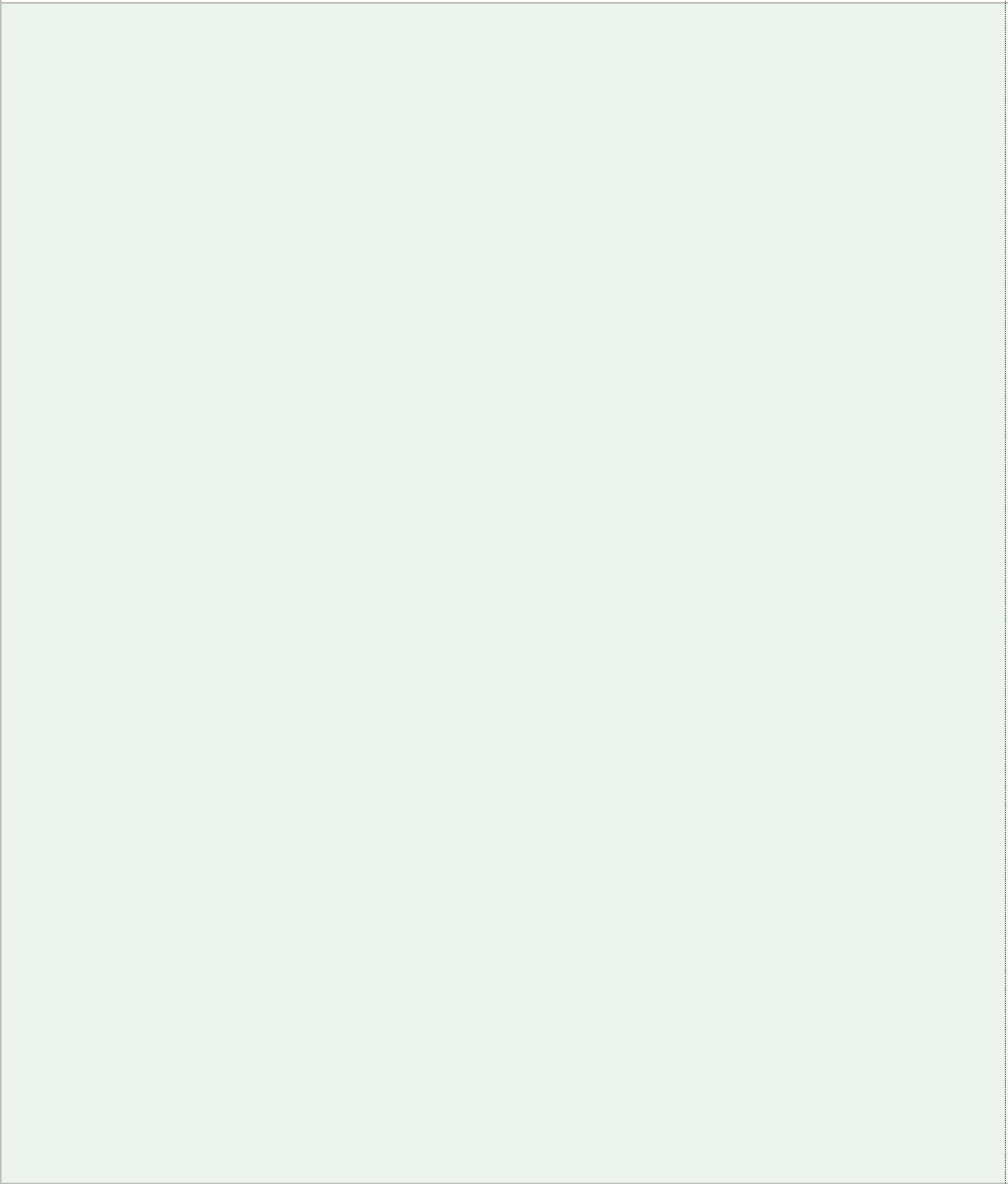




**YTL
LAND &
DEVELOPMENT
BERHAD** 1116-M

the journey continues...

