund Management Berhad	7,798,852	0.52
21 Amanah Raya Nominees (Tempatan) Sdn Bhd - Amanah Saham Didik	7,308,700	0.49
22 Yeoh Tiong Lay & Sons Holdings Sdn Bhd	6,951,120	0.46
23 Dato' Yeoh Soo Min	6,371,573	0.43
24 Lembaga Tabung Angkatan Tentera	6,080,000	0.41
25 Citigroup Nominees (Asing) Sdn Bhd - CBNY for DFA Emerging Markets Fund	5,993,600	0.40
26 Malaysia Nominees (Tempatan) Sendirian Berhad - Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	5,750,000	0.38
27 HSBC Nominees (Asing) Sdn Bhd - BBH and Co. Boston for Vanguard Emerging Markets Stock Index Fund	5,738,462	0.38
28 Pertubuhan Keselamatan Sosial	5,727,711	0.38
29 Dato' Yeoh Seok Kian	5,321,210	0.36
30 HSBC Nominees (Asing) Sdn Bhd - Exempt An for JPMorgan Chase, National Association (U.A.E)	5,248,033	0.35
Total	1,284,656,241	85.86

SUBSTANTIAL SHAREHOLDERS (as per register of substantial shareholders)

Name	Direct	No. of Shares Held		%#
		%#	Indirect	
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	790,362,611	52.83	-	-
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	8,200,894	0.55	790,362,611*	52.83
Employees Provident Fund Board	181,914,264	12.16	-	-

* Deemed interested by virtue of his interest 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 RM816,505,294.50 comprising 1,633,010,589 ordinary shares and after deduction of 137,086,705 treasury shares retained by the Company as per Record of Depositors.

Analysis of Share/Warrant Holdings as at 30 September 2008

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

DISTRIBUTION OF WARRANTS 1999/2009 HOLDINGS

Size of holding	No. of Warrants 1999/2009 Holders	%	No. of Warrants 1999/2009	%
Less than 100	80	4.15	2,968	0.00
100 – 1,000	471	24.46	330,314	0.13
1,001 – 10,000	1,162	60.33	3,689,045	1.40
10,001 – 100,000	179	9.30	5,348,515	2.04
100,001 to less than 5% of issued Warrants 1999/2009	32	1.66	32,420,122	12.33
5% and above of issued Warrants 1999/2009	2	0.10	221,062,861	84.10
Total	1,926	100.00	262,853,825	100.00

THIRTY LARGEST WARRANTS 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	67.76
2 DB (Malaysia) Nominee (Asing) Sdn Bhd - Exempt An for Deutsche Bank Ag Singapore (PWM Asing)	42,946,264	16.34
3 Yeoh Tiong Lay & Sons Holdings Sdn Bhd	8,069,600	3.07
4 Bara Aktif Sdn Bhd	6,681,876	2.54
5 HSBC Nominees (Asing) Sdn Bhd - Exempt An for JPMorgan Chase Bank, National Association (JPMINTL BK Ltd)	5,364,000	2.04
6 Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,285,472	0.87
7 Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,117,350	0.43
8 Elewinton Investment Limited	874,800	0.33
9 Dato' Yeoh Seok Kian	655,866	0.25
10 Dato' Yeoh Soo Keng	654,600	0.25
11 Dato' Yeoh Seok Hong	648,372	0.25
12 Lim Yong Keat	575,900	0.22
13 Dato' Michael Yeoh Sock Siong	550,110	0.21
14 Sally Shirley Bambrough	550,000	0.21
15 Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong	547,800	0.21
16 Datin Tan Siew Bee	547,180	0.21
17 Yeoh Tiong Lay & Sons Holdings Sdn Bhd	420,100	0.16
18 Dato' Mark Yeoh Seok Kah	271,800	0.10

Name	No. of Warrants 1999/2009	%
19 Teoh Kok Lin	220,000	0.08
20 Tay Teck Ho	205,000	0.08
21 Mayban Nominees (Tempatan) Sdn Bhd - Pledged Securities A/c for Lim Weng Jong	199,400	0.08
22 HDM Nominees (Tempatan) Sdn. Bhd. - Rabeah bt Othman	191,811	0.07
23 Quah Choo Chunn	191,200	0.07
24 Ho Say Keng	183,260	0.07
25 AMSEC Nominees (Tempatan) Sdn Bhd - Pledged Securities A/c for Quah Choo Chunn	180,000	0.07
26 General Technology Sdn Bhd	173,600	0.07
27 Roger Arthur Bambrough	150,000	0.06
28 Kho Boon Lian	149,900	0.06
29 CIMSEC Nominees (Asing) Sdn Bhd - Exempt An for CIMB-GK Securities Pte Ltd (Retail Clients)	148,025	0.06
30 Citigroup Nominees (Asing) Sdn Bhd - Merrill Lynch International	146,400	0.06
Total	253,016,283	96.28

Statement of Directors' Interests

in the Company and related corporations as at 30 September 2008

THE COMPANY

YTL CORPORATION BERHAD

Name	Direct	No. of Shares Held		No. of Share Options	
		%	Indirect	%	
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	8,200,894	0.55	794,932,467 ⁽¹⁾	53.14	5,000,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,203,652	0.95	–	–	5,000,000
Dato' Yeoh Seok Kian	5,321,210	0.36	515,683 ⁽²⁾	0.03	3,500,000
Dato' (Dr) Yahya Bin Ismail	237,242	0.02	100,261 ⁽²⁾	0.01	–
Dato' Yeoh Soo Min	6,371,573	0.43	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	0.31	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	0.43	187,154,097 ⁽¹⁾	71.20
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,285,472	0.87	–	–
Dato' Yeoh Seok Kian	655,866	0.25	–	–
Dato' (Dr) Yahya Bin Ismail	42,000	0.02	2,000 ⁽²⁾	*
Dato' Yeoh Seok Hong	648,372	0.25	–	–
Dato' Michael Yeoh Sock Siong	550,110	0.21	547,180 ⁽²⁾	0.21
Dato' Yeoh Soo Keng	654,600	0.25	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	5,000,004 ⁽²⁾	12.28
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	5,000,000	12.28	–	–
Dato' Yeoh Seok Kian	5,000,000	12.28	–	–
Dato' Yeoh Soo Min	1,250,000	3.07	–	–
Dato' Yeoh Seok Hong	5,000,000	12.28	–	–
Dato' 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		No. of Share Options	
		%	Indirect	%	
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,681,634	0.36	238,607,356 ⁽⁴⁾	50.82	1,400,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,042,923	0.44	–	–	1,400,000
Dato' Yeoh Seok Kian	618,754	0.13	83,200 ⁽²⁾	0.02	350,000
Dato' (Dr) Yahya Bin Ismail	81,536	0.02	–	–	–
Mej Jen Dato' Haron Bin Mohd Taib (B)	–	–	44,428 ⁽²⁾	0.01	–
Dato' Yeoh Soo Min	225,634	0.05	138,357 ⁽²⁾	0.03	–
Dato' Yeoh Seok Hong	225,634	0.05	45,123 ⁽²⁾	0.01	–
Dato' Michael Yeoh Sock Siong	1,265,634	0.27	1,109,388 ⁽²⁾	0.24	1,000,000
Dato' Yeoh Soo Keng	938,251	0.20	90,251 ⁽²⁾	0.02	700,000
Dato' Mark Yeoh Seok Kah	187,200	0.04	135,200 ⁽²⁾	0.03	–
Eu Peng Meng @ Leslie Eu	20,000	*	–	–	–

**No. of Irredeemable Convertible Unsecured
Loan Stocks 2005/2015 Held**

Name	Direct	%	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,681,634	0.35	454,310,350 ⁽⁴⁾	94.16
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1,727,423	0.36	–	–
Dato' Yeoh Seok Kian	618,754	0.13	100,000 ⁽²⁾	0.02
Dato' Yeoh Soo Min	225,634	0.05	–	–
Dato' Yeoh Seok Hong	225,634	0.05	45,123 ⁽²⁾	0.01
Dato' 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	–	–	1,002,227,600 ⁽⁵⁾	74.49
Dato' (Dr) Yahya Bin Ismail	527,000	0.04	–	–
Dato' Michael Yeoh Sock Siong	–	–	30,000 ⁽²⁾	*
Dato' Yeoh Soo Keng	500,000	0.04	–	–
Syed Abdullah Bin Syed Abd Kadir	300,000	0.02	–	–

Statement of Directors' Interests

in the Company and related corporations as at 30 September 2008

SUBSIDIARY COMPANIES

YTL LAND & DEVELOPMENT BERHAD

Name	Direct	No. of Shares Held		%
		%	Indirect	
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	496,202,732 ⁽⁵⁾	63.46
Dato' Yeoh Soo Min	–	–	106,000 ⁽²⁾	0.01
Dato' Yeoh Soo Keng	100,000	0.01	–	–
Eu Peng Meng @ Leslie Eu	20,000	*	–	–

No. of Irredeemable Convertible Preference Shares 2001/2011 Held

Name	Direct	%	Indirect	%
Dato' Yeoh Seok Kian	240,000	0.13	–	–
Dato' Yeoh Soo Min	–	–	200,000 ⁽²⁾	0.11

YTL POWER INTERNATIONAL BERHAD

Name	Direct	No. of Shares Held		No. of Share Options	
		%	Indirect	%	
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	10,096,250	0.18	3,287,494,185 ⁽⁶⁾	58.17	7,000,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,945,040	0.26	–	–	7,000,000
Dato' Yeoh Seok Kian	5,021,360	0.09	1,245,941 ⁽²⁾	0.02	3,000,000
Dato' (Dr) Yahya Bin Ismail	634,833	0.01	38,610 ⁽²⁾	*	–
Mej Jen Dato' Haron Bin Mohd Taib (B)	–	–	112,898 ⁽²⁾	*	–
Dato' Yeoh Soo Min	5,108,601	0.09	422,172 ⁽²⁾	0.01	3,000,000
Dato' Yeoh Seok Hong	8,648,863	0.15	2,459,947 ⁽³⁾	0.04	5,000,000
Dato' Michael Yeoh Sock Siong	4,601,744	0.08	919,291 ⁽²⁾	0.02	3,000,000
Dato' Yeoh Soo Keng	5,081,777	0.09	112,260 ⁽²⁾	*	3,000,000
Dato' Mark Yeoh Seok Kah	5,784,713	0.10	825,233 ⁽²⁾	0.01	3,000,000
Eu Peng Meng @ Leslie Eu	20,170	*	–	–	–
Syed Abdullah Bin Syed Abd Kadir	2,181,203	0.04	524 ⁽²⁾	*	3,000,000

No. of Warrants 2000/2010 Held

Name	Direct	%	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	726,098,046 ⁽⁶⁾	85.18
Dato' (Dr) Yahya Bin Ismail	4,000	*	6,000 ⁽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	–	–

Name	No. of Warrants 2008/2018 Held			
	Direct	%	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	3,284,000	0.22	1,101,306,922 ⁽⁶⁾	73.09
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	4,860,175	0.32	–	–
Dato' Yeoh Seok Kian	1,632,962	0.11	450,000 ⁽²⁾	0.03
Dato' (Dr) Yahya Bin Ismail	206,450	0.01	–	–
Mej Jen Dato' Haron Bin Mohd Taib (B)	–	–	26,715 ⁽²⁾	*
Dato' Yeoh Soo Min	1,661,333	0.11	137,292 ⁽²⁾	0.01
Dato' Yeoh Seok Hong	8,861,405	0.59	799,982 ⁽³⁾	0.05
Dato' Michael Yeoh Sock Siong	1,496,502	0.10	298,956 ⁽²⁾	0.02
Dato' Yeoh Soo Keng	1,585,944	0.11	36,507 ⁽²⁾	*
Dato' Mark Yeoh Seok Kah	1,881,207	0.12	268,368 ⁽²⁾	0.02
Eu Peng Meng @ Leslie Eu	7,000	*	–	–

* 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/Warrants 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.

⁽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 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 2008

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

Monthly Breakdown Bought back	No. of Shares Purchased And Retained As Treasury Shares	Purchase Price Per Share (RM)		Average Cost Per Share (RM)	Total Cost (RM)	No. of Treasury Shares Cancelled
		Lowest	Highest			
July 2007	2,276,400	7.55	8.50	8.2885	18,868,013.02	–
August 2007	2,544,000	6.75	7.65	7.2576	18,463,387.30	–
September 2007	538,200	7.25	7.50	7.3976	3,981,390.60	–
October 2007	302,000	7.30	7.60	7.4896	2,261,849.26	–
November 2007	2,833,800	7.30	8.05	7.7074	21,841,138.04	–
December 2007	3,963,900	7.10	8.70	7.7512	30,725,102.14	–
January 2008	1,301,700	7.25	7.90	7.7062	10,031,113.60	–
February 2008	2,228,700	7.60	8.00	7.8198	17,428,031.67	30,000,000
March 2008	3,448,800	6.50	7.70	7.2575	25,029,814.18	–
April 2008	215,900	7.40	7.60	7.5175	1,623,026.61	–
May 2008	472,000	7.35	7.60	7.5405	3,559,124.16	–
June 2008	1,822,000	7.00	7.45	7.1931	13,105,822.87	–
Total	21,947,400			7.6054	166,917,813.45	30,000,000

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

Sold	No. of Shares	Resale Price Per Share (RM)			Total Consideration Received (RM)
		Lowest	Highest	Average	
April 2008	1,000,000	7.55	7.55	7.5375	7,537,475.00
Total	1,000,000			7.5375	7,537,475.00

During the financial year, all the shares purchased by the Company were retained as treasury shares. 1,000,000 and 30,000,000 treasury shares were resold and cancelled respectively during the financial year. As at 30 June 2008, a total of 137,010,505 ordinary shares were held as treasury shares.

List of Properties as at 30 June 2008

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 31694 & 3802/3 Mukim Port Dickson State of Negeri Sembilan	Freehold	22.43 hectare	Agricultural land/ Industrial land with factory building	–	–	–	2,103	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	10	–	6,366	21.1.1982/ 30.06.1999
GM 161, Lot 1387 Mukim Kuala Paka Dungun State of Terengganu	Freehold	1.9538 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	265	24.6.1978
PN 57309 to 57318 Lot Nos. PT 26 to 35 Pekan Kuala Sungai Buloh Daerah Kuala Selangor	Leasehold	1,712.00 sq.m.	Commercial land - Vacant	–	–	Year 2107	718	Year 1989

List of Properties as at 30 June 2008

Location	Tenure	Land Area	Description and Existing Use	Approximate		Lease Expiry Date	Net Book Value RM'000	Date of Acquisition
				Built up Area (sq.m.)	Age of Building (years)			
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 ³ / ₄ , 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	13	–	7,176	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	26	–	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	24.06.1978
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	33	–	250	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	40	–	1,500	14.9.1981
44-14B, 14th Floor Seasons Tower Jalan Horley 55100 Kuala Lumpur of Federal Territory Geran 7536/M1/15/3 Petak 3 Tingkat 15 Bangunan M1 Lot 1210 Sect 67 Kuala Lumpur	Freehold	– (strata title)	Apartment	104.5	24	–	200	21.1.1982

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 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	32	–	170	01.03.1983
GRN 26745, Lot 106 & GRN 27114, Lot 107 Bandar Kuala Lumpur	Freehold	– (strata title)	72 units of condominium known as Vistana Apartments	7,963	14	–	13,841	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	16	Year 2090	438	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	10	Year 2095	61,153	13.4.2001
No. 1, Clifton Place London SW 10 Hollywood Road Kensington Title No. NGI 692081	Freehold	*	Residential	2,400 sq.ft.	19	–	3,389	8.11.1991
Fairwinds, London Road Virgin Water Title No. SY461901	Freehold	*	Residential	*	80	–	4,267	22.9.1993
Lane's End Portnall Drive London Road Title No. SY394312	Freehold	*	Residential	*	*	–	8,939	28.11.1994

* Details not stated on titles

List of Properties as at 30 June 2008

Location	Tenure	Land Area	Description and Existing Use	Approximate		Lease Expiry Date	Net Book Value RM'000	Date of Acquisition
				Built up Area (sq.m.)	Age of Building (years)			
Room 2610-2611 Tower Two, Lippo Centre Hong Kong	Leasehold	3,144 sq.ft.	Office Space	3,144	23	Year 2059	16,935	15.11.1994
Amanpuri Villa 13 Thailand	Leasehold	*	Residential	*	*	Year 2023	4,391	01.07.1994
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	3,180	12.04.1999
Lot 14-B, 14-C and 14-D Majada del Madrorid District of Benahavis Spain	Freehold	29,298 sq.m.	Residential	–	–	–	6,870	15.04.1999
G24619, Lot 254 Section 19, Town of Kuala Lumpur	Freehold	1,600 sq.m.	2 storey residential building, Tingkat Tung Shin	2,010 sq.ft.	Pre-war	–	313	21.10.1981
HS (D) 84475 PT 59 Seksyen 84 Bandar Kuala Lumpur	Freehold	200.69 sq.m.	5-storey shop office	736.56	10	–	1,930	09.08.1999
CT 4253, Lot 73 Section 17 Town of Kuala Lumpur	Freehold	229.84 sq.m.	3 storey shophouse building	689.5	Pre-war	–	1,934	13.06.1983
Title deed no 8874 Tambol Samsen Nai (North) Amphur Payathai (Babsue), Bangkok Thailand	Freehold	177 sq.m.	Office condominium	177	16	–	888	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	31	Year 2104	4,038	28.12.1983

* Details not stated on titles

Location	Tenure	Land Area	Description and Existing Use	Approximate		Lease Expiry Date	Net Book Value RM'000	Date of Acquisition
				Built up Area (sq.m.)	Age of Building (years)			
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	10	Year 2094	641	Year 2000
8th Floor, Menara ING Jalan Raja Chulan Kuala Lumpur of Federal Territory Hak milik Strata Geran 10041/M1/9/1 Petak 1 Tingkat 9 Bangunan M1 Lot 1199 Sek 57 Kuala Lumpur	Freehold	– (strata title)	Office space	832.78	23	–	4,796	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.	7	Strata titles not issued yet	1,530	30.5.2001
Parcel No. 7-12-1 Phase 1B, Ratu Mutiara NED, Tanjung Bunga Penang	Freehold	– (strata title)	1 unit of condominium	1,325 sq.ft.	9	–	281	1.3.2001
Parcel No. B-28-006 B-28-007, B-28-010 and B-28-011 Berjaya Times Square	Freehold	– (strata title)	4 units of service suite	2,474 sq.ft.	7	–	1,363	20.2.2002
Plot No. 020 Phase 2B Bandar Tasik Kesuma Berenang, Selangor HS (D) 128654 PT 9882 Mukim Berenang Daerah Ulu Langat Selangor	Freehold	2,520 sq.ft.	3 storey office at Bandar Tasik Kesuma	7,222 sq.ft.	7	–	631	16.5.2001

List of Properties as at 30 June 2008

Location	Tenure	Land Area	Description and Existing Use	Approximate		Lease Expiry Date	Net Book Value RM'000	Date of Acquisition
				Built up Area (sq.m.)	Age of Building (years)			
Lot 534, Section 0067 (Grant No. 30470) Bandar Kuala Lumpur Daerah Kuala Lumpur	Freehold	1,011.681 sq.m.	Commercial land	–	–	–	23,641	25.1.2008
Lot 535, Section 0067 (Grant No. 27127) Bandar Kuala Lumpur Daerah Kuala Lumpur	Freehold	3,958.19 sq.m.	Commercial land	–	–	–	47,246	25.1.2008
Lot 101, Section 63 (Grant No. 11238) Bandar Kuala Lumpur Daerah Kuala Lumpur	Freehold	3,958.19 sq.m.	Commercial land	–	–	–	87,866	11.4.2008
Castel Laudon route des Marres 83350 Ramatuelle	Freehold	13.695 sq.m.	4 units of building	–	–	–	69,404	14.10.2007
Lot 148, 370B Jalan Tun Razak Kuala Lumpur	Freehold	1 road and 29.8 pole	Vacant land	–	–	–	5,000	1995
Lot 668 – 673 Lot 768 CT 6271 – 6276 Grant No. 8941 Jalan Kamunting Kuala Lumpur	Freehold	11,804 sq.ft.	Vacant land	–	Pre-war	–	3,637	25.5.1985
H.S.(D) 2099 PT No. 2136/120 Mukim of Bentong, Pahang	Freehold	206 acres	Future Development Land	–	–	–	60,000	1996
H.S.(D) 2097 PT No. 2134/118, Mukim and Daerah of Bentong	Freehold	102 acres	Future Development Land	–	–	–	28,243	1997

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
HSD00009632 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	9	Year 2094	65,747	4.12.1996
GM 783 No. Lot 2797 and GM 782 No. Lot 2798 Mukim Senai-Kulai Tempat Alor Bukit Daerah Kulai, Johor	Freehold	4.2213 hectare	Agriculture lands for supporting quarry activities	–	–	–	1,128	28.2.2008
HS (D) 34460 – 34461 PT No. 1119 - 1120 Geran 45807 – 45810 Lot 1313 - 1316 Geran 45812 – 45813 Lot 1318 & 1319 and H S (D) 40604 PT No. 1178 Mukim Ulu Semenyih Daerah Ulu Langat Negeri Selangor	Freehold	35.2623 hectare	Agriculture land/ Industrial land (PT No. 1120)	–	–	–	2,246	28.2.2008
Lot 2799 Mukim Senai-Kulai Tempat Alor Bukit Daerah Kulai	Freehold	1.9931 hectare	Agriculture land for supporting quarry activities	–	–	–	56	1.7.2007
PT 0006050 Mukim Lebu Lebuhraya Seremban Nilai, Negeri Sembilan	Leasehold	20.2 hectare	Industrial land for quarry operations only	–	–	Year 2053	63	1.7.2007

List of Properties as at 30 June 2008

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
PT 0013271 Mukim Lebu Lebuhraya Seremban Nilai, Negeri Sembilan	Leasehold	5.36 hectare	Industrial land for supporting quarry operations	–	–	Year 2092	308	1.7.2007
HS (M) 8968 PT No. 11816 Mukim of Kapar District of Klang Selangor	Freehold	153 sq.m.	Single terrace house	153	13	–	83	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	13	–	1,477	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 sq.m.	18	29.07.2076	341,135	16.12.2005

@ Revalued on 1 March 2008 and approved by Securities Commission on 11 July 2008

Location	Tenure	Land Area	Description and Existing Use	Approximate		Lease Expiry Date	Net Book Value RM'000	Date of Acquisition
				Built up Area (sq.m.)	Age of Building (years)			
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:	92,421 sq.m.	13	-	480,000	16.12.2005
			i) Shopping centre with part of a 7-level shopping centre with 5 basements and a 12-level annexe building with 3 basements.					
			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 sq.m.	11	-	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 sq.m.	3	-	125,000	16.05.2007
Geran 5552 Lot 72 Mukim Tanah Rata Daerah Cameron Highlands Pahang	Leasehold	5.1319 hectare	Hotel	-	32	19.11.2035	13,931	30.08.2005

@ Revalued on 1 March 2008 and approved by Securities Commission on 11 July 2008

List of Properties as at 30 June 2008

Location	Tenure	Land Area	Description and Existing Use	Approximate		Lease Expiry Date	Net Book Value RM'000	Date of Acquisition
				Built up Area (sq.m.)	Age of Building (years)			
HS (D) 5777 Lot PT 4258 Mukim Bidor Daerah Batang Padang Perak Darul Ridzuan	Leasehold	1.6673 hectare	Agriculture land	–	–	03.11.2098	1,031	04.11.1999
HS (D) 5778 Lot PT 4259 Mukim Bidor Daerah Batang Padang Perak Darul Ridzuan		14.8156 hectare						
HS (D) 5779 Lot PT 4260 Mukim Bidor Daerah Batang Padang Perak Darul Ridzuan		1.1007 hectare						
HS (D) 5780 Lot PT 4261 Mukim Bidor Daerah Batang Padang Perak Darul Ridzuan		0.862 hectare						
HS (D) 5781 Lot PT 4262 Mukim Bidor Daerah Batang Padang Perak Darul Ridzuan		174.8648 hectare						
HS (D) 5782 Lot PT 4263 Mukim Bidor Daerah Batang Padang Perak Darul Ridzuan		211.3756 hectare						
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

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 PT2467 HS (D) 340 Mukim of Kuala Paka Terengganu	Leasehold	16.187 hectare	Power plant	–	13	Year 2018	1,220,360	3.12.1995
Lot No. PT64062 HS (D) 69515 Mukim of Plentong Johor	Leasehold	2.0577 hectare	Power plant	–	13	Year 2018	658,343	3.12.1995
Avonmouth STW Kings Weston Lane Avonmouth Bristol BS11 OYS	Freehold	394,600 sq.m.	Sewerage treatment works	–	–	–	370,753	21.5.2002
Poole STW, Cabot Lane Poole, Dorset, BH17 7BX	Freehold	91,800 sq.m.	Sewerage treatment works	–	–	–	234,319	21.5.2002
Claverton Down Road, Bath BA2 7WW	Freehold	27,100 sq.m.	Head Office, Operation Centre	5,640	8	–	188,765	21.5.2002
W-S-Mare STW Accomodation Road Bleadon, Weston Super Mare BS24 OAP	Freehold	157,500 sq.m.	Sewerage treatment works	–	–	–	138,198	21.5.2002
Holdenhurst STW Riverside Ave Castle Lane East Bournemouth Dorset BH7 7ES	Freehold	102,000 sq.m.	Sewerage treatment works	–	–	–	83,971	21.5.2002
Ham Lane STW Creech St. Michael Taunton, Somerset TA3 5NU	Freehold	120,000 sq.m.	Sewerage treatment works	–	–	–	71,104	21.5.2002
Minehead STW Lower Marsh, Dunster Minehead , Somerset TA24 6P	Freehold	43,700 sq.m.	Sewerage treatment works	–	–	–	63,935	21.5.2002

List of Properties as at 30 June 2008

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
Chilton Trinity STW Wylds Road, Bridgwater Somerset TA6 3JS	Freehold	34,600 sq.m.	Sewerage treatment works	–	–	–	59,703	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	–	5,276	2002
HSD 23805-23812 PT 10579-10586 Mukim Lumut Daerah Manjung Perak	Leasehold	102.050 acres	Future Development Land	–	–	Year 2105	12,663	2006
HSD 13902, PT 8561 Mukim Lumut Daerah Manjung, Perak	Leasehold	93.500 acres	Future Development Land	–	–	Year 2097	6,050	1997
Section 81, 83 & 84 Bandar Kuala Lumpur Wilayah Persekutuan and Mukim Batu, Kuala Lumpur	Freehold	37.592 acres	Park Land	–	–	–	26,507	1995
		47.212 acres	Future Development Land	–	–	–	62,663	1995
		72.32 acres	Mixed residential and commercial development	–	–	–	72,745	1995
		2.349 acres	Commercial development	–	–	–	960	2004

