



YTL
LAND &
DEVELOPMENT
BERHAD 1116-M

the journey continues...

annual report **2007**

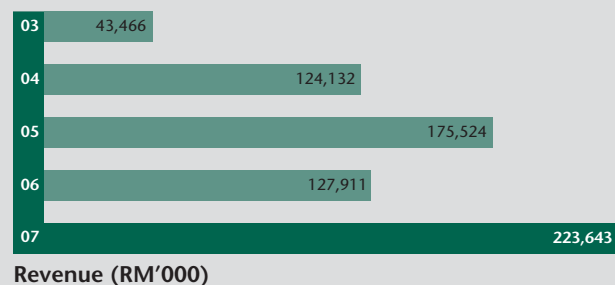


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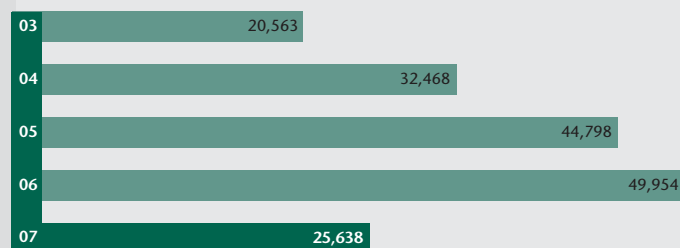
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Financial Highlights

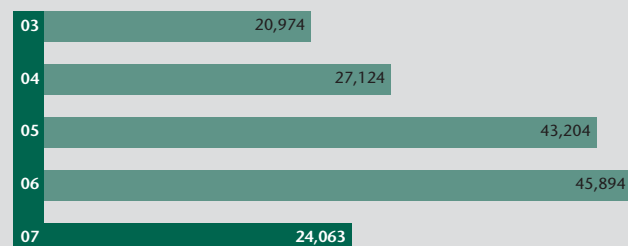
	2007	2006	2005	2004	2003
Revenue (RM'000)	223,643	127,911	175,524	124,132	43,466
Profit Before Taxation (RM'000)	25,638	49,954	44,798	32,468	20,563
Profit After Taxation (RM'000)	24,063	45,894	43,204	27,124	20,974
Profit Attributable to					
Equity Holders of the Company (RM'000)	19,506	45,894	43,204	27,124	20,974
Total Equity Attributable to					
Shareholders of the Company (RM'000)	520,669	512,474	466,580	420,810	393,711
Earnings per Share (Sen)	2.39	5.46	5.14	3.29	4.19
Total Assets (RM'000)	951,587	921,625	989,608	844,019	790,771
Net Assets per Share (RM)	1.38	1.44	1.36	1.24	1.27



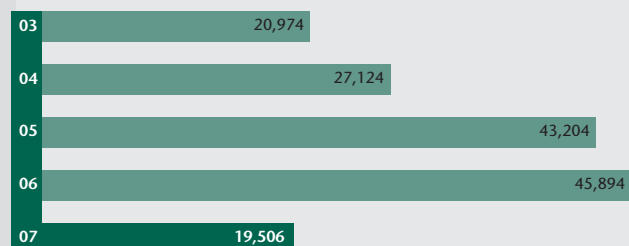
Revenue (RM'000)



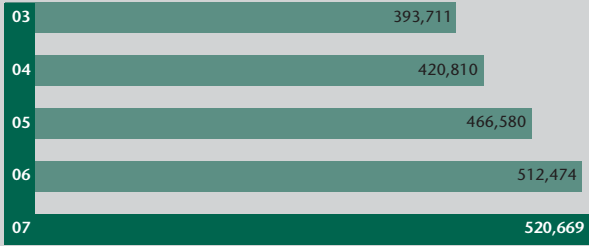
Profit Before Taxation (RM'000)



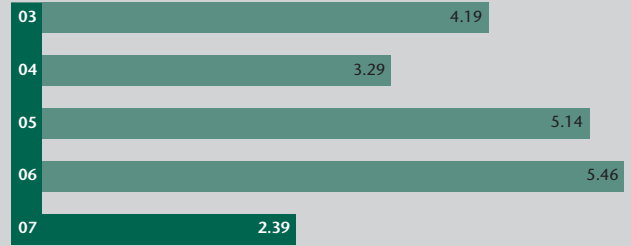
Profit After Taxation (RM'000)



Profit Attributable to Equity Holders of the Company (RM'000)



Total Equity Attributable to Shareholders of the Company (RM'000)



Earnings per Share (Sen)



Total Assets (RM'000)



Net Assets per Share (RM)

Chairman's Statement

On behalf of the Board of Directors of YTL Land & Development Berhad ("YTL L&D"), I have the pleasure of presenting to you the Annual Report and audited financial statements of the Company and its subsidiaries ("Group") for the financial year ended 30 June 2007.

OVERVIEW

The Group achieved another good year, rising to meet ongoing challenges that continue to plague the sector, such as the overhang in residential units, by adhering to its proven policy of timing launches to meet demand, supported by strong market research into consumer preferences. This strategy saw the launch of new phases, d7 in Sentul and Centrio in Pantai Hillpark, to tremendous take-up rates, with preview stages being almost completely sold out and generating even stronger demand during the official launch stages.

On the economic front, the Malaysian economy has remained robust with real gross domestic product (GDP) projected to grow by 6.0% for the 2007 calendar year, compared to 5.9% in 2006. Whilst housing activity in 2006 was largely moderated by rising trends in inflation and interest rates, purchasing sentiment in 2007 has improved due to lower inflation and greater stability in the interest rate regime.

Recent initiatives taken by the Government, such as the abolition of real property gains tax, coupled with the relaxations of requirements for foreigners to seek Foreign Investment Committee (FIC) approval to purchase property in Malaysia and restrictions on borrowings by foreigners for the purchase of housing, are all expected to further support the domestic property sector. In addition, the new Building and Common Property (Maintenance and Management) Act 2007, which came into force on 12 April 2007, is geared towards strengthening controls in the maintenance and management of strata title properties – a significant step towards better protection of condominium owners' interests.



DATO' SULEIMAN BIN ABDUL MANAN
Chairman



These measures, together with the Government's ongoing commitment to the "Malaysia My Second Home" (MM2H) programme, augur well for domestic commercial, residential and retail real estate valuations and have already drawn increased foreign interest to the Malaysian property sector. Indeed, foreign interest in the Group's properties has continued to escalate, and during the year under review, YTL Land & Development (MM2H) Sdn Bhd, a wholly-owned subsidiary of YTL L&D, obtained its MM2H licence enabling the company to submit applications to the Ministry of Tourism's MM2H centre on behalf of foreign citizens. This enables the Group to provide an added level of service via consultation services and assistance with MM2H and end-financing applications for 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.

The strong momentum behind the regeneration of Sentul has not abated and the Group continues to focus on developing innovative solutions, creating better living and working environments and extending the benefits of urban renewal into its neighbourhoods. Following the completion of the Sentul Link reported last year, accessibility to Sentul was further improved with the Duta-Segambut Link which became operational in February 2007. The new link provides fast-track access from Sentul to Jalan Duta and its surrounding neighbourhoods – Kenny Hills, Mont' Kiara and Damansara Heights.

Meanwhile, construction on The Saffron at Sentul East is progressing on schedule and an exciting new phase called d7 was launched during the year. Bringing a new dimension to the architectural landscape of Sentul East, this new landmark offers a mix of single level office suites, as well as limited numbers of duplex offices which combine flexibility and functionality with cutting-edge contemporary design.

FINANCIAL PERFORMANCE

The Group's revenue for the financial year ended 30 June 2007 grew to RM223.64 million from RM127.91 million reported in the corresponding financial year ended 30 June 2006, representing an increase of 74.84%. Meanwhile, profit before taxation for the current financial year ended 30 June 2007 decreased to RM25.64 million from RM49.95 million reported for the previous corresponding financial year ended 30 June 2006.

The increase in revenue was mainly contributed by overwhelming sales recorded for The Saffron at Sentul East being developed under the Group's Sentul urban regeneration project and The Centrio under the Pantai Hillpark project, as well as the initial progress recognition of a construction project undertaken by one of the Group's subsidiary company. The decline in profit before tax was substantially attributed to lower profit recognised due to one-off costs of one of the Group's development projects.

Chairman's Statement



REVIEW OF OPERATIONS

Lake Edge

The most recent preview launch under the Group's highly successful Lake Edge development in Puchong was Parkville in September 2007, comprising 16 exclusive bungalows and semi-detached homes. 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. The Lake Edge project is developed by Pakatan Perakbina Sdn Bhd, a wholly-owned subsidiary of YTL L&D.

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

d7at Sentul East

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

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

Excellent connectivity and location are also major factors in d7's success as a future business hub. The area is easily accessible through the new Sentul Link that connects Lebuhraya Mahameru to Jalan Sentul, the Duta-Segambut Link designed to ease 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 Saffron at Sentul East

Construction on The Saffron at Sentul East is progressing well on schedule. The Saffron is the second development launched at Sentul East, following the debut of the highly successful first development, The Tamarind. The Saffron comprises 490 freehold units in two 17-storey blocks and two 24-storey blocks. With over 97% of units sold, buyers have been attracted to The Saffron's features which include extensive landscaping, three separate swimming pools, themed gardens and the exclusive Saffron Park.



Centrio, Pantai Hillpark

Centrio, the latest offering the Group's popular Pantai Hillpark development in the heart of Kuala Lumpur, was officially launched in December 2006, following tremendous response from buyers which saw all 80 units offered taken up during the two-day preview in November 2006. Centrio features an eclectic mix of SOHO (small office/home office) suites, retail stores and boutique, with unique features including stunning floor-to-ceiling windows, spacious rooftop gardens and illuminating skylights, as well as open sun decks above units, all of which are unheard of in other comparably-sized SOHO developments in the market.

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



The pool-view SOHO suites, located in the lowest density residential area, offer residents privacy as well as the convenience of being situated closest to common facilities like meetings rooms and the business centre. Each SOHO offers different features, such as spacious sun decks and tranquil private gardens. Meanwhile, the boutique garden offices are stunning duplexes, with a range of unique features – sculptural spiral staircases, dual garden entrances and large picture windows. With security and privacy a top priority in the development's design, there will be completely separate access points for residential, office and retail spaces.

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

Taman Cahaya Masai

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

Taman Pakatan Jaya

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

Chairman's Statement



CORPORATE SOCIAL RESPONSIBILITY

The Group believes that effective corporate responsibility can deliver benefits to its businesses and, in turn, to its shareholders, by enhancing reputation and business trust, risk management performance, relationships with regulators, staff motivation and attraction of talent, customer preference and loyalty, the goodwill of local communities and long-term shareholder value.

Every employee of the Group is expected to maintain the highest standards of propriety, integrity and conduct in all their business relationships and the Group is held to the same standard in its compliance with all applicable legal and regulatory requirements.

Social responsibility and environmental sustainability are key values of the Group and YTL L&D places a high priority on acting responsibly in every aspect of its business. The Group is also part of the wider network of the YTL group of companies under the umbrella of its parent company, YTL Corporation Berhad, with a long-standing commitment to creating successful, profitable and sustainable businesses which, in turn, benefit the surrounding community through the

creation of sustained value for shareholders, secure and stable jobs for the Group's employees, support for the arts and culture in Malaysia and contributions to promote education for the benefit of future generations.

The Group's properties are designed and developed with the goal of building beautiful sustainable homes in harmony with nature. The Sentul project, for example, encompasses the 35-acre Sentul Park in the heart of Kuala Lumpur, creating a green lung filled with indigenous forest species, which is unique within a highly urban area. In addition to the aesthetic value, the parks and green areas of the Group's developments are designed to promote a healthy lifestyle, foster community spirit and enhance the intrinsic value of the entire neighbourhood. Besides maintaining green parcels of land, sustainable building and design techniques that make the most of natural sunlight and improve airflow (to reduce the need for artificial light and air-conditioners) have been integrated into the planning of these properties.

The Group's property development teams have also attended Leadership in Energy and Environmental Design (LEED) workshops in the past and are currently actively pursuing LEED certification and environmental

surveillance for YTL L&D's future building projects. LEED programmes are sponsored by the US Green Building Council.

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

Bird Island Green Homes Competition

YTL L&D launched the Bird Island Green Homes Competition on 3 July 2007, the first green (or sustainable) architectural competition of its kind in the world, stemming from recognition that environmentally-responsible buildings are the future of architecture and design.

Bird Island is being developed within a social and cultural landscape that is supportive of contemporary design and architecture. The competition brings together eight of the world's leading names in architecture and environmental engineering, vying for the opportunity to design six eco-friendly homes on Bird Island, a green haven located in the 35-acre Sentul Park, part of YTL L&D's iconic Sentul urban renewal development.



The three-acre Bird Island site has been divided into six plots, each with a notional area ranging from 385 to 516 sq.m., with each team submitting two designs for a three-bedroom villa, in accordance with designated requirements and criteria.

FUTURE PROSPECTS

With the Malaysian economy projected to strengthen further by 6.0% - 6.5% in 2008, the outlook for the country's property sector remains positive, with stronger consumer sentiment and increasing foreign demand arising from recent liberalisation measures expected to further boost property sales.

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

The positive reaction and demand for the new launches during the year under review are a reflection of YTL L&D's track record and promise to deliver truly branded, uniquely conceptualised, high quality homes. Malaysia's high quality products

offered at competitive prices that capitalise on favourable exchange rates have ensured that the Group's properties are an exceptionally attractive buy in foreign markets, and the Government's ongoing commitment to the MM2H programme bodes very well for developers able to offer high quality, strongly differentiated products and services.

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

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

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

As the Group embarks on another year and strives to deliver stronger earnings growth and further enhance shareholder value, the Board of Directors of YTL L&D would like to thank our investors, property-owners, business associates and the regulatory authorities, for their continued support. As always, we thank the management and staff for their dedication and commitment to the Group.

DATO' SULEIMAN BIN ABDUL MANAN
DPMS

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE SIXTY-SEVENTH ANNUAL GENERAL MEETING OF YTL LAND & DEVELOPMENT BERHAD WILL BE HELD AT STARHILL 2, LEVEL 4, JW MARRIOTT HOTEL KUALA LUMPUR, 183, JALAN BUKIT BINTANG, 55100 KUALA LUMPUR ON FRIDAY, THE 7TH DAY OF DECEMBER, 2007 AT 11.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS:

AS ORDINARY BUSINESS

- 1 To receive the Audited Financial Statements for the financial year ended 30 June 2007 together with the Reports of the Directors and Auditors thereon; **Resolution 1**
- 2 To re-elect the following Directors who retire pursuant to Article 84 of the Company's Articles of Association:
 - i Dato' Suleiman Bin Abdul Manan **Resolution 2**
 - ii Dato' Chong Keap Thai @ Cheong Keap Tai **Resolution 3**
 - iii Dato' Mark Yeoh Seok Kah **Resolution 4**
- 3 To consider and if thought fit, to pass the following Ordinary Resolution in accordance with Section 129(6) of the Companies Act, 1965:
 - i "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 5**
- 4 To approve the payment of Directors' fees amounting to RM220,000 for the financial year ended 30 June 2007; **Resolution 6**
- 5 To re-appoint the Auditors and to authorise the Directors to fix their remuneration. **Resolution 7**

AS SPECIAL BUSINESS

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

ORDINARY RESOLUTION 1

- 6 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 8

ORDINARY RESOLUTION 2

- 7 PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

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

- i The maximum number of shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities provided always that in the event that the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellation of shares, sale of shares on the market of Bursa Securities or distribution of treasury shares to shareholders as dividend in respect of shares bought back under the previous shareholders' mandate for share buy-back which was obtained at the Annual General Meeting held on 7 December 2006, the Company shall be entitled to further purchase and/or hold such additional number of shares as shall (in aggregate with the shares then still held by the Company) not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities;
- ii The maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy-Back shall not exceed the sum of Retained Profits and the Share Premium Account of the Company based on its latest audited financial statements available up to the date of a transaction pursuant to the Proposed Share Buy-Back. As at 30 June 2007, the audited Accumulated Losses and Share Premium Account of the Company were RM86,233,000.00 and RM123,214,000.00 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 9

Notice of Annual General Meeting

ORDINARY RESOLUTION 3

8 PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT the Company and/or its subsidiaries be and is/are hereby authorised to enter into recurrent related party transactions from time to time with Related Parties who may be a Director, a major shareholder of the Company and/or its subsidiaries or a person connected with such a Director or a major shareholder, as specified in section 2.1.2 of the Circular to Shareholders dated 15 November 2007 subject to the following:

- 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 10

SPECIAL RESOLUTION 1

9 PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION

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

Resolution 11

By Order of the Board,

HO SAY KENG

Company Secretary

KUALA LUMPUR

15 November 2007

Notes:

A member entitled to attend and vote at the meeting may appoint a proxy to vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member other than an Authorised Nominee shall not be entitled to appoint more than one proxy to attend and vote at the same meeting and where such member appoints more than one proxy to attend and vote at the same meeting, such appointment shall be invalid. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or his attorney and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised in writing. An instrument appointing a proxy shall be deposited at the Registered Office of the Company at least 48 hours before the appointed time for holding the meeting. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 60(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 30 November 2007. Only a depositor whose name appears on the General Meeting Record of Depositors as at 30 November 2007 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.