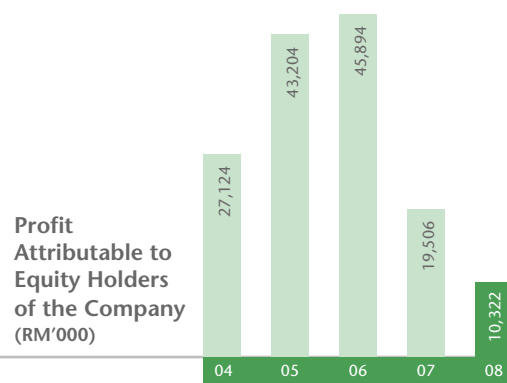
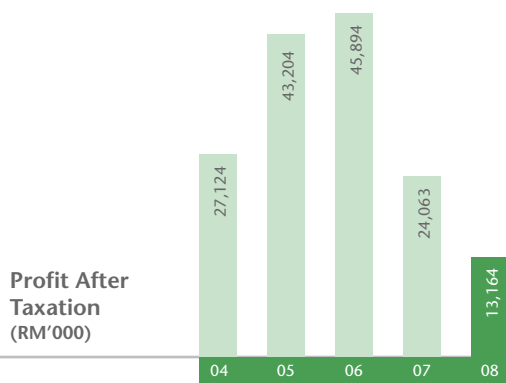
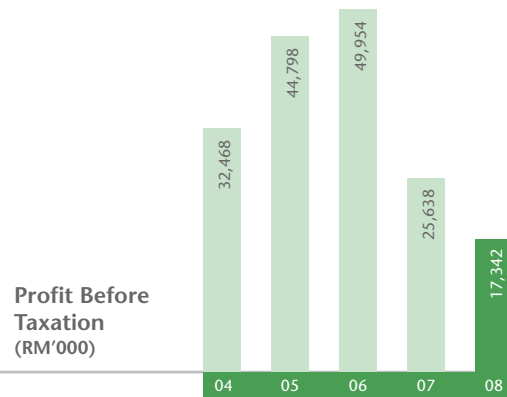
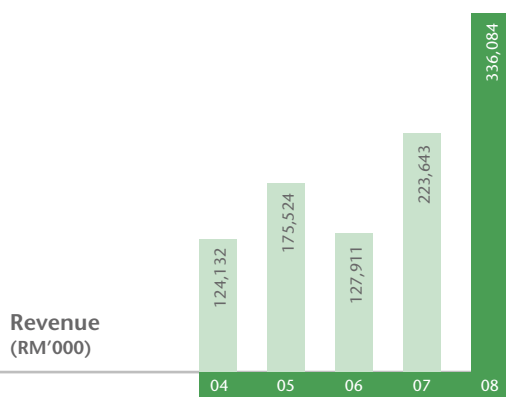
annual report **2008**



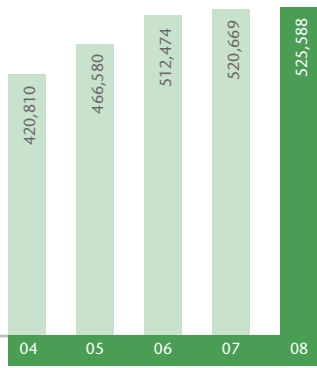
Corporate Review	Financial Highlights	2	
	Chairman's Statement	4	
	Notice of Annual General Meeting	8	
	Statement Accompanying Notice of Annual General Meeting	11	
	Corporate Information	12	
	Profile of the Board of Directors	13	
	Statement of Directors' Responsibilities	17	
	Audit Committee Report	18	
	Statement on Corporate Governance	22	
	Statement of Internal Control	25	
	Disclosure of Recurrent Related Party Transactions	27	
	Analysis of Share/Irredeemable Convertible Preference Share (ICPS) Holdings	28	
	Statement of Directors' Interests	32	
	Schedule of Share Buy-Back	35	
	List of Properties	36	
	Financial Statements	Directors' Report	40
		Statement by Directors	49
Statutory Declaration		49	
Independent Auditors' Report		50	
Income Statements		52	
Balance Sheets		53	
Statements of Changes in Equity		55	
Cash Flow Statements		56	
Notes to the Financial Statements		58	
Form of Proxy			