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 2897 Lot 2763, Mukim Batu Daerah Kuala Lumpur	Freehold	0.500 acres	Future Development Land	–	–	–	2,880	2007
Geran 2389, Lot 162 Section 84 Daerah Kuala Lumpur	Freehold	0.712 acres	Future Development Land	–	–	–	2,420	2008
No. 379, Jalan Ipoh 57100 Kuala Lumpur	Freehold	0.037 acres	2 Storey shop	–	–	–	720	2008
No. 383, Jalan Ipoh 57100 Kuala Lumpur	Freehold	0.037 acres	2 Storey shop	–	–	–	720	2008
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	4,195	1995
Lot 3543, HSD 68386 Mukim of Kuala Lumpur	Leasehold	37.92 acres	Future Development Land	–	–	Year 2090	25,237	1990
PT 12418, HSD 50456 Mukim of Petaling District of Petaling	Leasehold	100.000 acres	Residential Development	–	–	Year 2090	5,997	1991
PT 296, GRN 29723 Bandar Kuala Lumpur	Freehold	3.255 acres	Future Development Land	–	–	–	61,095	1992
Geran 44701, Lot 20213 Bandar Johor Bahru, Johor	Freehold	– (strata title)	4 units of apartments known as Indera Putera Courts	558	23	–	818	21.5.1985
		– (strata title)	2 units of apartments known as Indera Putera Courts	276	23	–	447	10.5.1985

List of Properties as at 30 June 2008

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)	2 units of apartments known as Indera Putera Courts	276	23	–	443	6.6.1984
		– (strata title)	1 unit of apartment known as Indera Putera Courts	138	23	–	222	15.6.1984
		– (strata title)	1 unit of apartment known as Indera Putera Courts	138	23	–	216	28.9.1984
		– (strata title)	1 unit of apartment known as Indera Putera Courts	138	23	–	222	28.5.1984
		– (strata title)	2 units of apartments known as Indera Putera Courts	647.34	23	–	880	28.2.1984
		– (strata title)	1 unit of apartment known as Indera Putera Courts			–		28.6.1985
– (strata title)	1 unit of apartment known as Indera Putera Courts	–	10.5.1985					

Location	Tenure	Land Area	Description and Existing Use	Approximate		Lease Expiry Date	Net Book Value RM'000	Date of Acquisition
				Built up Area (sq.m.)	Age of Building (years)			
HS (D) 60573 Lot A/607573 Mukim Kuala Lumpur	Leasehold	7,281.047 sq.m.	Industrial land with batching plant	–	–	Year 2067	789	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	18	–	316	31.12.1989
Pajakan Negeri No. 10023, Lot 45609 Mukim of Kuala Lumpur	Leasehold	3,218.05 sq.m.	Industrial land	–	–	Year 2067	1,373	30.9.1995
Sublease from Port Klang Authority Selangor	Leasehold	107,888 sq.m.	Slag cement plant	6,752	12	Year 2024	72,853	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	2,086	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	62,790	October 1997
Land title under title HS (D) 00013857 PT 000988 Mukim Ulu Kuantan Pahang	Leasehold	121.4 hectare	Cement plant	759,480	10	24.9.2061	346,943	25.9.1995
Land title under title HS (D) 00015539 PT 000991 Mukim Ulu Kuantan Pahang	Leasehold	8.09 hectare	Cement plant		10	2.6.2062		2.6.1996

List of Properties as at 30 June 2008

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
Land title under title HS (D) 00011079 PT 000980 Mukim Ulu Kuantan Pahang	Leasehold	81 hectare	Cement plant	759,480	10	9.11.2060	346,943	9.11.1994
Geran 31549 Lot No. 3792 Mukim & District of Klang, Selangor	Freehold	387,684 sq.ft.	Land with factory building	11,603	8	–	7,899	30.6.2004
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	1.5783 hectare	Industrial land with batching plant	–	–	Year 2038	1,888	23.2.2005
PT No. 6017 HS (D) 22115 Bandar Johor Bahru Daerah Johor Bahru Johor	Leasehold	1.5859 hectare	Industrial land with batching plant	–	–	Year 2038	1,888	23.2.2005
HS (M) 22017 PT 35760 Mukim Bandar Selayang	Leasehold	178.37 sq.m.	Shop office	–	5	Year 2098	800	26.7.2004
HS (M) 22018 PT 35761 Mukim Bandar Selayang	Leasehold	178.37 sq.m.	Shop office	–	5	Year 2098	800	26.7.2004
05-08-07 Lin'an Zhejiang Province	Leasehold	178,025.4 sq.m.	Cement plant	–	3	Year 2054	196,871	15.11.2007
05-08-09 Lin'an Zhejiang Province	Leasehold	72,026.6 sq.m.	Cement plant	–	3	Year 2054		15.11.2007
HS (D) 460/88 PT 1122#	Leasehold	59.79 acres	Cement plant	–	–	Year 2087	1,059,390	30.7.1998
HS (D) 461/88 PT 1123#	Leasehold	0.9864 acres	Cement plant	–	–	Year 2087		30.7.1988

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

Location	Tenure	Land Area	Description and Existing Use	Approximate		Lease Expiry Date	Net Book Value RM'000	Date of Acquisition
				Built up Area (sq.m.)	Age of Building (years)			
HS (D) 2675 PT 1327#	Leasehold	22.21 acres	Cement plant	–	–	Year 2095	1,059,390	17.4.1996
HS (D) 3705 PT 1417#	Leasehold	1.46 acres	Warehouse & depot	–	–	Year 2096		29.12.1997
HS (D) 3706 PT 1418#	Leasehold	14.55 acres	Cement plant	–	–	Year 2096		29.12.1997
HS (D) 2676 PT 1328#	Leasehold	8.20 acres	Cement plant	–	–	Year 2095		17.4.1996
HS (D) 2677 PT 1329#	Leasehold	30.25 acres	Cement plant	–	–	Year 2095		17.4.1996
HS (D) 2678 PT 1330#	Leasehold	102.33 acres	Cement plant	–	–	Year 2095		17.4.1996
HS (D) 2679 PT 1331#	Leasehold	130.97 acres	Cement plant	–	–	Year 2026		17.4.1996
HS (D) 2680 PT 1332#	Leasehold	14.41 acres	Cement plant	–	–	Year 2026		17.4.1996
HS (D) 2735 PT 1326#	Leasehold	28.24 acres	Staff quarter building	–	–	Year 2095		29.5.1996
HS (D) 2737 PT 417#	Leasehold	28.17 acres	Cement plant	–	–	Year 2095		27.6.1996
HS (D) 2681 PT 1333#	Leasehold	278.24 acres	Cement plant	–	–	Year 2026		17.4.1996
HS (D) 4170 PT 1419#	Leasehold	30.06 acres	Cement plant	–	–	Year 2097		15.9.1998
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

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



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Directors' Report for the financial year ended 30 June 2008

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 2008.

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 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 financial year	1,376,487	322,740
Attributable to:		
Equity holders of the Company	769,786	322,740
Minority interests	606,701	–
	1,376,487	322,740

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 2007:	
Final dividend of 5% less 27% tax, paid on 31 December 2007	27,432
In respect of the financial year ended 30 June 2008:	
First interim dividend of 15% less 26% tax, paid on 31 January 2008	83,225
Second interim dividend of 15% less 26% tax, paid on 24 March 2008	83,125
Third interim dividend of 15% less 26% tax, paid on 24 June 2008	83,083
	276,865

The Board of Directors has recommended a final dividend of 5% less Malaysian income tax for the financial year ended 30 June 2008 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 financial statements.

SHARE CAPITAL

Issue of shares

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

Class of shares	Number of shares	Term of issue	Issue price RM	Purpose of issue
Ordinary	22,000	Cash	2.79	Exercise of ESOS
Ordinary	1,599,627	Cash	2.75	Exercise of Warrants 1997/2007
Ordinary	9,356,967	Cash	4.23	Exercise of Warrants 1999/2009

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

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 2007. 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 purchase price 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
	(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
	(33,000,000)*	5.42	(178,912,900)
	(61,700,000)#	5.67	(350,105,530)
30 June 2008	21,947,400	7.61	166,917,813
	(30,000,000)*	6.45	(193,410,000)
	(1,000,000)#	6.48	(6,479,800)
Total	137,010,505		889,671,075

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.

The subscription rights of Warrants 1997/2007 expired on 21 September 2007 and the said warrants were removed from the official list of Bursa Malaysia Securities Berhad on 24 September 2007.

As at 30 June 2008, the total number of warrants that remain unexercised were as follows:

Warrants 1999/2009	263,534,125
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At an Extraordinary General Meeting held on 16 October 2001, the Company's shareholders approved the establishment of an Employees' Share Option Scheme ("ESOS" or "Scheme") for eligible employees and executive directors of the Group.

The main features of the ESOS are as follows:

- (i) The ESOS shall be in force for a period of ten (10) years, effective from 30 November 2001.
- (ii) The maximum number of shares which may be made available under the ESOS shall not exceed ten per cent (10%) of the total issued and paid-up share capital of the Company at the time of offering the option.
- (iii) Any employee (including executive directors) of the Group shall be eligible to participate in the ESOS if, as at the date of offer for an option ("Offer Date") the employee:
 - (a) has attained the age of eighteen (18) years;
 - (b) is employed by and on the payroll of a company within the Group; and
 - (c) has been in the employment of the Group for a period of at least one (1) year of continuous service prior to and up to the Offer Date, including service during the probation period, and is confirmed in service. The options committee may, at its discretion, nominate any employee (including executive directors) of the Group to be an eligible employee despite the eligibility criteria under Clause 4.1(iii) of the Bye-Laws not being met, at any time and from time to time.
- (iv) The price payable for shares under the ESOS shall be based on the five-day weighted average market price of the underlying shares at the time the option is granted, with a discount of not more than 10%, if deemed appropriate.
- (v) Subject to Clause 14 of the Bye-Laws, the options committee may, at any time and from time to time, before or after an option is granted, limit the exercise of the options to a maximum number of new ordinary shares of the Company and/or such percentage of the total ordinary shares of the Company comprised in the options during such period(s) within the option period and impose any other terms and/or conditions deemed appropriate by the options committee in its sole discretion including amending/varying any terms and conditions imposed earlier. Notwithstanding the above, and subject to Clauses 11 and 12 of the Bye-Laws, the options can only be exercised by the grantee three (3) years after the Offer Date, by notice in writing to the Company, provided however that the options committee may at its discretion or upon the request in writing by the grantee allow the options to be exercised at any earlier or other period.
- (vi) The grantee shall be prohibited from disposing the ordinary shares of the Company so allotted to him for a period of twelve (12) months from the date on which the options are exercised. However, the options committee may at its discretion or upon request in writing by the grantee allow the disposal of such ordinary shares of the Company at any earlier or other period.

(vii) The persons whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

Set out below are the movements in the options over the unissued ordinary shares of 50 sen each in the Company granted under the ESOS during the financial year:

Date granted	Exercise period	Exercise Price RM	Number of share options				
			At 1.7.2007 '000	Granted '000	Exercised '000	Lapsed '000	At 30.6.2008 '000
Scheme							
16.10.2002	16.10.2005 - 29.11.2011	2.79	227	-	(22)	(21)	184
01.07.2005	01.07.2008 - 29.11.2011	4.81	47,241	-	-	(317)	46,924
07.08.2006	07.08.2009 - 29.11.2011	4.41	629	-	-	(67)	562
16.01.2008	16.01.2011 - 29.11.2011	6.93	-	983	-	(118)	865
			48,097	983	(22)	(523)	48,535

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of grantees granted less than 50,000 share options each during the year pursuant to the ESOS. The following person was granted share options of 50,000 or more during the financial year:

	Number of share options granted
Cheong Kam Foong	50,000

DIRECTORS

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

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

DIRECTORS' INTERESTS

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

The Company

	Number of ordinary shares of RM0.50 each			Balance at 30.6.2008
	Balance at 1.7.2007	Acquired	Disposed	
Direct Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	8,200,894	–	–	8,200,894
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,203,652	–	–	14,203,652
Dato' Yeoh Seok Kian	5,321,210	–	–	5,321,210
Dato' (Dr) Yahya Bin Ismail	221,618	15,624	–	237,242
Dato' Yeoh Soo Min	6,371,573	–	–	6,371,573
Dato' Yeoh Seok Hong	5,036,490	–	–	5,036,490
Dato' Michael Yeoh Sock Siong	4,577,997	–	–	4,577,997
Dato' Yeoh Soo Keng	5,048,166	–	–	5,048,166
Dato' Mark Yeoh Seok Kah	3,246,248	–	–	3,246,248
Eu Peng Meng @ Leslie Eu	20,000	–	–	20,000
Syed Abdullah Bin Syed Abd. Kadir	752,611	–	–	752,611
Deemed Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	794,890,767 ⁽¹⁾⁽²⁾	41,700	–	794,932,467 ⁽¹⁾⁽²⁾
Dato' Yeoh Seok Kian	510,683 ⁽²⁾	–	–	510,683 ⁽²⁾
Dato' (Dr) Yahya Bin Ismail	92,149 ⁽²⁾	8,112	–	100,261 ⁽²⁾
Dato' Yeoh Soo Min	189,471 ⁽²⁾	–	–	189,471 ⁽²⁾
Dato' Yeoh Seok Hong	3,228,126 ⁽²⁾	–	–	3,228,126 ⁽²⁾
Dato' Michael Yeoh Sock Siong	2,526,451 ⁽²⁾	–	–	2,526,451 ⁽²⁾
Dato' Yeoh Soo Keng	68,899 ⁽²⁾	–	–	68,899 ⁽²⁾
Dato' Mark Yeoh Seok Kah	611,133 ⁽²⁾	–	–	611,133 ⁽²⁾
Syed Abdullah Bin Syed Abd. Kadir	2,937 ⁽²⁾	–	–	2,937 ⁽²⁾

	Number of Warrants 1999/2009			Balance at 30.6.2008
	Balance at 1.7.2007	Acquired	Exercised/ Disposed	
Direct Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,117,350	–	–	1,117,350
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,285,472	–	–	2,285,472
Dato' Yeoh Seok Kian	655,866	–	–	655,866
Dato' (Dr) Yahya Bin Ismail	40,950	1,050	–	42,000
Dato' Yeoh Seok Hong	648,372	–	–	648,372
Dato' Michael Yeoh Sock Siong	550,110	–	–	550,110
Dato' Yeoh Soo Keng	654,600	–	–	654,600
Dato' Mark Yeoh Seok Kah	271,800	–	–	271,800
Syed Abdullah Bin Syed Abd. Kadir	600	–	–	600

The Company

	Number of Warrants 1999/2009			Balance at 30.6.2008
	Balance at 1.7.2007	Acquired	Exercised/ Disposed	
Deemed Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	187,068,897 ⁽¹⁾⁽²⁾	85,200	–	187,154,097 ⁽¹⁾⁽²⁾
Dato' (Dr) Yahya Bin Ismail	2,000 ⁽²⁾	–	–	2,000 ⁽²⁾
Dato' Michael Yeoh Sock Siong	547,180 ⁽²⁾	–	–	547,180 ⁽²⁾
Dato' Yeoh Soo Keng	14,400 ⁽²⁾	–	–	14,400 ⁽²⁾
Syed Abdullah Bin Syed Abd. Kadir	674 ⁽²⁾	–	–	674 ⁽²⁾

	Number of options over ordinary shares of RM0.50 each			Balance at 30.6.2008
	Balance at 1.7.2007	Granted	Exercised	
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	5,000,000	–	–	5,000,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	5,000,000	–	–	5,000,000
Dato' Yeoh Seok Kian	3,500,000	–	–	3,500,000
Dato' Yeoh Soo Min	3,000,000	–	–	3,000,000
Dato' Yeoh Seok Hong	3,000,000	–	–	3,000,000
Dato' 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 YEHOI TIONG LAY & SONS HOLDINGS SDN. BHD.

	Number of ordinary shares of RM1.00 each			Balance at 30.6.2008
	Balance at 1.7.2007	Acquired	Disposed	
Direct Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	8,220,004	–	–	8,220,004
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	5,000,000	–	–	5,000,000
Dato' Yeoh Seok Kian	5,000,000	–	–	5,000,000
Dato' Yeoh Soo Min	1,250,000	–	–	1,250,000
Dato' Yeoh Seok Hong	5,000,000	–	–	5,000,000
Dato' Michael Yeoh Sock Siong	5,000,000	–	–	5,000,000
Dato' Yeoh Soo Keng	1,250,000	–	–	1,250,000
Dato' Mark Yeoh Seok Kah	5,000,000	–	–	5,000,000
Deemed Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	5,000,004 ⁽²⁾	–	–	5,000,004 ⁽²⁾

SUBSIDIARIES YTL CEMENT BERHAD

Number of ordinary shares of RM0.50 each

	Balance at 1.7.2007	Acquired	Disposed	Balance at 30.6.2008
Direct Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,681,634	–	–	1,681,634
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,042,923	–	–	2,042,923
Dato' Yeoh Seok Kian	618,754	–	–	618,754
Dato' (Dr) Yahya Bin Ismail	45,136	36,400	–	81,536
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	238,755,090 ⁽²⁾⁽³⁾	77,900	–	238,832,990 ⁽²⁾⁽³⁾
Dato' Yeoh Seok Kian	83,200 ⁽²⁾	–	–	83,200 ⁽²⁾
Mej. Jen. Dato' Haron Bin Mohd. Taib (B)	44,428 ⁽²⁾	–	–	44,428 ⁽²⁾
Dato' Yeoh Soo Min	138,357 ⁽²⁾	–	–	138,357 ⁽²⁾
Dato' Yeoh Seok Hong	45,123 ⁽²⁾	–	–	45,123 ⁽²⁾
Dato' Michael Yeoh Sock Siong	1,109,388 ⁽²⁾	–	–	1,109,388 ⁽²⁾
Dato' Yeoh Soo Keng	90,251 ⁽²⁾	–	–	90,251 ⁽²⁾
Dato' Mark Yeoh Seok Kah	135,200 ⁽²⁾	–	–	135,200 ⁽²⁾

Number of Irredeemable Convertible Unsecured Loan Stocks 2005/2015

	Balance at 1.7.2007	Acquired	Converted/ Disposed	Balance at 30.6.2008
Direct Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,681,634	–	–	1,681,634
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1,727,423	–	–	1,727,423
Dato' Yeoh Seok Kian	618,754	–	–	618,754
Dato' Yeoh Soo Min	225,634	–	–	225,634
Dato' Yeoh Seok Hong	225,634	–	–	225,634
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	451,415,984 ⁽²⁾⁽³⁾	3,120,000	–	454,535,984 ⁽²⁾⁽³⁾
Dato' Yeoh Seok Kian	100,000 ⁽²⁾	–	–	100,000 ⁽²⁾
Dato' Yeoh Seok Hong	45,123 ⁽²⁾	–	–	45,123 ⁽²⁾
Dato' Michael Yeoh Sock Siong	1,109,388 ⁽²⁾	–	–	1,109,388 ⁽²⁾
Dato' Mark Yeoh Seok Kah	135,200 ⁽²⁾	–	–	135,200 ⁽²⁾

SUBSIDIARIES**YTL CEMENT BERHAD**

	Number of options over ordinary shares of RM0.50 each			
	Balance at 1.7.2007	Granted	Exercised	Balance at 30.6.2008
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,400,000	–	–	1,400,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1,400,000	–	–	1,400,000
Dato' Yeoh Seok Kian	350,000	–	–	350,000
Dato' 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 1.7.2007	Acquired	Disposed	Balance at 30.6.2008
Direct Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	8,945,040	904,960	–	9,850,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	13,109,251	1,471,278	–	14,580,529
Dato' Yeoh Seok Kian	4,369,367	529,521	–	4,898,888
Dato' (Dr) Yahya Bin Ismail	576,999	42,352	–	619,351
Dato' Yeoh Soo Min	4,383,875	600,126	–	4,984,001
Dato' Yeoh Seok Hong	6,540,529	597,387	–	7,137,916
Dato' Michael Yeoh Sock Siong	4,023,374	466,133	–	4,489,507
Dato' Yeoh Soo Keng	4,251,239	506,593	–	4,757,832
Dato' Mark Yeoh Seok Kah	5,218,469	425,154	–	5,643,623
Eu Peng Meng @ Leslie Eu	17,576	2,103	–	19,679
Syed Abdullah Bin Syed Abd. Kadir	2,045,990	82,013	–	2,128,003
Deemed Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	3,124,769,222 ⁽²⁾⁽⁴⁾	182,433,298	(100,003,116)	3,207,199,404 ⁽²⁾⁽⁴⁾
Dato' Yeoh Seok Kian	1,050,436 ⁽²⁾	165,117	–	1,215,553 ⁽²⁾
Dato' (Dr) Yahya Bin Ismail	32,240 ⁽²⁾	5,429	–	37,669 ⁽²⁾
Mej. Jen. Dato' Haron Bin Mohd. Taib (B)	105,909 ⁽²⁾	4,236	–	110,145 ⁽²⁾
Dato' Yeoh Soo Min	383,890 ⁽²⁾	27,986	–	411,876 ⁽²⁾
Dato' Yeoh Seok Hong	2,100,362 ⁽²⁾	299,587	–	2,399,949 ⁽²⁾
Dato' Michael Yeoh Sock Siong	700,424 ⁽²⁾	196,446	–	896,870 ⁽²⁾
Dato' Yeoh Soo Keng	100,894 ⁽²⁾	8,628	–	109,522 ⁽²⁾
Dato' Mark Yeoh Seok Kah	734,966 ⁽²⁾	70,140	–	805,106 ⁽²⁾
Syed Abdullah Bin Syed Abd. Kadir	305 ⁽²⁾	207	–	512 ⁽²⁾

SUBSIDIARIES

YTL POWER INTERNATIONAL BERHAD

	Number of Warrants 2000/2010			Balance at 30.6.2008
	Balance at 1.7.2007	Acquired	Exercised/ Disposed	
Direct Interests				
Dato' (Dr) Yahya Bin Ismail	136,000	–	(132,000)	4,000
Syed Abdullah Bin Syed Abd. Kadir	87,000	–	–	87,000
Deemed Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	726,210,046 ⁽²⁾⁽⁵⁾	–	–	726,210,046 ⁽²⁾⁽⁵⁾
Dato' Yeoh Seok Kian	86,000 ⁽²⁾	–	(86,000)	–
Dato' (Dr) Yahya Bin Ismail	6,000 ⁽²⁾	–	–	6,000 ⁽²⁾
Mej. Jen. Dato' Haron Bin Mohd. Taib (B)	24,000 ⁽²⁾	–	–	24,000 ⁽²⁾
Dato' Yeoh Soo Min	58,960 ⁽²⁾	–	–	58,960 ⁽²⁾
Dato' Michael Yeoh Sock Siong	100,000 ⁽²⁾	–	–	100,000 ⁽²⁾
Dato' Yeoh Soo Keng	21,240 ⁽²⁾	–	–	21,240 ⁽²⁾

	Number of Warrants 2008/2018			Balance at 30.6.2008
	Balance at 1.7.2007	Acquired	Exercised/ Disposed	
Direct Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	3,284,000	–	3,284,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	–	4,860,175	–	4,860,175
Dato' Yeoh Seok Kian	–	1,632,962	–	1,632,962
Dato' (Dr) Yahya Bin Ismail	–	206,450	–	206,450
Dato' Yeoh Soo Min	–	1,661,333	–	1,661,333
Dato' Yeoh Seok Hong	–	8,861,405	–	8,861,405
Dato' Michael Yeoh Sock Siong	–	1,496,502	–	1,496,502
Dato' Yeoh Soo Keng	–	1,585,944	–	1,585,944
Dato' Mark Yeoh Seok Kah	–	1,881,207	–	1,881,207
Eu Peng Meng @ Leslie Eu	–	7,000	–	7,000
Deemed Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	1,101,306,922	–	1,101,306,922 ⁽²⁾⁽⁴⁾
Dato' Yeoh Seok Kian	–	450,000	–	450,000 ⁽²⁾
Mej. Jen. Dato' Haron Bin Mohd. Taib (B)	–	36,715	–	36,715 ⁽²⁾
Dato' Yeoh Soo Min	–	137,292	–	137,292 ⁽²⁾
Dato' Yeoh Seok Hong	–	799,982	–	799,982 ⁽²⁾
Dato' Michael Yeoh Sock Siong	–	298,956	–	298,956 ⁽²⁾
Dato' Yeoh Soo Keng	–	36,507	–	36,507 ⁽²⁾
Dato' Mark Yeoh Seok Kah	–	268,368	–	268,368 ⁽²⁾

SUBSIDIARIES**YTL POWER INTERNATIONAL BERHAD**

	Number of options over ordinary shares of RM0.50 each			
	Balance at 1.7.2007	Granted	Exercised	Balance at 30.6.2008
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	7,000,000	–	–	7,000,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	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 1.7.2007	Acquired	Disposed	Balance at 30.6.2008
Direct Interests				
Eu Peng Meng @ Leslie Eu	–	20,000	–	20,000
Deemed Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	217,964,800 ⁽⁶⁾	277,497,032	–	495,461,832 ⁽⁶⁾
Dato' Yeoh Soo Min	106,000 ⁽²⁾	–	–	106,000 ⁽²⁾

	Number of Irredeemable Convertible Preference Shares 2001/2011 of RM0.50 each			
	Balance at 1.7.2007	Acquired	Converted/ Disposed	Balance at 30.6.2008
Direct Interests				
Dato' Yeoh Seok Kian	240,000	–	–	240,000
Eu Peng Meng @ Leslie Eu	20,000	58,000	(78,000)	–
Deemed Interests				
Dato' Yeoh Soo Min	200,000 ⁽²⁾	–	–	200,000 ⁽²⁾

SUBSIDIARIES YTL E-SOLUTIONS BERHAD

	Number of ordinary shares of RM0.10 each			
	Balance at 1.7.2007	Acquired	Disposed	Balance at 30.6.2008
Direct Interests				
Dato' (Dr) Yahya Bin Ismail	292,000	235,000	–	527,000
Syed Abdullah Bin Syed Abd. Kadir	300,000	–	–	300,000
Deemed Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,000,520,500 ⁽⁶⁾	1,707,100	–	1,002,227,600 ⁽⁶⁾
Dato' Michael Yeoh Sock Siong	–	30,000	–	30,000 ⁽²⁾

INFOSCREEN NETWORKS PLC *

	Number of ordinary shares of £0.01 each			
	Balance at 1.7.2007	Acquired	Disposed	Balance at 30.6.2008
Direct Interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	100	–	–	100

YTL CORPORATION (UK) PLC *

	Number of ordinary shares of £0.25 each			
	Balance at 1.7.2007	Acquired	Disposed	Balance at 30.6.2008
Direct Interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1

* Incorporated in the United Kingdom

SYARIKAT PELANCONGAN SERI ANDALAN (M) SDN. BHD.

	Number of ordinary shares of RM1.00 each			
	Balance at 1.7.2007	Acquired	Disposed	Balance at 30.6.2008
Direct Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1	–	–	1
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1

SUBSIDIARIES

YTL CONSTRUCTION (S) PTE. LTD.

	Number of ordinary shares			Balance at 30.6.2008
	Balance at 1.7.2007	Acquired	Disposed	
Direct Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1	–	–	1
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2	–	–	2

Incorporated in Singapore

YTL CONSTRUCTION (THAILAND) LIMITED +

	Number of ordinary shares of THB100 each			Balance at 30.6.2008
	Balance at 26.11.2007	Acquired	Disposed	
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	–	1	–	1
Dato' Yeoh Seok Kian	–	1	–	1
Dato' Yeoh Seok Hong	–	1	–	1
Dato' Michael Yeoh Sock Siong	–	1	–	1
Dato' Mark Yeoh Seok Kah	–	1	–	1

+ Incorporated in Thailand and became a related company on 26 November 2007

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

(3) 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.