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

The Company is actively pursuing business opportunities in prospective areas so as to broaden the operating base and earnings potential of the Company. Such expansion plans may require the issue of new shares not exceeding ten per centum of the Company's issued share capital. With the passing of the Resolution 8 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 9, further information on the Share Buy-Back is set out in the Share Buy-Back Statement dated 15 November 2007 which is despatched together with the Company's Annual Report 2007.

Resolution pertaining to the Recurrent Related Party Transactions

For Resolution 10, further information on the Recurrent Related Party Transactions is set out in the Circular to Shareholders dated 15 November 2007 which is despatched together with the Company's Annual Report 2007.

Proposed Amendments to Articles of Association

For Resolution 11, details of the Proposed Amendments to Articles of Association are set out in the Circular to Shareholders dated 15 November 2007 which is despatched together with the Company's Annual Report 2007.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.28(2) of the Listing Requirements of Bursa Malaysia Securities Berhad)

DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTORS

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

Corporate Information

BOARD OF DIRECTORS

Chairman

Dato' Suleiman Bin Abdul Manan
DPMS

Managing Director

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

Directors

Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman

PSM, SPDK, DSNS, JSM, DNS, PGBP, PMC,
PhD (Sociology), MA & BA (Hons), D Agr Sc (Hon),
D Mgmt (Hon)

Dato' Cheong Keap Tai

Dato' Yeoh Seok Kian

DSSA
B Sc (Hons) Bldg, MCIQB, FFB

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' Mark Yeoh Seok Kah

DSSA
LLB (Hons)

Dato' Hamidah Binti Maktar

DIMP
BA (Hons)

Eu Peng Meng @ Leslie Eu

B Com, FCILT

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

10th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel • 603 2117 0088
• 603 2142 6633
Fax • 603 2141 2703

REGISTRAR

YTL Corporation Berhad
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

Lee, Perara & Tan
Logan Sabapathy & Co.

AUDIT COMMITTEE

Eu Peng Meng @ Leslie Eu
(Chairman and Independent Non-Executive
Director)

Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman
(Independent Non-Executive Director)

Dato' Yeoh Seok Kian
(Executive Director)

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

AUDITORS

Ernst & Young (AF 0039)
Chartered Accountants

PRINCIPAL BANKERS OF THE GROUP

Affin Bank Berhad
CIMB Bank Berhad (formerly known as
Bumiputra-Commerce Bank Berhad)
OCBC Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Board (7.10.1973)

Profile of the Board of Directors

Dato' Suleiman Bin Abdul Manan, Malaysian, aged, 69 was appointed to the Board on 18 December 1991 and is the Non-Executive Chairman of the Company. Dato' Suleiman obtained his education from the Malay College, Kuala Kangsar, University Malaya and L'Institut International D'Administration Publique, Paris. He was a member of the Malaysian Administrative and Foreign Service for 13 years. After resigning from the Civil Service in 1972, he was appointed Deputy General Manager of Malaysian Shipyard & Engineering (1972-1975), Managing Director of Malaysian Rubber Development Corporation (1975-1982), Group Managing Director of Kumpulan Perangsang Selangor (1982-1986). He became an entrepreneur and entered the corporate world in 1987. He built Lot 10 Shopping Centre, Star Hill Centre and JW Marriott Hotel. He took control of YTL Land & Development Berhad and became its Chairman and privatised KTM lands into the Sentul Raya new township. He relinquished control of the Company in April 2001 but remained as Chairman with minority interest. He is also the Chairman and shareholder of DSM Resources Sdn Bhd with interests in properties, leisure and information technology. He is also currently on the board of Sentul Raya Golf Club Berhad and a few other private companies.

Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman, Malaysian, aged 67, was appointed to the Board on 12 June 2006 as an Independent Non-Executive Director. He is also a member of the Audit Committee. Tan Sri Datuk Seri Panglima Dr. Abu Hassan holds a PhD in Sociology from Michigan State University, U.S.A., a MA and Bachelor of Arts (Hons) 2nd Class Upper from University of Malaya (UM), a D.Agr.Sc. (Honorary) from Kinki University, Japan and D. Mgmt. (Honorary) from Open University Malaysia.

He served as Tutor in the Faculty of Arts of UM from 1969 to 1971. This was followed by 23 years of service with University Kebangsaan Malaysia where he held various positions as Lecturer, Department Head to Professor in the Department of Anthropology & Sociology, Dean of the Faculty of Social Sciences & Humanities, and Deputy Vice Chancellor of Student Affairs. From 1994 to 2005 Tan Sri Datuk Seri Panglima Dr. Abu Hassan who was a Distinguished Fulbright Hays scholar, served as the Founding and First Vice Chancellor of University Malaysia Sabah. While serving as Vice Chancellor, he also held distinguished appointments both nationally and internationally. Nationally, he was Chairman of the Malaysian Vice Chancellors Committee, Chairman of the Malaysian Examination Council, Member of the Malaysian National Higher Education Council and Board Member, National Productivity Corporation. On the international front, he represented Malaysia as Chairman, Council of the University Mobility of Asia Pacific (UMAP), Chairman of the Malaysian-Australian Vice Chancellors Committee, Board Member of the Association of Commonwealth Universities (ACU) as well as Board Member of the Association of South East Asian Institutions of Higher Learning (ASAIHL). Tan Sri Datuk Seri Panglima Dr. Abu Hassan is a director of YTL e-Solutions Berhad, a company listed on the MESDAQ Market of Bursa Malaysia Securities Berhad and also the Chairman of both Permai Polyclinic Group Sdn Bhd and Malaysian-American Commission on Educational Exchange (MACEE).

Profile of the Board of Directors

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Malaysian, aged 53, was appointed to the Board on 10 May 2001 as an Executive Director and has been the Managing Director since then. 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 Corporation Berhad, YTL Power International Berhad and YTL Cement Berhad, all listed on the Main Board of Bursa Malaysia Securities Berhad. Tan Sri Francis is also the Executive Chairman of YTL e-Solutions Berhad, which is listed on the MESDAQ Market of Bursa Malaysia Securities Berhad. Besides the listed entities in YTL Group, Tan Sri Francis also sits on the board of several public companies such as YTL Industries Berhad, YTL Foundation and the prominent private utilities companies in United Kingdom, Wessex Water Limited and Wessex Water Services Limited. He is also a director and Chief Executive Officer of Pintar Projek Sdn Bhd, the Manager of Starhill Real Estate Investment Trust.

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

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

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

Dato' Cheong Keap Tai, Malaysian, aged 59, 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 continues to be a partner of a local accounting practice. He is also a director of YTL Corporation Berhad, YTL e-Solutions Berhad, Cement Industries of Malaysia Berhad, Opus International Group Plc, Gromutual Berhad and certain private limited companies.

Dato' Yeoh Seok Kian, Malaysian, aged 50, has been an Executive Director of the Company since 10 May 2001. He is also a member of the Audit Committee. 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 the Deputy Managing Director of YTL Corporation Berhad and YTL Power International Berhad and a board member of YTL Cement 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 a director of Pintar Projek Sdn Bhd, the Manager of Starhill Real Estate Investment Trust.

Dato' Yeoh Seok Hong, Malaysian, aged 48, was appointed to the Board on 10 May 2001 as an Executive Director. He obtained his Bachelor of Engineering (Hons) Civil & Structural Engineering Degree from the University Bradford, United Kingdom in 1982. He is a member of the Faculty of Building, United Kingdom. Dato' Yeoh Seok Hong has vast experience in the construction industry, being the Executive Director responsible for the YTL Group's construction division. He was the project director responsible for the development and the construction of the two Independent Power Producer power stations owned by YTL Power Generation Sdn Bhd. He continues to be actively involved in the construction activities of the YTL Group, his most recent project being the construction of the Express Rail Link between the Kuala Lumpur International Airport and the Kuala Lumpur Sentral Station, and is also responsible for developing the power and utility businesses of the YTL Power International Berhad Group. He is also a director of YTL Corporation Berhad, YTL Power International Berhad, YTL Cement Berhad, all listed on the Main Board of Bursa Malaysia Securities Berhad and YTL e-Solutions Berhad, a company listed on the MESDAQ Market of Bursa Malaysia Securities Berhad. Dato' Yeoh Seok Hong also sits on the board of other public companies such as YTL Industries Berhad, YTL Foundation, Wessex Water Limited and Wessex Water Services Limited.

Dato' Michael Yeoh Sock Siong, Malaysian, aged 47, was appointed to the Board on 10 May 2001 as an Executive Director. He graduated from the Bradford University, United Kingdom in 1983 with a Bachelor of Engineering (Hons) Civil & Structural Engineering Degree. Dato' Michael Yeoh is primarily responsible for YTL Group's Manufacturing Division which activities involve cement manufacturing, ready-mixed concrete and other building material industries. He is also a director of YTL Corporation Berhad, YTL Power International Berhad, YTL Cement 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' Mark Yeoh Seok Kah, Malaysian, aged 42, was appointed to the Board on 10 May 2001 as an Executive Director. He graduated from King's College, University of London with an LLB (Hons) and was subsequently called to the Bar at Gray's Inn, London in 1988. Dato' Mark Yeoh joined YTL Group in 1989 and is presently the Executive Director responsible for the YTL Hotels and Resorts Division. In addition, he is also part of YTL Power's Mergers & Acquisitions Team and was involved in the takeovers of ElectraNet SA (Australia), Wessex Water Limited (UK) and P.T. Jawa Power (Indonesia). He also serves on the board of YTL Corporation Berhad, YTL Power International Berhad, YTL Cement Berhad, all listed on the Main Board of Bursa Malaysia Securities Berhad and YTL e-Solutions Berhad, a company listed on 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.

Dato' Hamidah Binti Maktar, Malaysian, aged 53, was appointed to the Board on 17 March 1998 as an Executive Director. She obtained her BA Honours from the University of Malaya. She joined Nestle Malaysia Sdn Bhd in 1977 and in 1984 was attached to Matsushita Sale & Service as its Marketing Manager. In 1987, she joined BP Malaysia as the Corporate Communications Manager. In 1989, Dato' Hamidah was appointed the Retail District Manager for Peninsular Malaysia and in 1991, she was promoted to undertake both local and regional responsibilities as Business Support Manager for Malaysia and Singapore and Regional Brand Manager for South East Asia. She was made the EXCO member or Top Management Team of BP Malaysia and represented South East Asia for the BP Brand Global Panel in the Reimaging of BP worldwide. In 1994, she left the multinational to join Landmarks Berhad as the Managing Director of Sungei Wang Plaza. Dato' Hamidah joined the Company in 1996 as Group General Manager and was redesignated to Group Director (Operations) in March 1997. In 1998, she was appointed Managing Director to undertake the restructuring exercise of the group until its completion in May 2001. She is currently on the board of Sentul Raya Golf Club Berhad and a few other private companies.

Profile of the Board of Directors

Eu Peng Meng @ Leslie Eu, Malaysian, aged 72, was appointed to the Board on 15 June 2001 as an Independent Non-Executive Director. He is also the Chairman of the Audit Committee. Mr Leslie Eu graduated with a Bachelor of Commerce degree from the Republic of Ireland. He is a Fellow of the Chartered Institute of Logistics and Transport and was one of the founding directors of Global Maritime Ventures Berhad. He has been in the shipping business for more than 40 years. He was the first Chief Executive Officer of Malaysian International Shipping Corporation Berhad from the company's inception in 1969 until his early retirement in 1985. Mr Leslie Eu was a Board Member of Lembaga Pelabuhan Kelang from 1970 to 1999. In 1995, he was presented the Straits Shipper Transport Personality award by the Minister of Transport. He was appointed by the United Nations Conference on Trade and Development as one of the 13 experts to assist the developing nations in establishing their maritime fleets. Mr Leslie Eu presently serves on the board of public companies such as YTL Corporation Berhad and YTL Cement 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.

Notes:

- 1 Family Relationship with Director and/or Major Shareholder**
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Dato' Yeoh Seok Kian, Dato' Yeoh Seok Hong, Dato' Michael Yeoh Sock Siong and Dato' Mark Yeoh Seok Kah are siblings. Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, the father of Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Dato' Yeoh Seok Kian, Dato' Yeoh Seok Hong, Dato' Michael Yeoh Sock Siong and Dato' Mark Yeoh Seok Kah, is a deemed major shareholder of the Company. Save as disclosed herein, none of the Directors has any family relationship with any director and/or major shareholder of the Company.
- 2 Conflict of Interest**
None of the Directors has any conflict of interest with the Company.
- 3 Conviction of Offences**
None of the Directors has been convicted of any offences in the past ten (10) years.

DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

During the financial year, a total of 6 Board meetings were held and the details of attendance are as follows:

	Attendance
Dato' Suleiman Bin Abdul Manan	6
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping	6
Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman	6
Dato' Cheong Keap Tai	6
Dato' Yeoh Seok Kian	4
Dato' Yeoh Seok Hong	6
Dato' Michael Yeoh Sock Siong	5
Dato' Mark Yeoh Seok Kah	6
Dato' Hamidah Binti Maktar	6
Eu Peng Meng @ Leslie Eu	6

Statement of Directors' Responsibilities

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

The Directors consider that, in preparing the financial statements for the financial year ended 30 June 2007, the Group has used appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent. The Directors also consider that all applicable approved accounting standards have been followed and confirm that the financial statements have been prepared on a going concern basis.

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

Audit Committee Report

MEMBERS

Eu Peng Meng @ Leslie Eu

(Chairman/Independent Non-Executive Director)

Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman

(Member/Independent Non-Executive Director)

Dato' Yeoh Seok Kian

(Member/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 Land & Development Berhad and all its wholly and majority owned subsidiaries ("Group").
- 2 Improve the Group's business efficiency, the quality of the accounting function, the system of internal controls and audit function and strengthen the confidence of the public in the Group's reported results.
- 3 Maintain through regularly scheduled meetings, a direct line of communication between the Board and the external auditors as well as internal auditors.
- 4 Enhance the independence of both the external and internal auditors' function through active participation in the audit process.
- 5 Strengthen the role of the Independent Directors by giving them a greater depth of knowledge as to the operations of the Company and of the Group through their participation in the Committee.

- 6 Act upon the Board of Directors' request to investigate and report on any issues or concerns in regard to the management of the Group.
- 7 Review existing practices and recommend to Management to formalise an ethics code for all executives and members of the staff of the Group.
- 8 Create a climate of discipline and control which will reduce opportunity of fraud.

Membership

- 1 The Committee shall be appointed by the Board from amongst their number and shall be composed of no fewer than three (3) members, majority of whom should be Independent Directors.
- 2 At least one member of the Audit Committee:
 - a must be a member of the Malaysian Institute of Accountants; or
 - b if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:
 - i he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - ii he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
 - c fulfils such other requirements as prescribed by Bursa Malaysia Securities Berhad ("Bursa Securities").
- 3 The Board must ensure that no alternate Director is appointed as a member of the Audit Committee.
- 4 The members of the Committee shall elect a Chairman from amongst their number who shall be an Independent Director.

Authority

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

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

Functions And Duties

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

- 1 Review the following and report the same to the Board of the Company:
 - a with the external auditors, the audit plan;
 - b with the external auditors, his evaluation of the quality and effectiveness of the entire accounting system, the adequacy and the integrity of the internal control system and the efficiency of the Group's operations and efforts and processes taken to reduce the Group's operational risks;
 - c with the external auditors, the audit report;

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

Audit Committee Report

- 2 Recommend the nomination of a person or persons as external auditors and the external audit fee.
- 3 Promptly report to Bursa Securities on any matter reported by it to the Board of the Company which has not been satisfactorily resolved resulting in a breach of Listing Requirements of Bursa Securities.
- 4 Carry out any other function that may be mutually agreed upon by the Committee and the Board which would be beneficial to the Company and ensure the effective discharge of the Committee's duties and responsibilities.