Financial Highlights

	2008	2007	2006	2005	2004
Revenue (RM'000)	336,084	223,643	127,911	175,524	124,132
Profit Before Taxation (RM'000)	17,342	25,638	49,954	44,798	32,468
Profit After Taxation (RM'000)	13,164	24,063	45,894	43,204	27,124
Profit Attributable to Equity Holders of the Company (RM'000)	10,322	19,506	45,894	43,204	27,124
Total Equity Attributable to Shareholders of the Company (RM'000)	525,588	520,669	512,474	466,580	420,810
Earnings per Share (Sen)	1.88	2.39	5.46	5.14	3.29
Total Assets (RM'000)	932,139	951,587	921,625	989,608	844,019
Net Assets per Share (RM)	0.67	1.38	1.44	1.36	1.24



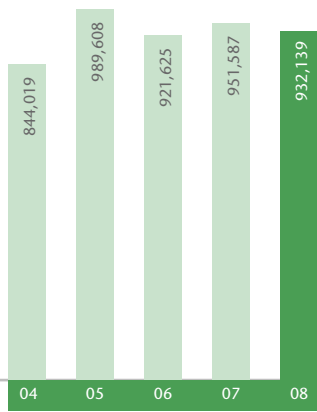
Total Equity Attributable to Shareholders of the Company (RM'000)



Earnings per Share (Sen)



Total Assets (RM'000)



Net Assets per Share (RM)



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 2008.



DATO' SULEIMAN BIN ABDUL MANAN

Chairman

OVERVIEW

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

The Malaysian economy remained relatively resilient during the year under review with real GDP growing by 6.3% for the 2007 calendar year, although growth is projected to slow to 5.7% by the end of 2008 as increased external uncertainties continue to dampen domestic growth. Inflationary pressures and concerns over interest rates have also continued to impact purchasing sentiment. (source: Economic Report 2008/2009).

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

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

The raft of investor-friendly measures introduced by the Government over the last 2 years has proven successful in attracting foreign buyers to the Malaysian property market. The Group, which holds a Malaysia: My Second Home (“MM2H”) licence, continues to assist foreign homeowners with their applications to the Ministry of Tourism’s MM2H centre. This added level of service has been well-received by potential buyers, particularly as Sentul continues to attract a diverse range of foreign buyers and tenants from Europe, Australia and other countries in Asia, such as Singapore and South Korea.

FINANCIAL PERFORMANCE

The Group achieved a 50.3% growth in revenue to RM336.1 million for the financial year ended 30 June 2008, compared to RM223.6 million for the previous financial year ended 30 June 2007, contributed mainly by new phases under development, namely Centrio at Pantai Hillpark, as well as progress recognition for The Saffron at Sentul East in the Group’s Sentul urban regeneration project, which was completed during the year under review.

Profit before taxation decreased to RM17.3 million for the 2008 financial year, compared to RM25.6 million for the last financial year, due substantially to increased operating costs incurred and lower other operating income receivable during the year.

REVIEW OF OPERATIONS

Sentul continues to captivate the market. In January 2008, the preview of the project’s latest addition of boutique offices, **d6 at Sentul East**, recorded a remarkable 90% uptake, mirroring the sell-out success of **d7 at Sentul East**, Sentul’s first commercial project launched last year. Already in demand for its quality homes, Sentul is now shaping itself as a business precinct that redefines traditional offices with a new class of architecturally stunning offices for the next generation.