(4) 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.

(5) 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.

(6) 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.

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

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

DIRECTORS' BENEFITS

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

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

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts have been written off and that adequate allowance has been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records of the Group and of the Company in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

- (a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this Report save as disclosed in the financial statements, 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 ON THE FINANCIAL STATEMENTS

The Directors state that:

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

In their opinion,

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

HOLDING COMPANY

The 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.

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

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay

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

16 October 2008
Kuala Lumpur

Statement by Directors

We, TAN SRI DATO' SERI (DR) YEOH TIONG LAY and TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING, CBE, FICE, being two of the Directors of YTL CORPORATION BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with the Companies Act 1965 and MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2008 and of the results of the operations and cash flows of the Group and of the Company for the financial year ended on that date.

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

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay

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

16 October 2008
Kuala Lumpur

Statutory Declaration

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

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

Subscribed and solemnly declared by the abovenamed
TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING, CBE, FICE
at Kuala Lumpur on 16 October 2008

Before me:

Soh Ah Kau, AMN
Commissioner for Oaths

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the financial statements of YTL CORPORATION BERHAD, which comprise the Balance Sheets as at 30 June 2008 of the Group and of the Company, and the Income Statements, Statements Of Changes In Equity and Cash Flow Statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 99 to 205.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2008 and of their financial performance and cash flows for the financial year then ended.

Independent Auditors' Report

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

Report on Other Legal and Regulatory Requirements

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 15 to the Financial Statements.
- (c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

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

HLB LER LUM

AF 0276

Chartered Accountants

LER CHENG CHYE

871/3/09(J/PH)

Chartered Accountant

16 October 2008

Kuala Lumpur

Income Statements

for the financial year ended 30 June 2008

	Note	Group		Company	
		2008 RM'000	2007 (Restated) RM'000	2008 RM'000	2007 RM'000
Revenue	4	6,549,860	6,015,309	445,140	582,685
Cost of sales	5	(3,516,536)	(3,170,409)	–	–
Gross profit		3,033,324	2,844,900	445,140	582,685
Other operating income		363,836	324,431	24,680	70,517
Selling & distribution costs		(177,293)	(195,660)	–	–
Administration expenses		(571,147)	(442,725)	(43,299)	(36,728)
Other operating expenses		(108,521)	(263,573)	–	–
Finance costs	6	(925,648)	(867,594)	(81,372)	(77,148)
Share of profits of associated companies		215,291	155,965	–	–
Profit before tax	7	1,829,842	1,555,744	345,149	539,326
Income tax expense	8	(453,355)	(215,436)	(22,409)	(74,235)
Profit for the financial year		1,376,487	1,340,308	322,740	465,091
Attributable to:					
Equity holders of the Company		769,786	701,371	322,740	465,091
Minority interests		606,701	638,937	–	–
Profit for the financial year		1,376,487	1,340,308	322,740	465,091
Earnings per share (sen)					
Basic	9	51.54	47.72		
Diluted	9	47.42	44.39		
Gross dividend per share recognised as distribution to ordinary equity holders of the Company (sen)	10	25.00	30.00		

The notes set out on pages 110 to 205 form an integral part of these financial statements.

Balance Sheets as at 30 June 2008

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	Note	Group		Company	
		2008 RM'000	2007 (Restated) RM'000	2008 RM'000	2007 RM'000
ASSETS					
Non-current assets					
Property, plant & equipment	11	17,294,939	16,884,490	3,587	3,510
Prepaid lease payments	12	76,424	68,452	–	–
Investment properties	13	1,612,168	1,379,366	–	–
Development expenditure	14	1,124,296	1,041,533	–	–
Investment in subsidiaries	15	181,704	181,704	4,064,339	3,981,747
Investment in associated companies	16	1,378,352	1,328,826	210,641	216,478
Investments	17	798,162	611,358	92,785	15,399
Fixed deposits	18	437	424	–	–
Intangible assets	19	1,130,813	942,283	–	–
		23,597,295	22,438,436	4,371,352	4,217,134
Current assets					
Inventories	20	374,817	354,049	–	–
Property development costs	21	175,553	138,122	–	–
Trade receivables	22	1,210,302	1,110,535	–	–
Accrued billings in respect of property development costs		20,199	–	–	–
Amount due from contract customers	23	53,716	17,768	–	–
Other receivables, deposits & prepayments	24	923,843	752,575	20,073	19,995
Income tax assets		64,399	54,342	85,668	77,128
Amount due from subsidiaries	15	–	–	940,201	753,254
Amount due from holding company	25	98	–	–	–
Amount due from related companies	26	20,445	3,046	1,755	1,668
Amount due from associated companies	16	8,737	10,581	376	332
Short term investments	27	281,800	175,283	235,928	130,776
Fixed deposits	18	11,416,085	8,753,951	33,256	603,645
Cash & bank balances	18	311,272	103,832	3,129	1,880
		14,861,266	11,474,084	1,320,386	1,588,678
Total assets		38,458,561	33,912,520	5,691,738	5,805,812

The notes set out on pages 110 to 205 form an integral part of these financial statements.

	Note	Group		Company	
		2008 RM'000	2007 (Restated) RM'000	2008 RM'000	2007 RM'000
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	28	816,101	825,611	816,101	825,611
Share premium	29	513,721	652,522	513,721	652,522
Other reserves	29	202,115	283,415	29,757	14,749
Retained earnings		7,072,154	6,557,926	2,576,173	2,493,996
Treasury shares, at cost	28	(889,671)	(922,643)	(889,671)	(922,643)
		7,714,420	7,396,831	3,046,081	3,064,235
Minority interests		3,931,417	3,607,372	-	-
Total equity		11,645,837	11,004,203	3,046,081	3,064,235
Non-current liabilities					
Long term payables	30	108,997	110,624	-	-
Bonds	31	11,470,489	11,899,536	-	500,000
Borrowings	32	4,168,198	3,702,388	294	498
Deferred income	33	133,917	147,363	-	-
Deferred taxation	34	2,280,857	2,343,433	-	-
Post-employment benefit obligations	35	315,353	382,853	-	-
Total non-current liabilities		18,477,811	18,586,197	294	500,498
Current liabilities					
Amount due to contract customers	23	80,430	22,653	-	-
Trade payables	36	372,218	256,100	-	-
Progress billings in respect of property development costs		13,093	2,879	-	-
Other payables & accruals	37	1,344,376	1,075,067	8,427	12,876
Amount due to holding company	25	-	8	-	-
Amount due to subsidiaries	15	-	-	797,374	823,661
Amount due to related companies	26	4,696	2,926	54	88
Bonds	31	4,414,181	225,000	500,000	-
Borrowings	32	1,863,498	2,576,021	1,339,370	1,404,454
Provision for liabilities & charges	38	31,073	38,860	-	-
Post-employment benefit obligations	35	3,365	1,655	138	-
Current tax liabilities		207,983	120,951	-	-
Total current liabilities		8,334,913	4,322,120	2,645,363	2,241,079
Total liabilities		26,812,724	22,908,317	2,645,657	2,741,577
Total equity and liabilities		38,458,561	33,912,520	5,691,738	5,805,812

The notes set out on pages 110 to 205 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the financial year ended 30 June 2008

Group	Attributable to equity holders of the Company						Minority interests RM'000	Total equity RM'000
	Share capital RM'000	Non distributable		Distributable		Total RM'000		
		Share premium RM'000	Other reserves RM'000	Retained earnings RM'000	Treasury shares RM'000			
Balance at 1 July 2006								
- as previously reported	782,355	389,756	877,809	5,433,027	(668,269)	6,814,678	3,414,510	10,229,188
- effect of change in accounting policy - FRS 112	-	-	-	68,949	-	68,949	55,932	124,881
- as restated	782,355	389,756	877,809	5,501,976	(668,269)	6,883,627	3,470,442	10,354,069
Currency translation differences	-	-	(41,257)	(2,628)	-	(43,885)	45,459	1,574
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	-	-	(721,729)	690,589	-	(31,140)	52,123	20,983
Profit for the financial year	-	-	-	701,371	-	701,371	638,937	1,340,308
Total recognised income and expenses for the financial year	-	-	(721,729)	1,391,960	-	670,231	691,060	1,361,291
Issue of share capital	59,756	335,868	-	-	-	395,624	-	395,624
Treasury shares	(16,500)	(73,102)	-	-	(254,374)	(343,976)	-	(343,976)
Effect of issue of shares by subsidiaries to minority interests	-	-	-	-	-	-	200,007	200,007
Conversion of ICULS	-	-	(210)	-	-	(210)	210	-
Conversion of Exchangeable Bonds 2010	-	-	(931)	-	-	(931)	931	-
Equity component of Exchangeable Bonds 2012	-	-	87,384	-	-	87,384	-	87,384
Balance carried forward	825,611	652,522	242,323	6,893,936	(922,643)	7,691,749	4,362,650	12,054,399

The notes set out on pages 110 to 205 form an integral part of these financial statements.

Group	Attributable to equity holders of the Company						Minority interests RM'000	Total equity RM'000
	Non distributable			Distributable				
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Retained earnings RM'000	Treasury shares RM'000	Total RM'000		
Balance brought forward	825,611	652,522	242,323	6,893,936	(922,643)	7,691,749	4,362,650	12,054,399
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)
Acquisition 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	283,415	6,557,926	(922,643)	7,396,831	3,607,372	11,004,203
Balance at 1 July 2007								
- as previously reported	825,611	652,522	196,321	6,542,668	(922,643)	7,294,479	3,591,979	10,886,458
- effect of change in accounting policy								
- FRS 112 (Note 47 (a))	-	-	-	68,707	-	68,707	55,726	124,433
- prior financial years adjustments (Note 47(c))	-	-	(290)	(53,449)	-	(53,739)	(40,333)	(94,072)
- reclassification of comparative figures (Note 48(b))	-	-	87,384	-	-	87,384	-	87,384
- as restated	825,611	652,522	283,415	6,557,926	(922,643)	7,396,831	3,607,372	11,004,203
Currency translation differences	-	-	(89,048)	-	-	(89,048)	(56,455)	(145,503)
Transfer from revaluation reserve (Expenses)/Income recognised directly in equity	-	-	(7,627)	7,627	-	-	-	-
Profit for the financial year	-	-	(96,675)	7,627	-	(89,048)	(56,455)	(145,503)
Profit for the financial year	-	-	-	769,786	-	769,786	606,701	1,376,487
Total recognised income and expenses for the financial year	-	-	(96,675)	777,413	-	680,738	550,246	1,230,984
Balance carried forward	825,611	652,522	186,740	7,335,339	(922,643)	8,077,569	4,157,618	12,235,187

The notes set out on pages 110 to 205 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the financial year ended 30 June 2008

	Attributable to equity holders of the Company					Minority interests RM'000	Total equity RM'000	
	Non distributable		Distributable					
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Retained earnings RM'000	Treasury shares RM'000			Total RM'000
Balance brought forward	825,611	652,522	186,740	7,335,339	(922,643)	8,077,569	4,157,618	12,235,187
Issue of share capital	5,490	38,551	-	-	-	44,041	-	44,041
Treasury shares	(15,000)	(177,352)	-	-	32,972	(159,380)	-	(159,380)
Effect of issue of shares/ Warrants by subsidiaries to minority interests	-	-	-	-	-	-	315,679	315,679
Conversion of ICULS	-	-	(4)	-	-	(4)	4	-
Conversion of Exchangeable Bonds 2010	-	-	(11,963)	-	-	(11,963)	11,963	-
Share options granted	-	-	17,346	-	-	17,346	-	17,346
Transfer to statutory reserve	-	-	9,996	(9,996)	-	-	-	-
Dividends paid to minority interests	-	-	-	-	-	-	(327,836)	(327,836)
Acquisition of new subsidiaries	-	-	-	-	-	-	3,681	3,681
Increase arising from changes in composition of the Group	-	-	-	23,676	-	23,676	75,771	99,447
Acquisition of additional shares in subsidiaries from minority interests	-	-	-	-	-	-	(305,463)	(305,463)
Dividends paid	-	-	-	(276,865)	-	(276,865)	-	(276,865)
Balance at 30 June 2008	816,101	513,721	202,115	7,072,154	(889,671)	7,714,420	3,931,417	11,645,837

The notes set out on pages 110 to 205 form an integral part of these financial statements.

Statement of Changes in Equity

for the financial year ended 30 June 2008

Company	Share capital RM'000	Non-distributable		Distributable		Total RM'000
		Share premium RM'000	Other reserves RM'000	Retained earnings RM'000	Treasury shares RM'000	
Balance at 1 July 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 financial year, representing total recognised income and expenses for the financial 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
Issue of share capital	5,490	38,551	–	–	–	44,041
Treasury shares	(15,000)	(177,352)	–	–	32,972	(159,380)
Profit for the financial year, representing total recognised income and expenses for the financial year	–	–	–	322,740	–	322,740
Increase due to Renounceable Restricted Offer for Sale of shares in a subsidiary	–	–	–	36,302	–	36,302
Share options granted	–	–	15,008	–	–	15,008
Dividends paid	–	–	–	(276,865)	–	(276,865)
Balance at 30 June 2008	816,101	513,721	29,757	2,576,173	(889,671)	3,046,081

The notes set out on pages 110 to 205 form an integral part of these financial statements.

Cash Flow Statements for the financial year ended 30 June 2008

	Group		Company	
	2008	2007 (Restated)	2008	2007
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before tax	1,829,842	1,555,744	345,149	539,326
Adjustments for:				
Adjustment on fair value of investment properties	–	(30,624)	–	–
Allowance for diminution in value of unquoted investment (Allowance for doubtful debts no longer required)/	–	331	–	–
Allowance for doubtful debts - net	(24,932)	155,529	–	–
Amortisation of development expenditure	207	207	–	–
Amortisation of grant	(5,997)	(6,240)	–	–
Amortisation of intangible assets	152	79	–	–
Amortisation of prepaid lease payments	1,988	1,613	–	–
Bad debts recovered	(1,513)	(341)	–	–
Bad debts written off	1,095	2,046	–	–
Depreciation	720,223	699,365	627	809
Defined benefit plan	41,584	54,227	–	–
Defined contribution plan	15,242	15,616	–	–
Development expenditure charged/written off to Income Statement	223	3,153	–	–
Dividend income	(41,665)	(44,105)	(415,215)	(556,691)
Gain on disposal of investments	(3,041)	(52,034)	(2,573)	(69,613)
Gain on redemption of investment	–	–	(21,389)	–
(Gain)/Loss on disposal of property, plant & equipment	(4,269)	(10,070)	(26)	5
Gain on disposal of prepaid lease payments	(415)	(128)	–	–
Balance carried forward	2,528,724	2,344,368	(93,427)	(86,164)

The notes set out on pages 110 to 205 form an integral part of these financial statements.

	Group		Company	
	2008	2007	2008	2007
	RM'000	(Restated) RM'000	RM'000	RM'000
Balance brought forward	2,528,724	2,344,368	(93,427)	(86,164)
Impairment losses	1,677	1,330	–	–
Interest expenses	925,648	867,594	81,372	77,148
Interest income	(506,671)	(368,727)	(29,261)	(25,566)
Inventories written off	43	15	–	–
Negative goodwill recognised in Income Statement	(512)	(3,475)	–	–
Property, plant & equipment written off	14,408	384	–	–
Share based payments	17,346	18,300	10,428	10,401
Share of profits of associated companies	(215,291)	(155,965)	–	–
Unrealised gain on foreign exchange - net	(31,574)	(35,971)	–	–
Operating profit/(loss) before changes in working capital	2,733,798	2,667,853	(30,888)	(24,181)
Net changes in balances with contract customers	23,377	9,482	–	–
Inventories	(2,425)	(19,358)	–	–
Property development costs	(45,601)	92,405	–	–
Receivables	(244,800)	221,806	(78)	(628)
Payables	20,468	176,239	(4,311)	7,028
Holding company	(108)	(424)	–	–
Subsidiaries	–	–	(208,654)	364,467
Related companies	(15,642)	(7,527)	(121)	(88)
Associated companies	1,844	1,096	(44)	(27)
Cash generated from/(absorbed by) operations	2,470,911	3,141,572	(244,096)	346,571
Dividends received	118,335	87,142	373,869	477,945
Interest paid	(810,536)	(871,397)	(81,372)	(77,148)
Interest received	490,430	366,100	29,261	25,566
Payment to a retirement benefits scheme	(98,370)	(106,495)	–	–
Tax paid	(343,326)	(277,229)	(6,561)	(8,970)
Tax refund	20,199	30,264	16,958	29,037
Net cash from operating activities	1,847,643	2,369,957	88,059	793,001
Cash flows from investing activities				
Acquisition of additional shares/warrants in existing subsidiaries	(18,707)	(323,592)	(139,677)	(717,093)
Acquisition of associated companies	(17,939)	(35)	(293)	–
Acquisition of new subsidiaries (net of cash acquired)	(75,633)	719,737	(5,871)	–
Development expenditure incurred	(81,906)	(9,761)	–	–
Grants received in respect of infrastructure assets	46,855	48,012	–	–
Proceeds from disposal of property, plant & equipment	9,252	35,567	26	234
Proceeds from disposal of prepaid lease payments	722	465	–	–
Balance carried forward	(137,356)	470,393	(145,815)	(716,859)

The notes set out on pages 110 to 205 form an integral part of these financial statements.

Cash Flow Statements for the financial year ended 30 June 2008

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	Group		Company	
	2008	2007 (Restated)	2008	2007
	RM'000	RM'000	RM'000	RM'000
Balance brought forward	(137,356)	470,393	(145,815)	(716,859)
Proceeds from disposal of investments	111,200	155,685	106,883	251,308
Proceeds from redemption of investments	27,519	–	27,519	–
Proceeds from disposal of subsidiary (net of cash disposed)	–	26	–	–
Proceeds from disposal of shares in existing subsidiary	–	100,597	–	–
Purchase of investment properties	(229,368)	–	–	–
Purchase of property, plant & equipment	(1,782,225)	(1,125,971)	(334)	(804)
Purchase of prepaid lease payments	(2,312)	–	–	–
Purchase of short term investments	(105,152)	(103,328)	(105,152)	(103,328)
Purchase of intangible assets	(21)	(668)	–	–
Purchase of investments	(156,162)	(11,189)	(82,438)	(8,358)
Net cash used in investing activities	(2,273,877)	(514,455)	(199,337)	(578,041)
Cash flows from financing activities				
Dividends paid	(276,865)	(328,775)	(276,865)	(328,775)
Dividends paid to minority shareholders of subsidiaries	(327,834)	(394,924)	–	–
Repurchase of own shares by the Company (at net)	(159,380)	(343,976)	(159,380)	(343,976)
Repurchase of subsidiaries' shares by subsidiaries	(417,630)	(413,960)	–	–
Proceeds from borrowings	2,646,653	1,816,543	35,000	276,457
Proceeds from issue of shares in subsidiaries to minority shareholders	118,861	200,840	–	–
Proceeds from issue of bonds	3,023,096	2,212,859	–	–
Proceeds from issue of shares	44,041	395,624	44,041	395,624
Repayment of bonds	(125,000)	(1,000,080)	–	–
Net repayment of hire purchase liabilities	(4,447)	(5,976)	(658)	(507)
Repayment of borrowings	(1,262,351)	(1,288,073)	(100,000)	–
Net cash from/(used in) financing activities	3,259,144	850,102	(457,862)	(1,177)
Net changes in cash and cash equivalents	2,832,910	2,705,604	(569,140)	213,783
Effects of exchange rate changes	2,277	4,605	–	–
Cash and cash equivalents brought forward	8,837,787	6,127,578	605,525	391,742
Cash and cash equivalents carried forward	11,672,974	8,837,787	36,385	605,525

The notes set out on pages 110 to 205 form an integral part of these financial statements.

NOTES TO CASH FLOW STATEMENTS

(a) Analysis of acquisition of property, plant & equipment:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash	1,782,225	1,125,971	334	804
Hire purchase arrangements	17,856	4,936	370	898
	1,800,081	1,130,907	704	1,702

(b) Analysis of acquisition of investment properties:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash	229,368	–	–	–
Issue of shares by a subsidiary	–	125,000	–	–
	229,368	125,000	–	–

The notes set out on pages 110 to 205 form an integral part of these financial statements.

Notes to the Financial Statements

1. GENERAL INFORMATION

The principal activities of the Company are those of an investment holding and management company. The principal activities of the subsidiaries are set out in Note 15 to the Financial Statements.

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 cover the management of these risks. It is not the Group's policy to engage in speculative transactions.

(a) Foreign currency exchange risk

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

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

(b) Interest rate risk

The Group finances its operations through a mixture of shareholders' funds and borrowings. Interest rates exposures arise from the Group's borrowings and deposits. It is the Group's policy to manage its interest costs within predictable and desired range through the use of fixed and floating rate debts and derivative financial instruments. 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 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 Companies Act 1965 and MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities.

The preparation of financial statements in conformity with the MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and the Companies Act 1965 requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. 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 46 of the Financial Statements.

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

(b) Property, plant & equipment and depreciation

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

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

Notes to the Financial Statements

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

Property, plant 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:

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

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

The Group revised the residual values of certain motor vehicles and estimated useful lives of certain motor vehicles from five to eight years. The effect on the financial statements of this change in accounting estimates is not material.

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

(c) Impairment of non-financial assets

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

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

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

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

(d) Leases

(i) Finance and operating leases

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.

(ii) Lease of land and building

For leases of land and buildings, the land and buildings elements are considered separately for the purpose of lease classification and these leases are classified as operating or finance lease in the same way as lease of other assets.

The minimum lease payments including any lump-sum upfront payments made to acquire the interest in the land and buildings, are allocated between the land and the buildings elements of the lease in proportion to the relative fair values for leasehold interest in the land element and the building at the inception of the lease.

Leasehold land that normally has an indefinite economic life and when the risks and rewards incidental to ownership is not transferred substantially by the end of the lease term is treated as an operating lease. The lump-sum upfront lease payments made on entering into or acquiring leasehold land is accounted for as prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

(e) 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.

(f) Development expenditure

(i) Land held for property development

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

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

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

(ii) Project development expenditure

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

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

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

(g) Investment in subsidiaries and basis of consolidation

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

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

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

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

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

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

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

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

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

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

(h) Investment in associated companies

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

(i) Joint ventures

Jointly controlled entities

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

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

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

Jointly controlled operations

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

(j) Investments

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

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

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

(k) Intangible assets

(i) Goodwill

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

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

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

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

(ii) Other intangible assets

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.

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.

Broadband network customer base and coverage

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

(l) Inventories

(i) Developed properties

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

(ii) Other inventories

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

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

The cost of finished goods and work-in-progress 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.

(m) Property development costs

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

Notes to the Financial Statements

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

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

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

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

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

(n) Receivables

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

(o) Construction contracts

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

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

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

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

(p) Share capital

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

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

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

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

Purchase of own shares

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

(q) Payables

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

(r) Bonds and borrowings

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

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

(s) Grant 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.

(t) Income tax and deferred tax

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

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

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

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

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

(u) Provisions

The Group recognises provisions when it has a present legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The recording of provisions requires the application of judgements 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) 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 accounted for by the stage of completion method as described in Note 3(m) of the Financial Statements.

(v) Construction contracts

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

(vi) Interest income

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

(vii) Dividend income

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

(viii) Rental income

Rental income is recognised on a straight line basis over the term of the lease term.

(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.

(x) Borrowing costs

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

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

(y) Employee benefits**(i) Short term employee benefits**

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

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

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

(ii) Post-employment benefits

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

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

Defined contribution plan

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

Defined benefit plan

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

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

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

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

(iii) Share-based compensation

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

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

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

(z) Foreign currencies

(i) Functional and presentation currency

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

(ii) Foreign currency transactions

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

(iii) Group companies

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

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that Balance Sheet;
- income and expenses for each Income Statement are translated at the applicable average exchange 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.

(aa) 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.

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.

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.

Notes to the Financial Statements

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.

(bb) Cash and cash equivalents

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

(cc) Segment reporting

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

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

4. REVENUE

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Sale of water, treatment and disposal of waste water	2,785,882	2,649,102	–	–
Sale of electricity	1,125,897	1,127,569	–	–
Sale of goods	1,582,661	1,184,026	–	–
Rendering of services	182,113	229,253	664	428
Property development projects	109,495	235,570	–	–
Construction revenue	223,865	129,783	–	–
Hotel & restaurant operations	175,133	164,625	–	–
Rental income				
- investment properties	37,475	21,345	–	–
- other properties	12,435	10,455	–	–
Interest income	273,561	226,832	29,261	25,566
Gross dividends				
- quoted	8,924	3,311	415,215	556,691
- unquoted	32,419	33,438	–	–
	6,549,860	6,015,309	445,140	582,685

5. COST OF SALES

	Group	
	2008 RM'000	2007 RM'000
Cost of inventories (for goods sold, electricity and water sold)	3,037,259	2,645,528
Cost of construction contracts (including property development costs)	264,260	330,378
Cost of services rendered	215,017	194,503
	3,516,536	3,170,409

6. FINANCE COSTS

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Bonds interest	665,902	551,054	26,573	26,500
Borrowings interest	259,746	316,540	54,799	50,648
	925,648	867,594	81,372	77,148

7. PROFIT BEFORE TAX

	Group		Company	
	2008 RM'000	2007 (Restated) RM'000	2008 RM'000	2007 RM'000
Profit before tax is stated after charging:				
Allowance for diminution in value				
of unquoted investment	–	331	–	–
Allowance for doubtful debts - net	–	155,529	–	–
Amortisation of development expenditure (Note 14)	207	207	–	–
Amortisation of intangible assets (Note 19)	152	79	–	–
Amortisation of prepaid lease payments (Note 12)	1,988	1,613	–	–
Amortisation of revaluation reserve	–	5,341	–	–
Auditors' remuneration				
- statutory				
- current financial year	3,116	2,753	158	143
- under-provision in prior financial year	9	17	–	–
- others	1	994	–	183
Bad debts written off	1,095	2,046	–	–
Depreciation (Note 11)	720,223	699,365	627	809
Development expenditure written off	–	744	–	–

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	Group		Company	
	2008	2007 (Restated)	2008	2007
	RM'000	RM'000	RM'000	RM'000
Directors' remuneration				
- emoluments	36,667	35,436	9,861	9,858
- fees				
- current financial year	960	940	280	260
- under-provision in prior financial year	20	-	20	-
- benefits in kind	253	343	-	68
Hiring of plant, machinery, equipment & motor vehicles	1,730	1,295	-	-
Impairment loss on development expenditure (Note 14)	-	1,008	-	-
Impairment loss on goodwill (Note 19)	1,677	-	-	-
Impairment loss on investment	-	322	-	-
Inventories written off	43	15	-	-
Loss on disposal of property, plant & equipment	-	-	-	5
Loss on foreign exchange				
- realised	236	629	-	-
- unrealised	3,466	74	-	-
Other rental	3,242	2,958	-	-
Property, plant & equipment written off	14,408	384	-	-
Rental of land & buildings	12,419	9,898	670	670
Rental of office equipment	400	304	14	14
Rental of plant & machinery	10,656	11,564	-	-
And crediting (other than those disclosed in Note 4 of the Financial Statements):				
Adjustment on fair value of investment properties	-	30,624	-	-
Allowance for doubtful debts no longer required - net	24,932	-	-	-
Amortisation of grant (Note 33)	5,997	6,240	-	-
Bad debts recovered	1,513	341	-	-
Gain on disposal of property, plant & equipment	4,269	10,070	26	-
Gain on disposal of investments	3,041	52,034	2,573	69,613
Gain on disposal of prepaid lease payments	415	128	-	-
Gain on foreign exchange				
- realised	72,181	17,526	-	-
- unrealised	35,040	36,045	-	-
Gain on redemption of Mudharabah Redeemable Convertible Preference Shares	-	-	21,389	-
Gross dividend from quoted investments				
- within Malaysia	322	7,356	-	-
Hiring income from plant, machinery & equipment	589	4,191	-	-
Interest income	233,110	141,895	-	-
Negative goodwill recognised in Income Statement	512	3,475	-	-
Rental income				
- investment properties	1,697	1,715	-	-
- other properties	1,075	1,116	67	13

Direct operating expenses from investment properties that generated rental income of the Group during the financial year amounted to RM6,908,926 (2007: RM7,710,602).