Meetings

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

- 6 The internal auditors shall be in attendance at meetings of the Committee to present and discuss the audit reports of findings and the recommendations relating thereto and to follow up on decisions made at these meetings.
- 7 The Committee may establish any regulations from time to time to govern its administration.

Retirement And Resignation

In the event of any vacancy in the Audit Committee resulting in the non-compliance of subparagraphs 15.10(1) of the Listing Requirements of Bursa Securities, the Company must fill the vacancy within 3 months.

Minutes

- 1 The Committee shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the Committee. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated.
- 2 Minutes of each meeting shall also be distributed to all attendees at the meetings and members of the Committee.
- 3 Detailed minutes of the Committee's meetings will be made available to all Board members. A summary of significant matters and resolutions will be reported to the Board by the Committee.
- 4 The books containing the minutes of proceedings of any meeting of the Committee shall be kept by the Company at the registered office of the Company and shall be opened to the inspection of any member of the Committee and of the Board.

Secretary

The Secretary to the Committee shall be the Company Secretary.

ACTIVITIES

In line with the terms of reference of the Committee, the following activities were carried out by the Committee during the financial year ended 30 June 2007 in discharging its duties:

- 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 internal findings are adequately addressed by management.
- 4 Review of the quarterly unaudited financial results announcements and recommending for the Board of Directors' approval.
- 5 Reviewing the audited financial statements before recommending for the Board of Directors' approval.
- 6 Reviewing the Company's compliance, in particular the quarterly and year end financial statements, with the Listing Requirements of Bursa Securities and the applicable approved accounting standards issued by the Malaysian Accounting Standards Board.
- 7 Review of the related party transactions entered into by the Group.

NUMBER OF MEETINGS HELD AND DETAILS OF ATTENDANCE

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

	Attendance
Eu Peng Meng @ Leslie Eu	5
Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman	5
Dato' Yeoh Seok Kian	2
Dato' Cheong Keap Tai	5

Statement on Corporate Governance

YTL Land & Development Berhad (“YTL L&D” or “Company”) and its subsidiaries (“YTL L&D Group”) are committed to ensuring that the highest standards of corporate governance are practiced throughout the YTL L&D Group. Good corporate governance is a fundamental part of the Board of Directors’ (“Board”) responsibility to protect and enhance long term shareholder value and the financial performance of the YTL L&D Group, whilst taking into account the interests of other stakeholders.

During the year under review, the Board continued to adhere to the measures recommended by the Malaysian Code on Corporate Governance (“Code”) to enhance its corporate governance practices, and to fully comply with the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”). This section of the Annual Report details the measures implemented by the YTL L&D 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 L&D 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 L&D 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 L&D 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 ten Directors comprising six executive members and four non-executive members, three of whom are independent. This is in compliance with the requirement for one-third of the Board to be independent.

The positions of the Chairman and the Managing Director are held by separate members of the Board. The 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 L&D Group, consistent with the primary aim of enhancing long term shareholder value.

The presence of Independent Non-Executive Directors brings an additional element of balance to the Board and these Independent Non-Executive Directors have the experience to carry sufficient weight in the Board’s decisions. The differing roles of Executive and Non-Executive Directors are delineated, both having fiduciary duties towards shareholders. Executive Directors have a direct responsibility for business operations whereas Non-Executive Directors have the necessary skill and experience to bring an independent judgement to bear on issues of strategy, performance and resources brought before the Board.

The Executive Directors are responsible for the YTL L&D Group’s operations and for ensuring that strategies proposed by management are fully discussed and examined, and take account of the long term interests of shareholders, employees, customers, suppliers and the many communities in which the YTL L&D 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 of this size. A brief description of the background of each Director is presented in the Profile of the Board of Directors in this Annual Report.

To date, the Board has not found it necessary to designate a senior independent non-executive to whom concerns may be conveyed, mainly because the Chairman encourages full deliberation of issues affecting the YTL L&D Group by all members of the Board and shareholders.

DIRECTORS’ TRAINING

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

BOARD MEETINGS & ACCESS TO INFORMATION

The Board met five times during the financial year ended 30 June 2007. Details of each Director's attendance of the Board meetings are disclosed in the Profile of the Board of Directors in this Annual Report.

The Directors have full and unrestricted access to all information pertaining to the YTL L&D Group's business and affairs, both as a full Board and in their individual capacities, to enable them to discharge their duties. There are matters specifically reserved for the Board's decision to ensure that the direction and control of the YTL L&D Group rests firmly with the Board. Prior to each Board meeting, all Directors receive the agenda together with a full set of Board papers containing information relevant to the business of the meeting. This allows the Directors to obtain further explanations or clarification, where necessary, in order to be properly briefed before each meeting.

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

APPOINTMENT & RE-ELECTION OF DIRECTORS

The appointment of Directors is undertaken by the Board as a whole. The Managing Director recommends candidates suitable for appointment to the Board, and the final decision lies with the entire Board to ensure that the resulting mix of experience and expertise of members of the Board is sufficient to address the issues affecting the YTL L&D Group.

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

DIRECTORS' REMUNERATION

Directors' remuneration is decided in line with the objective recommended by the Code to determine the remuneration for directors so as to attract and retain directors of the calibre needed to run the YTL L&D 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 L&D Group values dialogue with investors as a means of effective communication that enables the Board to convey information about performance, corporate strategy and other matters affecting shareholders' interests. The Board recognises the importance of timely dissemination of information to shareholders and accordingly ensures that they are well informed of any major developments of the YTL L&D Group. Such information is communicated through the Annual Report, the various disclosures and announcements to Bursa Securities, including quarterly and annual results, and corporate websites.

The Managing Director meets with analysts, institutional shareholders and investors throughout the year. Presentations based on permissible disclosures are made to explain the YTL L&D Group's performance and major development programs. Price-sensitive information that may be regarded as undisclosed material information about the YTL L&D Group is, however, not disclosed in these sessions until after the prescribed announcement to Bursa Securities has been made.

Statement on Corporate Governance

The AGM is the principal forum for dialogue with shareholders. The Board provides opportunities for shareholders to raise questions pertaining to issues in the Annual Report, corporate developments in the YTL L&D Group, the resolutions being proposed and the business of the YTL L&D Group in general at every AGM and Extraordinary General Meeting of the Company. The Managing Director responds to shareholders' questions during the meeting, thereby ensuring a high level of accountability, transparency and identification with the YTL L&D Group's business operations, strategy and goals. Each item of special business included in the notice of the meeting is accompanied by an explanatory statement for the proposed resolution to facilitate full understanding and evaluation of issues involved.

THE AUDIT COMMITTEE

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

The Audit Committee met five times during the financial year ended 30 June 2007. Full details of the composition, complete terms of reference and the activities of the Audit Committee during the financial year are set out in the Audit Committee Report in this Annual Report.

FINANCIAL REPORTING

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

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

INTERNAL CONTROL

Information on the YTL L&D Group's system of internal control is presented in the Statement on Internal Control in this Annual Report.

RELATIONSHIP WITH THE AUDITORS

The Board has established formal and professional arrangements for maintaining an appropriate relationship with the Company's auditors, Messrs. Ernst & Young.

ADDITIONAL DISCLOSURE

- **Share Buy-Back:** Details of the Company's Share Buy-Back exercises for the year under review have also been included in this Annual Report.
- **Employee Incentives:** The Board believes that maintaining the calibre of its employees is vital to ensure the continued success of the YTL L&D Group and the consequent increase in returns to shareholders. To these ends, the YTL L&D Group has implemented various staff retention and assessment practices, including a Thirteenth Month wage supplement, annual bonuses and biannual reviews of staff performance.

The Board is satisfied that the Company has, in all material aspects, complied with the best practices of the Code as at 30 June 2007.

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

Statement on Internal Control

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

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

RESPONSIBILITIES OF THE BOARD

The Board is responsible for maintaining a sound system of internal control to safeguard shareholders’ investments and the assets of the YTL L&D 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 L&D 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 L&D 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 L&D GROUP’S SYSTEM OF INTERNAL CONTROL

The principal features which formed part of the YTL L&D Group’s system of internal control can be summarised as follows:

- **Authorisation Procedures:** The YTL L&D 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 L&D Group which set out, among others, authorisation levels, segregation of duties and other control procedures.
- **Authority Levels:** The YTL L&D Group has delegated authority levels for major tenders, capital expenditure projects, acquisitions and disposals of businesses and other significant transactions. The approval of capital and revenue proposals above certain limits is reserved for decision by the Board. Other investment decisions are delegated for approval in accordance with authority limits. Comprehensive appraisal and monitoring procedures are applied to all major investment decisions. The authority of the Directors is required for key treasury matters including changes to equity, financing, cheque signatories, opening of bank accounts and foreign operations. Comprehensive due diligence is carried out when a business is to be acquired.
- **Financial Performance:** Interim financial results are reviewed by the Audit Committee and approved by the Board upon recommendation of the Audit Committee before release to Bursa Securities. The full year financial results and analyses of the YTL L&D Group’s state of affairs are disclosed to shareholders after review and audit by the external auditors.
- **Internal Compliance:** The YTL L&D 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 L&D GROUP'S SYSTEM OF INTERNAL CONTROL

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

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

During the year under review, the internal auditors reviewed the YTL L&D Group's system of internal control covering financial, accounting, operational and compliance controls. None of the weaknesses identified during this review have resulted in non-compliance with any relevant policies or procedures, listing requirements or recommended industry practices that would require disclosure in the Company's annual report.

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

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

- **Treasury Meetings:** Weekly meetings to discuss significant financial and treasury matters and to monitor the financial standing of the YTL L&D Group are conducted. 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 L&D 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 L&D 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 L&D Group's strategy of financing acquisitions on a non-recourse basis and entering into joint venture agreements with land owners, particularly Government bodies, when undertaking property development projects. This strategy has helped keep holding costs low and provided better resilience against severe downswings in the property market.

The YTL L&D Group's Sentul Raya development project, for instance, is being undertaken as a joint venture with Keretapi Tanah Melayu Berhad, whilst Pantai Hillpark is being developed with Kuala Lumpur City Hall. Other projects, such as Taman Puncak Kinrara and Taman Pakatan Jaya involve joint ventures with the Selangor and Perak State Governments, respectively.

The Board acknowledges that all areas of the YTL L&D 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 L&D 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 L&D 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 L&D Group's assets.

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

Disclosure of Recurrent Related Party Transactions

for financial year ended 30 June 2007

At the last Annual General Meeting of YTL Land & Development Berhad (“YTL L&D”) held on 7 December 2006, the Company had obtained a mandate from its shareholders to allow YTL L&D and/or its subsidiaries (“YTL L&D Group”) to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature (“Recurrent Transactions”).

In accordance with Paragraph 10.09(1)(b) of Bursa Malaysia Securities Berhad Listing Requirements, details of the Recurrent Transactions conducted during the financial year ended 30 June 2007 pursuant to the said shareholders’ mandate are as follows:

Companies in the YTL L&D Group involved in the Recurrent Transactions	Related Parties	Nature of Transactions	Interested Related Parties	Nature of Relationship	Value of Transactions RM’000
Sentul Raya Sdn Bhd,	Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd (“SPYTL”) ⁽⁴⁾	Progress billings for construction contracts by Related Party	Yeoh Tiong Lay & Sons Holdings Sdn Bhd (“YTLSH”); YTL Corporation Berhad (“YTL Corporation”)	Major Shareholder/ Person Connected ⁽¹⁾ Major Shareholder/ Person Connected ⁽²⁾	118,692
Pakatan Perakbina Sdn Bhd,			Tan Sri Dato’ Seri (Dr) Yeoh Tiong Lay [“Tan Sri Yeoh Tiong Lay”]	Major Shareholder/ Person Connected ⁽¹⁾⁽²⁾⁽³⁾	
PYP Sendirian Berhad,			Tan Sri Dato’ (Dr) Francis Yeoh Sock Ping, Dato’ Yeoh Seok Kian, Dato’ Yeoh Seok Hong, Dato’ Michael Yeoh Sock Siong, and Dato’ Mark Yeoh Seok Kah [collectively referred to as the “Yeoh Siblings”]	} Directors ⁽¹⁾⁽²⁾⁽³⁾	
Syarikat Kemajuan Perumahan Negara Sdn Bhd					

Notes:

- (1) YTL SH is a major shareholder of YTL L&D and the Related Party. YTL SH is a person connected to the major shareholder, Tan Sri Yeoh Tiong Lay and the directors, the Yeoh Siblings.
- (2) YTL Corporation is a major shareholder of YTL L&D and the Related Party. YTL Corporation is a person connected to the major shareholder, Tan Sri Yeoh Tiong Lay and the directors, the Yeoh Siblings.
- (3) Tan Sri Yeoh Tiong Lay is a major shareholder of YTL SH, YTL Corporation, YTL L&D and the Related Party. Tan Sri Yeoh Tiong Lay is a person connected with the directors, the Yeoh Siblings.
- (4) SPYTL is a wholly-owned subsidiary of YTL Corporation, which in turn is a subsidiary of YTL SH.

Analysis of Share/Irredeemable Convertible Preference Share (ICPS) Holdings

as at 5 October 2007

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

DISTRIBUTION OF SHAREHOLDINGS

Size of holding	No. of Shareholders	%	No. of Shares [#]	% [#]
Less than 100	216	1.30	3,278	0.00
100 – 1,000	9,186	55.24	4,817,304	1.26
1,001 – 10,000	6,011	36.15	24,059,596	6.32
10,001 – 100,000	1,071	6.44	32,048,454	8.42
100,001 to less than 5% of issued shares	143	0.86	119,810,314	31.47
5% and above of issued shares	1	0.01	200,000,000	52.53
Total	16,628	100.00	380,738,946	100.00

THIRTY LARGEST SHAREHOLDERS

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

Name	No. of Shares	% [#]
1 YTL Corporation Berhad	200,000,000	52.53
2 Pemasaran Simen Negara Sdn Bhd	10,424,532	2.74
3 Permodalan Nasional Berhad	9,744,100	2.56
4 Yeoh Tiong Lay & Sons Holdings Sdn Bhd	8,021,600	2.11
5 Yeoh Tiong Lay & Sons Holdings Sdn Bhd	6,402,200	1.68
6 Mayban Nominees (Tempatan) Sdn Bhd - Mayban Trustees Berhad for Public Ittikal Fund (N14011970240)	4,806,400	1.26
7 Bara Aktif Sdn Bhd	4,200,000	1.10
8 Mayban Securities Nominees (Tempatan) Sdn Bhd - Construction Lease (M) Sdn Bhd for Raja Dato' Wahid Bin Raja Kamaral Zaman (DLR 072)	3,896,438	1.02
9 Amanah Raya Nominees (Tempatan) Sdn Bhd - Public Far-East Property & Resorts Fund	3,755,000	0.99
10 Alliancegroup Nominees (Tempatan) Sdn Bhd - Pheim Asset Management Sdn Bhd for Employees Provident Fund	3,600,000	0.95
11 Yeoh Tiong Lay & Sons Holdings Sdn Bhd	3,432,500	0.90
12 Mayban Nominees (Tempatan) Sdn Bhd - Mayban Trustees Berhad for Public Regular Savings Fund (N14011940100)	3,290,000	0.86
13 Citigroup Nominees (Asing) Sdn Bhd - GSI for North of South Capital LLP	3,190,000	0.84
14 Mayban Nominees (Tempatan) Sdn Bhd - Mayban Trustees Berhad for PB Asean Dividend Fund (270334)	2,360,100	0.62
15 Amanah Raya Nominees (Tempatan) Sdn Bhd - Public Smallcap Fund	2,129,200	0.56
16 Eagletron Venture Corp.	1,981,600	0.52
17 Ke-Zan Nominees (Asing) Sdn Bhd - Kim Eng Securities Pte Ltd for Exquisite Holdings Limited	1,922,600	0.50

Analysis of Share/Irredeemable Convertible Preference Share (ICPS) Holdings

as at 5 October 2007

Name	No. of Shares	% #
18 Mayban Nominees (Tempatan) Sdn Bhd - Mayban Trustees Berhad for Balanced Returns Fund (N14011980060)	1,767,000	0.46
19 Universal Trustee (Malaysia) Berhad - SBB Emerging Companies Growth Fund	1,754,700	0.46
20 Amanah Raya Nominees (Tempatan) Sdn Bhd - Public Islamic Balanced Fund	1,510,000	0.40
21 Mayban Nominees (Tempatan) Sdn Bhd - Mayban Trustees Berhad for MAAKL-CM Flexi Fund (260651)	1,500,000	0.39
22 Employees Provident Fund Board	1,451,000	0.38
23 Citigroup Nominees (Asing) Sdn Bhd - UBS AG for Sector Zen (Pledged)	1,400,000	0.37
24 HLG Nominee (Tempatan) Sdn Bhd - PB Trustee Services Berhad for HLG Growth Fund	1,275,000	0.33
25 Universal Trustee (Malaysia) Berhad - SBB Dana AL-Mizan	1,258,000	0.33
26 AMSEC Nominees (Tempatan) Sdn Bhd - AMBank (M) Berhad for Mrs Ramona Suleiman Nee Lee Lai Wah	1,131,810	0.30
27 Universal Trustee (Malaysia) Berhad - SBB Savings Fund	930,200	0.24
28 AMSEC Nominees (Tempatan) Sdn Bhd - AMBank (M) Berhad for Lee Kwong Joo (SMART)	913,900	0.24
29 HSBC Nominees (Asing) Sdn Bhd - Exempt An for HSBC Broking Securities (Asia) Limited (Client A/C)	901,000	0.24
30 DB (Malaysia) Nominee (Tempatan) Sendirian Berhad - Exempt An for Kumpulan Sentiasa Cemerlang Sdn Bhd (TSTAC/CLNT)	895,900	0.24
Total	289,844,780	76.12

SUBSTANTIAL SHAREHOLDERS (as per register of substantial shareholders)

Name	Direct	No. of Shares Held		
		% #	Indirect	% #
YTL Corporation Berhad	200,108,500	52.56	–	–
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	17,856,300	4.69	200,108,500 ⁽¹⁾	52.56
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	217,964,800 ⁽²⁾	57.25

(1) Deemed interested by virtue of its interests in YTL Corporation Berhad pursuant to section 6A of the Companies Act, 1965.