Both developments are linked through a sky bridge that stretches over Jalan Sentul. Together with d7, the 80-unit d6 boutique offices are a dynamic complement to Sentul East’s stylish, cosmopolitan environment, and businesses have come to realise that of equal importance to having a reputable address is the cachet of being associated with a vibrant new genre of offices, to reflect their own unique identity.

The cutting-edge freehold d6 development will feature boutique offices with retail and food and beverage outlets, surrounded by the Group’s signature exquisite landscaping, water features, sculptures and atrium areas. Sky offices at d6 give businesses loft-type office space featuring high ceilings and the flexibility to design their own work spaces. A big contrast to traditional office space, d6 counts both new-age businesses and professional practices amongst its clients.

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

The completion and handing over of **The Saffron at Sentul East** marks the second development at Sentul East, following the debut of the highly successful first development, **The Tamarind**. Buyers have been attracted by **The Saffron**’s design features which include extensive landscaping, three separate swimming pools, themed gardens, a yoga lawn and the exclusive **Saffron Park**, in addition to its freehold status and convenient location. With new accessibility via the Sentul Link, Sentul’s location is mere 10 minutes away from Kuala Lumpur’s city centre, yet another factor enhancing the properties’ value appreciation.



28 October 2007

FIABCI Malaysia Prix d’Excellence Awards 2007
 Best Master Plan – Sentul West and Sentul East Master Plan
 Special Award for National Contribution – The Kuala Lumpur Performing Arts Centre

Dato’ Yeoh Seok Kian, Executive Director of YTL Land & Development Berhad (right), receives the award from Sultan Sharafuddin Idris Shah, Sultan of Selangor (left).

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

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

The most recent preview launch under the Group's highly successful Lake Edge development in Puchong was **Parkville Homes** 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. **Waterville Homes**, the next phase of Lake Edge, consists of 2½-storey semi-detached units with a built up area of 3,800 sq.ft., each encompassing four bedrooms, each with an en-suite bathroom. A private lap pool is an additional unique feature of each unit.

The development of **Centrio**, the latest offering the Group's popular Pantai Hillpark development in the heart of Kuala Lumpur, is well underway. Centrio features an eclectic mix of 80 SOHO (small office/home office) suites, retail stores and boutiques, with unique features including stunning floor-to-ceiling windows, spacious rooftop gardens and illuminating skylights, as well as open sun decks above units, all of which are unheard of in other comparably sized SOHO developments in the market. To add to their one-of-a-kind nature, Centrio's SOHO suites come with a host of amenities, including a 50-metre lap pool, fully equipped business centre and shared conference rooms.

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. The resulting buyer profile has shown that 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.

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, which has 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 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.

FUTURE PROSPECTS

The Group will continue in its approach of delivering truly branded, uniquely conceptualised, high quality homes with the potential for strong capital appreciation, all of which have become hallmarks of YTL L&D's homes. The newest addition to Sentul's skyline moving forward will be the distinctive signature twin towers of The Capers at Sentul East, comprising duplex townhouse-style condominium units.

On the domestic front, Malaysia's GDP growth is projected to slow marginally in 2009 compared to 2008 as inflationary pressures continue to dampen consumer and private sector sentiment (sources: Economic Report 2008/2009, Bank Negara Malaysia). Challenges for the wider property market include economic uncertainties which may discourage bank lending, particularly in the mortgage sector, and the longer-term outcome of these market conditions remains to be seen. However, developers with the ability to deliver unique, well-conceptualised homes are expected to meet these challenges, and YTL L&D remains well-positioned to do so.

The Group's homes and communities, led by Sentul, Lake Edge and Pantai Hillpark, have enjoyed strong sales momentum and YTL L&D continues to focus on developing innovative solutions, creating better living and working environments and extending the benefits of urban renewal into its neighbourhoods. YTL L&D remains dedicated to its approach in continuously formulating new living concepts which integrate with their surroundings to create thriving communities with unique and unconventional architecture. It is this perspective that has enabled the Group to attract the interest of buyers and, thereafter, to deliver appealing homes and lifestyles to them, simultaneously enhancing the value of their investments.