Direct operating expenses from investment properties that did not generate rental income of the Group during the financial year amounted to RM120,472 (2007: RM111,779).

The aggregate remuneration of Directors categorised into appropriate components for the financial year ended 30 June 2008 are as follows:

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

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 2008 are as follows:

Range of remuneration	Group No. of Directors		Company No. of Directors	
	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	–	–	2	–
RM1,600,001 - RM1,850,000	–	–	–	–
RM1,850,001 - RM1,900,000	–	–	–	–
RM1,900,001 - RM1,950,000	1	–	–	–
RM1,950,001 - RM2,000,000	1	–	–	–
RM2,000,001 - RM3,300,000	–	–	–	–
RM3,300,001 - RM3,350,000	1	–	–	–
RM3,350,001 - RM3,500,000	–	–	–	–
RM3,500,001 - RM3,550,000	1	–	–	–
RM3,550,001 - RM3,800,000	–	–	–	–
RM3,800,001 - RM3,850,000	1	–	–	–
RM3,850,001 - RM3,900,000	–	–	–	–
RM3,900,001 - RM3,950,000	1	–	–	–
RM3,950,001 - RM4,000,000	–	–	–	–
RM4,000,001 - RM4,050,000	1	–	–	–
RM4,050,001 - RM4,800,000	–	–	–	–
RM4,800,001 - RM4,850,000	1	–	–	–
RM4,850,001 - RM10,100,000	–	–	–	–
RM10,100,001 - RM10,150,000	1	–	–	–

Notes to the Financial Statements

* Included in the remuneration of Directors are the following:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Defined contribution plan	2,774	2,480	–	–
Share options expenses	11,229	12,331	9,826	9,825

8. INCOME TAX EXPENSE

	Group		Company	
	2008 RM'000	2007 (Restated) RM'000	2008 RM'000	2007 RM'000
Income tax				
- Malaysian income tax	184,499	182,026	22,409	74,235
- Foreign income tax	220,344	63,651	–	–
Deferred tax (Note 34)	48,512	(30,241)	–	–
	453,355	215,436	22,409	74,235
Income tax				
- Tax charge for the current financial year	404,671	237,440	25,000	70,000
- Under/(Over)-provision in prior financial years	172	8,237	(2,591)	4,235
Deferred tax				
- Origination and reversal of temporary differences	48,512	(30,241)	–	–
	453,355	215,436	22,409	74,235

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

	Group		Company	
	2008 RM'000	2007 (Restated) RM'000	2008 RM'000	2007 RM'000
Profit before tax	1,829,842	1,555,744	345,149	539,326
Income tax using Malaysian tax rate of 26% (2007: 27%)	475,759	420,051	89,739	145,618
Non-deductible expenses	159,300	220,727	4,276	3,519
Income not subject to tax	(148,458)	(203,434)	(69,015)	(79,164)
Different tax rates in other countries	37,835	21,523	–	–
Under/(Over)-provision in prior financial years	172	8,237	(2,591)	4,235
Tax effect on share of profits of associated companies	(55,991)	(46,862)	–	–
Tax effect on under/(over)-provision of deferred tax	1,581	(72,014)	–	27
Change in tax rates	(16,843)	(132,792)	–	–
	453,355	215,436	22,409	74,235

Subject to agreement with the Inland Revenue Board, the Company has exempt income estimated at RM15,008,587 (2007: RM15,008,587) pursuant to Section 12 of the Income Tax (Amendment) Act 1999, from which tax exempt dividends can be declared.

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

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

Based on the 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 retained earnings of the Company as at 30 June 2008 available for distribution by way of dividends without additional tax liabilities being incurred amounted to RM687,812,016 (2007: RM862,084,061). This is, however, subject to confirmation by the Inland Revenue Board.

If the balance of the retained earnings of RM1,888,361,035 (2007: RM1,631,911,645) were distributed as dividends prior to there being sufficient tax credit, the Company would have a Section 108 short fall of approximately RM663,478,201 (2007: RM635,814,258).

9. EARNINGS PER SHARE (EPS)

(i) Basic EPS

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

	2008	Group 2007 (Restated)
Profit for the financial year attributable to equity holders of the Company (RM'000)	769,786	701,371
Weighted average number of ordinary shares in issue for basic EPS ('000)	1,493,487	1,469,897
Basic EPS (sen)	51.54	47.72

Notes to the Financial Statements

(ii) Diluted EPS

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

	2008	Group 2007 (Restated)
Profit for the financial year attributable to equity holders of the Company (RM'000)	769,786	701,371
Weighted average number of ordinary shares in issue for basic EPS as above ('000)	1,493,487	1,469,897
Adjustment for ordinary shares deemed issued at no consideration on assumed exercise of Options and Warrants ('000)	129,711	110,213
	1,623,198	1,580,110
Diluted EPS (sen)	47.42	44.39

10. DIVIDENDS

	Group/Company			
	2008	Group/Company		2007
	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) Financial year ended 30 June 2006				
- final, less 28% tax	-	-	7.5	82,170
(b) Financial 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
- final, less 27% tax	2.5	27,432	-	-
(c) Financial year ended 30 June 2008				
- first interim, less 26% tax	7.5	83,225	-	-
- second interim, less 26% tax	7.5	83,125	-	-
- third interim, less 26% tax	7.5	83,083	-	-
Dividend recognised as distribution to ordinary equity holders of the Company	25.0	276,865	30.0	328,775
Proposed final dividend, less 25% tax (2007: 27% tax)	2.5	37,380	2.5	37,629

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 30 June 2008 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 2009.

11. PROPERTY, PLANT & EQUIPMENT

Group - 2008	Land & buildings *	Infrastructure & site facilities	Plant & machinery	Furniture, fixtures & equipment	Vehicles	Assets under construction	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost/Valuation							
At 1.7.2007, as restated	5,591,573	5,512,804	8,902,534	524,528	235,454	691,594	21,458,487
Arising on acquisition	47,972	–	147,728	6,682	929	12,956	216,267
Additions	98,098	250,846	378,137	51,222	54,323	967,455	1,800,081
Disposals	(3,170)	–	(8,359)	(684)	(12,700)	–	(24,913)
Written off	(4,622)	–	(87,242)	(731)	(386)	–	(92,981)
Grants & contributions	–	(46,855)	–	–	–	–	(46,855)
Transfer	41,261	37,899	130,215	47,025	–	(265,774)	(9,374)
Translation differences	(218,861)	(327,317)	(262,074)	(23,895)	(1,899)	(53,716)	(887,762)
At 30.6.2008	5,552,251	5,427,377	9,200,939	604,147	275,721	1,352,515	22,412,950
Accumulated Depreciation							
At 1.7.2007, as restated	931,150	62,761	3,147,647	279,348	153,091	–	4,573,997
Arising on acquisition	5,056	–	26,670	1,535	320	–	33,581
Charge for the financial year	135,782	50,030	478,314	33,426	24,219	–	721,771
Disposals	(211)	–	(7,318)	(577)	(11,824)	–	(19,930)
Written off	(1,751)	–	(75,926)	(709)	(187)	–	(78,573)
Transfers	(24)	–	12	(12)	–	–	(24)
Translation differences	(24,967)	(3,888)	(73,522)	(10,240)	(194)	–	(112,811)
At 30.6.2008	1,045,035	108,903	3,495,877	302,771	165,425	–	5,118,011
Net Book Value							
At 30.6.2008	4,507,216	5,318,474	5,705,062	301,376	110,296	1,352,515	17,294,939

Group - 2007	Land & buildings *	Infrastructure & site facilities	Plant & machinery	Furniture, fixtures & equipment	Vehicles	Assets under construction	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost/Valuation							
At 1.7.2006, as restated	5,397,471	5,041,720	8,309,261	481,396	237,715	714,208	20,181,771
Arising on acquisition	1,694	–	–	3,041	1,170	–	5,905
Additions	47,761	226,179	365,377	32,199	11,130	448,261	1,130,907
Disposals	(21,304)	–	(88,254)	(4,809)	(13,157)	–	(127,524)
Written off	(128)	–	(12,709)	(1,440)	(1,245)	–	(15,522)
Grants & Contributions	–	(49,482)	–	–	–	–	(49,482)
Transfers/Others	72,109	157,045	223,434	4,774	–	(489,211)	(31,849)
Translation differences	93,970	137,342	105,425	9,367	(159)	18,336	364,281
At 30.6.2007, as restated	5,591,573	5,512,804	8,902,534	524,528	235,454	691,594	21,458,487

Notes to the Financial Statements

	Land & buildings *	Infrastructure & site facilities	Plant & machinery	Furniture, fixtures & equipment	Vehicles	Assets under construction	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Accumulated Depreciation							
At 1.7.2006, as restated	806,262	13,664	2,749,656	244,662	141,234	–	3,955,478
Arising on acquisition	–	–	–	1,089	76	–	1,165
Charge for the financial year	128,049	48,839	462,943	36,629	23,446	–	699,906
Disposals	(8,590)	–	(78,143)	(4,597)	(10,697)	–	(102,027)
Written off	–	–	(12,701)	(1,373)	(1,064)	–	(15,138)
Transfers/Others	(3,396)	–	–	(1,050)	–	–	(4,446)
Translation differences	8,825	258	25,892	3,988	96	–	39,059
At 30.6.2007, as restated	931,150	62,761	3,147,647	279,348	153,091	–	4,573,997
Net Book Value							
At 30.6.2007, as restated	4,660,423	5,450,043	5,754,887	245,180	82,363	691,594	16,884,490

* Land & buildings of the Group is as follows:

	Freehold land	Freehold oil palm plantation	Building on freehold land	Building on long term leasehold land	Building on short term leasehold land	Factory & other buildings	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group - 2008							
Cost or valuation							
At 1.7.2007							
At cost	119,067	–	92,269	812,975	29,952	4,528,687	5,582,950
At valuation	6,043	2,000	580	–	–	–	8,623
	125,110	2,000	92,849	812,975	29,952	4,528,687	5,591,573
Arising on acquisition	57	–	–	47,915	–	–	47,972
Additions	5,036	–	(11)	26,697	15,523	50,853	98,098
Disposals	(1,526)	–	–	(1,255)	–	(389)	(3,170)
Written off	–	–	–	–	–	(4,622)	(4,622)
Transfers	(3,332)	–	(6,566)	5,951	314	44,894	41,261
Translation differences	(5,386)	–	–	1,938	(28)	(215,385)	(218,861)
At 30.6.2008	119,959	2,000	86,272	894,221	45,761	4,404,038	5,552,251
Representing:							
At cost	115,393	–	85,802	894,221	45,761	4,404,038	5,545,215
At valuation	4,566	2,000	470	–	–	–	7,036
At 30.6.2008	119,959	2,000	86,272	894,221	45,761	4,404,038	5,552,251

	Freehold land RM'000	Freehold oil palm plantation RM'000	Building on freehold land RM'000	Building on long term leasehold land RM'000	Building on short term leasehold land RM'000	Factory & other buildings RM'000	Total RM'000
Accumulated Depreciation							
At 1.7.2007							
At cost	–	–	11,603	127,840	3,263	788,325	931,031
At valuation	–	–	119	–	–	–	119
Arising on acquisition	–	–	–	5,056	–	–	5,056
Charge for the financial year	–	–	966	17,454	826	116,536	135,782
Disposals	–	–	–	(134)	–	(77)	(211)
Written off	–	–	–	–	–	(1,751)	(1,751)
Transfers	–	–	(24)	–	–	–	(24)
Translation differences	–	–	–	307	–	(25,274)	(24,967)
At 30.6.2008	–	–	12,664	150,523	4,089	877,759	1,045,035
Net Book Value:							
At cost	115,393	–	73,242	743,698	41,672	3,526,279	4,500,284
At valuation	4,566	2,000	366	–	–	–	6,932
At 30.6.2008	119,959	2,000	73,608	743,698	41,672	3,526,279	4,507,216

* Land & buildings of the Group is as follows:

	Freehold land RM'000	Freehold oil palm plantation RM'000	Building on freehold land RM'000	Building on long term leasehold land RM'000	Building on short term leasehold land RM'000	Factory & other buildings RM'000	Total RM'000
Group - 2007							
Cost or valuation							
At 1.7.2006							
At cost	125,697	–	101,277	804,927	21,469	4,335,488	5,388,858
At valuation	5,904	2,000	709	–	–	–	8,613
Arising on acquisition	–	–	–	–	1,694	–	1,694
Additions	2,894	–	2,171	4,896	–	37,800	47,761
Disposals	(1,922)	–	(392)	–	–	(18,990)	(21,304)
Written off	–	–	–	(128)	–	–	(128)
Transfers/Others	(8,865)	–	(10,916)	2,436	6,789	82,665	72,109
Translation differences	1,402	–	–	844	–	91,724	93,970
At 30.6.2007	125,110	2,000	92,849	812,975	29,952	4,528,687	5,591,573
Representing:							
At cost	119,067	–	92,269	812,975	29,952	4,528,687	5,582,950
At valuation	6,043	2,000	580	–	–	–	8,623
At 30.6.2007	125,110	2,000	92,849	812,975	29,952	4,528,687	5,591,573

Notes to the Financial Statements

	Freehold land RM'000	Freehold oil palm plantation RM'000	Building on freehold land RM'000	Building on long term leasehold land RM'000	Building on short term leasehold land RM'000	Factory & other buildings RM'000	Total RM'000
Accumulated Depreciation							
At 1.7.2006							
At cost	–	–	12,057	112,082	2,493	679,547	806,179
At valuation	–	–	83	–	–	–	83
	–	–	12,140	112,082	2,493	679,547	806,262
Arising on acquisition	–	–	–	–	–	–	–
Charge for the financial year	–	–	1,179	15,925	770	110,175	128,049
Disposals	–	–	(27)	–	–	(8,563)	(8,590)
Written off	–	–	–	–	–	–	–
Transfers/Others	–	–	(1,570)	(167)	–	(1,659)	(3,396)
Translation differences	–	–	–	–	–	8,825	8,825
At 30.6.2007	–	–	11,722	127,840	3,263	788,325	931,150
Net Book Value:							
At cost	119,067	–	80,666	685,135	26,689	3,740,362	4,651,919
At valuation	6,043	2,000	461	–	–	–	8,504
At 30.6.2007	125,110	2,000	81,127	685,135	26,689	3,740,362	4,660,423
Company - 2008							
			Building RM'000	Furniture, fittings and equipment RM'000	Vehicles RM'000		Total RM'000
Cost							
At 1.7.2007			1,207	2,211	5,077		8,495
Additions			–	292	412		704
Disposals			–	–	(70)		(70)
At 30.6.2008			1,207	2,503	5,419		9,129
Accumulated Depreciation							
At 1.7.2007			295	1,189	3,501		4,985
Charge for the financial year			24	341	262		627
Disposals			–	–	(70)		(70)
At 30.6.2008			319	1,530	3,693		5,542
Net Book Value							
At 30.6.2008			888	973	1,726		3,587

Company - 2007	Building RM'000	Furniture, fittings and equipment RM'000	Vehicles RM'000	Total RM'000
Cost				
At 1.7.2006	1,207	1,761	4,285	7,253
Additions	–	450	1,252	1,702
Disposals	–	–	(460)	(460)
At 30.6.2007	1,207	2,211	5,077	8,495
Accumulated Depreciation				
At 1.7.2006	271	920	3,206	4,397
Charge for the financial year	24	269	516	809
Disposals	–	–	(221)	(221)
At 30.6.2007	295	1,189	3,501	4,985
Net Book Value				
At 30.6.2007	912	1,022	1,576	3,510

Depreciation charge for the financial year is allocated as follows:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Income Statement (Note 7)	720,223	699,365	627	809
Amount due from contract customers (Note 23)	1,548	541	–	–
	721,771	699,906	627	809

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		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Plant & machinery	461,462	535,491	–	–
Motor vehicles	8,693	8,610	1,237	1,386
	470,155	544,101	1,237	1,386

Notes to the Financial Statements

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:

	2008 RM'000	Group 2007 RM'000
Freehold land	9,035	9,035
Buildings	1,074,930	1,113,865
Infrastructure & site facilities	7,378	8,512
Plant & machinery	2,316,082	2,421,742
Furniture, fixtures & equipment	1,806	4,472
Vehicles	23,759	24,835
Assets under construction	35,912	-
	3,468,902	3,582,461

Revaluation

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

	2008 RM'000	Group 2007 RM'000
Freehold land	2,204	3,870
Buildings	1,288	1,340
	3,492	5,210

12. PREPAID LEASE PAYMENTS

	2008 RM'000	Group 2007 (Restated) RM'000
At cost/valuation		
At beginning of the financial year, as restated	86,102	90,565
Arising from acquisition of subsidiary	7,955	–
Additions	2,312	–
Disposals	(328)	(378)
Transfer to investment properties	–	(4,085)
At end of the financial year	96,041	86,102
Less: Accumulated amortisation		
At beginning of the financial year, as restated	17,650	16,351
Amortisation charge (Note 7)	1,988	1,613
Disposals	(21)	(41)
Transfer to investment properties	–	(273)
At end of the financial year	19,617	17,650
Carrying amount at end of the financial year	76,424	68,452
Representing:		
Long term leasehold land		
- cost	61,792	52,702
- valuation	190	192
Short term leasehold land		
- cost	14,442	15,558
	76,424	68,452

13. INVESTMENT PROPERTIES

2008	Freehold land and building RM'000	Long term leasehold land and building RM'000	Total RM'000
At beginning of the financial year	1,139,224	240,142	1,379,366
Additions	70,615	158,753	229,368
Transfer from property, plant & equipment	4,139	–	4,139
Exchange differences	(705)	–	(705)
At end of the financial year	1,213,273	398,895	1,612,168

Notes to the Financial Statements

2007	Freehold land and building RM'000	Long term leasehold land and building RM'000	Total RM'000
At beginning of the financial year	1,017,884	346,061	1,363,945
Fair value adjustment	5,822	–	5,822
Additions	125,000	–	125,000
Disposals	–	(94,377)	(94,377)
Transfer from property, plant & equipment	13,276	21,993	35,269
Transfer from prepaid lease payments	–	3,812	3,812
Transfer to land held for property development cost	(22,758)	(37,347)	(60,105)
At end of the financial year	1,139,224	240,142	1,379,366

14. DEVELOPMENT EXPENDITURE

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

2008	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
(a) Land held for property development:				
At beginning of the financial year	220,535	32,037	301,699	554,271
Additions	3,720	1,611	21,046	26,377
Transfer to property development cost (Note 21)	(3,232)	(76)	(1,330)	(4,638)
At end of the financial year	221,023	33,572	321,415	576,010
(b) Project development expenditure				
At beginning of the financial year	350,154	42,896	94,212	487,262
Arising from acquisition of subsidiaries	–	–	714	714
Cost incurred during the financial year	–	–	55,529	55,529
Amortisation (Note 7)	–	–	(207)	(207)
Cost charged to Income Statement	–	–	(223)	(223)
Transfer from property, plant & equipment	4,168	–	1,043	5,211
At end of the financial year	354,322	42,896	151,068	548,286
Total	575,345	76,468	472,483	1,124,296

2007

(a) Land held for property development:				
At beginning of the financial year	194,897	33,022	262,438	490,357
Additions	2,880	206	5,376	8,462
Transfer to property development cost (Note 21)	–	(1,191)	(3,352)	(4,543)
Written off	–	–	(110)	(110)
Transfer from investment properties	22,758	–	37,347	60,105
At end of the financial year	220,535	32,037	301,699	554,271

2007	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
(b) Project development expenditure:				
At beginning of the financial year	30,334	42,896	89,088	162,318
Arising from acquisition of subsidiary	328,320	–	7,768	336,088
Cost incurred during the financial year	–	–	1,299	1,299
Amortisation	–	–	(207)	(207)
Cost charged to Income Statement	–	–	(2,393)	(2,393)
Written off	–	–	(634)	(634)
Transfer to property, plant & equipment	(8,500)	–	(503)	(9,003)
Others	–	–	(206)	(206)
At end of the financial year	350,154	42,896	94,212	487,262
(c) Internet portal development expenditure:				
At beginning of the financial year	–	–	1,024	1,024
Cost charged to Income Statement	–	–	(16)	(16)
Impairment loss (Note 7)	–	–	(1,008)	(1,008)
At end of the financial year	–	–	–	–
Total	570,689	74,933	395,911	1,041,533

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

2008	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Cost:				
Land held for property development	221,023	33,572	321,415	576,010
Project development expenditure	350,154	42,896	156,893	549,943
Internet portal development expenditure	–	–	2,133	2,133
	571,177	76,468	480,441	1,128,086
Accumulated amortisation:				
Project development expenditure	–	–	(1,657)	(1,657)
Internet portal development expenditure	–	–	(1,125)	(1,125)
	–	–	(2,782)	(2,782)
Accumulated impairment loss:				
Internet portal development expenditure	–	–	(1,008)	(1,008)
	–	–	(1,008)	(1,008)
Net book value:				
Land held for property development	221,023	33,572	321,415	576,010
Project development expenditure	350,154	42,896	155,236	548,286
Internet portal development expenditure	–	–	–	–
	571,177	76,468	476,651	1,124,296

Notes to the Financial Statements

2007	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Cost:				
Land held for property development	220,535	32,037	301,699	554,271
Project development expenditure	350,154	42,896	95,662	488,712
Internet portal development expenditure	–	–	2,133	2,133
	570,689	74,933	399,494	1,045,116
Accumulated amortisation:				
Project development expenditure	–	–	(1,450)	(1,450)
Internet portal development expenditure	–	–	(1,125)	(1,125)
	–	–	(2,575)	(2,575)
Accumulated impairment loss:				
Internet portal development expenditure	–	–	(1,008)	(1,008)
	–	–	(1,008)	(1,008)
Net book value:				
Land held for property development	220,535	32,037	301,699	554,271
Project development expenditure	350,154	42,896	94,212	487,262
Internet portal development expenditure	–	–	–	–
	570,689	74,933	395,911	1,041,533

15. SUBSIDIARIES

(a) Investment in subsidiaries

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Quoted shares, at cost	–	–	3,026,428	3,072,637
Unquoted shares, at cost	–	–	428,022	422,151
# Quoted warrants, at cost	181,704	181,704	304,634	181,704
* Quoted ICULS, at cost	–	–	305,255	305,255
	181,704	181,704	4,064,339	3,981,747
Market value				
- Quoted shares	–	–	6,910,614	8,096,000
- Quoted warrants	508,269	697,054	1,216,337	697,054
- Quoted ICULS	–	–	359,840	471,220
The number of warrants held in a subsidiary is as follows ('000):				
YTL Power International Berhad				
- Warrants 2000/2010	726,098	726,098	726,098	726,098
- Warrants 2008/2018	–	–	1,011,526	–
	726,098	726,098	1,737,624	726,098

Quoted warrants

i) **Warrants 2000/2010**

Each warrant entitles its registered holder to subscribe for one (1) new ordinary share of RM0.50 each in YTL Power International Berhad at the revised exercise price of RM1.20 (2007: RM1.39) payable in cash. The exercise price of the warrants will be increased annually by two (2) sen from thereon until the ninth anniversary of the date of issue. The exercise price is also subject to adjustments in accordance with the basis set out in the Deed Poll.

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

ii) **Warrants 2008/2018**

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

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

The warrants are quoted on Bursa Malaysia Securities Berhad.