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

Based on the issued and paid-up share capital of the Company of RM197,789,773.00 comprising 395,579,546 ordinary shares and after deduction of 14,840,600 treasury shares retained by the Company as per Record of Depositors.

Class of shares : Irredeemable Convertible Preference Shares 2001/2011 (ICPS 2001/2011) of RM0.50 each
Voting rights : One vote per ICPS 2001/2011 holder on a show of hands or one vote per ICPS 2001/2011 on a poll in respect of meeting of ICPS 2001/2011 holders

DISTRIBUTION OF ICPS 2001/2011 HOLDINGS

Size of holding	No. of ICPS 2001/2011 Holders		No. of ICPS 2001/2011	
		%		%
Less than 100	114	5.67	5,146	0.00
100 – 1,000	176	8.76	74,942	0.04
1,001 – 10,000	907	45.15	5,335,512	2.71
10,001 – 100,000	633	31.51	22,627,738	11.47
100,001 to less than 5% of issued ICPS 2001/2011	177	8.81	89,978,710	45.63
5% and above of issued ICPS 2001/2011	2	0.10	79,176,322	40.15
Total	2,009	100.00	197,198,370	100.00

THIRTY LARGEST IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES 2001/2011 (ICPS 2001/2011) HOLDERS

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

Name	No. of ICPS 2001/2011	%
1 Mayban Securities Nominees (Tempatan) Sdn Bhd - Construction Lease (M) Sdn Bhd for Opal Ventures Sdn Bhd (DLR 072)	58,000,000	29.41
2 Mayban Nominees (Tempatan) Sdn Bhd - Mayban Investment Management Sdn Bhd for Malayan Banking Berhad (GRM-230592)	21,176,322	10.74
3 Affin-ACF Finance Berhad	6,676,032	3.39
4 Bumiputra-Commerce Factorslease Berhad	6,000,000	3.04
5 Lee San Ming @ Lee Lay Eng	4,250,000	2.16
6 Wong Keat Keong	4,034,764	2.05
7 AMSEC Nominees (Tempatan) Sdn Bhd - AMBank (M) Berhad for Dato' Suleiman Bin Abdul Manan	3,713,400	1.88
8 Wong Thian Sang	3,494,386	1.77
9 Jerneh Insurance Bhd	3,462,000	1.76
10 Mayban Nominees (Tempatan) Sdn Bhd - Mayban Trustees Berhad for FJ Benjamin Fashions (M) Sdn Bhd (TCB-200510)	2,158,534	1.09
11 MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Wong Soo Noi (CTS-WSN0001)	1,700,000	0.86
12 Blue Fountain Sdn Bhd	1,600,000	0.81
13 Haw Ah Bee Construction Sdn Bhd	1,600,000	0.81
14 Koh Bee Yong	1,504,000	0.76
15 Tan Kok Sing	1,407,200	0.71
16 Ng San Tiong	1,369,300	0.69
17 Ong Aik Khoo	1,360,000	0.69
18 Apcot PP (M) Sdn Bhd	1,321,772	0.67

Analysis of Share/Irredeemable Convertible Preference Share (ICPS) Holdings

as at 5 October 2007

Name	No. of ICPS 2001/2011	%
19 AMSEC Nominees (Tempatan) Sdn Bhd - AMBank (M) Berhad for Lee Kwong Joo (SMART)	1,280,000	0.65
20 Lee Pei Hoon @ Lee Poh	1,210,000	0.61
21 Ong Kee Sem	1,170,000	0.59
22 Lim Hua	1,070,000	0.54
23 Teh Bee Geok	1,002,000	0.51
24 Mayban Nominees (Tempatan) Sdn Bhd - Mayban Trustees Berhad for Generation Two Thousand Apparel Sdn Bhd (TCB-200572)	970,620	0.49
25 Teo Kwee Hock	957,300	0.49
26 Tan Pak Nang	850,000	0.43
27 Tay Teck Ho	785,000	0.40
28 Hashim Dan Lim Sdn Bhd	761,820	0.39
29 HLG Nominees (Tempatan) Sdn Bhd - Pledged Securities A/c for Low Yik Choon	718,000	0.36
30 Yong Siew Meng	681,000	0.35
Total	136,283,450	69.10

Class of shares : Irredeemable Convertible Preference Shares 2003/2008 (ICPS 2003/2008) of RM0.50 each

Voting rights : One vote per ICPS 2003/2008 holder on a show of hands or one vote per ICPS 2003/2008 on a poll in respect of meeting of ICPS 2003/2008 holders

DISTRIBUTION OF ICPS 2003/2008 HOLDINGS

Size of holding	No. of ICPS 2003/2008		No. of ICPS 2003/2008	
	Holders	%		%
Less than 100	0	0.00	0	0.00
100 – 1,000	0	0.00	0	0.00
1,001 – 10,000	32	86.49	70,800	0.01
10,001 – 100,000	1	2.70	22,000	0.00
100,001 to less than 5% of issued ICPS 2003/2008	0	0.00	0	0.00
5% and above of issued ICPS 2003/2008	4	10.81	533,197,780	99.99
Total	37	100.00	533,290,580	100.00

THIRTY LARGEST IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES 2003/2008 (ICPS 2003/2008) HOLDERS
(without aggregating securities from different securities accounts belonging to the same person)

Name	No. of ICPS 2003/2008	%
1 YTL Corporation Berhad	370,285,058	69.43
2 Mayban Securities Nominees (Tempatan) Sdn Bhd - Construction Lease (M) Sdn Bhd for Bara Aktif Sdn Bhd (DLR 072)	85,666,524	16.06
3 Mayban Securities Nominees (Tempatan) Sdn Bhd - Construction Lease (M) Sdn Bhd for Dato' Hj Mohamed Zainal Abidin Bin Hj Abdul Kadir (DLR 072)	47,727,410	8.95
4 Mayban Securities Nominees (Tempatan) Sdn Bhd - Construction Lease (M) Sdn Bhd for MZK Realty Sdn Bhd (DLR 072)	29,518,788	5.54
5 Ng Ngoon Weng	22,000	0.00
6 Low Ah Mooi	6,000	0.00
7 Chua Pin Chee	4,000	0.00
8 Wong Gek Keong	2,500	0.00
9 Wong Yoke Lian	2,300	0.00
10 Lee Chew Keat	2,000	0.00
11 Ang Lay Leng	2,000	0.00
12 Chan Wei Yee	2,000	0.00
13 Cheah Eu Jin	2,000	0.00
14 Cheong Yuk Kee	2,000	0.00
15 Chin Yen Choo	2,000	0.00
16 Chong Haw Shan	2,000	0.00
17 Chua Huey Sian	2,000	0.00
18 Chua Huey Tieng	2,000	0.00
19 Doo Ghun Sze	2,000	0.00
20 Fauzanita Rathi Ishak	2,000	0.00
21 Khoo Leng Kee @ Lai Soo Sun	2,000	0.00
22 Kok Yoke Ling	2,000	0.00
23 Lai Chee Wai	2,000	0.00
24 Lee Chuk Hoe	2,000	0.00
25 Lee Siew Leng	2,000	0.00
26 Lim Shiau Peng	2,000	0.00
27 Lim Tiang Siew	2,000	0.00
28 Lim Wei Seong	2,000	0.00
29 Lim Yang Hoon	2,000	0.00
30 Mohammed Rafidz Bin Ahmed Rasiddi	2,000	0.00
Total	533,276,580	99.98

Statement of Directors' Interests

in the company and related corporations as at 5 October 2007

THE COMPANY

YTL LAND & DEVELOPMENT BERHAD

Name	Direct	No. of Shares Held		
		%	Indirect	%
Dato' Suleiman Bin Abdul Manan	344,988	0.09	2,168,040 ⁽¹⁾	0.57
Eu Peng Meng @ Leslie Eu	20,000	0.01	–	–

Name	Direct	No. of Irredeemable Convertible Preference Shares 2001/2011 Held		
		%	Indirect	%
Dato' Suleiman Bin Abdul Manan	3,713,400	1.88	1,089,794 ⁽²⁾	0.55
Dato' Yeoh Seok Kian	240,000	0.12	–	–

HOLDING COMPANY

YTL CORPORATION BERHAD

Name	Direct	No. of Shares Held			No. of Share Options
		%	Indirect	%	
Dato' Suleiman Bin Abdul Manan	–	–	5,000 ⁽³⁾	*	–
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	14,203,652	0.95	–	–	5,000,000
Dato' Yeoh Seok Kian	5,321,210	0.35	510,683 ⁽³⁾	0.03	3,500,000
Dato' Hamidah Binti Maktar	50,000	*	–	–	100,000
Dato' Yeoh Seok Hong	5,036,490	0.34	3,228,126 ⁽⁴⁾	0.22	3,000,000
Dato' Michael Yeoh Sock Siong	4,577,997	0.30	2,526,451 ⁽³⁾	0.17	3,000,000
Dato' Mark Yeoh Seok Kah	3,246,248	0.22	611,133 ⁽³⁾	0.04	3,000,000
Eu Peng Meng @ Leslie Eu	20,000	*	–	–	–

Name	Direct	No. of Warrants 1999/2009 Held		
		%	Indirect	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	2,285,472	0.84	–	–
Dato' Yeoh Seok Kian	655,866	0.24	–	–
Dato' Yeoh Seok Hong	648,372	0.24	–	–
Dato' Michael Yeoh Sock Siong	550,110	0.20	547,180 ⁽³⁾	0.20
Dato' Mark Yeoh Seok Kah	271,800	0.10	–	–

ULTIMATE HOLDING COMPANY

YEHO TIONG LAY & SONS HOLDINGS SDN BHD

Name	Direct	No. of Shares Held		
		%	Indirect	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	5,000,000	12.28	–	–
Dato' Yeoh Seok Kian	5,000,000	12.28	–	–
Dato' Yeoh Seok Hong	5,000,000	12.28	–	–
Dato' Michael Yeoh Sock Siong	5,000,000	12.28	–	–
Dato' Mark Yeoh Seok Kah	5,000,000	12.28	–	–

RELATED CORPORATIONS
YTL CEMENT BERHAD

Name	Direct	No. of Shares Held		%	No. of Share Options
		%	Indirect		
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	2,042,923	0.43	–	–	1,400,000
Dato' Yeoh Seok Kian	618,754	0.13	83,200 ⁽³⁾	0.02	350,000
Dato' Yeoh Seok Hong	225,634	0.05	45,123 ⁽³⁾	0.01	–
Dato' Michael Yeoh Sock Siong	1,265,634	0.27	1,109,388 ⁽³⁾	0.24	1,000,000
Dato' Mark Yeoh Seok Kah	187,200	0.04	135,200 ⁽³⁾	0.03	–
Eu Peng Meng @ Leslie Eu	20,000	*	–	–	–

Name	Direct	No. of Irredeemable Convertible Unsecured Loan Stocks 2005/2015 Held		%
		%	Indirect	
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	1,727,423	0.36	–	–
Dato' Yeoh Seok Kian	618,754	0.13	100,000 ⁽³⁾	0.02
Dato' Yeoh Seok Hong	225,634	0.05	45,123 ⁽³⁾	0.01
Dato' Michael Yeoh Sock Siong	1,265,634	0.26	1,109,388 ⁽³⁾	0.23
Dato' Mark Yeoh Seok Kah	187,200	0.04	135,200 ⁽³⁾	0.03

YTL POWER INTERNATIONAL BERHAD

Name	Direct	No. of Shares Held		%	No. of Share Options
		%	Indirect		
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	13,109,251	0.26	–	–	7,000,000
Dato' Yeoh Seok Kian	4,369,367	0.09	1,050,436 ⁽³⁾	0.02	3,000,000
Dato' Yeoh Seok Hong	6,540,529	0.13	2,100,362 ⁽³⁾	0.04	5,000,000
Dato' Michael Yeoh Sock Siong	4,023,374	0.08	700,424 ⁽³⁾	0.01	3,000,000
Dato' Mark Yeoh Seok Kah	5,218,469	0.10	734,966 ⁽³⁾	0.01	3,000,000
Eu Peng Meng @ Leslie Eu	17,576	*	–	–	–

Name	Direct	No. of Warrants 2000/2010 Held		%
		%	Indirect	
Dato' Yeoh Seok Kian	–	–	86,000 ⁽³⁾	0.01
Dato' Michael Yeoh Sock Siong	–	–	100,000 ⁽³⁾	0.01

* Negligible

- (1) Deemed interested by virtue of his interests in Investma Sdn Bhd and Shares held by his spouse.
- (2) Deemed interested by virtue of his interests in Mayang Sari Sdn Bhd and ICPS held by his spouse.
- (3) Deemed interested by virtue of Shares/ICULS/Warrants held by their respective spouses.
- (4) Deemed interested by virtue of Shares held by his spouse and children.

Schedule of Share Buy-Back

for the financial year ended 30 June 2007

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

Monthly Breakdown	No. of Shares Purchased And Retained As Treasury Shares	Purchase Price Per Share (RM)		Average Cost Per Share (RM)	Total Cost (RM)
		Lowest	Highest		
August 2006	100	0.685	0.685	0.81530	81.53
January 2007	1,083,200	0.880	0.910	0.89552	970,024.58
February 2007	360,300	0.965	0.980	0.97315	350,626.21
April 2007	4,031,300	1.120	1.300	1.24169	5,005,628.65
May 2007	2,512,900	1.280	1.370	1.33417	3,352,645.08
June 2007	4,305,600	1.390	1.810	1.59191	6,854,116.48
Total	12,293,400			1.34488	16,533,122.53

During the financial year, all the shares purchased by the Company were retained as treasury shares. As at 30 June 2007 a total of 12,514,100 ordinary shares were held as treasury shares. None of the treasury shares were resold or cancelled during the financial year.