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, homeowners, business associates and the regulatory authorities, for their continued support. As always, we thank the management and staff for their continued dedication and commitment to the Group.

DATO' SULEIMAN BIN ABDUL MANAN

DPMS



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Sixty-Eighth 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 Tuesday, the 2nd day of December, 2008 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 2008 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) Tan Sri Dato' (Dr) Francis Yeoh Sock Ping **Resolution 2**
 - (ii) Dato' Yeoh Seok Kian **Resolution 3**
 - (iii) Dato' Hamidah Binti Maktar **Resolution 4**
3. To consider and if thought fit, pass the following Ordinary Resolutions in accordance with Section 129(6) of the Companies Act, 1965:
 - (i) "THAT Dato' Suleiman Bin Abdul Manan, 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**
 - (ii) "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 6**
4. To approve the payment of Directors' fees amounting to RM220,000 for the financial year ended 30 June 2008; **Resolution 7**
5. To re-appoint the Auditors and to authorise the Directors to fix their remuneration. **Resolution 8**

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 9**

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 2007, the Company shall be entitled to further purchase and/or hold such additional number of shares as shall (in aggregate with the shares then still held by the Company) not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities;

(ii) The maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy-Back shall not exceed the sum of Retained Profits and the Share Premium Account of the Company based on its latest audited financial statements available up to the date of a transaction pursuant to the Proposed Share Buy-Back. As at 30 June 2008, the audited Accumulated Losses and Share Premium Account of the Company were RM86,087,000.00 and RM201,946,000.00 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 10

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

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

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

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

Resolution 11

By Order of the Board,

HO SAY KENG
Company Secretary

KUALA LUMPUR
10 November 2008

Notes:

A member entitled to attend and vote at the meeting may appoint a proxy to vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member other than an Authorised Nominee shall not be entitled to appoint more than one proxy to attend and vote at the same meeting and where such member appoints more than one proxy to attend and vote at the same meeting, such appointment shall be invalid. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or his attorney and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised in writing. An instrument appointing a proxy shall be deposited at the Registered Office of the Company at least 48 hours before the appointed time for holding the meeting. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 60(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 25 November 2008. Only a depositor whose name appears on the General Meeting Record of Depositors as at 25 November 2008 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.

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

The Company is actively pursuing business opportunities in prospective areas so as to broaden the operating base and earnings potential of the Company. Such expansion plans may require the issue of new shares not exceeding ten per centum of the Company's issued share capital. With the passing of the Resolution 9 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 10, further information on the Share Buy-Back is set out in the Share Buy-Back Statement dated 10 November 2008 which is despatched together with the Company's Annual Report 2008.

Resolution pertaining to the Recurrent Related Party Transactions

For Resolution 11, further information on the Recurrent Related Party Transactions is set out in the Circular to Shareholders dated 10 November 2008 which is despatched together with the Company's Annual Report 2008.

Statement Accompanying Notice of Annual General Meeting

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

DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTORS

No individual is seeking election as a Director at the Sixty-Eighth 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, FICE, SIMP, DPMS, DPMP, JMN, JP
Hon DEng (Kingston), BSc (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
BSc (Hons) Bldg, MCIOB, 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

BCom, 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
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, 70 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 68, 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) Second 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 Fullbright 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 of National Productivity Corporation. On the international front, he represented Malaysia as Chairman of the Council of the University Mobility of Asia Pacific, Chairman of the Malaysian-Australian Vice Chancellors Committee, Board Member of the Association of Commonwealth Universities as well as Board Member of the Association of South East Asian Institutions of Higher Learning. He was the Chairman of both Permai Polyclinic Group Sdn Bhd and the Malaysian-American Commission on Educational Exchange. 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, as well as Chairman of Management and Science University Foundation and Meteor Doc. Sdn Bhd.