* Quoted ICULS

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

Details of the subsidiaries are as follows:

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest	
			2008 %	2007 %
Airzed Broadband Sdn. Bhd.	Malaysia	Providing wire line & wireless broadband internet access services & developing, producing, marketing, selling & maintaining software applications, research & development, consultancy & related services	36.40	–
Amanresorts Sdn. Bhd.	Malaysia	Dormant	61.12	52.88
Arah Asas Sdn. Bhd.	Malaysia	Property development	100.00	100.00
* Austasia Metal Sdn. Bhd.	Malaysia	Inactive	100.00	100.00
Austasia Timbers Malaysia Sdn. Bhd.	Malaysia	Inactive	100.00	100.00
Autodome Sdn. Bhd.	Malaysia	Operator of food & beverage outlets & sub-letting of premises	100.00	100.00

Notes to the Financial Statements

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest	
			2008 %	2007 %
Awan Serunding Sdn. Bhd.	Malaysia	Investment holding	49.86	49.72
Batu Tiga Quarry Sdn. Bhd.	Malaysia	Quarry business & trading of granite aggregates	100.00	100.00
Batu Tiga Quarry (Sg. Buloh) Sdn. Bhd.	Malaysia	Quarry business & related services	100.00	100.00
Bayumaju Development Sdn. Bhd.	Malaysia	Property development	61.12	52.88
Bizsurf MSC Sdn. Bhd.	Malaysia	Providing wireless network distribution equipment & services, broadband & internet services & other internet related services	44.57	–
* Boom Time Strategies Sdn. Bhd.	Malaysia	Inactive	61.12	52.88
Borneo Cosmeceutical Sdn. Bhd.	Malaysia	Development of holiday resorts	90.00	–
Budaya Bersatu Sdn. Bhd.	Malaysia	Dormant	100.00	100.00
Buildcon Concrete Enterprise Sdn. Bhd.	Malaysia	Investment holding	49.86	49.72
Buildcon Concrete Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	49.86	49.72
Buildcon-Cimaco Concrete Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	25.15	25.08
Buildcon Desa Sdn. Bhd. (Formerly known as Buildcon-Ensidesa Sdn. Bhd.)	Malaysia	Manufacture & sale of ready-mixed concrete and related services	25.43	25.36
Builders Brickworks Sdn. Bhd.	Malaysia	Inactive	93.80	93.80
Business & Budget Hotels Sdn. Bhd.	Malaysia	Investment holding & property investment	100.00	100.00
Business & Budget Hotels (Penang) Sdn. Bhd.	Malaysia	Hotel & resort operator	51.00	51.00
Business & Budget Hotels (Seberang Jaya) Sdn. Bhd.	Malaysia	Inactive	51.00	51.00
Cameron Highlands Resort Sdn. Bhd.	Malaysia	Hotel & resort operator	100.00	100.00
Cane Creations (Marketing) Sdn. Bhd.	Malaysia	Trading in cane furniture, local handicrafts, accessories & related services	100.00	100.00
Cane Creations Sdn. Bhd.	Malaysia	Manufacture & trading of cane furniture	100.00	100.00
C.I. Quarrying & Marketing Sdn. Bhd.	Malaysia	Granite quarrying	100.00	–
C.I. Readymix Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	49.86	49.72
Construction Lease (M) Sdn. Bhd.	Malaysia	Leasing, hire purchase & credit	100.00	100.00
Diamond Recipe Sdn. Bhd.	Malaysia	Operator of food & beverage outlet	51.00	51.00
Divine View Sdn. Bhd.	Malaysia	Investment holdings	100.00	–
Dynamic Marketing Sdn. Bhd.	Malaysia	Trading of building & construction materials	100.00	100.00
Dynamic Project Development Sdn. Bhd.	Malaysia	Civil engineering works and construction	100.00	100.00

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest	
			2008 %	2007 %
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	66.86	66.66
First Commercial Development Sdn. Bhd.	Malaysia	Property investment	100.00	100.00
Gemilang Pintar Sdn. Bhd.	Malaysia	General trading, investment holding & property investment	70.00	70.00
GKM-SPYTL JV Sdn. Bhd.	Malaysia	Inactive	100.00	100.00
Intellectual Learning Sdn. Bhd.	Malaysia	Education & training using advanced technology	74.29	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	80.00
Jaksa Quarry Sdn. Bhd.	Malaysia	Quarry operator, manufacture of granite blocks, aggregates, chippings & crusher run	100.00	100.00
Kampung Tiong Development Sdn. Bhd.	Malaysia	Development of holiday resorts	70.00	–
Katagreen Development Sdn. Bhd.	Malaysia	Dormant	100.00	100.00
Kenneison Construction Materials Sdn. Bhd.	Malaysia	Manufacturing, selling & distribution of premix products, construction & building materials & hiring of machinery	100.00	–
Kenneison Northern Quarry Sdn. Bhd.	Malaysia	Manufacturing, selling & distribution of premix product, construction & building materials	100.00	–
Lay Seng Oil Palm Plantations Sdn. Bhd.	Malaysia	Cultivation of oil palms	100.00	100.00
* Lot Ten Security Sdn. Bhd.	Malaysia	Inactive	61.12	52.88
Magna Boundary Sdn. Bhd.	Malaysia	Development of holiday resorts	90.00	–
Marble Valley Sdn. Bhd.	Malaysia	Hotel operator and management	80.00	80.00
Marble Valley Two Sdn. Bhd.	Malaysia	Management and operation of boutique hotel	64.00	–
* Mayang Sari Sdn. Bhd.	Malaysia	Inactive	61.12	52.88
Mini-Mix Sdn. Bhd.	Malaysia	Inactive	49.86	49.72
Mutual Prospect Sdn. Bhd.	Malaysia	Quarry operators & proprietors	100.00	–
Noriwasa Sdn. Bhd.	Malaysia	Dormant	61.12	52.88
* Pahang Cement Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement & clinker	49.86	49.72

Notes to the Financial Statements

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest	
			2008 %	2007 %
* Pahang Cement Marketing Sdn. Bhd.	Malaysia	Marketing of cement products, retailers of cement and related products	49.86	49.72
Pakatan Perakbina Sdn. Bhd.	Malaysia	Property development	61.12	52.88
PDC Heritage Hotel Sdn. Bhd.	Malaysia	Property development	51.00	51.00
Perak-Hanjoong Simen Sdn. Bhd.	Malaysia	Manufacture & sale of clinker, ordinary portland cement & blended cement	32.33	32.24
Permai Property Management Sdn. Bhd.	Malaysia	Inactive	100.00	100.00
PHS Trading Sdn. Bhd.	Malaysia	Marketing of cement products	32.33	32.24
Pinnacle Trend Sdn. Bhd.	Malaysia	Property investment	100.00	–
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	44.57	44.44
Puncak Serunding Sdn. Bhd.	Malaysia	Dormant	100.00	100.00
PYP Sendirian Berhad	Malaysia	Property development	61.12	52.88
Restoran Kisap Sdn. Bhd.	Malaysia	Restaurant operator	100.00	100.00
Satria Sewira Sdn. Bhd.	Malaysia	Property development & investment	100.00	100.00
Sentul Park Koi Centre Sdn. Bhd.	Malaysia	Breeders, wholesalers, retailers and distributors of <i>Koi</i> fish	55.00	55.00
* Sentul Park Management Sdn. Bhd.	Malaysia	Dormant	42.78	37.02
* Sentul Raya City Sdn. Bhd.	Malaysia	Property investment	42.78	37.02
* Sentul Raya Golf Club Berhad	Malaysia	Inactive	42.78	37.02
* Sentul Raya Sdn. Bhd.	Malaysia	Property development & property investment	42.78	37.02
Slag Cement Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement and blended cement	49.86	49.72
Slag Cement (Southern) Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement and blended cement	49.86	49.72
Specialist Cement Sdn. Bhd.	Malaysia	Inactive	42.38	42.26
Spectacular Corner Sdn. Bhd.	Malaysia	Dormant	100.00	–
* SR Property Management Sdn. Bhd.	Malaysia	Property management	61.12	52.88
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	65.34	65.03

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest	
			2008 %	2007 %
Straits Cement Sdn. Bhd.	Malaysia	Manufacture & sale of cement	49.86	49.72
Suri Travel & Tours Sdn. Bhd.	Malaysia	Car rental & air ticketing	70.00	70.00
Syarikat Kemajuan Perumahan Negara Sdn. Bhd.	Malaysia	Property development	61.12	52.88
Syarikat Pembinaan Yeoh Tiong Lay Sdn. Bhd.	Malaysia	Civil engineering works & construction, property development & real estate investment, investment holding & related services	100.00	100.00
Transportable Camps Sdn. Bhd.	Malaysia	Trading & rental of transportable cabins & wood based products	100.00	100.00
Trend Acres Sdn. Bhd.	Malaysia	Investment in properties and property development	100.00	–
Tugas Sejahtera Sdn. Bhd.	Malaysia	Investment holding	49.86	49.72
Udapatat Bina Sdn. Bhd.	Malaysia	Property development	61.12	52.88
Y-Max Infra Sdn. Bhd. (Formerly known as All Century Systems Sdn. Bhd.)	Malaysia	Providing wire line & wireless broadband access services	74.29	–
Y-Max Networks Sdn. Bhd.	Malaysia	Providing computer networking & related information technology services	44.57	37.04
YMax Sdn. Bhd.	Malaysia	Providing broadband internet access & related services	50.51	–
Y-Max Solutions Holdings Sdn. Bhd.	Malaysia	Investment holding	52.00	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	49.86	49.72
YTL Cement Berhad	Malaysia	Investment holding, management services & hiring of vehicles	49.86	49.72
YTL Cement Marketing Sdn. Bhd.	Malaysia	Marketing of cement products	49.86	49.72
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 and investment holding	100.00	100.00

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Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest	
			2008 %	2007 %
YTL Design Services Sdn. Bhd.	Malaysia	Dormant	100.00	100.00
YTL Digital Sdn. Bhd.	Malaysia	Dormant	100.00	100.00
YTL Energy Sdn. Bhd.	Malaysia	Dormant	100.00	100.00
YTL e-Solutions Berhad	Malaysia	Investment holding, provision of incubation services including developing and incubating technology companies, internet contents of all descriptions & non-internet related businesses and provision of consultancy & advisory services in relation to the business of electronic commerce or internet commerce solutions	74.29	74.07
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, media, web media & up-to-date information via electronic media	74.13	73.91
* YTL Land & Development Berhad	Malaysia	Investment holding & the provision of financial, treasury & secretarial services	61.12	52.88
YTL Land & Development (MM2H) Sdn. Bhd.	Malaysia	Dormant	61.12	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, maintenance & operating power plants	55.55	57.13
* YTL Power International Berhad	Malaysia	Investment holding & provision of administrative & technical support services	55.55	57.13

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest	
			2008 %	2007 %
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	49.86	49.72
YTL Technologies Sdn. Bhd.	Malaysia	Servicing & hiring of equipment	79.94	79.89
YTL-SV Carbon Sdn. Bhd. (Formerly known as SV Carbon Sdn Bhd)	Malaysia	Providing consultancy services	75.00	–
YTL Vacation Club Berhad	Malaysia	Dormant	100.00	100.00
* Buildcon Vietnam Limited	British Virgin Islands	Dormant	34.90	34.80
* Dynamic Marketing (UK) Limited	England & Wales	Inactive	100.00	100.00
* Infoscreen Networks Plc	United Kingdom	Investment holding	74.13	73.91
* Lakefront Pte. Ltd.	Singapore	Real estate developer	70.00	70.00
* P.T. Jepun Bali	Indonesia	Managing & operating a hotel	100.00	100.00
* P.T. YTL Jawa Timur	Indonesia	Construction management, consultancy services & power station operation services	55.55	57.13
* Sandy Island Pte. Ltd.	Singapore	Real estate developer	70.00	70.00
* S.A. SC Technology France	France	Waste treatment processes	55.55	57.13
* SC Technology GmbH	Switzerland	Waste treatment processes	55.55	57.13
* SC Technology Denmark ApS	Denmark	Waste treatment processes	55.55	57.13
* SC Technology Deutschland GmbH	Germany	Waste treatment processes	55.55	57.13
* SC Technology Nederlands BV	Netherlands	Waste treatment processes	55.55	57.13
* Wessex Engineering & Construction Services Ltd.	England & Wales	Engineering & construction services	55.55	57.13
* Wessex Logistics Limited	England & Wales	Dormant	55.55	57.13
* Wessex Promotions Limited	England & Wales	Entertainment promotion	55.55	57.13
* Wessex Property Services Limited	England & Wales	Dormant	55.55	57.13
* Wessex Spring Water Limited	England & Wales	Dormant	55.55	57.13
* Wessex Water Commercial Limited	England & Wales	Dormant	55.55	57.13
* Wessex Water Engineering Services Limited	England & Wales	Dormant	55.55	57.13
* Wessex Water Enterprises Limited	England & Wales	Water supply & waste water services	55.55	57.13
Wessex Water International Limited	Cayman Islands	Investment holding	55.55	57.13
* Wessex Water Limited	England & Wales	Investment holding	55.55	57.13
* Wessex Water Pension Scheme Trustee Limited	England & Wales	Dormant	55.55	57.13
* Wessex Water Services Finance Plc	England & Wales	Issue of bonds	55.55	57.13

Notes to the Financial Statements

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest	
			2008 %	2007 %
* Wessex Water Services Limited	England & Wales	Water supply & waste water services	55.55	57.13
* Wessex Water Trustee Company Limited	England & Wales	Dormant	55.55	57.13
* Wimax Capital Management Ltd.	United Kingdom	Acquiring WiMAX spectrum & undertaking activities utilizing WiMAX related technologies	59.43	–
* YTL Construction (S) Pte. Ltd. (Formerly known as 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 (Hong Kong) Limited (Formerly known as Leadmax Limited)	Hong Kong	Investment Holding	49.86	–
* YTL Cement Marketing Singapore Pte. Ltd.	Singapore	Sales and marketing of cement, cementitious products and other related construction products	49.86	–
* YTL Cement Singapore Pte. Ltd.	Singapore	Investment holding, sale & marketing of construction products	49.86	49.72
* YTL Concrete (S) Pte. Ltd.	Singapore	Manufacture & sale of ready-mixed concrete & related products	49.86	49.72
* YTL Construction (SA) (Proprietary) Ltd.	South Africa	Inactive	100.00	100.00
* YTL Construction GmbH	Germany	Dormant	100.00	–
* YTL Construction International (Cayman) Ltd.	Cayman Islands	Investment holding in construction relation activities	100.00	–
* YTL Construction (Thailand) Limited	Thailand	Construction activities	74.89	–
* YTL Corp Finance (Cayman) Ltd.	Cayman Islands	Dormant	100.00	100.00
* YTL Corporation (UK) Plc	England & Wales	Dormant	100.00	100.00
* YTL-CPI Power Limited	Hong Kong	Dormant	28.33	29.14
* YTL Engineering Limited	England & Wales	Dormant	55.55	57.13
* YTL Events Limited	England & Wales	Providing public entertainment events & public relations services	55.55	57.13
* YTL (Guernsey) Limited	Guernsey	Investment & property holding	100.00	100.00

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest	
			2008 %	2007 %
* YTL Hotels B.V	Netherlands	Investment holding	100.00	–
* YTL Hotels (Cayman) Limited	Cayman Islands	Dormant	100.00	–
* YTL Hotel Management Saint Tropez SARL	France	Hotel operations and management services	100.00	–
* SCI YTL Hotels Saint Tropez	France	Acquisition, management, renting and administration and/or resale of real estate	100.00	–
YTL Jawa O & M Holdings B.V.	Netherlands	Investment holding	55.55	57.13
YTL Jawa O & M Holdings Limited	Cyprus	Investment holding	55.55	57.13
YTL Jawa Power B.V.	Netherlands	Investment holding	55.55	57.13
YTL Jawa Power Finance Limited	Cayman Islands	Investment holding	55.55	57.13
YTL Jawa Power Holdings B.V.	Netherlands	Investment holding	55.55	57.13
YTL Jawa Power Holdings Limited	Cyprus	Investment holding	55.55	57.13
YTL Jawa Power Services B.V.	Netherlands	Investment holding	55.55	57.13
YTL Power Australia Limited	Cayman Islands	Investment holding	55.55	57.13
YTL Power Finance (Cayman) Limited	Cayman Islands	Investment holding	55.55	57.13
YTL Power International Holdings Limited	Cayman Islands	Investment holding	55.55	57.13
YTL Power Services (Cayman) Ltd.	Cayman Islands	Investment holding and provision of operations and maintenance services of power plants	100.00	–
* YTL Services Limited	England & Wales	Dormant	55.55	57.13
YTL Utilities Finance Limited	Cayman Islands	Investment holding	55.55	57.13
YTL Utilities Finance 2 Limited	Cayman Islands	Investment holding	55.55	57.13
YTL Utilities Finance 3 Limited	Cayman Islands	Investment holding	55.55	57.13
YTL Utilities Holdings Limited	Cayman Islands	Investment holding	55.55	57.13
YTL Utilities Limited	Cayman Islands	Investment holding	55.55	57.13
* YTL Utilities (UK) Limited	England & Wales	Investment holding	55.55	57.13
* YTL Westwood Properties Pte Ltd.	Singapore	Real estate developer	100.00	–
* Zhejiang Lin'an Jin Yuan Cement Co. Ltd	The People's Republic of China	Manufacture & sale of ordinary portland cement & clinker	49.86	–

* 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 2008 as disclosed in the current cost Balance Sheet of Wessex Water Services Limited was RM72,479 million [GBP11,131 million] (2007: RM73,493 million [GBP10,625 million]).

(b) Subsidiaries' financial statements

The unaudited financial statements of Buildcon Vietnam Limited, YTL Cayman Limited, PT Jepun Bali, YTL Construction (SA) (Proprietary) Limited, YTL Corp Finance (Cayman) Limited, YTL Construction (Thailand) Limited, YTL Construction International (Cayman) Ltd., YTL Hotel Management Saint Tropez SARL, YTL Hotels (Cayman) Limited, YTL Hotels B.V, SCI YTL Hotels Saint Tropez, YTL Power Services (Cayman) Ltd., YTL Construction GmbH 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 pertains 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 subsidiaries which bear interest rates at 4.4% per annum (2007: 4.4% to 10% per annum).

(d) Significant subsidiaries acquired

- (i) On 28 August 2007, YTL Cement (Hong Kong) Limited, a wholly-owned subsidiary of YTL Cement Berhad ("YTL Cement"), entered into a transfer of equity interests contract ("Contract") with the various parties set out therein for the purchase of the entire equity interest in Zhejiang Lin'an Jin Yuan Cement Co. Ltd. ("Jin Yuan"), a company incorporated in the People's Republic of China, for a total cash consideration of Renminbi (RMB) 150,000,000 or its foreign currency equivalent. Jin Yuan became an indirect subsidiary of YTL Cement and the Company following completion of the Contract on 15 November 2007.
- (ii) On 12 October 2007, Batu Tiga Quarry Sdn. Bhd., a wholly-owned subsidiary of YTL Industries Berhad which in turn is a wholly-owned subsidiary of the Company, entered into the Share Sale Agreements with Kenneison Quarries Sdn. Bhd. 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., 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. for total cash consideration of RM17,000,000 and RM500,000 respectively. The acquisitions were completed on 31 October 2007.

(e) Summary of effect of acquisition of subsidiaries

- (i) The effect of the newly acquired subsidiaries on the financial results for the financial year is as follows:

	Group 2008 RM'000
Revenue	114,946
Loss for the financial year	(7,330)

If the acquisitions had occurred on 1 July 2007, the Group's revenue and profit for the financial year would have been RM6,636,007,396 and RM1,357,563,600 respectively.

- (ii) The assets and liabilities arising from the acquisition of subsidiaries during the financial year and the aggregate effects of such acquisitions on the cash flows of the Group were as follows:

	Fair values recognised on acquisition RM'000	Carrying amounts in acquirees' books RM'000
Identifiable assets and liabilities:		
Prepaid lease rentals	7,955	7,955
Property, plant & equipment	182,686	182,686
Development expenditure	714	714
Inventories	17,422	17,422
Receivables	24,356	24,356
Inter-company balances	(292)	(292)
Cash & cash equivalents	32,345	32,345
Total assets	265,186	265,186
Payables	(139,034)	(139,034)
Borrowings	(75,618)	(75,618)
Taxation	(643)	(643)
Total liabilities	(215,295)	(215,295)
Identifiable net assets	49,891	49,891
Less : Minority interests	(3,240)	(3,240)
Identifiable net assets acquired	46,651	46,651
Goodwill	75,881	
Cash consideration paid	122,532	
Less : Purchase consideration due but not paid	(14,554)	
Less : Cash & cash equivalents in subsidiaries acquired	(32,345)	
Net cash outflow on acquisition	75,633	

16. ASSOCIATED COMPANIES

(a) Investment in associated companies

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Unquoted shares, at cost	854,162	883,120	210,641	216,478
Quoted shares, outside Malaysia, at cost	21,862	20,169	-	-
Share of post acquisition profits	502,328	425,537	-	-
	1,378,352	1,328,826	210,641	216,478
Market value of quoted shares outside Malaysia	44,375	44,178	-	-

Notes to the Financial Statements

Details of the associated companies are as follows:

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest	
			2008 %	2007 %
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	Inactive	27.21	27.99
North South Development Sdn. Bhd.	Malaysia	Property development	49.00	49.00
RME-SPYTL Sdn. Bhd.	Malaysia	Inactive	–	50.00
SMC Mix Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	24.93	24.86
Superb Aggregates Sdn. Bhd.	Malaysia	Extraction, removal, processing & sale of sand	50.00	50.00
@* Teknologi Tenaga Perlis (Overseas) Consortium Sdn. Bhd.	Malaysia	Dormant	16.67	17.14
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	27.78	28.57
^* 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	18.61	19.14
^* Jurong Cement Limited	Singapore	Investment holding	10.71	10.41
* P.T. Jawa Power	Indonesia	To construct, commission & operate a coal-fired thermal power station	19.44	20.00
#* Samui Hotel 2 Co. Ltd.	Thailand	Hotel operations	50.00	–
^* Surin Bay Company Limited	Thailand	Hotel operations	49.00	49.00
* YTL (Thailand) Limited	Thailand	Investment holding	49.90	–

* Companies not audited by HLB Ler Lum

@ Companies with financial year end of 31 October

Companies with financial year end of 30 November

^ Companies with financial year end of 31 December

As indicated above, the financial year end of certain associated companies are not co-terminous with that of the Group. For the purpose of applying the equity method of accounting, these companies' unaudited financial statements made up to 30 June were used in conjunction with their audited financial statements for the financial year ended 31 October, 30 November or 31 December as the case may be.

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

	Group	
	2008 RM'000	2007 RM'000
Non-current assets	6,762,250	7,333,702
Current assets	1,843,510	1,637,739
Current liabilities	(575,844)	(516,722)
Non-current liabilities	(4,591,499)	(5,247,121)
Net assets	3,438,417	3,207,598
Revenue	2,589,938	2,083,616
Profit for the financial year	603,289	588,209

Goodwill amounting to RM40,860,000 (2007: RM37,179,000) was included in the carrying amount of investment in associated companies.

The Group did not recognise losses amounting to RM1,297 for Trans-Pacific Resorts Sdn. Bhd. and ZE-SPYTL Sdn. Bhd. because the Group's share of losses exceeded its interest in those associated companies. The accumulated losses not recognised is immaterial.

(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. INVESTMENTS

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Quoted investments				
- Within Malaysia	23,210	16,188	3,896	2,343
- Outside Malaysia	106	113	106	106
Unquoted investments				
- Within Malaysia	100,235	18,956	88,783	12,950
- Outside Malaysia	675,264	576,754	-	-
	798,815	612,011	92,785	15,399
Less : Accumulated impairment losses	(653)	(653)	-	-
	798,162	611,358	92,785	15,399

Notes to the Financial Statements

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Market value				
- Within Malaysia	453,047	253,686	3,351	5,603
- Outside Malaysia	18	39	3	5
	453,065	253,725	3,354	5,608

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18. CASH & CASH EQUIVALENTS

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Fixed deposits				
- licensed banks	11,407,046	8,727,711	33,256	603,645
- other corporations	9,476	26,664	-	-
	11,416,522	8,754,375	33,256	603,645
Cash & bank balances	311,272	103,832	3,129	1,880
Bank overdrafts (Note 32)	(54,820)	(20,420)	-	-
	11,672,974	8,837,787	36,385	605,525

Fixed deposits of a certain subsidiary amounting to RM437,143 (2007: RM424,166) have been pledged to financial institutions for banking facilities granted to that subsidiary.

Cash and bank balances of the Group include amounts totalling RM6,492,264 (2007: RM14,367,433) held pursuant to Section 7A of the Housing Developers (Control and Licensing) Act 1966 and therefore restricted from use in other operations.

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

	Group		Company	
	2008 %	2007 %	2008 %	2007 %
Deposits with licensed banks	1.40 - 7.01	2.00 - 5.50	3.40 - 3.50	3.43 - 3.50
Deposits with other corporations	2.99 - 3.55	2.60 - 3.50	-	-

Deposits of the Group and of the Company have maturities ranging from 1 day to 365 days (2007: 1 day to 54 days). Bank balances are deposits held at call with banks.

19. INTANGIBLE ASSETS

	Group	
	2008 RM'000	2007 RM'000
Goodwill	1,130,024	941,330
Other intangible assets	789	953
	1,130,813	942,283

(a) Goodwill

	Group	
	2008 RM'000	2007 RM'000
At cost		
At beginning of the financial year	941,330	848,159
Arising from acquisition of new subsidiaries	75,881	5,076
Arising from acquisition of additional shares in existing subsidiaries	8,683	65,761
Realisation of goodwill on disposal of shares in subsidiaries	–	(13,866)
Arising from deemed acquisition due to share buy-back by the listed subsidiaries	122,634	41,575
Realisation of goodwill upon deemed dilution of interest in subsidiaries	(16,827)	(5,375)
At end of the financial year	1,131,701	941,330
Accumulated impairment		
At beginning of the financial year	–	–
Impairment charge (Note 7)	(1,677)	–
At end of the financial year	(1,677)	–
Carrying amount at end of financial year	1,130,024	941,330

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.

For the purposes of impairment testing, goodwill is allocated to the Group's cash-generating units (CGUs) identified according to the following business segments:

	Group 2008 RM'000
Utilities *	829,100
Cement manufacturing & trading *	121,230
Property development *	92,060
Others	87,634
	1,130,024

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the CGUs.

* The recoverable amount of these CGUs is computed based on fair value less costs to sell calculations. Fair value is determined using the observable market prices of relevant shares listed on a stock exchange.

Notes to the Financial Statements

(b) Other intangible assets

Group 2008	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 financial year	29	639	364	1,032
Additions	21	–	–	21
Exchange differences	–	(37)	–	(37)
At end of the financial year	50	602	364	1,016
Accumulated amortisation				
At beginning of the financial year	6	64	9	79
Charge for the financial year (Note 7)	10	120	22	152
Exchange differences	–	(4)	–	(4)
At end of the financial year	16	180	31	227
Net book value				
As at 30 June 2008	34	422	333	789
Group 2007				
Cost				
At beginning of the financial year	–	–	–	–
Acquisition through business combination	–	–	364	364
Additions	29	639	–	668
At end of the financial year	29	639	364	1,032
Accumulated amortisation				
At beginning of the financial year	–	–	–	–
Charge for the financial year	6	64	9	79
At end of the financial year	6	64	9	79
Net book value				
As at 30 June 2007	23	575	355	953

20. INVENTORIES

	Group	
	2008 RM'000	2007 RM'000
Completed properties	56,327	75,388
Finished goods	24,875	17,173
Work-in-progress	27,785	28,660
Raw materials	77,016	40,442
Consumable stores	13,752	14,653
Spare parts	175,062	177,733
	374,817	354,049

Included in inventories is an amount of RM33.98 million (2007: RM37.56 million) comprising completed properties for sale, stated at net realisable value.

21. PROPERTY DEVELOPMENT COSTS

	Group	
	2008 RM'000	2007 RM'000
Property development cost:		
At beginning of the financial year		
Freehold and leasehold land, at cost	51,823	32,687
Development costs	534,649	580,825
	586,472	613,512
Less: Adjustment *	(24,669)	(24,669)
Allowance for foreseeable losses	(11,632)	(11,632)
	550,171	577,211
Costs incurred during the financial year:		
Freehold land - at cost	-	417
Leasehold land - at cost	(9,244)	19,788
Development costs	123,136	146,849
	113,892	167,054
Costs transferred from land held for property development (Note 14)		
Freehold land - at cost	3,232	-
Leasehold land - at cost	76	1,191
Development costs	1,330	3,352
	4,638	4,543
Reversal for completed projects		
Leasehold land	(37,168)	(198)
Development costs	(244,603)	(167,240)
	(281,771)	(167,438)

Notes to the Financial Statements

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	Group	
	2008 RM'000	2007 RM'000
Transferred to inventories		
Freehold land	(259)	(2,062)
Development cost	(2,565)	(29,137)
	(2,824)	(31,199)
Cost recognised in Income Statements:		
At beginning of the financial year	(412,049)	(392,297)
Recognised during the financial year	(72,388)	(181,849)
Amortisation of revaluation reserve	(5,887)	(5,341)
Reversal for completed projects	281,771	167,438
	(208,553)	(412,049)
Property development costs at end of the financial year	175,553	138,122
Included in the property development costs are current charges of:		
Interest expenses	7,946	8,580
Director's emoluments	423	115
Rental of premises	-	30
Staff costs (excluding Director's emoluments)	4,583	4,205

The title deeds of certain 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.

22. TRADE RECEIVABLES

	Group	
	2008 RM'000	2007 RM'000
Trade receivables	1,218,361	1,159,158
Less : Allowance for doubtful debts	(278,390)	(302,788)
	939,971	856,370
Progress billings & final sum receivables	267,336	252,322
Retention sum	2,995	1,843
	1,210,302	1,110,535

The Group's normal credit terms of trade receivables ranged from 7 days to 180 days (2007: 7 days to 180 days). Other credit terms are assessed and approved on a case-by-case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single customer or groups of customers other than that related to its power generation business where it supplies to a single customer, which is a credit worthy entity. As at 30 June 2008, 13% (2007: 10%) of trade receivables of the Group was due from a customer in relation to the sale of electricity.