List of Properties

as at 30 June 2007

Location	Tenure	Land Area (acre)	Description and Existing Use	Approximate		Net Book Value RM'000	Date of Acquisition
				Built up Area (sq.m.)	Age of Building (years)		
Lot 3870, CT 16290 Mukim of Setul District of Seremban	Freehold	1	Future Development Land	–	–	300	1993/1994
CT 21247, Lot 1839, Mukim of Ampang District of Gombak	Freehold	0.483	2 storey detached house for residential use	1,078.23	11	5,303	2002
HSD 23805-23812, PT 10579-10586 Mukim Lumut, Daerah Manjung, Perak	Leasehold (expiring 2105)	102.050	Future Land Development	–	–	10,649	2006
HSD 13902, PT 8561 Mukim Lumut, Daerah Manjung, Perak	Leasehold (expiring 2097)	93.500	Future Development Land	–	–	3,789	1997
Section 81, 83 & 84 Bandar Kuala Lumpur Wilayah Persekutuan and Mukim Batu, Kuala Lumpur	Freehold	37.592	Park Land	–	–	21,448	1995
		47.212	Future Development Land			62,663	1995
		72.32	Mixed residential and commercial development			74,928	1995
		2.349	Commercial development			3,948	2004
Geran 2897, Lot 2763, Mukim Batu Daerah Kuala Lumpur	Freehold	0.500	Future Development Land	–	–	2,880	2007

List of Properties

as at 30 June 2007

Location	Tenure	Land Area (acre)	Description and Existing Use	Approximate		Net Book Value RM'000	Date of Acquisition
				Built up Area (sq.m.)	Age of Building (years)		
Lot 742 & 743 Part lot no: 939 to 942, Mukim of Sungei Petai, Daerah Alor Gajah, Malacca.	Leasehold (expiring 2048)	186.390	Future Development Land	–	–	4,186	1995
Lot 3543, HSD 68386, Mukim of Kuala Lumpur	Leasehold (expiring 2090)	38.917	Future Development Land	–	–	25,145	1990
PT 12418, HSD 50456, Mukim of Petaling, District of Petaling	Leasehold (expiring 2090)	100.000	Residential Development	–	–	5,909	1991
PT 296, GRN 29723, Bandar Kuala Lumpur	Freehold	3.255	Future Development Land	–	–	42,882	1992

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Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2007.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of financial, treasury and secretarial services.

The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements.

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

RESULTS

	Group RM'000	Company RM'000
Net profit for the year	24,063	137,953
Attributable to:		
Equity holders of the Company	19,506	137,953
Minority interests	4,557	–
	24,063	137,953

There were no material transfers to or from reserves or provisions during the financial year, other than as disclosed in the Statements of Changes in Equity of the Group and of the Company.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Suleiman bin Abdul Manan
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE
Tan Sri Datuk Seri Panglima Dr. Abu Hassan bin Othman
Dato' Yeoh Seok Kian
Dato' Chong Keap Thai @ Cheong Keap Tai
Dato' Yeoh Seok Hong
Dato' Michael Yeoh Sock Siong
Dato' Mark Yeoh Seok Kah
Dato' Hamidah binti Maktar
Eu Peng Meng @ Leslie Eu

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might 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 under the Employee Share Options Scheme ("ESOS"), the details of which we disclosed in the financial statements of YTL Corporation Berhad.

Since the end of the previous financial year, no director has received or become entitled to receive any benefits (other than the benefits disclosed as directors' remuneration in Note 7 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest required to be disclosed by Section 169(8) of the Companies Act, 1965.

DIRECTORS' INTERESTS

The following directors who held office at the end of the financial year had, according to the register of directors' shareholdings required to be kept under Section 134 of the Companies Act, 1965, interests in the shares of the Company, its holding company and related corporations, as stated below:

	Number of Ordinary Shares of RM0.50 Each			As at 30.6.2007
	As at 1.7.2006	Bought	Sold	

The Company

Direct interest:

Dato' Suleiman bin Abdul Manan	344,988	–	–	344,988
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Indirect interest:

Dato' Suleiman bin Abdul Manan #	365,126	–	–	365,126
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Deemed interested by virtue of his interests in Investma Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.

	Number of ICPS-A of RM0.50 Each			As at 30.6.2007
	As at 1.7.2006	Bought	Exercised/ Sold	

Direct interest:

Dato' Suleiman bin Abdul Manan	3,713,400	–	–	3,713,400
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Dato' Yeoh Seok Kian	240,000	–	–	240,000
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Eu Peng Meng @ Leslie Eu	–	20,000	–	20,000
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Indirect interest:

Dato' Suleiman bin Abdul Manan *	360,422	–	–	360,422
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* Deemed interested by virtue of his interests in DSM Resources Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.

Directors' Report

HOLDING COMPANY YTL CORPORATION BERHAD

	Number of Ordinary Shares of RM0.50 Each			As at 30.6.2007
	As at 1.7.2006	Bought	Sold	
Direct interest:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	12,387,447	1,816,205	–	14,203,652
Dato' Yeoh Seok Kian	5,146,010	175,200	–	5,321,210
Dato' Yeoh Seok Hong	4,863,690	172,800	–	5,036,490
Dato' Michael Yeoh Sock Siong	4,433,997	144,000	–	4,577,997
Dato' Mark Yeoh Seok Kah	3,246,248	–	–	3,246,248
Dato' Hamidah binti Maktar	50,000	–	–	50,000
Eu Peng Meng @ Leslie Eu	–	20,000	–	20,000

	Number of Warrants			As at 30.6.2007
	As at 1.7.2006	Bought	Exercised/ Sold	
Direct interest:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE				
- Warrants 1997/2007	573,600	206,000	779,600	–
- Warrants 1999/2009	2,147,472	138,000	–	2,285,472
Dato' Yeoh Seok Kian				
- Warrants 1997/2007	175,200	–	175,200	–
- Warrants 1999/2009	655,866	–	–	655,866
Dato' Yeoh Seok Hong				
- Warrants 1997/2007	172,800	–	172,800	–
- Warrants 1999/2009	648,372	–	–	648,372
Dato' Michael Yeoh Sock Siong				
- Warrants 1997/2007	144,000	–	144,000	–
- Warrants 1999/2009	550,110	–	–	550,110
Dato' Mark Yeoh Seok Kah				
- Warrants 1999/2009	271,800	–	–	271,800

	Number of Options Over Ordinary Shares of RM0.50 Each			
	As at	Granted	Exercised	As at
	1.7.2006			30.6.2007
Direct interest:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	5,000,000	–	–	5,000,000
Dato' Yeoh Seok Kian	3,500,000	–	–	3,500,000
Dato' Yeoh Seok Hong	3,000,000	–	–	3,000,000
Dato' Michael Yeoh Sock Siong	3,000,000	–	–	3,000,000
Dato' Mark Yeoh Seok Kah	3,000,000	–	–	3,000,000
Dato' Hamidah binti Maktar	100,000	–	–	100,000

ULTIMATE HOLDING COMPANY
YEHO TIONG LAY & SONS HOLDINGS SDN BHD

	Number of Ordinary Shares of RM1.00 Each			
	As at	Bought	Sold	As at
	1.7.2006			30.6.2007
Direct interest:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	5,000,000	–	–	5,000,000
Dato' Yeoh Seok Kian	5,000,000	–	–	5,000,000
Dato' Yeoh Seok Hong	5,000,000	–	–	5,000,000
Dato' Michael Yeoh Sock Siong	5,000,000	–	–	5,000,000
Dato' Mark Yeoh Seok Kah	5,000,000	–	–	5,000,000

RELATED COMPANIES
YTL CEMENT BERHAD

	Number of Ordinary Shares of RM0.50 Each			
	As at	Bought	Sold	As at
	1.7.2006			30.6.2007
Direct interest:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	1,681,634	361,289	–	2,042,923
Dato' Yeoh Seok Kian	618,754	–	–	618,754
Dato' Yeoh Seok Hong	225,634	–	–	225,634
Dato' Michael Yeoh Sock Siong	1,265,634	–	–	1,265,634
Dato' Mark Yeoh Seok Kah	187,200	–	–	187,200
Eu Peng Meng @ Leslie Eu	–	20,000	–	20,000

Directors' Report

	Number of Irredeemable Convertible Unsecured Loan Stocks (ICULS) of RM1.00 nominal value each			
	As at	Bought	Converted/ Sold	As at
	1.7.2006			30.6.2007
Direct interest:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	1,681,634	45,789	–	1,727,423
Dato' Yeoh Seok Kian	618,754	–	–	618,754
Dato' Yeoh Seok Hong	225,634	–	–	225,634
Dato' Michael Yeoh Sock Siong	1,265,634	–	–	1,265,634
Dato' Mark Yeoh Seok Kah	187,200	–	–	187,200

	Number of Options Over Ordinary Shares of RM0.50 Each			
	As at	Granted	Exercised	As at
	1.7.2006			30.6.2007
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	1,400,000	–	–	1,400,000
Dato' Yeoh Seok Kian	350,000	–	–	350,000
Dato' Michael Yeoh Sock Siong	1,000,000	–	–	1,000,000

RELATED COMPANIES

YTL POWER INTERNATIONAL BERHAD

	Number of Ordinary Shares of RM0.50 Each			
	As at	Bought	Sold	As at
	1.7.2006			30.6.2007
Direct interest:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	10,905,834	2,203,417	–	13,109,251
Dato' Yeoh Seok Kian	3,669,194	700,173	–	4,369,367
Dato' Yeoh Seok Hong	5,485,322	1,055,207	–	6,540,529
Dato' Michael Yeoh Sock Siong	3,410,829	612,545	–	4,023,374
Dato' Mark Yeoh Seok Kah	4,693,134	525,335	–	5,218,469
Eu Peng Meng @ Leslie Eu	–	17,576	–	17,576

	Number of Options Over Ordinary Shares of RM0.50 Each			
	As at	Granted	Exercised	As at
	1.7.2006			30.6.2007
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	7,000,000	–	–	7,000,000
Dato' Yeoh Seok Kian	3,000,000	–	–	3,000,000
Dato' Yeoh Seok Hong	5,000,000	–	–	5,000,000
Dato' Michael Yeoh Sock Siong	3,000,000	–	–	3,000,000
Dato' Mark Yeoh Seok Kah	3,000,000	–	–	3,000,000

RELATED COMPANIES**INFOSCREEN NETWORKS PLC ****

	Number of Ordinary Shares of GBP0.01 Each			As at 30.6.2007
	As at 1.7.2006	Bought	Sold	
Direct interest:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	100	–	–	100

RELATED COMPANIES**YTL CORPORATION (UK) PLC ****

	Number of Ordinary Shares of GBP0.25 Each			As at 30.6.2007
	As at 1.7.2006	Bought	Sold	
Direct interest:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	1	–	–	1

** Incorporated in the United Kingdom

RELATED COMPANIES**SYARIKAT PELANCONGAN SERI ANDALAN (M) SDN BHD**

	Number of Ordinary Shares of RM1.00 Each			As at 30.6.2007
	As at 1.7.2006	Bought	Sold	
Direct interest:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	1	–	–	1

RELATED COMPANIES**YEOH TIONG LAY CONSTRUCTION (S) PTE LTD +**

	Number of Ordinary Shares of S\$1.00 Each			As at 30.6.2007
	As at 1.7.2006	Bought	Sold	
Direct interest:				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE	2	–	–	2

+ Incorporated in Singapore

Directors' Report

SHARE CAPITAL

During the financial year, the Company:

- a issued 15,128,081 new ordinary shares of RM0.50 each upon conversion of 58,999,542 ICPS-A at a conversion ratio of one new ordinary share of RM0.50 each for every 3.90 ICPS-A of RM0.50 each.
- b issued 20,566,359 new ordinary shares of RM0.50 each upon conversion of 27,558,922 ICPS-B at a conversion ratio of one new ordinary share of RM0.50 each for every 1.34 ICPS-B of RM0.50 each.

TREASURY SHARES

During the financial year, the Company repurchased 12,293,400 (2006: 100) of its issued ordinary shares of RM0.50 per share from the open market at an average price of RM1.34 (2006: RM0.81) per share. The total consideration paid (inclusive of transaction costs) for the repurchases was RM16,533,122 (2006: RM81). The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

OTHER STATUTORY INFORMATION

- a Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:
 - i to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - ii to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- b At the date of this report, the directors are not aware of any circumstances which would render:
 - i the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - ii the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- c At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- d At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

- e As at the date of this report, there does not exist:
 - i 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 liabilities of any other person; or
 - ii any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year, except as disclosed on Note 36 to the financial statements.
- f In the opinion of the directors:
 - i no contingent liability 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 will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and
 - ii no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 October 2007

Dato Suleiman Bin Abdul Manan

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

Dated: 25 October 2007
Kuala Lumpur, Malaysia

Statement by Directors

pursuant to Section 16(15) of The Companies Act, 1965

We, DATO' SULEIMAN BIN ABDUL MANAN and TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING, CBE, being two of the directors of YTL LAND & DEVELOPMENT BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 52 to 94 are drawn up in accordance with applicable Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2007 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 October 2007

Dato Suleiman Bin Abdul Manan

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

Dated: 25 October 2007
Kuala Lumpur, Malaysia

Statutory Declaration

pursuant to Section 169(16) of The Companies Act, 1965

I, TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING, CBE, being the director primarily responsible for the financial management of YTL LAND & DEVELOPMENT BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 52 to 94 are in my opinion correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

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

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

Before me,

Soh Ah Kau, AMN
Commissioner of Oaths

Report of the Auditors

to the members of YTL Land & Development Berhad (Incorporated in Malaysia)

We have audited the accompanying financial statements set out on pages 52 to 94. These financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

In our opinion:

- a the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of:
 - i the financial position of the Group and of the Company as at 30 June 2007 and of the results and the cash flows of the Group and of the Company for the year then ended; and
 - ii the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- b the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports thereon of the subsidiaries of which we have not acted as auditors, as indicated in Note 12 to the financial statements, being financial statements that have been included in the consolidated financial statements.

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

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

Ernst & Young

AF: 0039

Chartered Accountants

Mohd. Sukarno Bin Tun Sardon

No. 1697/03/09(J)

Partner

Kuala Lumpur, Malaysia

25 October 2007

Income Statements

for the year ended 30 June 2007

	Note	Group		Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Revenue	3	223,643	127,911	–	–
Cost of sales	4	(188,976)	(73,381)	–	–
Gross profit		34,667	54,530	–	–
Other operating income		13,447	14,755	193,461	3,369
Administration expenses		(21,272)	(17,698)	(4,243)	(5,037)
Profit/(loss) from operations	5	26,842	51,587	189,218	(1,668)
Finance costs	8	(1,204)	(1,633)	(24)	(44)
Profit/(loss) before taxation		25,638	49,954	189,194	(1,712)
Tax expense	9	(1,575)	(4,060)	(51,241)	–
Net profit/(loss) for the year		24,063	45,894	137,953	(1,712)
Attributable to:					
Equity holders of the Company		19,506	45,894	137,953	(1,712)
Minority interests		4,557	–	–	–
		24,063	45,894	137,953	(1,712)
Earnings per 50 sen share					
Basic (sen)					
Before mandatory conversion of ICPS-A & ICPS-B	10	5.39	13.07		
After mandatory conversion of ICPS-A & ICPS-B	10	2.39	5.46		
Diluted (sen)	10	2.39	5.46		

The accompanying notes form an integral part of the financial statements.

Balance Sheets

as at 30 June 2007

	Note	Group		Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	11	35,512	34,955	7,859	8,043
Investment in subsidiaries	12	–	–	274,832	273,832
Investment properties	13	28,600	82,882	–	–
Development properties	14	462,142	398,609	10,649	10,485
Goodwill on consolidation	15	12,183	12,183	–	–
Deferred tax assets	32	710	–	–	–
		539,147	528,629	293,340	292,360
CURRENT ASSETS					
Inventories	16	74,439	54,424	–	–
Property development costs	17	118,683	177,669	–	–
Trade receivables	18	83,751	38,924	–	–
Other receivables	19	12,797	15,332	1,150	1,243
Amount due from subsidiaries	20	–	–	209,189	154,414
Amount due from related companies	21	833	717	6	–
Fixed deposits with licensed financial institutions	22	111,530	95,526	88,649	22,861
Cash and bank balances	23	10,407	10,404	232	148
		412,440	392,996	299,226	178,666
TOTAL ASSETS		951,587	921,625	592,566	471,026

Balance Sheets

as at 30 June 2007

	Note	Group		Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
EQUITY					
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
Share capital	29	569,758	595,190	569,758	595,190
Share premium		123,214	97,782	123,214	97,782
Treasury shares	30	(16,797)	(264)	(16,797)	(264)
Accumulated losses		(155,506)	(180,234)	(86,233)	(224,186)
		520,669	512,474	589,942	468,522
Minority interest		4,557	–	–	–
TOTAL EQUITY		525,226	512,474	589,942	468,522
CURRENT LIABILITIES					
Provisions	24	10,837	12,257	–	–
Trade payables	25	28,736	3,792	–	–
Other payables	26	13,590	23,318	1,700	716
Amount due to ultimate holding company	21	1	1	–	–
Amount due to immediate holding company	21	745	430	463	419
Amount due to related companies	21	40,353	50,718	37	218
Borrowings	27	419	42,467	271	346
Taxation		506	626	153	534
		95,187	133,609	2,624	2,233
NON-CURRENT LIABILITIES					
Borrowings	27	204,092	146,965	–	271
Long term liabilities	31	69,216	69,216	–	–
Deferred tax liabilities	32	57,866	59,361	–	–
		331,174	275,542	–	271
TOTAL LIABILITIES		426,361	409,151	2,624	2,504
TOTAL EQUITY AND LIABILITIES		951,587	921,625	592,566	471,026

The accompanying notes form an integral part of the financial statements.