Profile of the Board of Directors

14

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Malaysian, aged 54, 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 and Managing Director of YTL e-Solutions Berhad which is listed on the MESDAQ Market of Bursa Malaysia Securities Berhad. Besides the listed entities in YTL Group, Tan Sri Francis also sits on the board of several public companies such as YTL Industries Berhad, YTL Foundation and the prominent private utilities companies in United Kingdom, Wessex Water Limited and Wessex Water Services Limited. He is also a director and Chief Executive Officer of Pintar Projek Sdn Bhd, the Manager of Starhill Real Estate Investment Trust.

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

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

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

Dato' Cheong Keap Tai, Malaysian, aged 60, was appointed to the Board on 30 September 2004 as an Independent Non-Executive Director. He is also a member of the Audit Committee. Dato' Cheong graduated from the University of Singapore with a Bachelor of Accountancy. He is a Chartered Accountant of Malaysian Institute of Accountants, a Member of the Malaysian Institute of Certified Public Accountants, and a Member of the Institute of Chartered Secretaries and Administrators. Dato' Cheong was the Executive Director and Partner of Coopers & Lybrand and upon its merger with Price Waterhouse was the Executive Director and Partner of PricewaterhouseCoopers until his retirement in December 2003. He is also a director of YTL Corporation Berhad, YTL e-Solutions Berhad, Cement Industries of Malaysia Berhad, Opus Group Berhad, Gromutual Berhad and several private limited companies.

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

Dato' Yeoh Seok Hong, Malaysian, aged 49, 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 construction division. He was the project director responsible for the development and the construction of the two Independent Power Producer power stations owned by YTL Power Generation Sdn Bhd. His other notable achievements include the construction of the Express Rail Link between the Kuala Lumpur International Airport and the Kuala Lumpur Sentral Station. Besides being actively involved in the construction activities of the YTL Group, he 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 YTL Industries Berhad, YTL Foundation, Wessex Water Limited and Wessex Water Services Limited.

Dato' Michael Yeoh Sock Siong, Malaysian, aged 48, was appointed to the Board on 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 the YTL Group Manufacturing Division which activities involve cement manufacturing, ready-mixed concrete and other building material industries. He is also a director of YTL 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 43, 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 54, 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 Sales & 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 73, 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:

- 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.
- Conflict of Interest**
None of the Directors has any conflict of interest with the Company.
- Conviction of Offences**
None of the Directors has been convicted of any offences in the past ten (10) years.

DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

During the financial year, a total of 7 Board meetings were held and the details of attendance are as follows:

	Attendance
Dato' Suleiman Bin Abdul Manan	7
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping	7
Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman	6
Dato' Cheong Keap Tai	5
Dato' Yeoh Seok Kian	5
Dato' Yeoh Seok Hong	7
Dato' Michael Yeoh Sock Siong	6
Dato' Mark Yeoh Seok Kah	6
Dato' Hamidah Binti Maktar	7
Eu Peng Meng @ Leslie Eu	7

Statement of Directors' Responsibilities

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

The Directors consider that, in preparing the financial statements for the financial year ended 30 June 2008, the Group has used appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent. The Directors also consider that all applicable approved accounting standards have been followed and confirm that the financial statements have been prepared on a going concern basis.

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

Audit Committee Report

MEMBERS

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

Authority

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

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

Functions And Duties

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

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

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

Audit Committee Report

20

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 2008 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 material findings are adequately addressed by management.
4. Review of the quarterly results and annual financial statements to ensure compliance with the Listing Requirements of Bursa Securities, applicable approved accounting standards and other statutory and regulatory requirements prior to recommending for approval by the Board of Directors.
5. Review of the related party transactions entered into by the Group.

INTERNAL AUDIT ACTIVITIES

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

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

NUMBER OF MEETINGS HELD AND DETAILS OF ATTENDANCE

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

	Attendance
Eu Peng Meng @ Leslie Eu	5
Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman	4
Dato' Yeoh Seok Kian	2
Dato' Cheong Keap Tai	4

Statement on Corporate Governance

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

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

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 10 Directors, comprising 6 executive members and 4 non-executive members, 3 of whom are independent. This is in compliance with the Listing Requirements, which require one-third of the Board to be independent.