23. AMOUNT DUE FROM/TO CONTRACT CUSTOMERS

	Group	
	2008 RM'000	2007 RM'000
Aggregate costs incurred to date	558,521	292,136
Recognised profits less recognised losses	92,389	62,135
	650,910	354,271
Progress billings	(677,624)	(359,156)
	(26,714)	(4,885)
Amount due to contract customers classified as current liabilities	80,430	22,653
Amount due from contract customers	53,716	17,768

	Group	
	2008 RM'000	2007 RM'000
Included in aggregate costs incurred to date are the following current charges:		
Depreciation (Note 11)	1,548	541
Hiring of motor vehicles	5	8
Hiring of plant, machinery & equipment	36	1,746
Interest expenses	798	1,349
Rental of land	720	720
Staff costs	15,505	13,239

24. OTHER RECEIVABLES, DEPOSITS & PREPAYMENTS

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Other receivables	762,673	624,670	18,805	18,533
Less : Allowance for doubtful debts	(130)	(95)	-	-
	762,543	624,575	18,805	18,533
Deposits	105,136	11,211	343	343
Prepayments	56,164	116,789	925	1,119
	923,843	752,575	20,073	19,995

25. HOLDING COMPANY

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

The amount due from/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.

Notes to the Financial Statements

26. 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.

27. SHORT TERM INVESTMENTS

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Unquoted debt securities of corporations in Malaysia and Investment linked funds				
At cost	281,800	175,283	235,928	130,776

Short term investments comprise commercial papers and investment linked funds, which would mature within the next financial year or are renewable on a monthly basis. The Directors are of the opinion that it is not practicable within the constraints of cost to estimate the fair value of these investments reliably. However, it is the Directors' view that the carrying value of these investments approximated their fair value.

28. SHARE CAPITAL

	Group/Company	
	2008 RM'000	2007 RM'000
Authorised:		
At beginning and end of the financial year		
- 3,000,000,000 ordinary shares of RM0.50 each	1,500,000	1,500,000
Issued and fully paid:		
At beginning of the financial year		
- 1,651,222,695 (2007: 1,564,710,160) ordinary shares of RM0.50 each	825,611	782,355
Exercise of ESOS options		
- 22,000 (2007: 66,500) ordinary shares of RM0.50 each	11	33
Exercise of warrants		
- 10,956,594 (2007: 119,446,035) ordinary shares of RM0.50 each	5,479	59,723
Cancellation of treasury shares		
- 30,000,000 (2007: 33,000,000) ordinary shares of RM0.50 each	(15,000)	(16,500)
At end of the financial year		
- 1,632,201,289 (2007: 1,651,222,695) ordinary shares of RM0.50 each	816,101	825,611

(a) 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 2007. 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 Purchase price 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
	(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
	(33,000,000) *	5.42	(178,913)
	(61,700,000) #	5.67	(350,106)
30 June 2008	21,947,400	7.61	166,918
	(30,000,000) *	6.45	(193,410)
	(1,000,000) #	6.48	(6,480)
Total	137,010,505		889,671

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.

(b) Warrants

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 revised subscription price of RM2.75 per share and RM4.23 per share respectively ("Revised Subscription Price") which are payable in cash. The 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 before being adjusted to the Revised Subscription Price. The subscription price and number of warrants are subject to adjustments under certain circumstances in accordance with the provisions of the Deed Poll.

In addition, the initial exercise price of Warrants 1999/2009 is also subject to adjustments under "step-up pricing mechanism" as set-out in the Deed Poll dated 31 July 1999.

Notes to the Financial Statements

The new ordinary shares allotted and issued upon exercise of the warrants shall be fully paid and rank pari passu with the then existing ordinary shares of the Company. The warrant holders will not have any voting rights in any general meeting of the Company unless the warrants are exercised into new ordinary shares and registered prior to the date of the general meeting of the Company.

The subscription rights of the Warrants 1997/2007 expired on 21 September 2007 and the said warrants were removed from the official list of Bursa Malaysia Securities Berhad ("BMSB") on 24 September 2007.

Warrants 1999/2009 may be exercised at any time before 26 June 2009; thereafter the outstanding warrants will cease to be valid for any purpose. Warrants 1999/2009 is quoted on BMSB.

The total number of warrants that remain unexercised are as follows:

	Number of warrants '000
At beginning of the financial year	274,686
Exercise of warrants	(10,957)
Expiry of Warrants 1997/2007	(195)
At end of the financial year	263,534

(c) Share options

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

The main features of the ESOS are as follows:

- (i) The ESOS shall be in force for a period of ten (10) years, effective from 30 November 2001.
- (ii) The maximum number of shares which may be made available under the ESOS shall not exceed ten per cent (10%) of the total issued and paid-up share capital of the Company at the time of offering the option.
- (iii) Any employee (including executive directors) of the Group shall be eligible to participate in the ESOS if, as at the date of offer for an option ("Offer Date") the employee:
 - (a) has attained the age of eighteen (18) years;
 - (b) is employed by and on the payroll of a company within the Group; and
 - (c) has been in the employment of the Group for a period of at least one (1) year of continuous service prior to and up to the Offer Date, including service during the probation period, and is confirmed in service. The options committee may, at its discretion, nominate any employee (including executive directors) of the Group to be an eligible employee despite the eligibility criteria under Clause 4.1(iii) of the Bye-Laws not being met, at any time and from time to time.
- (iv) The price payable for shares under the ESOS shall be based on the five-day weighted average market price of the underlying shares at the time the option is granted, with a discount of not more than 10%, if deemed appropriate.

- (v) Subject to Clause 14 of the Bye-Laws, the options committee may, at any time and from time to time, before or after an option is granted, limit the exercise of the options to a maximum number of new ordinary shares of the Company and/or such percentage of the total ordinary shares of the Company comprised in the options during such period(s) within the option period and impose any other terms and/or conditions deemed appropriate by the options committee in its sole discretion including amending/varying any terms and conditions imposed earlier. Notwithstanding the above, and subject to Clauses 11 and 12 of the Bye-Laws, the options can only be exercised by the grantee three (3) years after the Offer Date, by notice in writing to the Company, provided however that the options committee may at its discretion or upon the request in writing by the grantee allow the options to be exercised at any earlier or other period.
- (vi) The grantee shall be prohibited from disposing the ordinary shares of the Company so allotted to him for a period of twelve (12) months from the date on which the options are exercised. However, the options committee may 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.

Information with respect to the number of options granted to employees and Directors of the Group under the ESOS is as follows:

Date granted	Exercise period	Number of share options					At end of financial year '000
		At beginning Exercise price RM	of financial year '000	Granted '000	Exercised '000	Lapsed '000	
Financial year ended 30.6.2008							
Scheme							
*16.10.2002	16.10.2005 - 29.11.2011	2.79	227	–	(22)	(21)	184
01.07.2005	01.07.2008 - 29.11.2011	4.81	47,241	–	–	(317)	46,924
07.08.2006	07.08.2009 - 29.11.2011	4.41	629	–	–	(67)	562
16.01.2008	16.01.2011 - 29.11.2011	6.93	–	983	–	(118)	865
			48,097	983	(22)	(523)	48,535
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

* FRS 2 not applicable to these options.

Out of the 48,535,000 (2007: 48,097,000) outstanding options, 47,108,000 (2007: 227,000) options are exercisable.

Notes to the Financial Statements

The fair value of options granted for which FRS 2 applies, were determined using the Trinomial Valuation model. The significant inputs in the model are as follows:

	Share options granted on 1.7.2005	Share options granted on 7.8.2006	Share options granted on 16.1.2008
Valuation assumptions:			
Expected volatility	24.7%	21.5%	25.3%
Expected dividend yield	5.2%	5.6%	2.4%
Expected option life	3 - 4 years	3 - 4 years	3 - 4 years
Risk-free interest rate per annum (based on Malaysian securities bonds)	3.2%	4.1%	3.5%

The volatility is based on statistical analysis of daily share prices over the three to four years before the grant dates. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

Value of employee services received for issue of share options:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Share options granted	17,346	18,300	15,008	14,749
Allocation to subsidiaries	-	-	(4,580)	(4,348)
Total share options expenses	17,346	18,300	10,428	10,401

29. NON-DISTRIBUTABLE RESERVES

(A) Share premium

	Group/Company	
	2008 RM'000	2007 RM'000
At beginning of the financial year	652,522	389,756
Shares issued upon exercise of warrants	38,501	335,716
Shares issued upon exercise of ESOS	50	152
Cancellation of treasury shares	(178,410)	(162,413)
Sale of treasury shares	1,058	89,311
At end of the financial year	513,721	652,522

(B) Other reserves

	Group		Company	
	2008	2007 (Restated)	2008	2007
	RM'000	RM'000	RM'000	RM'000
Capital reserve [Note 29(B)(i)]	102,345	102,439	–	–
Equity component of exchangeable bonds [Note 29 (B)(ii)]	106,292	121,685	–	–
Equity component of Irredeemable Convertible Unsecured Loan Stocks [Note 29 (B)(iii)]	24,155	24,159	–	–
Exchange difference reserve [Note 29 (B)(iv)]	(115,268)	(32,126)	–	–
Reserve on consolidation [Note 29 (B)(v)]	–	–	–	–
Revaluation reserve [Note 29 (B)(vi)]	–	7,627	–	–
Share options reserve [Note 29 (B)(vii)]	35,646	18,300	29,757	14,749
Statutory reserve [Note 29 (B)(viii)]	48,945	41,331	–	–
	202,115	283,415	29,757	14,749

The movement in each category of reserves are as follows:

(i) Capital reserve

	Group/Company	
	2008	2007
	RM'000	RM'000
At beginning of the financial year	102,439	102,529
Currency translation differences	(94)	(90)
At end of the financial year	102,345	102,439

(ii) Equity component of exchangeable bonds

	Group	
	2008	2007
	RM'000	RM'000
At beginning of the financial year	121,685	35,232
Equity component of exchangeable bonds recognised during the financial year	–	87,384
Conversion of bonds to ordinary shares of YTL Power International Berhad during the financial year	(11,963)	(931)
Currency translation differences	(3,430)	–
At end of the financial year	106,292	121,685

Notes to the Financial Statements

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

	Group	
	2008 RM'000	2007 RM'000
At beginning of the financial year	24,159	24,369
Conversion of ICULS to ordinary shares of YTL Cement Berhad	(4)	(210)
At end of the financial year	24,155	24,159

(iv) Exchange difference reserve

	Group	
	2008 RM'000	2007 (Restated) RM'000
At beginning of the financial year	(32,126)	9,041
Currency translation differences	(83,142)	(41,167)
At end of the financial year	(115,268)	(32,126)

(v) Reserve on consolidation

	Group	
	2008 RM'000	2007 RM'000
At beginning of the financial year	-	34,454
Derecognised and adjusted to retained earnings	-	(34,454)
At end of the financial year	-	-

(vi) Revaluation reserve

	Group	
	2008 RM'000	2007 RM'000
At beginning of the financial year	7,627	646,175
Transfer to retained earnings	(7,627)	(638,548)
At end of the financial year	-	7,627

(vii) Share options reserve

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At beginning of the financial year	18,300	–	14,749	–
ESOS expenses recognised during the financial year				
- recognised in Income Statement	17,346	18,300	10,428	10,401
- allocated to subsidiaries	–	–	4,580	4,348
At end of the financial year	35,646	18,300	29,757	14,749

(viii) Statutory reserve

	Group	
	2008 RM'000	2007 RM'000
At beginning of the financial year	41,331	26,009
Share of associated companies' statutory reserves transferred from retained earnings	9,996	15,322
Foreign exchange differences	(2,382)	–
At end of the financial year	48,945	41,331

30. LONG TERM PAYABLES

	Group	
	2008 RM'000	2007 RM'000
Amount due to Keretapi Tanah Melayu Berhad ("KTMB")	67,696	69,216
Deposits	30,687	29,100
Payables	10,614	12,308
	108,997	110,624

Amount due to KTMB represents the balance of the total purchase consideration of not less than RM105,616,000 (2007: RM105,616,000) for the acquisition of the Sentul Raya Development Project Site from KTMB. The amount outstanding will be settled by way of phased development, construction and completion of the Railway Village by YTL Land & Development Berhad ("YTL L&D"), a subsidiary of the Company for KTMB at its sole cost and expense in accordance with the provisions of the Development Agreement dated 8 December 1993 between YTL L&D and KTMB as amended pursuant to the Supplementary Development Agreement dated 21 December 2000.

Deposits are due within one to five years from the balance sheet date.

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

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31. BONDS

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Current:				
Fixed Rate Bonds [Note 31(A)]	62,500	125,000	–	–
Medium Term Notes [Note 31(G)]	2,400,000	100,000	500,000	–
5.875% Guaranteed Unsecured Bonds [Note 31(B)]	1,300,542	–	–	–
Guaranteed Variable Coupon Bonds Due 2009 [Note 31(C)]	651,139	–	–	–
	4,414,181	225,000	500,000	–
Non current:				
Fixed Rate Bonds [Note 31(A)]	–	62,500	–	–
5.875% Guaranteed Unsecured Bonds [Note 31(B)]	–	1,379,113	–	–
Guaranteed Variable Coupon Bonds Due 2009 [Note 31(C)]	–	691,710	–	–
3.52% Retail Price Index Guaranteed Bonds [Note 31(D)]	383,864	392,372	–	–
5.75% Guaranteed Unsecured Bonds [Note 31(E)]	2,249,523	2,388,445	–	–
5.375% Guaranteed Unsecured Bonds [Note 31(F)]	1,288,570	1,368,118	–	–
Medium Term Notes [Note 31(G)]	899,553	1,699,462	–	500,000
Zero Coupon Exchangeable Guaranteed Bonds Due 2010 [Note 31(H)]	644,037	864,530	–	–
1.75% Index Linked Guaranteed Bonds [Note 31(I)]	1,032,625	1,054,313	–	–
1.369% and 1.374% Index Linked Guaranteed Bonds [Note 31(J)]	1,032,625	1,054,313	–	–
Zero Coupon Exchangeable Guaranteed Bonds Due 2012 [Note 31(K)]	921,187	944,660	–	–
1.489%, 1.495% & 1.499% Index Linked Guaranteed Bonds [Note 31(L)]	979,776	–	–	–
3% Redeemable Bonds [Note 31(M)]	2,038,729	–	–	–
	11,470,489	11,899,536	–	500,000
Total	15,884,670	12,124,536	500,000	500,000

The periods in which the Bonds of the Group and the Company attain maturity are as follows:

Group	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Later than 5 years RM'000	Total RM'000
At 30 June 2008				
Fixed Rate Bonds	62,500	–	–	62,500
5.875% Guaranteed Unsecured Bonds	1,300,542	–	–	1,300,542
Guaranteed Variable Coupon Bonds Due 2009	651,139	–	–	651,139
3.52% Retail Price Index Guaranteed Bonds	–	–	383,864	383,864
5.75% Guaranteed Unsecured Bonds	–	–	2,249,523	2,249,523
5.375% Guaranteed Unsecured Bonds	–	–	1,288,570	1,288,570
Medium Term Notes	2,400,000	300,000	599,553	3,299,553
Zero Coupon Exchangeable Guaranteed Bonds Due 2010	–	644,037	–	644,037
1.75% Index Linked Guaranteed Bonds	–	–	1,032,625	1,032,625
1.369% and 1.374% Index Linked Guaranteed Bonds	–	–	1,032,625	1,032,625
Zero Coupon Exchangeable Guaranteed Bonds Due 2012	–	921,187	–	921,187
1.489%, 1.495% & 1.499% Index Linked Guaranteed Bonds	–	–	979,776	979,776
3% Redeemable Bonds	–	2,038,729	–	2,038,729
	4,414,181	3,903,953	7,566,536	15,884,670
At 30 June 2007				
Fixed Rate Bonds	125,000	62,500	–	187,500
5.875% Guaranteed Unsecured Bonds	–	1,379,113	–	1,379,113
Guaranteed Variable Coupon Bonds Due 2009	–	691,710	–	691,710
3.52% Retail Price Index Guaranteed Bonds	–	–	392,372	392,372
5.75% Guaranteed Unsecured Bonds	–	–	2,388,445	2,388,445
5.375% Guaranteed Unsecured Bonds	–	–	1,368,118	1,368,118
Medium Term Notes	100,000	800,000	899,462	1,799,462
Zero Coupon Exchangeable Guaranteed Bonds Due 2010	–	864,530	–	864,530
1.75% Index Linked Guaranteed Bonds	–	–	1,054,313	1,054,313
1.369% and 1.374% Index Linked Guaranteed Bonds	–	–	1,054,313	1,054,313
Zero Coupon Exchangeable Guaranteed Bonds Due 2012	–	944,660	–	944,660
	225,000	4,742,513	7,157,023	12,124,536

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Company	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Later than 5 years RM'000	Total RM'000
At 30 June 2008				
Medium Term Notes	500,000	–	–	500,000
At 30 June 2007				
Medium Term Notes	–	500,000	–	500,000

The interest rates of the Group and the Company as at the balance sheet date are as follows:

	Group		Company	
	2008 %	2007 %	2008 %	2007 %
Weighted average effective interest rates:				
Fixed Rate Bonds	–	10.000	–	–
5.875% Guaranteed Unsecured Bonds	5.875	5.875	–	–
Guaranteed Variable Coupon Bonds Due 2009	5.875	5.875	–	–
3.52% Retail Price Index Guaranteed Bonds	7.599	7.390	–	–
5.75% Guaranteed Unsecured Bonds	5.750	5.750	–	–
5.375% Guaranteed Unsecured Bonds	5.375	5.375	–	–
Medium Term Notes	3.611	4.210	5.300	5.300
Zero Coupon Exchangeable Guaranteed Bonds Due 2010	3.375	3.375	–	–
1.75% Index Linked Guaranteed Bonds	5.788	5.620	–	–
1.369% and 1.374% Index Linked Guaranteed Bonds	5.338	5.240	–	–
Zero Coupon Exchangeable Guaranteed Bonds Due 2012	3.375	3.375	–	–
1.489%, 1.495% & 1.499% Index Linked Guaranteed Bonds	2.793	–	–	–
3% Redeemable Bonds	4.850	–	–	–

The fair value of the Bonds of the Group and the Company as at the balance sheet date is as set out below:

	Group	
	Carrying amount RM'000	Fair value RM'000
2008		
Fixed Rate Bonds	62,500	64,370
5.875% Guaranteed Unsecured Bonds	1,300,542	1,288,619
Guaranteed Variable Coupon Bonds Due 2009	651,139	651,140
3.52% Retail Price Index Guaranteed Bonds	383,864	431,934
5.75% Guaranteed Unsecured Bonds	2,249,523	2,110,618
5.375% Guaranteed Unsecured Bonds	1,288,570	1,135,771
Zero Coupon Exchangeable Guaranteed Bonds Due 2010	644,037	721,022
1.75% Index Linked Guaranteed Bonds	1,032,625	1,244,173
1.369% and 1.374% Index Linked Guaranteed Bonds	1,032,625	1,161,943
Zero Coupon Exchangeable Guaranteed Bonds Due 2012	921,187	998,834
1.489%, 1.495% & 1.499% Index Linked Guaranteed Bonds	979,776	1,157,779
3% Redeemable Bonds	2,038,729	2,124,259

	Carrying amount RM'000	Group 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	864,530	882,811
Zero Coupon Exchangeable Guaranteed Bonds Due 2012	944,660	978,941
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

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 year 1999.

(B) 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 GBP199,733,019 (2007: GBP199,377,273) remained outstanding as at 30 June 2008, net of amortised fees and discount. The net proceeds of the GU Bonds were used for refinancing existing financial indebtedness and for general corporate purposes.

The principal features of the GU Bonds are as follows:

- (i) The GU Bonds bear interest at 5.875% per annum, payable annually on 30 March of each year.
- (ii) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the Issuer, the GU Bonds will be redeemed in full by the Issuer on 30 March 2009 at their nominal value together with all accrued interest on the surrender of the GU Bonds.
- (iii) The Issuer may, at any time, purchase the GU Bonds in any manner and at any price. If purchases are made by tender, tenders must be available to all bondholders alike. All GU Bonds purchased by the Issuer will forthwith be cancelled.
- (iv) The Issuer, by giving the appropriate notice and in accordance with the conditions laid out in the offering circular, may purchase the GU Bonds if there is a change in tax legislation or if it wishes to do so at a price determined by an agreed formula.

(v) The bondholders may put the GU Bonds to the Issuer if:

- Wessex Water Services Limited loses its Appointment;
- the Issuer ceases to be a subsidiary of Wessex Water Services Limited; or
- a Restructuring Event occurs which results in the GU Bonds being downgraded below investment grade.

“Appointment” refers to the Instrument of Appointment dated 1 September 1989 under Section 11 of the Water Act 1989 (now Section 6 of the Water Industry Act 1991) appointing the Guarantor as a water undertaker and sewerage undertaker for the areas described therein. “Restructuring Event” refers to either:

- (a) any material rights, benefits or obligations of Wessex Water Services Limited under the Appointment or any material terms of the Appointment are modified; or
- (b) any legislation is enacted removing, reducing or qualifying the duties or powers of the Secretary of State for the Environment and/or the Director General of Water Services.

(C) GUARANTEED VARIABLE COUPON BONDS DUE 2009

On 30 March 2001, GBP100,000,000 nominal value of the GU Bonds mentioned in Note 31 (B) of the Financial Statements were redeemed by the issue of GBP100,000,000 Guaranteed Variable Coupon Bonds (“GVC Bonds”) due 2009 by Wessex Water Services Finance Plc unconditionally and irrevocably guaranteed by Wessex Water Services Limited.

The nominal value of GVC Bonds issued remained outstanding as at 30 June 2008 (2007: GBP100,000,000). Interest payable on the GVC Bonds is calculated by reference to ratings assigned to the GVC Bonds. The GVC Bonds are unsecured and the interest rate since issuance was 5.875% payable semi-annually in arrears on 30 September and 30 March of each year. Other features of the GVC Bonds remain similar to those of the GU Bonds mentioned in Note 31 (B) of the Financial Statements.

(D) 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 2008 is 7.80% (2007: 7.39%).
- (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 2008, net of amortised fees and discount. The net proceeds of the RPIG Bonds were used to fund the capital investment programme of Wessex Water Services Limited.

(E) 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 GBP345,474,622 (2007: GBP345,295,672) remained outstanding as at 30 June 2008, net of amortised fees and discount. The net proceeds of the GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The principal features of the GU Bonds are as follows:

- (i) The GU Bonds bear interest at 5.75% per annum, payable annually on 14 October of each year.
- (ii) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the Issuer, the GU Bonds will be redeemed in full by the Issuer on 14 October 2033 at their nominal value together with all accrued interest on the surrender of the GU Bonds.
- (iii) The Issuer may, at any time, purchase the GU Bonds in any manner and at any price. If purchases are made by tender, tenders must be available to all bondholders alike. All GU Bonds purchased by the Issuer will forthwith be cancelled.
- (iv) The Issuer, by giving the appropriate notice and in accordance with the conditions laid out in the offering circular, may purchase the GU Bonds if there is a change in tax legislation or if it wishes to do so at a price determined by an agreed formula.

(v) The bondholders may put the GU Bonds to the Issuer if:

- Wessex Water Services Limited loses its Appointment;
- the Issuer ceases to be a subsidiary of Wessex Water Services Limited; or
- a Restructuring Event occurs which results in the GU Bonds being downgraded below investment grade.

“Appointment” refers to the Instrument of Appointment dated 1 September 1989 under Section 11 of the Water Act 1989 (now Section 6 of the Water Industry Act 1991) appointing the Guarantor as a water undertaker and sewerage undertaker for the areas described therein. “Restructuring Event” refers to either:

- (a) any material rights, benefits or obligations of Wessex Water Services Limited under the Appointment or any material terms of the Appointment are modified;
- (b) any legislation is enacted removing, reducing or qualifying the duties or powers of the Secretary of State for the Environment and/or the Director General of Water Services.

(F) 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”), another subsidiary of the Group. The GU Bonds are constituted under a Trust Deed dated 10 March 2005. The nominal value of GU Bonds issued amounted to GBP200,000,000 and GBP197,894,478 (2007: GBP197,787,870) remained outstanding as at 30 June 2008, net of amortised fees and discount. The net proceeds of the GU Bonds were used for refinancing of existing financial indebtedness and for general corporate purposes.

The principal features of the GU Bonds are as follows:

- (i) The GU Bonds bear interest at 5.375% per annum, payable on 10 March of each year.
- (ii) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the Issuer, the GU Bonds will be redeemed in full by the Issuer on 10 March 2028 at their nominal value together with accrued interest on the surrender of the GU Bonds.
- (iii) The Issuer may, at any time, purchase the GU Bonds in any manner and at any price. If purchases are made by tender, tenders must be available to all bondholders alike. All GU Bonds purchased by the Issuer will forthwith be cancelled.
- (iv) The Issuer, by giving the appropriate notice and in accordance with the conditions laid out in the offering circular, may purchase the GU Bonds if there is a change in tax legislation or if it wishes to do so at a price determined by an agreed formula.
- (v) The bondholders may put the GU Bonds to the Issuer if:
 - Wessex Water Services Limited loses its Appointment;
 - the Issuer ceases to be a subsidiary of Wessex Water Services Limited; or
 - a Restructuring Event occurs which results in the GU Bonds being downgraded below investment grade.

“Appointment” refers to the Instruments of Appointment dated 1 September 1989 under Section 11 of the Water Act 1989 (now Section 6 of the Water Industry Act 1991) appointing the Guarantor as a water undertaker and sewerage undertaker for the areas described therein. “Restructuring Event” refers to either:

- (a) any material rights, benefits or obligations of Wessex Water Services Limited under the Appointment or any material terms of the Appointment are modified;
- (b) any legislation is enacted removing, reducing or qualifying the duties or powers of the Secretary of State for the Environment and/or the Director General of Water Services.

(G) MEDIUM TERM NOTES (“MTNs”)

- (i) The MTNs of the Company were constituted under the MTNs Programme Agreement and MTNs Trust Deed both dated 18 June 2004, and the First Supplemental MTNs Trust Deed dated 13 July 2004.

A nominal value of RM500 million of MTNs was issued on 25 June 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.

- (ii) The nominal value of RM1.3 billion unsecured MTNs ranging between 1 year to 11 years were issued by YTL Power Generation Sdn. Bhd. (“YTLPG”), a subsidiary of the Group, pursuant to a Facility Agreement dated 16 July 2003. Interest is payable semi-annually. The MTNs bear interest rates ranging from 3.93% to 4.55% per annum (2007: 3.80% to 4.55% 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 3.955% per annum. Interest is payable semi-annually.

- (iii) The MTN of YTL Power International Berhad (“YTLPI”) were issued pursuant to a Commercial Paper and/or Medium Term Notes issuance programme of up to RM2.0 billion (“CP/MTN Programme”) constituted by a Trust Deed and CP/MTN Programme Agreement, both dated 24 May 2008.

During the financial year, YTLPI issued RM1,500,000,000 MTNs which bear interest rates ranging from 3.841% to 3.965% per annum.