Statements of Changes in Equity

for the year ended 30 June 2007

Group	Note	Attributable to equity holders of the Company						Minority Interest	Grand Total
		Share Capital		Non distributable			Total		
		Ordinary Shares	ICPS	Share Premium	Treasury Shares	Accumulated Losses			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
At 1 July 2005		172,225	438,622	82,125	(264)	(226,128)	466,580	–	466,580
Conversion of ICPS to ordinary shares	29	5,399	(21,056)	15,657	–	–	–	–	–
Net profit for the year		–	–	–	–	45,894	45,894	–	45,894
At 30 June 2006		177,624	417,566	97,782	(264)	(180,234)	512,474	–	512,474
Adoption of FRS 140	2.3(b)	–	–	–	–	5,222	5,222	–	5,222
		177,624	417,566	97,782	(264)	(175,012)	517,696	–	517,696
Net profit for the year		–	–	–	–	19,506	19,506	4,557	24,063
Conversion of ICPS to ordinary shares	29	17,847	(43,279)	25,432	–	–	–	–	–
Shares repurchased		–	–	–	(16,533)	–	(16,533)	–	(16,533)
At 30 June 2007		195,471	374,287	123,214	(16,797)	(155,506)	520,669	4,557	525,226
Company									
At 1 July 2005		172,225	438,622	82,125	(264)	(222,474)	470,234	–	470,234
Conversion of ICPS to ordinary shares	29	5,399	(21,056)	15,657	–	–	–	–	–
Net loss for the year		–	–	–	–	(1,712)	(1,712)	–	(1,712)
At 30 June 2006		177,624	417,566	97,782	(264)	(224,186)	468,522	–	468,522
Conversion of ICPS to ordinary shares	29	17,847	(43,279)	25,432	–	–	–	–	–
Shares repurchased		–	–	–	(16,533)	–	(16,533)	–	(16,533)
Net profit for the year		–	–	–	–	137,953	137,953	–	137,953
At 30 June 2007		195,471	374,287	123,214	(16,797)	(86,233)	589,942	–	589,942

The accompanying notes form an integral part of the financial statements.

Cash Flow Statements

for the year ended 30 June 2007

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) before taxation	25,638	49,954	189,194	(1,712)
Adjustments for:				
Depreciation of property, plant and equipment	1,003	1,176	207	430
Interest income	(3,604)	(3,987)	(1,531)	(1,931)
Interest expense	1,204	1,633	24	44
Property, plant and equipment written off	3	-	-	-
Gain on disposal of property, plant and equipment	-	(46)	-	-
Net provision of damages claims	(67)	256	-	-
Operating gain/(loss) before working capital changes	24,177	48,986	187,894	(3,169)
Working capital changes:				
Decrease/(increase) in property development costs	58,986	(399)	-	-
Increase in inventories	(20,015)	(13,515)	-	-
(Increase)/decrease in receivables	(41,686)	21,507	93	454
Increase/(decrease) in payables	13,863	(4,990)	984	(789)
Increase in amount due to holding company	315	394	44	392
Decrease in amount due from subsidiaries	-	-	(54,775)	(64,374)
Decrease in amount due to related companies	(10,481)	(84,921)	(187)	(33)
Cash generated from/(used in) operating activities	25,159	(32,938)	134,053	(67,519)
Income tax paid	(4,506)	(10,062)	(51,622)	-
Net cash generated from/(used in) operating activities	20,653	(43,000)	82,431	(67,519)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	3,604	3,987	1,531	1,931
Investment properties	59,504	-	-	-
Development properties	(63,533)	(22,546)	(164)	(10,485)
Acquisition of additional shares in a subsidiary from minority shareholder	-	(20)	-	-
Acquisition of subsidiary	-	-	(1,000)	-
Purchase of property, plant and equipment	(2,545)	(2,111)	(23)	(969)
Transfer of property, plant and equipment	1,136	-	-	-
Proceeds from disposal of property, plant and equipment	-	46	-	-
Net cash (used in)/generated from investing activities	(1,834)	(20,644)	344	(9,523)

	Note	Group		Company	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of term loan		204,000	-	-	-
Repayment of term loan		(188,413)	(17,526)	-	-
Repayment of revolving credit		-	(3,002)	-	-
Shares repurchased		(16,533)	-	(16,533)	-
Hire purchase repayment		(662)	(943)	(346)	(418)
Interest paid		(1,204)	(1,633)	(24)	(44)
Net cash used in financing activities		(2,812)	(23,104)	(16,903)	(462)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		16,007	(86,748)	65,872	(77,504)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		105,930	192,678	23,009	100,513
CASH AND CASH EQUIVALENTS AT END OF YEAR	33	121,937	105,930	88,881	23,009
Cash and cash equivalents consist of the following:					
Fixed deposits with licensed financial institutions	22	111,530	95,526	88,649	22,861
Cash and bank balances	23	10,407	10,404	232	148
		121,937	105,930	88,881	23,009
NOTE TO CASH FLOW STATEMENTS					
Analysis of acquisition of property, plant and equipment:					
Cash paid		2,545	2,111	23	969
Hire purchase creditors		154	314	-	-
		2,699	2,425	23	969

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

1 GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office of the Company is located at 11th Floor, Yeoh Tiong Lay Plaza, 55 Jalan Bukit Bintang, 55100 Kuala Lumpur.

The principal activities of the Company are investment holding and the provision of financial, treasury and secretarial services. The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 October 2007.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards ("FRS") in Malaysia. At the beginning of the current financial year, the Company had adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 January 2006 as fully described in Note 2.3.

The financial statements of the Group and of the Company are prepared on a historical basis, except for the freehold lands included as investment properties that have been measured at their fair values.

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

2.2 Summary of Significant Accounting Policies

a Subsidiaries and Basis of Consolidation

i Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the 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 has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

ii Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since then.

iii Goodwill on consolidation

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

b Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. 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 revenue expenditure relating to the property, plant and equipment are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold lands and Sentul Park situated on the freehold land are not depreciated. Leasehold lands are depreciated over the period of the respective leases which range from 21 years to 60 years. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	1%
Furniture, fixtures and fittings	10%
Office equipment and plant	10% - 20%
Renovations	10%
Motor vehicles	16%
Other equipment	10%
Infrastructure works	2%

Notes to the Financial Statements

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

c Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

d Development Property and Property Development Costs

i Development Property

Development property 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.

Development property is reclassified as property development 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 Property Development Costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised 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.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

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

The excess of revenue recognised in the income statement over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings within trade payables.

e 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.

f Impairment of Non-financial Assets

The carrying amounts of the Group's assets, other than investment property, property development costs and inventories of the completed properties for resale, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For assets that have an indefinite useful life, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Notes to the Financial Statements

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

g Inventories of completed properties for resale

Inventories of completed properties for resale are stated at lower of cost and net realisable value.

Cost is determined using the first in, first out method. The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

h Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

i Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank and deposits at call which have an insignificant risk of changes in value.

ii Trade Receivables

Trade receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debt based on a review of all outstanding amounts as at the balance sheet date.

iii Trade Payables

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

iv Interest Bearing Loans and Borrowings

All loans and borrowings are initially recognised at the amount of proceeds received net of transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

v Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

vi Derivative Financial Instruments

Derivative financial instruments are not recognised in the financial statements.

i 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.

j Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest is the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

k Provision for Liabilities

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

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

Notes to the Financial Statements

I Employee Benefits

i Short Term Benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund.

iii Share-based Compensation

The YTL Corporation Berhad Group ESOS, an equity-settled, share-based compensation plan, allows the Group's Directors and employees to acquire ordinary shares of the immediate holding company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in amount due to penultimate holding company over the vesting period and taking into account the probability that the options will vest.

At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the income statement over the remaining vesting period.

The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

m Foreign Currencies

i Functional and Presentation Currency

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

ii Foreign Currency Transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

n 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 following specific recognition criteria must also be met before revenue is recognised:

i Sale of Properties

Revenue from sale of properties is accounted for by the stage of completion method as described in Note 2.2(d)(ii).

ii Construction Contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.2(e).

iii Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

iv Dividend Income

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

v Rental Income

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

Notes to the Financial Statements

2.3 Changes in Accounting Policies, Effects and Changes in Comparatives Arising from Adoption of New and Revised FRSs

On 1 July 2006, the Group and the Company adopted the following FRSs mandatory for financial periods beginning on or after 1 January 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

From the FRS stated above, FRS 3, 5, 128, 131 and 138 are not relevant to the Group's operation.

The Group and the Company have not early adopted the following new and revised FRSs:

Effective for financial periods beginning on or after 1 January 2007:

FRS 6	Exploration for and Evaluation of Mineral Resources
FRS 119 2004	Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interest arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participation in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129 2004 Financial Reporting in Hyperinflationary Economics
IC Interpretation 8	Scope of FRS 2: Share-based Payment

Effective date deferred indefinitely:

FRS 139	Financial Instruments: Recognition and Measurement
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The adoption of revised FRS 101, 102, 108, 110, 116, 121, 127, 132, 133 and 136 does not result in significant changes in accounting policies of the Group. The principal changes in accounting policies and their effects resulting from the adoption of the other new and revised FRSs are discussed below:

a FRS 2: Share-based Payment

Prior to 1 July 2006, no compensation expense was recognised in profit or loss for share options granted. The immediate holding company recognised an increase in share capital and share premium when the options were exercised. Upon the adoption of FRS 2, the total fair value of share options granted by the immediate holding company to employees of the Group is recognised as an employee cost with a corresponding increase in the amount due to the immediate holding company over the vesting period.

The Group has applied FRS 2 in accordance with its transitional provisions which allow this change in accounting policy to be applied to share options that were granted after 31 December 2004 but had not yet vested on 1 January 2006.

b FRS 140: Investment Property

Prior to 1 July 2006, investment properties were stated at cost. The adoption of FRS 140 has resulted in a change of accounting policy for investment properties are now stated at fair value, representing market value determined by external valuers. The Group has adjusted the gain arising from the revaluation to the opening balance of retained earnings upon the adoption of this standard. Subsequent gains or losses arising from the changes in fair values of investment properties are recognised in profit or loss in the period in which they arise.

The Group has applied FRS 140 in accordance with the transitional provisions. The change in accounting policy has had no impact on amounts reported for 2006 or prior periods. Instead, the changes have been accounted for by restating the following opening balances of the Group and of the Company as at 1 July 2006:

Description of Changes	Increase/ (Decrease) RM'000
Group	
Investment properties	5,222
Accumulated losses	(5,222)

c Summary of effects of adopting new and revised FRSs on the current year's financial statements

The following tables provide estimates of extent to which each of the line items in the balance sheets and income statements for the year ended 30 June 2007 is higher or lower than it would have been had the previous policies been applied in the current year.

i Effects on balance sheet as at 30 June 2007

Description of Changes	Increase/(Decrease)		Total RM'000
	FRS 2 Note 2.3(a) RM'000	FRS 140 Note 2.3(b) RM'000	
Group			
Investment properties	–	(5,822)	(5,822)
Accumulated losses	(290)	5,822	5,532
Amount due to holding companies	(290)	–	(290)
Company			
Accumulated losses	(44)	–	(44)
Amount due to holding companies	(44)	–	(44)

Notes to the Financial Statements

i Effects on income statements for the year ended 30 June 2007

Description of Changes	Increase/(Decrease)		Total RM'000
	FRS 2 Note 2.3(a) RM'000	FRS 140 Note 2.3(b) RM'000	
Group			
Other operating income	-	(600)	(600)
Administrative expenses	(290)	-	(290)
Company			
Administrative expenses	(44)	-	(44)

2.4 Significant accounting judgements and estimates

The preparation of financial statements in accordance with FRSs requires the use of certain accounting estimates and exercise of judgement. Estimates and judgements are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

a Critical Judgements Made in Applying Accounting Policies

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

i 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 investment properties consist of freehold lands that are held to earn rentals or for capital appreciation.

b Estimation Uncertainty

Several estimates and assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, 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:

i 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.

ii Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised tax losses and capital allowances of the Group was RM2,205,000 (2006: RM1,907,000) and the unrecognised tax losses and capital allowances of the Group was RM8,251,000 (2006: RM32,628,000).

3 REVENUE

	Group	
	2007	2006
	RM'000	RM'000
Sales of completed properties	15,253	468
Revenue from construction	72,368	–
Revenue from property development	136,022	127,443
	223,643	127,911

4 COST OF SALES

	Group	
	2007	2006
	RM'000	RM'000
Cost of inventories sold	10,682	579
Construction cost	71,039	–
Property development costs (Note 17)	107,255	72,802
	188,976	73,381

Notes to the Financial Statements

5 PROFIT/(LOSS) FROM OPERATIONS

The following amounts have been included at arriving at profit before taxation:

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Staff costs (Note 6)	2,378	1,897	607	478
Auditors' remuneration	137	134	35	35
Depreciation	1,003	1,176	207	430
Executive directors' remuneration (Note 7)	1,569	1,341	817	659
Non-executive directors' remuneration (Note 7)	793	650	733	650
Provision for doubtful debts				
- subsidiaries	-	-	9	28
- other debtors	-	40	-	-
Property, plant and equipment written off	3	-	-	-
Gain on disposal of property, plant and equipment	-	(46)	-	-
Rental expenses				
- building	1,082	1,082	974	974
- equipment	24	38	10	10
Rental income	(1,356)	(1,421)	-	-
Interest income	(3,604)	(3,987)	(1,531)	(1,931)
Net provision of damages claims (Note 24)	(67)	256	-	-
Bad debts recovered	(25)	-	-	(11)
Management fees from subsidiaries	-	-	(600)	(600)
Administrative fees from subsidiaries	-	-	(138)	-

6 STAFF COSTS

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Wages and salaries	1,730	1,500	530	428
Social security costs	18	15	5	5
Pension costs - defined contribution plans	195	160	57	45
ESOS expenses	261	-	15	-
Other staff related expenses	174	222	-	-
	2,378	1,897	607	478

The staff costs of the Group and of the Company exclude executive directors' remuneration amounting to RM1,569,000 (2006: RM1,341,000) and RM817,000 (2006: RM659,000) respectively as disclosed in Note 7.