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

The Executive Directors are responsible for the YTL L&D Group's operations and for ensuring that strategies are fully discussed and examined, and take account of the long-term interests of shareholders, employees, customers, suppliers and the many communities in which the YTL 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 full deliberation of issues affecting the YTL L&D Group by all members of the Board and shareholders is encouraged.

DIRECTORS' TRAINING

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

BOARD MEETINGS & ACCESS TO INFORMATION

Board meetings are scheduled in advance at least 5 times in a year in order to review and approve the annual and interim financial results. Additional meetings may also be held as and when significant issues arise relating to the YTL L&D Group's operations and activities. The Board met 7 times during the financial year ended 30 June 2008. Details of each Director's attendance of the Board meetings are disclosed in the Profile of the Board of Directors in this Annual Report.

The Directors have full and unrestricted access to all information pertaining to the YTL L&D Group's business and affairs to enable them to discharge their duties. There are matters specifically reserved for the Board's decision to ensure that the direction and control of the YTL 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 clarifications, where necessary, in order to be properly briefed before each meeting. A record of the Board's deliberations of the issues discussed and conclusions reached in discharging its duties and responsibilities is captured in the minutes of each meeting, prepared by the Company Secretary.

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

APPOINTMENT & RE-ELECTION OF DIRECTORS

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

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

DIRECTORS' REMUNERATION

Directors' remuneration is decided in line with the objective recommended by the Code to determine the remuneration for Directors so as to attract and retain Directors of the calibre needed to run the YTL 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 shareholders are kept 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 and the Executive Directors meet with analysts, institutional shareholders and investors throughout the year to provide updates on strategies and new developments. Presentations based on permissible disclosures are made to explain the YTL L&D Group's performance and major development programs. However, information that is price-sensitive or that may be regarded as undisclosed material information about the YTL L&D Group is 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 and Executive Directors respond 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 3 Non-Executive Directors and 1 Executive Director. In accordance with the Code and the Listing Requirements, the Company will ensure that the Audit Committee is comprised fully of Non-Executive Directors by 31 January 2009 or any other deadline set out by Bursa Securities.

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

The Audit Committee met 5 times during the financial year ended 30 June 2008. Full details of the composition, complete terms of reference and the activities of the Audit Committee during the financial year are set out in the Audit Committee Report in this Annual Report.

FINANCIAL REPORTING

The Directors are responsible for ensuring that financial statements are drawn up in accordance with the Companies Act 1965 and MASB Approved Accounting Standards in Malaysia. In presenting the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates to present a true and fair assessment of the Company's position and prospects. Quarterly financial statements were reviewed by the Audit Committee and approved by the Board prior to release to Bursa Securities and Securities Commission. The Statement by Directors made pursuant to Section 169 of the Companies Act 1965, is set out in this Annual Report.

INTERNAL CONTROL AND INTERNAL AUDIT

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

RELATIONSHIP WITH THE AUDITORS

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

ADDITIONAL DISCLOSURE

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

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

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

Statement on Internal Control

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

The Code, which was revised on 1 October 2007, requires the Board of Directors (“Board”) of a listed company to maintain a sound system of internal control to safeguard shareholders’ investments and the Company’s assets. Paragraph 15.27(b) of the Listing Requirements requires the Board to include in the Annual Report of the Company a statement on the status of the system of internal control.

RESPONSIBILITIES OF THE BOARD

The Board is responsible for maintaining a sound system of internal control to safeguard shareholders’ investments and the assets of the YTL 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 to the Executive Directors. The approval of capital and revenue proposals above certain limits is reserved for decision by the Board. Other investment decisions are delegated for approval in accordance with authority limits. Comprehensive appraisal and monitoring procedures are applied to all major investment decisions.