(H) ZERO COUPON EXCHANGEABLE GUARANTEED BONDS DUE 2010

On 9 May 2005, YTL Power Finance (Cayman) Limited (“YTLPF”), a subsidiary of the Group, issued USD250 million nominal value 5-year Exchangeable Guaranteed Bonds at 100% nominal value (“ZCEG Bonds”) which were listed on the Singapore Exchange Securities Trading Limited on 10 May 2005. Each ZCEG Bond entitles its registered holder to exchange for fully paid ordinary shares (“Shares”) of a subsidiary, YTL Power International Berhad (“YTLPI”), with a par value of RM0.50 each at an initial exchange price of RM2.277 per Share at a fixed exchange rate of USD1.00 = RM3.80. The initial exchange price is also subject to adjustments in accordance with the terms and conditions of the ZCEG Bonds as set out in the Trust Deed dated 9 May 2005. The exchange price has been revised to RM2.01 per Share with effect from 13 May 2008.

The net proceeds from the issue of the ZCEG Bonds will be used by YTLPI to finance its offshore investments and projects and/or for the potential repayment of foreign currency borrowings.

The principal features of the ZCEG Bonds which mature on 9 May 2010 ("Maturity Date") are as follows:

- (i) The ZCEG Bonds carry no coupon, have a maturity yield of 3.375% and have a put option at 110.56% on 9 May 2008. However, no put options were received by YTLPI on 9 May 2008.
- (ii) The ZCEG Bonds which constitute direct, unsubordinated, unconditional and (subject to the negative pledge) unsecured obligations of YTLPF shall at all times rank pari passu and without any preference or priority among themselves.
- (iii) The ZCEG Bonds will be unconditionally and irrevocably guaranteed by YTLPI.
- (iv) Final redemption

Unless previously purchased and cancelled, redeemed or exchanged, the ZCEG Bonds will be redeemed on 9 May 2010 at 118.22% of their principal amount.

- (v) Mandatory exchange option of YTLPF or YTLPI

On or at any time after 23 May 2008 but not less than 21 days prior to the Maturity Date, either YTLPF or YTLPI may, in respect of all (but not some) of the outstanding ZCEG Bonds exercise an option to mandatorily exchange the ZCEG Bonds for Shares, provided that the volume weighted average price of the Shares into which each USD100,000 principal amount of ZCEG Bonds can be exchanged for each of 20 consecutive trading days ending on a date no earlier than five trading days prior to the date of notice of mandatory exchange was at least 120% of the early redemption amount of such USD100,000 principal amount of ZCEG Bonds. YTLPF or YTLPI, as the case may be, has the option to settle the mandatory exchange in full or in part by the payment of cash.

- (vi) Redemption at the option of YTLPF

YTLPF may redeem the ZCEG Bonds, in whole but not in part, at their early redemption amount if less than 10% of the aggregate principal amount of the ZCEG Bonds originally issued is still outstanding.

- (vii) Redemption by bondholders upon delisting of YTLPI Shares or a change of control of YTLPI

The ZCEG Bonds may be redeemed at the option of bondholders at their early redemption amount at the relevant redemption date upon the YTLPI Shares ceasing to be listed on Bursa Malaysia Securities Berhad or upon a change of control of YTLPI.

The nominal value of the ZCEG Bonds amounted to USD250,000,000 and USD184,400,000 (2007: USD243,400,000) remained outstanding as at 30 June 2008, net of amortised fees and discount.

(I) 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 2008 is 6.03% (2007 : 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 2008, net of amortised fees and discount. The net proceeds of the ILG Bonds were used to fund the capital investment programme of Wessex Water Services Limited.

(J) 1.369% AND 1.374% INDEX LINKED GUARANTEED BONDS

On 31 January 2007, Wessex Water Services Finance Plc (“Issuer”) issued GBP75,000,000 nominal value of 1.369% Index Linked Guaranteed Bonds and GBP75,000,000 nominal value of 1.374% Index Linked Guaranteed Bonds, both due 2057 (“ILG Bonds”) unconditionally and irrevocably guaranteed by Wessex Water Services Limited (“Guarantor”). 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 2008 is 5.65% (2007 : 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 2008, net of amortised fees and discount. The net proceeds of the ILG Bonds were used to fund the capital investment programme of Wessex Water Services Limited.

(K) ZERO COUPON EXCHANGEABLE GUARANTEED BONDS DUE 2012

On 15 May 2007, YTL Corp Finance (Labuan) Limited (“YTLCF”), a subsidiary of the Group, issued USD300 million nominal value 5-year Exchangeable Guaranteed Bonds at 100% nominal value (“ZCEG Bonds”) which were listed on the Singapore Exchange Securities Trading Limited and Labuan International Financial Exchange, Inc. on 16 May 2007. Each ZCEG Bond entitles its registered holder to exchange for fully paid ordinary shares (“Shares”) of the Company, with a par value of RM0.50 each at an initial exchange price of RM10 per Share at a fixed exchange rate of USD1.00 = RM3.4130. The initial exchange price is also subject to adjustments in accordance with the terms and conditions of the ZCEG Bonds as set out in the Trust Deed dated 15 May 2007.

The net proceeds from the issue of the ZCEG Bonds will principally be used for on-lending to subsidiaries of the Company to finance their future investments and projects, both in Malaysian and offshore.

The principal features of the ZCEG Bonds which mature on 15 May 2012 (“Maturity Date”) are as follows:

- (i) The ZCEG Bonds carry no coupon, have a maturity yield of 2.800% and have a put option at 108.70% on 15 May 2010.
- (ii) The ZCEG Bonds which constitute direct, unsubordinated, unconditional and (subject to the negative pledge) unsecured obligations of YTLCF shall at all times rank pari passu and without any preference or priority among themselves.
- (iii) The ZCEG Bonds will be unconditionally and irrevocably guaranteed by the Company.
- (iv) Final redemption

Unless previously purchased and cancelled, redeemed or exchanged, the ZCEG Bonds will be redeemed on 15 May 2012 at 114.92% of their principal amount.

(v) Mandatory exchange option of YTLCF or the Company

On or at any time after 15 May 2009 but not less than 21 days prior to the Maturity Date, either YTLCF or the Company may, in respect of all (but not some) of the outstanding ZCEG Bonds exercise an option to mandatorily exchange the ZCEG Bonds for Shares, provided that the volume weighted average price of the Shares into which each of 20 consecutive trading days ending on a date no earlier than five trading days prior to the date of notice of mandatory exchange was at least 120% of the early redemption amount of such USD100,000 principal amount of ZCEG Bonds. YTLCF or the Company, as the case may be, has the option to settle the mandatory exchange in full or in part by the payment of cash.

(vi) Cash settlement options

YTLCF shall have the option to pay to the relevant bondholder an amount of cash in United States dollars equal to the cash settlement amount in order to satisfy the exchange rights in full or in part (in which case the other part shall be satisfied by the delivery of shares).

(vii) Redemption at the option of YTLCF

YTLCF may redeem the ZCEG Bonds, in whole but not in part, at their early redemption amount if less than 10% of the aggregate principal amount of the ZCEG Bonds originally issued is still outstanding.

(viii) Redemption by bondholders upon delisting of the Shares of the Company or a change of control

The ZCEG Bonds may be redeemed at the option of bondholders at their early redemption amount at the relevant redemption date upon the Shares ceasing to be listed on Bursa Malaysia Securities Berhad or upon a change of control of the Company.

The nominal value of the ZCEG Bonds issued amounting to USD300,000,000 (2007: USD300,000,000) remained outstanding as at 30 June 2008.

(L) 1.489%, 1.495% AND 1.499% INDEX LINKED GUARANTEED BONDS

On 28 September 2007, Wessex Water Services Finance Plc ("Issuer") issued GBP50,000,000 nominal value of 1.489% Index Linked Guaranteed Bonds, GBP50,000,000 nominal value of 1.495% Index Linked Guaranteed Bonds and GBP50,000,000 nominal value of 1.499% Index Linked Guaranteed Bonds, all due 2058 ("ILG Bonds") unconditionally and irrevocably guaranteed by Wessex Water Services Limited ("Guarantor"). The ILG Bonds were each constituted under a Trust Deed dated 28 September 2007 and are unsecured.

The principal features of the ILG Bonds are as follows:

- (i) The ILG Bonds bear interest semi-annually on 29 November and 29 May at an interest rate of 1.489%, 1.495% and 1.499% initially, indexed up by the inflation rate every year. The effective interest rate as at 30 June 2008 is 5.26%.
- (ii) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by the Issuer, the ILG Bonds will be redeemed in full by the Issuer on 29 November 2058 at their indexed value together with all accrued interest on the surrender of the ILG Bonds.
- (iii) The Issuer may, at any time, purchase the ILG Bonds in any manner and at any price. If purchases are made by tender, tenders must be available to all bondholders alike. All ILG Bonds purchased by the Issuer will forthwith be cancelled.

- (iv) The Issuer, by giving the appropriate notice and in accordance with the conditions laid out in the offering circular, may purchase the ILG Bonds if there is a change in tax legislation or if it wishes to do so at a price determined by an agreed formula.
- (v) The bondholders may put the ILG Bonds to the Issuer if:
- Wessex Water Services Limited loses its Appointment;
 - the Issuer ceases to be a subsidiary of Wessex Water Services Limited; or
 - a Restructuring Event occurs which results in the ILG Bonds being downgraded below investment grade.

“Appointment” refers to the Instrument of Appointment dated 1 September 1989 under Section 11 of the Water Act 1989 (now Section 6 of the Water Industry Act 1991) appointing the Guarantor as a water undertaker and sewerage undertaker for the areas described therein. “Restructuring Event” refers to either:

- (a) any material rights, benefits or obligations of Wessex Water Services Limited under the Appointment or any material terms of the Appointment are modified; or
- (b) any legislation is enacted removing, reducing or qualifying the duties or powers of the Secretary of State for the Environment and/or the Director General of Water Services.

The nominal value of ILG Bonds issued of GBP150,000,000 remained outstanding as at 30 June 2008, net of amortised fees and discount. The net proceeds of the ILG Bonds were used to fund the capital investment programme of Wessex Water Services Limited.

(M) 3% REDEEMABLE BONDS

During the financial year, YTL Power International Berhad (“YTLPI”) issued RM2,200,000,000 nominal value of five year 3.0% Redeemable Bonds 2008/2013 (“Bonds”) with 1,776,371,304 detachable Warrants. The Bonds were constituted under a Trust Deed dated 10 April 2008.

The principal features of the Bonds are as follows:

- (a) The Bonds bear interest at 3.0% per annum, payable semi-annually on 18 October and 18 April of each year.
- (b) The Bonds are redeemable on 18 April 2013 (“Maturity Date”) at one hundred percent (100%) of its nominal value.
- (c) Unless previously redeemed, repurchased, cancelled or otherwise satisfied by YTLPI, the Bonds will be redeemed in full by YTLPI on the Maturity Date at one hundred percent (100%) of its nominal value together with all accrued interest.

The nominal value of the Bonds issued during the financial year amounting to RM2,200,000,000 remained outstanding as at 30 June 2008, net of amortised fees and discount.

The proceeds of the Bonds received on 18 April 2008 is currently placed in fixed deposits pending investments in utilities assets.

32. BORROWINGS

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Term loans [Note 32(A)]	3,670,664	3,089,825	–	–
Revolving credit [Note 32(B)]	1,379,388	1,421,855	1,088,855	1,153,855
Committed bank loans [Note 32(C)]	72,061	70,292	–	–
Commercial papers [Note 32(D)]	250,000	1,000,000	250,000	250,000
Irredeemable convertible				
unsecured loan stocks [Note 32(E)]	8,854	9,314	–	–
Bankers' acceptances [Note 32(F)]	54,820	67,667	–	–
Bank overdrafts [Note 32(G)]	54,820	20,420	–	–
Hire purchase liabilities [Note 32(H)]	17,891	6,304	809	1,097
Finance lease liabilities [Note 32(I)]	523,198	592,732	–	–
	6,031,696	6,278,409	1,339,664	1,404,952

The borrowings of the Group and the Company are repayable as follows:

Group	Not later	Later than	Later than	Total
	than 1 year	1 year but	5 years	
	RM'000	not later than	5 years	RM'000
		5 years	RM'000	
		RM'000		
At 30 June 2008				
Term loans	103,391	2,916,133	651,140	3,670,664
Revolving credit	1,325,788	53,600	–	1,379,388
Committed bank loans	37,719	34,342	–	72,061
Commercial papers	250,000	–	–	250,000
Irredeemable convertible unsecured loan stocks	–	–	8,854	8,854
Bankers' acceptances	54,820	–	–	54,820
Bank overdrafts	54,820	–	–	54,820
Hire purchase liabilities	5,611	12,280	–	17,891
Finance lease liabilities	31,349	491,849	–	523,198
	1,863,498	3,508,204	659,994	6,031,696

Notes to the Financial Statements

Group	Not later than 1 year RM'000	Later than 1 year but not later than 5 years RM'000	Later than 5 years RM'000	Total RM'000
At 30 June 2007				
Term loans	74,937	2,283,622	731,266	3,089,825
Revolving credit	1,367,855	54,000	–	1,421,855
Committed bank loans	4,001	66,291	–	70,292
Commercial papers	1,000,000	–	–	1,000,000
Irredeemable convertible unsecured loan stocks	–	–	9,314	9,314
Bankers' acceptances	67,667	–	–	67,667
Bank overdrafts	20,420	–	–	20,420
Hire purchase liabilities	4,207	2,097	–	6,304
Finance lease liabilities	36,934	555,798	–	592,732
	2,576,021	2,961,808	740,580	6,278,409

Company

At 30 June 2008				
Revolving credit	1,088,855	–	–	1,088,855
Commercial papers	250,000	–	–	250,000
Hire purchase liabilities	515	294	–	809
	1,339,370	294	–	1,339,664

At 30 June 2007				
Revolving credit	1,153,855	–	–	1,153,855
Commercial papers	250,000	–	–	250,000
Hire purchase liabilities	599	498	–	1,097
	1,404,454	498	–	1,404,952

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Represented by:				
Current	1,863,498	2,576,021	1,339,370	1,404,454
Non-current	4,168,198	3,702,388	294	498
	6,031,696	6,278,409	1,339,664	1,404,952

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

The interest rates of the borrowings of the Group and the Company as at the balance sheet date are as follows:

	Group		Company	
	2008 %	2007 %	2008 %	2007 %
Weighted average effective interest rate				
Term loans	4.44	4.19	-	-
Revolving credit	3.56	3.84	4.21	3.30
Committed bank loans	5.01	4.00	-	-
Commercial papers	3.64	3.58	3.64	3.61
Irredeemable convertible unsecured loan stocks	8.00	8.00	-	-
Bankers' acceptances	3.90	4.06	-	-
Bank overdrafts	5.51	6.34	-	-
Finance lease liabilities	5.54	4.90	-	-
Weighted average interest rate				
Hire purchase liabilities	2.59	2.44	2.70	2.63

	Group		Securities
	2008 RM'000	2007 RM'000	
4,656,154	4,796,106	- Clean	
297,093	336,707	- 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	
342,839	324,432	- Corporate guarantee by the Company - Personal guarantee by a subsidiary's directors	
375,000	412,052	- Corporate guarantee by subsidiaries	
180,000	180,000	- A first fixed charge over the investment properties of a subsidiary	
100,800	162,400	- A first fixed and floating charge over the assets of a subsidiary	
19,986	24,427	- 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	
41,933	35,981	- Corporate guarantee by the Company	
17,891	6,304	- A fixed charge over the respective vehicles of the Group	
6,031,696	6,278,409		

Notes to the Financial Statements

Company		Securities
2008 RM'000	2007 RM'000	
1,338,855	1,403,855	- Clean
809	1,097	- A fixed charge over the respective vehicles of the Company
1,339,664	1,404,952	

(A) Term loans

	Group	
	2008 RM'000	2007 RM'000
The currency exposure profile of the term loans is as follows:		
Denominated in Great Britain Pounds	1,280,141	1,359,902
Denominated in US Dollar	1,172,664	586,991
Denominated in Ringgit Malaysia	875,020	818,500
Denominated in Singapore Dollar	342,839	324,432
	3,670,664	3,089,825

(i) Term loans denominated in Great Britain Pounds

The term loans of RM1,280,141,240 [GBP196,600,000] (2007: RM1,359,901,860 [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.

(ii) Term loans denominated in US Dollars

The term loan of USD170,000,000 of YTL Power International Berhad, a subsidiary of the Company, is unsecured, bears an interest rate of LIBOR plus 0.265% margin and is repayable in full on 29 January 2010.

The term loan of USD190,000,000 of YTL Utilities Finance 2 Limited, a subsidiary of the Group, is unsecured, bears an interest rate of LIBOR plus 0.265% margin and is repayable in full on 29 January 2011.

(iii) Term loans denominated in Ringgit Malaysia

Save for the term loans of certain subsidiaries amounting to RM597,878,940 (2007: RM703,534,260) which are secured by first fixed charge over the properties of the respective subsidiaries, the term loans are unsecured.

(iv) Term loans denominated in Singapore Dollars

Term loans of the subsidiaries, Lakefront Pte. Ltd. and Sandy Island Pte. Ltd. ("Lakefront and Sandy Island"), amounting to RM342,838,828 [SGD142,879,278] (2007: RM324,431,631 [SGD142,879,278]) bear floating interest rates at 4.09% and 3.08% (2007: 4.09% and 3.08%) per annum respectively and mature in December 2009 and June 2010 respectively. These facilities are guaranteed by a corporate guarantee given by the Company and personal guarantees obtained from two directors of Lakefront and Sandy Island.

(B) Revolving credit

The revolving credit facility of the Group is unsecured.

(C) Committed bank loans

Committed bank loans of the Group amounted to RM72,061,410 [EUR13,961,197] (2007: RM70,291,570 [EUR15,068,842]). Of this balance RM38,769,415 [EUR7,511,197] (2007: RM39,038,105 [EUR8,368,842]) is guaranteed by Wessex Water Limited, a subsidiary of the Group. The loan bears an interest rate of EURIBOR plus 0.60% and varies depending on the credit rating of Wessex Water Limited. The remaining balance of RM33,291,995 [EUR6,450,000] (2007: RM31,253,465 [EUR6,700,000]) is a direct obligation of Wessex Water Limited and bears an interest rate of EURIBOR plus 0.375%.

(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.

During the financial year, YTLPI replaced the CP with one year MTNs.

(E) Irredeemable convertible unsecured loan stocks

On 10 November 2005, YTL Cement Berhad ("YTL Cement"), a subsidiary of the Group issued 483,246,858 10 years 4% stepping up to 6% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") at a nominal value of RM1.00 each, maturing 10 November 2015 ("Maturity Date").

The main features of the ICULS are as follows:

- (i) The ICULS bear interest of 4% per annum from date of issue up to fourth anniversary and 5% per annum from the date after the fourth anniversary up to the seventh anniversary. Thereafter, the ICULS bear interest at 6% per annum up to the Maturity Date. The interest is payable semi-annually in arrears.
- (ii) The ICULS are convertible at any time on or after its issuance date into new ordinary shares of YTL Cement at the conversion price, which is fixed on a step-down basis, as follows:
 - For conversion at any time from the date of issue up to the fourth anniversary, conversion price is RM2.72
 - For conversion at any time after fourth anniversary of issue up to the seventh anniversary, conversion price is RM2.04
 - For conversion at any time after seventh anniversary of issue up to the Maturity Date, conversion price is RM1.82
- (iii) The ICULS are not redeemable and any ICULS remaining immediately after the Maturity Date shall be automatically converted into ordinary shares at the conversion price.
- (iv) The new ordinary shares issued from the conversion of ICULS will be deemed fully paid-up and rank pari passu in all respects with all existing ordinary shares of YTL Cement.

The fair values of the liability component and the equity conversion component were determined at issuance of the loan stocks.

Notes to the Financial Statements

A certain amount of the ICULS are held by the Company (refer Note 15(a) of the Financial Statements) and other companies within the Group. The relevant amounts have been eliminated in the Balance Sheet of the Group.

(F) Bankers' acceptances

Included in the bankers' acceptances is RM40,806,338 (2007: RM32,540,388) of secured loan of a subsidiary of the Group. Bankers' acceptances bear interest at rates ranging from 3.79% to 4.55% (2007: 3.78% to 4.36%) per annum.

(G) Bank overdrafts

Included in the bank overdrafts is RM1,296,792 (2007: RM3,818,616) of secured loan of a subsidiary of the Group. These secured loans are repayable in full on demand and bear interest at rates ranging from 7.50% to 8.25% (2007: 7.50% to 8.25%) per annum.

Included in bank overdrafts is RM47,843,397 [GBP7,347,636] (2007: RM16,601,042 [GBP2,400,000]) 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%.

(H) Hire purchase liabilities

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Minimum hire purchase payments:				
Payable not later than 1 year	6,143	4,460	541	639
Payable later than 1 year and not later than 5 years	13,839	2,144	302	514
	19,982	6,604	843	1,153
Less : Financing charges	(2,091)	(300)	(34)	(56)
Present value of hire purchase liabilities	17,891	6,304	809	1,097

(I) Finance lease liabilities

	Group	
	2008 RM'000	2007 RM'000
Minimum lease payments:		
Payable not later than 1 year	54,520	66,250
Payable later than 1 year and not later than 5 years	246,738	249,629
Payable later than 5 years	392,632	487,494
	693,890	803,373
Less : Financing charges	(170,692)	(210,641)
Present value of minimum lease payments	523,198	592,732

Finance lease of RM523,198,966 [GBP80,351,225] (2007: RM592,731,513 [GBP85,690,754]) 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.

33. DEFERRED INCOME

	Group	
	2008 RM'000	2007 RM'000
At beginning of the financial year	147,363	147,203
Currency translation differences	(8,534)	3,955
Transferred to Income Statement (Note 7)	(5,997)	(6,240)
Received during the financial year	1,085	2,445
At end of the financial year	133,917	147,363

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

34. DEFERRED TAXATION

	Group	
	2008 RM'000	2007 (Restated) RM'000
At beginning of the financial year, as restated	2,343,433	2,325,315
Charged/(Credited) to Income Statement (Note 8)	48,512	(30,241)
Currency translation differences	(110,963)	48,415
Acquisition of subsidiaries	(125)	27
Transferred to capital reserve	-	(83)
At end of the financial year	2,280,857	2,343,433

	Group	
	2008 RM'000	2007 (Restated) RM'000
Deferred tax provided are in respect of:		

Deferred tax assets

Deferred revenue	(77)	(60)
Property, plant & equipment		
- depreciation in excess of capital allowances	-	(1,515)
Unabsorbed tax losses	(33,809)	(35,820)
Unutilised capital allowances/investment tax allowances	(196,386)	(261,622)
Retirement benefits	(86,402)	(105,153)
Temporary differences		
- Irredeemable Convertible Unsecured Loan Stocks	(2,171)	(2,590)
Others	(10,786)	(5,045)
Balance carried forward	(329,631)	(411,805)

Notes to the Financial Statements

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	Group	
	2008	2007
	RM'000	(Restated) RM'000
Balance brought forward	(329,631)	(411,805)
Deferred tax liabilities		
Property, plant & equipment		
- capital allowances in excess of depreciation	2,535,937	2,677,028
Revaluation surplus arising from freehold land	56,176	57,807
Other temporary differences	18,375	20,403
	2,280,857	2,343,433

A number of changes to the United Kingdom Corporation tax system were enacted in the July 2008 Finance Act. The changes include the gradual phasing-out of Industrial Building Allowances over four years (by 2011) as follows:

- 3% for 2008/2009;
- 2% for 2009/2010;
- 1% for 2010/2011; and
- nil from April 2011.

When calculating deferred tax under FRS on industrial buildings, the tax base may significantly reduce as future tax deductions may be much lower depending on the intention of management and residual value of the industrial buildings. This may increase deferred tax liabilities.

The Directors of a subsidiary are currently in the process of obtaining further clarity on the interpretations and financial implications of the Act. Pending the above, the Directors of the Company are unable to estimate the potential impact on the financial statements of the Group in 2009 at this juncture.

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

	Group	
	2008	2007
	RM'000	RM'000
Unabsorbed tax losses	57,620	55,451
Unutilised capital allowances	29,569	31,447
Deductible temporary differences	4	71
Taxable temporary differences - property, plant & equipment	(11,095)	(9,494)
	76,098	77,475
Potential tax benefits calculated at 25% (2007: 26%) tax rate	19,024	20,144

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

35. POST-EMPLOYMENT BENEFIT OBLIGATIONS

(a) Defined contribution plan - current

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Malaysia	3,365	1,655	138	–

Group companies incorporated in Malaysia contribute to the Employees Provident Fund, the national defined contribution plan. Once the contributions have been paid, the Group has no further payment obligations.

(b) Defined benefit plans - non-current

	Group	
	2008 RM'000	2007 RM'000
Overseas		
- United Kingdom	311,763	379,791
- Indonesia	3,590	3,062
	315,353	382,853
Malaysia		
At beginning of the financial year	–	2,599
Charged to Income Statement	–	64
Payments	–	(2,663)
At end of the financial year	–	–

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

Overseas

(i) United Kingdom

The Group operates final salary defined benefit plans for its employees in the United Kingdom, the assets of which are held in separate trustee-administered funds. The latest actuarial valuation of the plan was undertaken at 31 December 2007. This valuation was updated as at 30 June 2008 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	
	2008 RM'000	2007 RM'000
At beginning of the financial year	379,791	404,011
Pension cost	37,287	53,120
Contributions and benefits paid	(84,075)	(88,061)
Currency translation differences	(21,240)	10,721
At end of the financial year	311,763	379,791

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

Present value of funded obligations	2,342,017	2,320,038
Fair value of plan assets	(1,921,514)	(2,003,192)
Status of funded plan	420,503	316,846
Unrecognised actuarial (loss)/gain	(108,740)	62,945
Liability in the Balance Sheet	311,763	379,791

The pension cost recognised may be analysed as follows:

Current service cost	46,611	47,471
Interest cost	128,515	119,021
Expected return on plan assets	(143,164)	(119,709)
Past service cost	5,325	6,337
Total, included in staff costs	37,287	53,120
Actual return on plan assets	(85,647)	224,238

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

Cost of sales	27,527	11,359
Administration expenses	12,984	30,643
Interest income	(14,650)	(688)
Total charge to Income Statement	25,861	41,314
Capitalised spread across property, plant & equipment	11,426	11,806
	37,287	53,120

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

	Group	
	2008 %	2007 %
Discount rate	6.70	5.80
Expected rate of increase in pension payment	2.50 - 3.90	2.30 - 3.10
Expected rate of salary increases	5.40	4.10
Price inflation	3.90	3.10

(ii) Indonesia

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

	Group	
	2008 RM'000	2007 RM'000
Obligation relating to post-employment benefits	2,473	1,926
Obligation relating to other long term employee benefits	1,117	1,136
Total	3,590	3,062

The Group has a defined contribution pension fund program for its permanent national employees. The Group's contribution is 6% of employee basic salary, while the employees' contributions range from 3% to 14%. The obligations for post employment and other long term employee benefits were recognised with reference to actuarial report prepared by an independent actuary. The latest actuarial report was dated 30 June 2008.