7 DIRECTORS' REMUNERATION

	Group		Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Directors of the Company				
Executive directors:				
Salaries and other emoluments	463	384	463	384
Fees	125	125	125	125
Bonus	200	150	200	150
ESOS expenses	29	–	29	–
Benefits-in-kind	45	42	45	42
	862	701	862	701
Non-executive directors:				
Salaries and other emoluments	488	455	488	455
Fees	95	95	95	95
Bonus	100	100	150	100
Benefits-in-kind	166	154	166	154
	899	804	899	804
Directors of Subsidiaries				
Executive directors:				
Salaries and other emoluments	672	672	–	–
Fees	80	10	–	–
Benefits-in-kind	54	54	–	–
	806	736	–	–
Non-executive directors:				
Fees	60	–	–	–
	60	–	–	–
	2,627	2,241	1,761	1,505
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefits-in-kind (Note 5)	1,569	1,341	817	659
Total non-executive directors' remuneration excluding benefits-in-kind (Note 5)	793	650	733	650
Total directors' remuneration excluding benefits-in-kind	2,362	1,991	1,550	1,309

Notes to the Financial Statements

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors	
	2007	2006
Executive directors:		
RM1 - RM50,000	5	5
RM550,001 - RM600,000	–	1
RM700,001 - RM800,000	1	–
Non-executive directors:		
RM1 - RM50,000	3	3
RM700,001 - RM750,000	–	1
RM750,001 - RM800,000	1	–

8 FINANCE COSTS

	Group		Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Interest expenses on:				
- hire purchase	40	76	24	44
- term loan	1,164	1,557	–	–
	1,204	1,633	24	44

9 TAX EXPENSE

	Group		Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Tax expense for the year:				
Malaysian income tax	3,637	6,050	51,241	–
Under/(over) provision in prior years:				
Malaysian income tax	143	(83)	–	–
	3,780	5,967	51,241	–
Deferred tax (Note 32):				
Relating to origination and reversal of temporary differences	(2,205)	(1,907)	–	–
	(2,205)	(1,907)	–	–
Total tax expense	1,575	4,060	51,241	–

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

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Profit/(loss) before taxation	25,638	49,954	189,194	(1,712)
Taxation at Malaysian statutory tax rate of 27% (2006: 28%)	6,922	13,987	51,082	(479)
Effects of expenses not deductible for tax purposes	1,549	1,896	178	267
Effect of different tax rate	–	(80)	–	–
Effect of utilisation of previously unrecognised unabsorbed capital allowances and tax losses	(7,137)	(11,971)	(19)	–
Deferred tax assets not recognised during the year	98	311	–	212
Under/(over) provision of tax expense in prior year	143	(83)	–	–
Tax expense for the year	1,575	4,060	51,241	–

10 EARNINGS PER SHARE

a Basic Earnings Per Share

The basic earnings per share of the Group has been computed by dividing the Group profit attributable to equity holders of the Company of RM19,506,000 (2006: RM45,894,000) by the weighted average number of ordinary shares in issue during the year before and after mandatory conversion of ICPS-A & ICPS-B of 362,106,869 (2006: 351,249,817) and 815,285,641 (2006: 840,123,037) respectively.

b Fully Diluted Earnings Per Share

The fully diluted earnings per share of the Group has been computed by dividing the Group profit attributable equity holders of the Company of RM19,506,000 (2006: RM45,894,000) by the adjusted weighted average number of shares of 825,285,641 (2006: 840,123,037), assuming the full conversion of the irredeemable convertible preference shares in issue during the year of 748,573,000 (2006: 835,131,880).

Notes to the Financial Statements

11 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Building RM'000	Leasehold land RM'000	Furniture, fixtures and fittings RM'000	Office equipment and plant RM'000	Renovations RM'000	Motor vehicles RM'000	Infra- structure Works RM'000	Sentul Park RM'000	Total RM'000
As at 30 June 2007										
Cost										
At 1 July 2006	6,644	2,823	123	2,906	4,619	2,176	4,845	2,928	17,840	44,904
'Additions	-	-	-	2	401	10	154	1,330	802	2,699
Write off	-	-	-	-	(6)	-	-	-	-	(6)
Transfer of property, plant & equipment	-	-	-	(437)	(1,679)	(61)	-	-	-	(2,177)
At 30 June 2007	6,644	2,823	123	2,471	3,335	2,125	4,999	4,258	18,642	45,420
Accumulated Depreciation										
At 1 July 2006	-	231	68	2,481	3,281	965	2,923	-	-	9,949
'Charge for the year	-	27	4	102	254	164	367	85	-	1,003
Write off	-	-	-	-	(3)	-	-	-	-	(3)
Transfer of property, plant & equipment	-	-	-	(297)	(727)	(17)	-	-	-	(1,041)
At 30 June 2007	-	258	72	2,286	2,805	1,112	3,290	85	-	9,908
Net Carrying Amount										
At 30 June 2007	6,644	2,565	51	185	530	1,013	1,709	4,173	18,642	35,512

Group	Freehold land RM'000	Building RM'000	Leasehold land RM'000	Furniture, fixtures and fittings RM'000	Office equipment and plant RM'000	Renovations RM'000	Motor vehicles RM'000	Infra- structure Works RM'000	Sentul Park RM'000	Total RM'000
As at 30 June 2006										
Cost										
At 1 July 2005	6,644	2,823	123	2,724	3,974	1,468	4,586	2,928	17,307	42,577
Additions	-	-	-	182	645	708	357	-	533	2,425
Disposals	-	-	-	-	-	-	(98)	-	-	(98)
At 30 June 2006	6,644	2,823	123	2,906	4,619	2,176	4,845	2,928	17,840	44,904
Accumulated Depreciation										
At 1 July 2005	-	175	64	2,324	3,025	829	2,454	-	-	8,871
Charge for the year	-	56	4	157	256	136	567	-	-	1,176
Disposals	-	-	-	-	-	-	(98)	-	-	(98)
At 30 June 2006	-	231	68	2,481	3,281	965	2,923	-	-	9,949
Net Carrying Amount										
At 30 June 2006	6,644	2,592	55	425	1,338	1,211	1,922	2,928	17,840	34,955

Included in property, plant and equipment of the Group are motor vehicles with net book value of RM1,629,000 (2006: RM1,882,000) held under hire purchase arrangement.

A charge was created over the freehold land in favour of banks for Term Loan-A referred to in Note 27 to the financial statements.

Notes to the Financial Statements

Company	Freehold land RM'000	Building RM'000	Furniture, fixtures and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Renovations RM'000	Total RM'000
As at 30 June 2007							
Cost							
At 1 July 2006	3,036	2,823	133	311	1,408	1,404	9,115
Additions	-	-	1	22	-	-	23
Disposals	-	-	-	-	-	-	-
At 30 June 2007	3,036	2,823	134	333	1,408	1,404	9,138
Accumulated depreciation							
At 1 July 2006	-	229	25	139	378	301	1,072
Charge for the year	-	27	13	27	-	140	207
At 30 June 2007	-	256	38	166	378	441	1,279
Net Carrying Amount							
At 30 June 2007	3,036	2,567	96	167	1,030	963	7,859
As at 30 June 2006							
Cost							
At 1 July 2005	3,036	2,823	30	153	1,408	696	8,146
Additions	-	-	103	158	-	708	969
At 30 June 2006	3,036	2,823	133	311	1,408	1,404	9,115
Accumulated Depreciation							
At 1 July 2005	-	173	15	108	153	193	642
Charge for the year	-	56	10	31	225	108	430
At 30 June 2006	-	229	25	139	378	301	1,072
Net Carrying Amount							
At 30 June 2006	3,036	2,594	108	172	1,030	1,103	8,043

12 INVESTMENT IN SUBSIDIARIES

	Company	
	2007 RM'000	2006 RM'000
Unquoted shares:		
- At cost	265,699	264,699
- At valuation	222,296	222,296
	487,995	486,995
Less: Accumulated impairment losses	(213,163)	(213,163)
	274,832	273,832

The directors had revalued the Company's investment in subsidiaries based on the fair value of the subsidiaries' net assets in 1995.

The details of subsidiary companies, all of which are incorporated in Malaysia, are as follows:

Name of Subsidiaries	Principal Activities	Effective Equity Interest	
		2007 %	2006 %
Sentul Raya Sdn Bhd	Property development and property investment	70	70
Sentul Raya Golf Club Berhad	Inactive	70	70
Sentul Raya City Sdn Bhd	Property development and property investment	70	70
Sentul Park Management Sdn Bhd	Park management	70	70
Mayang Sari Sdn Bhd	Inactive	100	100
SR Property Management Sdn Bhd	Property management	100	100
Lot Ten Security Sdn Bhd	Inactive	100	100
Boom Time Strategies Sdn Bhd	Inactive	100	100
YTL Land & Development (MM2H) Sdn Bhd (formerly known as Pakatan Pavilion Sdn Bhd)	Dormant	100	-

Notes to the Financial Statements

Name of Subsidiaries	Principal Activities	Effective Equity Interest	
		2007 %	2006 %
*Amanresorts Sdn Bhd	Dormant	100	100
*Pakatan Perakbina Sdn Bhd	Property development	100	100
*Syarikat Kemajuan Perumahan Negara Sdn Bhd	Property development	100	100
*Noriwasa Sdn Bhd	Dormant	100	100
*Udapakat Bina Sdn Bhd	Property development	100	100
*PYP Sendirian Berhad	Property development	100	100
*Bayumaju Development Sdn Bhd	Property development	100	100

*Audited by firms of auditors other than Ernst & Young

Acquisition of Subsidiary

On 30 August 2006, the Company acquired the entire issued and paid-up share capital of Pakatan Pavilion Sdn Bhd comprising 2 ordinary shares of RM1.00 each at par value per share. Pakatan Pavilion Sdn Bhd was incorporated on 18 August 2006. Its present authorised share capital is RM5,000,000 comprising 5,000,000 shares of RM1.00 each. Pakatan Pavilion Sdn Bhd changed its name to "YTL Land & Development (MM2H) Sdn Bhd" on 4 September 2006. On 8 September 2006, the company subscribed for an additional 999,998 ordinary shares of RM1.00 each in the capital of YTL Land & Development (MM2H) Sdn Bhd at par value per share.

13 INVESTMENT PROPERTIES

	Group	
	2007 RM'000	2006 RM'000
At 1 July	82,882	84,525
Effect of adoption FRS 140 (Note 2.3(b))		
- fair value adjustment	5,222	-
	88,104	84,525
Charged out to income statement	-	(1,643)
Transfer from development properties (Note 14)	2,558	-
Fair value adjustment	600	-
Transfer to development properties (Note 14)	(62,662)	-
At 30 June	28,600	82,882

14 DEVELOPMENT PROPERTIES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Development properties at 1 July, at cost:				
Freehold land	113,463	112,606	–	–
Leasehold land	32,574	17,776	10,036	–
	146,037	130,382	10,036	–
Development expenditure	252,572	245,681	449	–
	398,609	376,063	10,485	–
Cost incurred during the year:				
Freehold land	2,880	893	–	–
Leasehold land	206	14,798	174	10,036
Development expenditure	4,996	6,891	–	449
	8,082	22,582	174	10,485
Less: Sales of freehold land	–	36	–	–
Transfer to investment property (Note 13):				
Freehold land	(2,242)	–	–	–
Development cost	(316)	–	–	–
	(2,558)	–	–	–
Transfer from investment property (Note 13):				
Freehold land	25,000	–	–	–
Development cost	37,662	–	–	–
	62,662	–	–	–
Transfer to property development (Note 17):				
Leasehold land	(1,191)	–	–	–
Development cost	(3,352)	–	–	–
	(4,543)	–	–	–
Write off to income statement	(110)	–	(10)	–
Development properties at 30 June	462,142	398,609	10,649	10,485

Development properties comprise land which are in the process of being prepared for development but are not expected to be developed for sale within the next 12 months.

A charge was created over the freehold land in favour of banks for Term Loan-A referred to in Note 27 to the financial statements.

Notes to the Financial Statements

15 GOODWILL ON CONSOLIDATION

	2007 RM'000	Group 2006 RM'000
At 1 July	12,183	12,163
Acquisition of additional interest in a subsidiary	–	20
	12,183	12,183

16 INVENTORIES

	2007 RM'000	Group 2006 RM'000
Properties held for sale		
- At cost	36,878	16,626
- At net realisable value	37,561	37,798
	74,439	54,424

17 PROPERTY DEVELOPMENT COSTS

	2007 RM'000	Group 2006 RM'000
Property development costs, at 1 July:		
Freehold and leasehold land, at cost	15,468	19,095
Development and construction costs	511,003	504,830
Less: Adjustment (note a)	(24,669)	(24,669)
Provision for foreseeable losses	(11,632)	(11,632)
	490,170	487,624

	2007 RM'000	Group 2006 RM'000
Cost incurred during the year:		
Freehold land, at cost	417	35
Development and construction costs	73,560	88,998
	73,977	89,033
Reversal of development costs for completed projects	(167,437)	(72,298)
Transfer from development property (Note 14):		
Leasehold land	1,191	–
Development cost	3,352	–
	4,543	–
Transfer to inventories		
Freehold land	(2,062)	(3,662)
Development cost	(28,189)	(10,527)
	(30,251)	(14,189)
Costs recognised in income statement:		
At 1 July	312,501	311,997
Recognised during the year (Note 4)	107,255	72,802
Completed projects	(167,437)	(72,298)
At 30 June	252,319	312,501
Property development costs, at 30 June	118,683	177,669

Included in property development costs of the Group are interest capitalised during the financial year, amounting to RM8,580,000 (2006: RM5,534,000).

A charge was created over the freehold land in favour of banks for Term Loan-A referred to in Note 27 to the financial statements.

a Adjustment

The adjustments 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. 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.

Notes to the Financial Statements

18 TRADE RECEIVABLES

	Group	
	2007 RM'000	2006 RM'000
Trade receivables	74,168	23,456
Accrued billings in respect of property development costs	9,639	15,524
	83,807	38,980
Less: Provision for doubtful debts	(56)	(56)
Construction contracts (Note a)	–	–
	83,751	38,924

The Group's normal trade credit term ranges from 30 days to 90 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 debtor or to groups of debtors.

a Construction contracts

	Group	
	2007 RM'000	2006 RM'000
Construction costs incurred to date (Note 4)	71,039	–
Attributable profits	1,329	–
	72,368	–
Less : Progress billings	(72,368)	–
	–	–

19 OTHER RECEIVABLES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Deposits	2,232	8,782	10	151
Prepayments	147	233	87	81
Tax recoverable	3,952	3,346	–	–
Other receivables	6,556	3,061	1,053	1,011
	12,887	15,422	1,150	1,243
Less: Provision for doubtful debts	(90)	(90)	–	–
	12,797	15,332	1,150	1,243

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

20 AMOUNT DUE FROM SUBSIDIARIES

The amounts due from subsidiaries, which are stated after provision for doubtful debts of RM15,448,800 (2006: RM15,439,700) primarily arose from payments on the subsidiaries' behalf, are unsecured, interest-free and have no fixed terms of repayment.

21 HOLDING AND RELATED COMPANIES

The immediate and ultimate holding companies are YTL Corporation Berhad and Yeoh Tiong Lay & Sons Holdings Sdn Bhd respectively, both of which are incorporated in Malaysia. The immediate holding company, YTL Corporation Berhad is listed on the Main Board of Bursa Malaysia Securities Berhad.

Related companies refer to the subsidiaries of YTL Corporation Berhad. The amounts due from/(to) holding and related companies are unsecured, interest free and have no fixed terms of repayment.

An amount of RM28,657,000 (2006: RM47,184,000) due to related companies is trade in nature.

22 FIXED DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Deposits with licensed banks	111,530	56,436	88,649	–
Deposits with other licensed financial institutions	–	39,090	–	22,861
	111,530	95,526	88,649	22,861

No deposits were pledged as at the end of the current financial year. A deposit of RM237,000 was pledged to a financial institution for a bank guarantee facility granted to a subsidiary, PYP Sendirian Berhad in the financial year ended 2006.

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

	Group		Company	
	2007 %	2006 %	2007 %	2006 %
Licensed banks and financial institutions	3.47	3.55	3.47	3.55

The average maturity of deposits as at the end of the financial year was 30 days (2006: 31 days).

Notes to the Financial Statements

23 CASH AND BANK BALANCES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Redemption account	667	1,372	–	–
Cash on hand and at bank	9,740	9,032	232	148
	10,407	10,404	232	148

Redemption account represents the amount deposited pursuant to the agreement in respect of the term loans, as disclosed in Note 27 to the financial statements.

Included in cash at banks of the Group are amounts of RM8,603,000 (2006: RM7,213,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations.

24 PROVISIONS

	Group	
	2007 RM'000	2006 RM'000
At 1 July	12,257	14,391
Additional provision during the year (Note 5)	–	256
Unused amount reversed during the year (Note 5)	(67)	–
Utilisation of provision during the year	(1,353)	(2,390)
At 30 June	10,837	12,257

Provisions are in respect of projects undertaken by a subsidiary and are recognised for expected damages claims based on a terms of the applicable sale and purchase agreements.

25 TRADE PAYABLES

	Group	
	2007 RM'000	2006 RM'000
Trade payables	10,802	2,820
Progress billings in respect of property development costs	17,934	972
	28,736	3,792

The normal credit terms granted to the Group range from 30 days to 90 days.

26 OTHER PAYABLES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Other payables	11,427	18,074	1,032	64
Accruals	1,997	1,564	528	512
Property maintenance fund	–	3,513	–	–
Deposits payable	26	27	–	–
Provision for losses arising from issue of ICPS-A towards settlement of subsidiaries' debts	140	140	140	140
	13,590	23,318	1,700	716

27 BORROWINGS

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Short Term Borrowings				
Secured:				
Term loans-A	–	41,870	–	–
Hire purchase payables (Note 28)	419	597	271	346
	419	42,467	271	346
Long Term Borrowings				
Secured:				
Term loan-A	–	146,543	–	–
Term loan-B	204,000	–	–	–
Hire purchase payables (Note 28)	92	422	–	271
	204,092	146,965	–	271
Total Borrowings				
Term loans	204,000	188,413	–	–
Hire purchase payables (Note 28)	511	1,019	271	617
	204,511	189,432	271	617

Notes to the Financial Statements

	Group	
	2007 RM'000	2006 RM'000
Maturity of borrowings (excluding hire purchase payables):		
Within one year	–	41,870
More than 1 year and less than 2 years	71,430	83,739
More than 2 years and less than 5 years	132,570	62,804
	204,000	188,413

Interest on Term Loan-A was at 1.25% (2006: 1.25%) per annum above the banks' cost of funds. Term Loan-A was secured by a first legal charge on the freehold land of the Sentul Raya Project and a corporate guarantee of the Company.

During the current financial year, the subsidiary refinanced Term Loan-A with Term Loan-B. The Term Loan-B bears interest at 0.75% per annum above the banks' cost of funds and is secured by a corporate guarantee of the Company. It shall be repaid by way of 13 semi-annual instalments of RM14,286,000 each and one final instalment of RM18,282,000. The first instalment to commence on the first day of the 42nd month from the drawdown date.

28 HIRE PURCHASE PAYABLES

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Minimum lease payments:				
Not later than 1 year	433	635	277	370
Later than 1 year and not later than 2 years	96	399	–	277
Later than 2 years	–	35	–	–
	529	1,069	277	647
Less: Future finance charges	(18)	(50)	(6)	(30)
	511	1,019	271	617
Present value of hire purchase creditors:				
Not later than 1 year	419	597	271	346
Later than 1 year and not later than 2 years	67	387	–	271
Later than 2 years	25	35	–	–
	511	1,019	271	617
Analysed as:				
Due within 1 year (Note 27)	419	597	271	346
Due after 1 year (Note 27)	92	422	–	271
	511	1,019	271	617

29 SHARE CAPITAL

	Group/Company			
	2007			2006
	Number of shares '000	RM'000	Number of shares '000	RM'000
Authorised:				
Ordinary shares of RM0.50 each				
At 1 July/30 June	3,000,000	1,500,000	3,000,000	1,500,000
Irredeemable convertible preference shares ("ICPS-A") of RM0.50 each				
At 1 July/30 June	600,000	300,000	600,000	300,000
Irredeemable convertible preference shares ("ICPS-B") of RM0.50 each				
At 1 July/30 June	1,400,000	700,000	1,400,000	700,000
Total	5,000,000	2,500,000	5,000,000	2,500,000
Issued and Fully Paid:				
Ordinary shares of RM0.50 each				
At 1 July	355,248	177,624	344,450	172,225
Conversion of ICPS to ordinary shares	35,694	17,847	10,798	5,399
At 30 June	390,942	195,471	355,248	177,624
Irredeemable convertible preference shares ("ICPS-A") of RM0.50 each				
At 1 July	274,284	137,142	316,396	158,198
Conversion of ICPS-A to ordinary shares	(59,000)	(29,500)	(42,112)	(21,056)
At 30 June	215,284	107,642	274,284	137,142
Irredeemable convertible preference shares ("ICPS-B") of RM0.50 each				
At 1 July	560,848	280,424	560,848	280,424
Conversion of ICPS-B to ordinary shares	(27,559)	(13,779)	–	–
At 30 June	533,289	266,645	560,848	280,424
Total	1,139,515	569,758	1,190,380	595,190

Notes to the Financial Statements

29 SHARE CAPITAL

During the financial year, the Company:

- a issued 15,128,081 new ordinary shares of RM0.50 each upon conversion of 58,999,542 ICPS-A at a conversion ratio of one new ordinary share of RM0.50 each for every 3.90 ICPS-A of RM0.50 each.
- b issued 20,566,359 new ordinary shares of RM0.50 each upon conversion of 27,558,922 ICPS-B at a conversion ratio of one new ordinary share of RM0.50 each for every 1.34 ICPS-B of RM0.50 each

The ICPSs have no voting rights other than those affecting their rights and privileges. The ICPSs rank pari passu with ordinary shares for distribution of dividend but for return of capital, they rank above all shares in issue.

ICPS-A and ICPS-B are convertible into new ordinary shares of RM0.50 each at a conversion ratio of one new ordinary share of RM0.50 each for every 3.90 ICPS-A of RM0.50 each and 1.34 ICPS-B of RM0.50 each respectively on or before 2011 and 2008 respectively.

30 TREASURY SHARES

This amount relates to the acquisition cost of treasury shares net of the proceeds received on their subsequent sale or issuance.

During the financial year, the Company repurchased 12,293,400 (2006: 100) of its issued ordinary shares of RM0.50 each from the open market at an average price of RM1.34 (2006: RM0.81) per share. The total consideration paid (inclusive of transaction costs) for the repurchases was RM16,533,122 (2006: RM81). The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

	Group/Company			
	2007			2006
	Number of shares '000	RM'000	Number of shares '000	RM'000
At 1 July	221	264	221	264
Shares repurchased	12,293	16,533	–	–
At 30 June	12,514	16,797	221	264

31 LONG TERM LIABILITIES

	Group	
	2007 RM'000	2006 RM'000
Amount due to Keretapi Tanah Melayu Berhad ("KTMB")	69,216	69,216

The amount represents the balance of the total purchase consideration of not less than RM105,616,000 (2006: RM105,616,000) for the acquisition of the Sentul Raya Development Project Site from KTMB, which is to be settled by way of phased development, construction and completion of the Railway Village by the Company for KTMB at its sole cost and expense in accordance with the provisions of the Development Agreement dated 8 December 1993 between the Company and KTMB, as amended pursuant to the Supplementary Development Agreement with KTMB dated 21 December 2000.

32 DEFERRED TAXATION

	2007 RM'000	Group 2006 RM'000
At 1 July	59,361	61,268
Recognised in income statement (Note 9)	(2,205)	(1,907)
At 30 June	57,156	59,361
Presented after appropriate offsetting as follows:		
Deferred tax assets	(710)	-
Deferred tax liabilities	57,866	59,361
	57,156	59,361

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities:

	Property, Plant and Equipment RM'000	Revaluation of Investment Property in Subsidiaries RM'000	Total RM'000
At 1 July 2005	167	61,101	61,268
Recognised in income statement	(9)	(1,898)	(1,907)
At 30 June 2006	158	59,203	59,361
At 1 July 2006	158	59,203	59,361
Recognised in income statement	-	(1,495)	(1,495)
At 30 June 2007	158	57,708	57,866

Deferred tax assets:

	Unused Tax losses in Subsidiaries RM'000	Total RM'000
At 1 July 2006	-	-
Recognised in income statement	(710)	(710)
At 30 June 2007	(710)	(710)

Notes to the Financial Statements

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

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Unabsorbed tax losses	7,780	31,726	7,573	7,406
Unutilised capital allowances	471	645	364	359
Other deductible temporary differences	-	257	-	-
	8,251	32,628	7,937	7,765

33 CASH AND CASH EQUIVALENTS

	Group		Company	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Fixed deposits with licenced financial institutions (Note 22)	111,530	95,526	88,649	22,861
Cash and bank balances (Note 23)	10,407	10,404	232	148
	121,937	105,930	88,881	23,009

34 SIGNIFICANT RELATED PARTY TRANSACTIONS

Entity	Relationship	Type of transaction	Group	
			2007 RM'000	2006 RM'000
Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd	Subsidiary of immediate holding company	Provision of construction works	118,776	65,148
Suri Travel & Tours Sdn Bhd	Subsidiary of immediate holding company	Provision of air fare services and maintenance services	487	369
Autodome Sdn Bhd	Subsidiary of immediate holding company	Provision of rental of premises and food beverages	588	556
Starhill REIT	Deemed related to immediate holding company	Rental of premises	419	222
Corporate Promotions Sdn Bhd	Subsidiary of ultimate holding company	Provision of advertising and promotions and printing services	3,744	2,085
Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd	Subsidiary of immediate holding company	Commission receivable	(3,983)	(1,892)

The directors are of the opinion that the above transactions have been conducted in the normal course of business and are under terms that are not less favourable than those arranged with third parties.

Notes to the Financial Statements

35 COMMITMENTS

a Capital Commitments

	Group/Company	
	2007	2006
	RM'000	RM'000

Approved and contracted for:

Investments	100,000	100,000
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The commitment relates to a put option granted by the Company to Keretapi Tanah Melayu Berhad ("KTMB") for the purchase of KTMB's existing 30% equity interest in a subsidiary at a consideration of RM100 million to be satisfied by the issue of new ordinary shares of RM0.50 each at RM1.95 each by the Company. The put option is exercisable by KTMB within three (3) months after the date of approval by shareholders in the general meeting adopting that subsidiary's audited financial statements for the financial year ended 2007.

b Non-Cancellable Operating Lease Commitments - Group as Lessee

	Group/Company	
	2007	2006
	RM'000	RM'000

Future minimum rentals payable:

Not later than 1 year	591	975
Later than 1 year	–	637
	591	1,612

Operating lease payments represent rentals payable by the Group and the Company for use of premises. Leases are negotiated for an average term of 3 years and rentals are fixed for an average of 3 years.

36 CONTINGENT LIABILITIES

	Group		Company	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Unsecured:				
Guarantees to financial institutions for credit facilities granted to subsidiaries	–	–	252,037	262,059
Claims made by third parties in respect of fees and debts	975	975	975	975

The directors of the Company in consultation with legal counsel are of the view that there are no merits to the claims.

37 SEGMENT INFORMATION

a Reporting format

The Group is organised into two main business segments:

- i Property development
- ii Construction

An analysis by geographical segments has not been presented as the Group operates primarily in Malaysia.

b Business segment

	Construction RM'000	Property development RM'000	Total RM'000
At 30 June 2007			
Revenue	72,368	151,275	223,643
Results			
Segment results	1,329	25,513	26,842
Finance cost			(1,204)
Profit before taxation			25,638
Taxation			(1,575)
Net profit for the year			24,063

	Construction RM'000	Property development RM'000	Total RM'000
At 30 June 2007			
Other information			
Segment assets	29,225	922,362	951,587
Segment liabilities	19,001	407,360	426,361

Notes to the Financial Statements

38 FINANCIAL INSTRUMENTS

a Financial Risk Management Objectives and Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, foreign exchange, liquidity and credit risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

b Liquidity Risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible instruments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

c Credit Risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

d Interest Rate Risk

The Group's primary interest rate risk relates to interest-bearing debt; the Group had no substantial long term interest-bearing assets as at 30 June 2007. The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in the respective notes.

e Fair Values

It is not practical to estimate the fair value of the amount due from/(to) holding/subsidiary/related companies due principally to a lack of fixed repayment terms entered by the parties involved and without incurring excessive costs. However, the Company does not anticipate the carrying amount recorded at the balance sheet date to be significantly different from the values that would eventually be settled.

The carrying amounts of the financial liabilities and assets of the Group approximate their fair values, except for the following:

	Group amount RM'000	Carrying Fair value RM'000
Financial Liabilities		
At 30 June 2007:		
Term loan-B	204,000	194,935
At 30 June 2006:		
Term loan-A	188,413	168,355

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 Land & Development 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 67th Annual General Meeting of the Company to be held at Starhill 2, Level 4, JW Marriott Hotel Kuala Lumpur, 183, Jalan Bukit Bintang, 55100 Kuala Lumpur on Friday, 7 December 2007 at 11.00 a.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	Re-election of Dato' Suleiman Bin Abdul Manan		
3	Re-election of Dato' Chong Keap Thai @ Cheong Keap Tai		
4	Re-election of Dato' Mark Yeoh Seok Kah		
5	Re-appointment of Eu Peng Meng @ Leslie Eu		
6	Approval of the payment of Directors' fees		
7	Re-appointment of Messrs Ernst & Young as Company Auditors		
8	Authorisation for Directors to Allot and Issue Shares		
9	Proposed Renewal of Share Buy-Back Authority		
10	Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
11	Proposed Amendments to the Articles of Association		

Dated this day of 2007

Signature of shareholder

No. of shares held

Notes:

- 1 A member entitled to attend and vote at the meeting may appoint a proxy to vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member other than an Authorised Nominee shall not be entitled to appoint more than one proxy to attend and vote at the same meeting and where such member appoints more than one proxy to attend and vote at the same meeting, such appointment shall be invalid.
- 2 This form of proxy and the Power of Attorney or other authority (if any) under which it is signed or 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 30 November 2007. Only a depositor whose name appears on the General Meeting Record of Depositors as at 30 November 2007 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.

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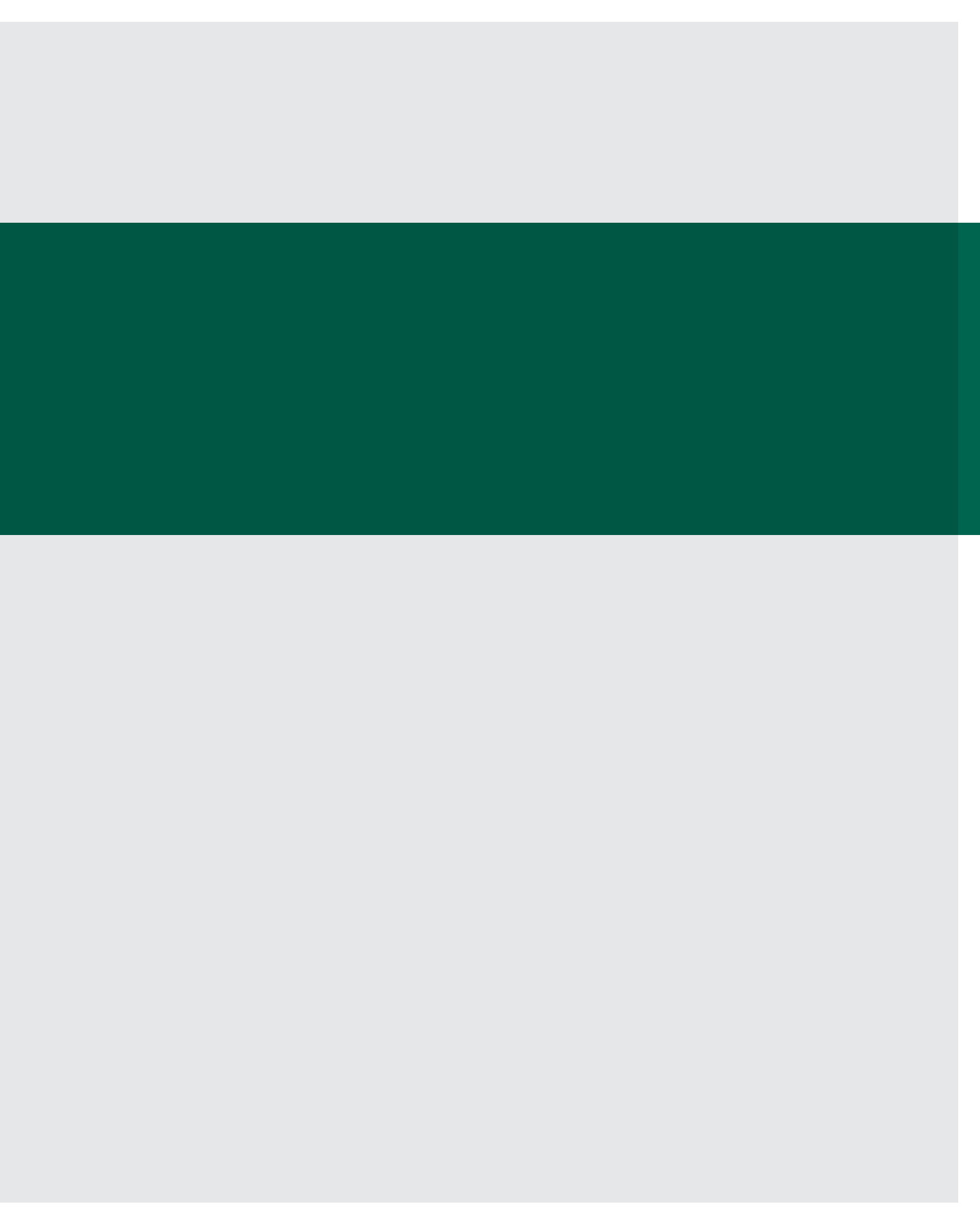
The Company Secretary

YTL LAND & DEVELOPMENT BERHAD

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