Post employment benefits obligation

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

	Group	
	2008 RM'000	2007 RM'000
Present value of obligations	3,057	3,418
Unrecognised actuarial loss	(98)	(570)
Unrecognised past service cost	(486)	(922)
Liability in the Balance Sheet	2,473	1,926

Notes to the Financial Statements

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

	Group	
	2008 RM'000	2007 RM'000
At beginning of the financial year	1,926	1,497
Pension cost	918	943
Contributions and benefits paid	(196)	(483)
Exchange differences	(175)	(31)
At end of the financial year	2,473	1,926

The pension cost recognised can be analysed as follows:

Current service cost	501	564
Interest cost	325	339
Past service cost	92	40
Total	918	943

Other long term employee benefits obligation

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

	Group	
	2008 RM'000	2007 RM'000
Present value of obligations	1,117	1,136

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

	Group	
	2008 RM'000	2007 RM'000
At beginning of the financial year	1,136	1,136
Pension cost	155	100
Contributions and benefits paid	(77)	(71)
Currency translation differences	(97)	(29)
At end of the financial year	1,117	1,136

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

	Group	
	2008 RM'000	2007 RM'000
Current service cost	55	80
Interest cost	100	20
Total	155	100

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

The principal actuarial assumptions used are as follows:

	Group	
	2008 %	2007 %
Discount rate	13.5	9.5
Expected rate of return on plan assets	8.0	8.0
Expected rate of salary increase	9.0	8.0

36. TRADE PAYABLES

The credit terms of trade payables granted to the Group vary from 7 days to 180 days (2007: 7 days to 180 days). Other credit terms are assessed and approved on a case-by-case basis.

37. OTHER PAYABLES & ACCRUALS

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Other payables	546,561	400,842	6,180	9,677
Accruals	797,815	674,225	2,247	3,199
	1,344,376	1,075,067	8,427	12,876

Notes to the Financial Statements

38. PROVISION FOR LIABILITIES & CHARGES

	Group	
	2008 RM'000	2007 RM'000
At beginning of the financial year	38,860	49,428
Currency translation differences	(1,511)	949
Charged to Income Statement	(34)	(67)
Payments	(6,242)	(11,450)
At end of the financial year	31,073	38,860

Provision for liabilities and charges of RM20.55 million (2007: RM28.02 million) relate to the scaling down of operations of certain subsidiaries of the Group.

The remaining provision for liabilities and charges relate to projects undertaken by the Group and are recognised for expected damages claims on the applicable sale and purchase agreements.

39. EMPLOYEES BENEFITS EXPENSE

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Staff costs (excluding Directors' remuneration)	534,504	496,095	6,987	6,267
Included in staff costs are:				
Defined contribution plan	15,242	15,615	634	485
Defined benefit plan	41,584	54,227	-	-
Share based payments	6,117	5,969	602	576

40. 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 was no outstanding interest rate swap contracts as at 30 June 2008.

41. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related party transactions

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions.

Entity	Relationship	Type of transactions	Group	
			2008 RM'000	2007 RM'000
Business & Budget Hotels (Kuantan) Sdn. Bhd.	Associated company	Management & data processing fees	1,118	1,026
Commercial Central Sdn. Bhd.	Subsidiary of holding company	Rental of premises	909	707
Corporate Promotions Sdn. Bhd.	Subsidiary of holding company	Advertising & promotion	4,098	4,183
Express Rail Link Sdn. Bhd.	Associated company	Civil engineering & construction works	15,607	14,782
		Sale of computer equipment & services	3,379	3,053
SMC Mix Sdn. Bhd.	Associated company	Charges for media rights by ERL	1,250	1,250
Superb Aggregates Sdn. Bhd.	Associated company	Sale of building materials	1,274	2,107
Syarikat Pelanchongan Pangkor Laut Sdn. Bhd.	Subsidiary of holding company	Purchase of building materials	6,939	8,046
		Sale of services rendered	1,193	1,574

The Directors are of the opinion that these transactions are conducted in the normal course of business and are under terms that are no less favourable than those arranged with third parties.

(b) Key management personnel compensation

Key management personnel compensation during the financial year was as follows:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Salaries and other short-term employee benefits	23,897	21,908	335	361
Post-employment benefits - defined contribution plan	2,774	2,480	-	-
Share option expenses	11,229	12,331	9,826	9,825
	37,900	36,719	10,161	10,186

The above is in respect of the total compensation to Directors of the Group and of the Company.

42. CONTINGENT LIABILITIES - UNSECURED

- (a) As at the end of the financial year, the Company had given corporate guarantees amounting to RM1,690,486,000 (2007: RM1,790,928,000) to financial institutions for facilities granted to its subsidiaries as follows:

	Total Amount Guaranteed	
	2008 RM'000	2007 RM'000
Block discounting/hire purchase	17,000	17,000
Bank overdrafts	20,200	20,200
Letters of credit/trust receipts/bankers' acceptances/shipping guarantees	143,300	154,300
Revolving credit/term loans	444,036	113,989
Bankers guarantees	86,000	71,800
Zero Coupon Exchangeable Guaranteed Bond Due 2012	979,950	1,413,639
	1,690,486	1,790,928

Notes to the Financial Statements

	Amount Utilised	
	2008 RM'000	2007 RM'000
Block discounting/hire purchase	117	2,380
Bank overdrafts	888	3,182
Letters of credit/trust receipts/bankers' acceptances/shipping guarantees	37,144	26,686
Revolving credit/term loans	412,527	87,763
Bank guarantees	42,983	64,019
Zero Coupon Exchangeable Guaranteed Bond Due 2012	979,950	1,413,639
	1,473,609	1,597,669

- (b) In YTL Power International Berhad, there is a joint and several shareholders' contingent support with Siemens Financial Services to invest up to a further equity amounting to RM38,087,390 (2007: RM40,279,470) in PT Jawa Power, an associate of the Group.
- (c) On 13 August 2008, Inland Revenue Board ("IRB") issued an Additional Notice of Assessment for Years of Assessment 2001 to 2006 amounting to RM34,419,878 to a subsidiary of the Group, Pahang Cement Marketing Sdn. Bhd.. The subsidiary is now in the process of appealing to the Special Commissioner of IRB to set aside the said Notice. The Directors are of the opinion that IRB has no concrete grounds for the case and it will be resolved in the favour of the subsidiary.
- (d) Subsequent to 30 June 2008, a corporate guarantee amounting to SGD460,000,000 (approximately RM1,104,000,000) was provided to a financial institution for facilities granted to a subsidiary.

43. COMMITMENTS AND OPERATING LEASE ARRANGEMENTS

	Group	
	2008 RM'000	2007 RM'000
(a) Capital commitments:		
Authorised and contracted for	1,924,039	1,145,465
Authorised but not contracted for	101,207	497,485

(b) Operating lease arrangements:

(i) The Group as lessee

The future minimum lease payments under non-cancellable operating leases contracted for as at the balance sheet date but not recognised as liabilities are analysed as follows:

	Group	
	2008 RM'000	2007 RM'000
Lease rental on sublease of land:		
Not later than 1 year	966	1,473
Later than 1 year and not later than 5 years	3,413	3,094
Later than 5 years	17,153	19,470
	21,532	24,037

(ii) The Group as lessor

The future minimum lease payments receivable under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are analysed as follows:

	Group	
	2008 RM'000	2007 RM'000
Not later than 1 year	42,075	42,608
Later than 1 year and not later than 5 years	33,650	19,496
	75,725	62,104

44. SEGMENTAL INFORMATION

The Group is organised into seven main business segments:

- (i) Construction
- (ii) Information technology & e-commerce related business
- (iii) Hotel & restaurant operations
- (iv) Cement manufacturing & trading
- (v) Management services & others
- (vi) Property investment & development
- (vii) Utilities

(a) Primary reporting business segments

	Construction RM'000	Information technology & e-commerce related business RM'000	Hotel & restaurant operations RM'000	Cement manufac- turing & trading RM'000	Manage- ment services & others RM'000	Property invest- ment & develop- ment RM'000	Utilities RM'000	Total RM'000
30 June 2008								
Revenue	223,368	25,113	173,102	1,586,544	382,309	222,281	3,937,143	6,549,860
Results								
Profit from operations	26,138	7,455	9,854	361,696	139,297	84,659	1,911,100	2,540,199
Finance costs								(925,648)
Share of results of associated companies	–	–	(80)	28	5,411	43	209,889	215,291
Profit before tax								1,829,842
Income tax expense								(453,355)
Profit for the financial year								1,376,487
At 30 June 2008								
Other information								
Segment assets	562,035	189,728	433,165	2,860,034	10,123,290	3,000,878	19,143,253	36,312,383
Unallocated assets								2,146,178
Total assets								38,458,561
Segment liabilities	(129,122)	(8,382)	(63,889)	(336,596)	(195,427)	(89,283)	(978,237)	(1,800,936)
Unallocated liabilities								(25,011,788)
Total liabilities								(26,812,724)
Other segment information								
Capital expenditure	63,256	5,025	87,182	101,066	180,590	31,006	1,645,563	2,113,688
Depreciation & amortisation	4,741	2,245	4,435	103,588	8,273	1,356	599,480	724,118

Notes to the Financial Statements

	Construction RM'000	Information technology & e-commerce related business RM'000	Hotel & restaurant operations RM'000	Cement manufac- turing & trading RM'000	Manage- ment services & others RM'000	Property invest ment & develop- ment RM'000	Utilities RM'000	Total (Restated) 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	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)	(30,628)	(1,346)	184,572	155,965
Profit before tax								1,555,744
Income tax expense								(215,436)
Profit for the financial year								1,340,308
At 30 June 2007								
Other information								
Segment assets	482,323	187,865	271,253	2,580,449	6,899,492	2,858,483	18,840,787	32,120,652
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								(21,548,646)
Total liabilities								(22,908,317)
Other segment information								
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

(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		Total assets		Capital expenditure	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Malaysia	3,323,663	3,116,400	14,161,690	12,545,074	417,097	227,738
United Kingdom	2,785,882	2,715,170	18,581,597	15,826,603	1,583,806	1,037,698
Other countries	440,315	183,739	5,715,274	5,540,843	112,785	338,309
	6,549,860	6,015,309	38,458,561	33,912,520	2,113,688	1,603,745

45. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (i) The proposal announced by the Company on 23 August 2007 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 on 14 December 2007 was completed on 18 January 2008 with the crediting of 99,929,116 YTL Power Shares into the respective CDS accounts of the entitled shareholders of the Company.
- (ii) The proposals on issuance of RM2.2 billion nominal value of 5-year redeemable bonds ("Bonds") at 3% coupon, and Offer for Sale of the provisional rights to allotment of up to 2,205,127,393 warrants at RM0.10 per warrant ("Warrants") by Aseambankers Malaysia Berhad to the existing shareholders of YTL Power International Berhad ("YTLPI") on a renounceable rights basis of one (1) Warrant for every three (3) existing ordinary shares of RM0.50 each held in YTLPI on 15 May 2008 was completed on 18 June 2008.

46. 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 of property, plant and equipment

Determining whether the property, plant and equipment are impaired requires an estimation of value in use of the property, plant and equipment. The value in use calculation requires the management to estimate the future cash flows and an appropriate discount rate in order to calculate the present value of future cash flows. The management has evaluated such estimates and is confident that no allowance for impairment is necessary.

(b) Estimated useful lives of property, plant and equipment

The residual value and the useful lives of the property, plant & equipment are reviewed at each financial year end. The review is based on factors such as business plans and strategies, expected level of usage and future regulatory changes. The estimation of the residual values and useful lives involve significant judgement.

(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) 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 either value-in-use or fair value less costs to sell calculations.

(e) Property development

The Group recognises property development revenue and expenses in the Income Statement by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant 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.

(f) Construction contracts

The Group uses the percentage-of-completion method in accounting for its contract revenue where it is probable that contract costs are recoverable. The stage of completion is measured by reference to the proportion of contract costs incurred to date to the estimated total costs for the contract.

Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue and contract costs, as well as the recoverability of the contracts. Total contract revenue also includes an estimation of the variation works and claims that are recoverable from the customers. In making the judgement, the Group has relied on past experience and the work of specialists.

(g) Allowance for doubtful debts

The Group assesses at each balance sheet date whether there is objective evidence that trade receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such provisions are adjusted periodically to reflect the actual and anticipated impairment.

(h) Income tax expense

(i) Income taxes

The Group is subject to income tax in numerous jurisdictions. 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 assets are recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. This involves judgement regarding future financial performance of a particular entity in which the deferred tax asset has been recognised.

(i) Share based payments

Equity-settled share based payments are measured at fair value at the grant date. The Group revises the estimated number of performance shares that participants are expected to receive based on non-market vesting conditions at each balance sheet date. The assumptions of the valuation model used to determine fair value are set out in Note 28 of the Financial Statements.

(j) Contingent liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and experts internal and external to the Group for matters in the ordinary course of business. Please refer to Note 42 of the Financial Statements for details.

47. EFFECTS ON FINANCIAL STATEMENTS ON ADOPTION OF NEW OR REVISED FRSs AND IC INTERPRETATIONS

The Malaysian Accounting Standards Board has issued following new or revised Financial Reporting Standards ("FRS") and IC Interpretations ("IC Int"):

		Effective for financial periods beginning on or after
FRS 117	Leases	1 October 2006
FRS 124	Related Party Disclosures	1 October 2006
FRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2007
Amendments to FRS 119 ²⁰⁰⁴	Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures	1 January 2007
FRS 107	Cash Flow Statements	1 July 2007
FRS 111	Construction Contracts	1 July 2007
FRS 112	Income Taxes	1 July 2007
FRS 118	Revenue	1 July 2007
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
FRS 134	Interim Financial Reporting	1 July 2007
FRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 July 2007
Amendments to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation	1 July 2007
IC Int 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Int 2	Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Int 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Fund	1 July 2007
IC Int 6	Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	1 July 2007
IC Int 7	Applying the Restatement Approach under FRS 129 ²⁰⁰⁴ Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Int 8	Scope of FRS 2	1 July 2007

The adoption of the relevant FRSs and IC Ints above, except for FRS 112 and FRS 117, do not have significant financial impact on the Group other than addition disclosure requirements.

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

Notes to the Financial Statements

The principal effects of the changes in accounting policies resulting from the adoption of FRS 112 and FRS 117 are as discussed below:

(a) FRS 112 Income tax

Prior to 1 July 2007, deferred tax assets on unused reinvestment allowances and investment tax allowances were not recognised. The adoption of FRS 112 has resulted in a retrospective change in the accounting policy relating to the recognition of deferred tax assets on unused reinvestment allowances and investment tax allowances.

These changes in accounting policy has been applied retrospectively and as disclosed in Note 48(a) of the Financial Statements, certain comparatives have been restated. The effects on the Group's Balance Sheet and Income Statement for the current financial year are set out in Note 47(d) of the Financial Statements.

(b) FRS 117 Leases

Prior to 1 July 2007, leases of land held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment loss. The adoption of FRS 117 Leases in 2007 resulted in a change in the accounting policy relating to the classification of leases of land. Under FRS 117, leases of land are classified as operating or finance leases in the same way as leases of other assets. The land elements of a lease of land are considered separately for the purposes of lease classification. Leasehold land held for own use is now classified as operating lease. The up-front payments made are allocated the land elements in proportion to the relative fair values for leasehold interests in the land element of the lease at the inception of the lease. The up-front payments represent prepaid lease payments and is amortised on a straight-line basis over the remaining lease term.

The Group has applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 July 2007, the unamortised carrying amount of leasehold land is classified as prepaid lease payments. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and as disclosed in Note 48(a) of the Financial Statements. Certain comparatives of the balance sheets of the Group as at 30 June 2007 have been restated.

There were no effects on the Income Statement of the Group for the financial year ended 30 June 2008. The effects on the Group's Balance Sheet for the current financial year are set out in Note 47(d) of the Financial Statements.

(c) Prior financial year adjustments ("PYA")

During the previous financial year ended 30 June 2007, a subsidiary incorporated in the United Kingdom adjusted its deferred taxation liability following amendments introduced in the United Kingdom ("UK") Finance Act 2007 relating to Industrial Building Allowance incentives. Following clarity received during the current financial year ended 30 June 2008 on the application of these changes, it has been concluded that the deferred taxation provision is required under FRS. This adjustment has been applied retrospectively and as disclosed in Note 48(a) of the Financial Statements.

(d) Summary of effects on adoption of new or revised FRSs on the current financial year's Financial Statements

The following tables present the impact of the adjustments which have been made in accordance with the new provisions of the respective FRSs to the Group's Balance Sheet and Income Statement for the financial year ended 30 June 2008.

	Increase/(Decrease)		Total RM'000
	FRS 112 Note 47(a) RM'000	FRS 117 Note 47(b) RM'000	
	Balance Sheet - Group		
Property, plant & equipment	–	(76,424)	(76,424)
Prepaid lease payments	–	76,424	76,424
Retained earnings	(18,622)	–	(18,622)
Minority interests	(18,726)	–	(18,726)
Deferred taxation	37,348	–	37,348
Income Statement - Group			
Income tax expenses	37,348	–	37,348
Profit attributable to:			
- Equity holders of the Company	(18,622)	–	(18,622)
- Minority interests	(18,726)	–	(18,726)
Earnings per share (sen)			
- Basic	(1.25)	–	(1.25)
- Diluted	(1.15)	–	(1.15)

48. RESTATEMENT OF COMPARATIVES

- (a) The following comparative amounts have been restated as a result of adopting the revised FRSs and prior financial year adjustments:

	As previously reported RM'000	Increase/(Decrease)			As re-presented RM'000
		FRS 112 Note 47(a) RM'000	FRS 117 Note 47(b) RM'000	PYA Note 47(c) RM'000	
Balance Sheet - Group					
Property, plant & equipment	16,952,942	–	(68,452)	–	16,884,490
Prepaid lease payments	–	–	68,452	–	68,452
Other reserves	196,321	–	–	(290)	196,031
Retained earnings	6,542,668	68,707	–	(53,449)	6,557,926
Minority interests	3,591,979	55,726	–	(40,333)	3,607,372
Deferred taxation	2,373,794	(124,433)	–	94,072	2,343,433
Income Statement - Group					
Income tax expense	121,423	448	–	93,565	215,436
Profit attributable to:					
- Equity holders of the company	755,062	(242)	–	(53,449)	701,371
- Minority Interests	679,259	(206)	–	(40,116)	638,937
Earning per share (sen)					
- Basic	51.37	(0.01)	–	(3.64)	47.72
- Diluted	47.79	(0.01)	–	(3.39)	44.39

Notes to the Financial Statements

b) Certain comparative figures have been reclassified to conform with current financial year's presentation.

	As previously reported RM'000	Prior financial year adjustment (Note 48(a)) RM'000	Reclassification RM'000	As re-presented RM'000
Balance Sheet - Group				
Quoted investments	15,979	-	(15,979)	-
Unquoted investments	595,379	-	(595,379)	-
Investments	-	-	611,358	611,358
Intangible assets	953	-	941,330	942,283
Goodwill	941,330	-	(941,330)	-
Other reserves	196,321	(290)	87,384	283,415
Bonds				
- non-current	11,100,477	-	799,059	11,899,536
- current	1,111,443	-	(886,443)	225,000
Borrowings				
- non-current	3,144,493	-	557,895	3,702,388
- current	2,446,793	-	129,228	2,576,021
Hire purchase liabilities				
- non-current	2,097	-	(2,097)	-
- current	4,207	-	(4,207)	-
Finance lease liabilities				
- non-current	555,798	-	(555,798)	-
- current	36,934	-	(36,934)	-
Other payables & accruals	1,066,590	-	8,477	1,075,067
Provision for liabilities & charges	47,337	-	(8,477)	38,860
Bank acceptances	67,667	-	(67,667)	-
Bank overdrafts	20,420	-	(20,420)	-
Balance Sheet - Company				
Quoted investments	2,449	-	(2,449)	-
Unquoted investments	12,950	-	(12,950)	-
Investments	-	-	15,399	15,399
Borrowings				
- non-current	-	-	498	498
- current	1,403,855	-	599	1,404,454
Hire purchase liabilities				
- non-current	498	-	(498)	-
- current	599	-	(599)	-
		As previously reported RM'000	As Reclassification RM'000	re-presented RM'000
Income Statement - Group				
Cost of sales		3,167,435	2,974	3,170,409
Administration expenses		439,118	3,607	442,725
Other operating expenses		270,154	(6,581)	263,573

49. DEFERRED FINANCIAL REPORTING STANDARD

FRS 139 Financial Instruments : Recognition and Measurement is effective for financial periods beginning on or after 1 January 2010. The impact of applying FRS 139 on the financial statements has not been disclosed by virtue of the exemption stipulated in the said FRS.

50. CORPORATE PROPOSAL

On 29 August 2007, YTL Cement Berhad ("YTL Cement"), a subsidiary of the Group announced its proposal to issue via a wholly-owned subsidiary to be incorporated in the Federal Territory of Labuan, up to United States Dollar 200 million nominal value five (5) year guaranteed Exchangeable Bonds which are exchangeable into new ordinary shares of RM0.50 each in YTL Cement ("the Proposal").

As all relevant approvals from Bank Negara Malaysia, Securities Commission ("SC"), The Equity Compliance Unit (via the SC), Ministry of International Trade and Industry, Labuan Offshore Financial Services Authority and shareholders of YTL Cement have been received, the Proposal is now pending implementation, subject to the prevailing market conditions.

The SC had vide its letter dated 26 September 2008 approved an extension of time up to 4 April 2009 to complete the Proposal.

51. SIGNIFICANT SUBSEQUENT EVENT

On 22 November 2007, the Company was awarded the tender for the en-bloc purchase of fifty (50) residential units and the common property in strata title plan No. 247 comprised in Lot 1070N of Town Subdivision 24, known as Westwood Apartments located at 15 Orchard Boulevard, Singapore, containing an area of 5,776.6 square metre ("Properties"), for a total cash consideration of Singapore Dollars (SGD) 435 million (equivalent to approximately RM1,013,550,000).

The acquisition of the said Properties was completed on 24 September 2008.

52. 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 16 October 2008.

Form of Proxy



I/We (full name as per NRIC/company name in block capitals)

NRIC/Company No. (new and old NRIC Nos.)

CDS Account No. (for nominee companies only)

of (full address)

being a member of **YTL Corporation Berhad** hereby appoint (full name as per NRIC in block capitals)

NRIC No. (new and old NRIC Nos.)

of (full address)

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 25th Annual General Meeting of the Company to be held at Starhill 2, Level 4, JW Marriott Hotel Kuala Lumpur, 183, Jalan Bukit Bintang, 55100 Kuala Lumpur on Tuesday, 2 December 2008 at 3.00 p.m. and at any adjournment thereof.

My/Our proxy is to vote as indicated below:

NO.	RESOLUTIONS	FOR	AGAINST
1.	Receipt of Reports and Audited Financial Statements		
2.	Declaration of Final Dividend		
3.	Re-election of Dato' Yeoh Soo Min		
4.	Re-election of Dato' Yeoh Seok Hong		
5.	Re-election of Syed Abdullah Bin Syed Abd. Kadir		
6.	Re-appointment of Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay		
7.	Re-appointment of Dato' (Dr) Yahya Bin Ismail		
8.	Re-appointment of Mej Jen Dato' Haron Bin Mohd Taib (B)		
9.	Re-appointment of Eu Peng Meng @ Leslie Eu		
10.	Approval of the payment of Directors' fees		
11.	Re-appointment of Messrs HLB Ler Lum as Company Auditors		
12.	Authorisation for Directors to Allot and Issue Shares		
13.	Proposed Renewal of Share Buy-Back Authority		
14.	Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Dated this _____ day of _____ 2008

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 notarially 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 25 November 2008. Only a depositor whose name appears on the General Meeting Record of Depositors as at 25 November 2008 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.

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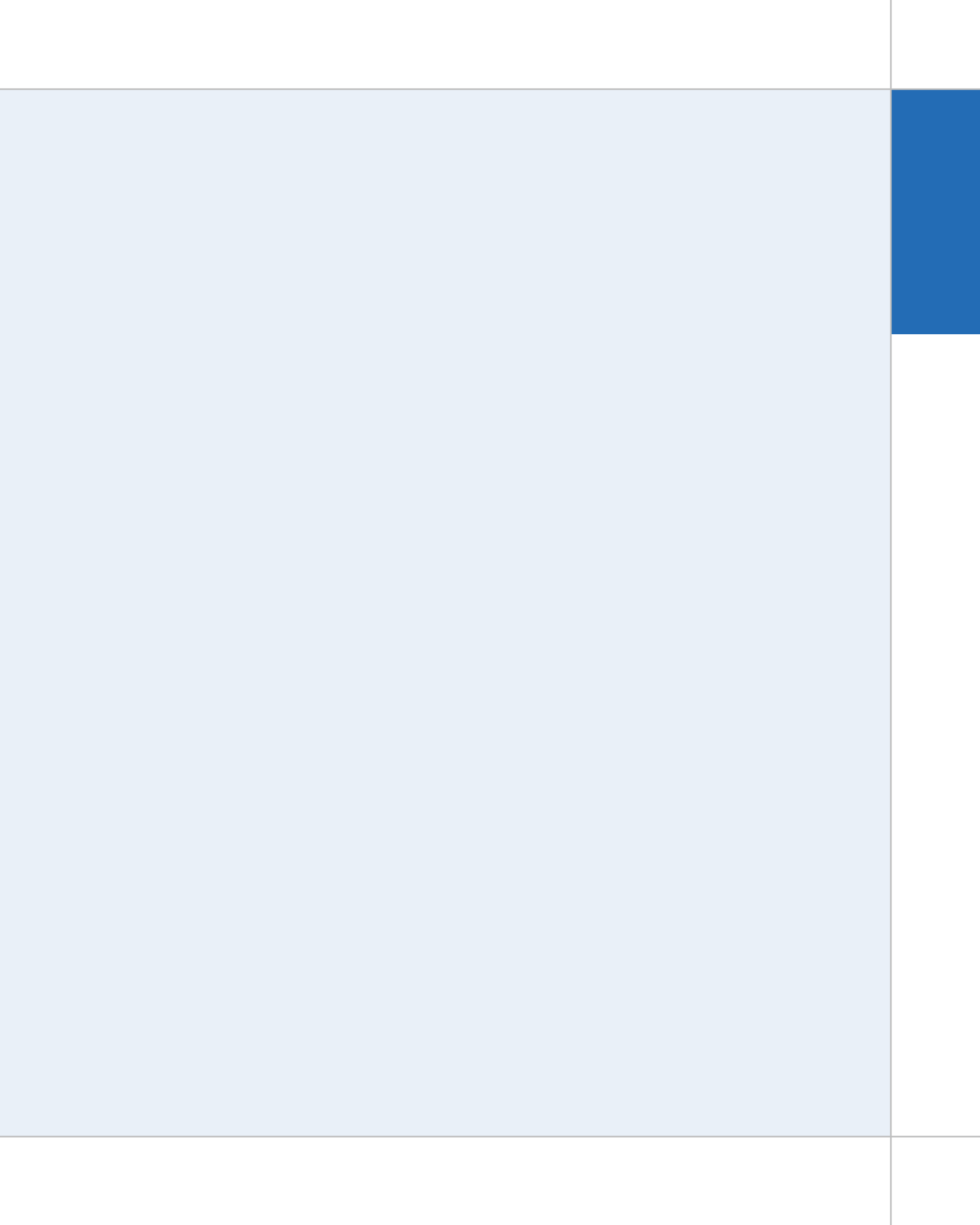
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The Company Secretary

YTL CORPORATION BERHAD

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55100 Kuala Lumpur
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