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

- **Financial Performance:** Interim financial results are reviewed by the Audit Committee and approved by the Board upon recommendation of the Audit Committee before release to Bursa Securities. The full year financial results and analyses of the YTL 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.

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 YTL L&D Group’s internal audit function is co-sourced by the YTL Corporation Berhad Group Internal Audit department (“YTLIA”) and IBDC (Malaysia) Sdn Bhd (“IBDC”). Both YTLIA and IBDC report directly to the Audit Committee. A description of the activities of the internal audit function can be found in the Audit Committee Report included in this Annual Report.

Costs amounting to approximately RM47,000.00 were incurred in relation to the internal audit function for the financial year ended 30 June 2008.

Statement on Internal Control

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

The system of internal control will continue to be reviewed, enhanced and updated in line with changes in the operating environment. The Board will seek regular assurance on the continuity and effectiveness of the internal control system through independent appraisals by YTLIA and IBDC. The Board is of the view that the current system of internal control in place throughout the YTL 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 divisional heads. The purpose of these meetings is to deliberate and decide upon urgent company matters. Decisions can then be effectively communicated to relevant staff levels in a timely manner. From these meetings, the Board is able to identify significant operational and financial risks of the business units concerned.
- **Treasury Meetings:** Management meetings to discuss significant financial and treasury matters and to monitor the financial standing of the YTL L&D Group are conducted on a weekly basis. These meetings ensure that any new financial developments and/or areas of concern are highlighted early and can be dealt with promptly. The members of this meeting comprise at least the YTL 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 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, such as entering into joint venture agreements with land owners when undertaking property development projects. This strategy has helped to keep holding costs low and provided better resilience against severe downswings in the property market. The YTL L&D Group's Sentul development project, for example, is being undertaken as a joint venture with Keretapi Tanah Melayu Berhad.

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 16 October 2008.

Disclosure of Recurrent Related Party Transactions of a Revenue or Trading Nature

for the financial year ended 30 June 2008

At the last Annual General Meeting of YTL Land & Development Berhad (“YTL L&D”) held on 7 December 2007, 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 2008 pursuant to the said shareholders’ mandate are as follows:

Companies in the YTL L&D Group involved in the Recurrent Transactions

Related Party	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”)	256,371
Pakatan Perakbina Sdn Bhd,			Major Shareholder/ Person Connected ⁽¹⁾	
PYP Sendirian Berhad,			Major Shareholder/ Person Connected ⁽²⁾	
Syarikat Kemajuan Perumahan Negara Sdn Bhd		Tan Sri Dato’ Seri (Dr) Yeoh Tiong Lay [“Tan Sri Yeoh Tiong Lay”]	Major Shareholder/ Person Connected ⁽¹⁾⁽²⁾⁽³⁾	
		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⁾	

Notes:

- (1) YTLSH is a major shareholder of YTL L&D and the Related Party. YTLSH 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 YTLSH, 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 YTLSH.

Analysis of Share/Irredeemable Convertible Preference Share (ICPS) Holdings as at 30 September 2008

Class of share : 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	295	1.83	4,786	0.00
100 – 1,000	8,702	54.09	4,504,549	0.58
1,001 – 10,000	5,843	36.32	23,702,422	3.03
10,001 – 100,000	1,116	6.94	31,780,731	4.06
100,001 to less than 5% of issued shares	131	0.81	188,709,925	24.13
5% and above of issued shares	2	0.01	533,262,373	68.20
Total	16,089	100.00	781,964,786	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	476,332,132	60.91
2 Mayban Securities Nominees (Tempatan) Sdn Bhd - Construction Lease (M) Sdn Bhd for Bara Aktif Sdn Bhd (DLR 072)	56,930,241	7.28
3 Mayban Securities Nominees (Tempatan) Sdn Bhd - Construction Lease (M) Sdn Bhd for Dato' Haji Mohamed Zainal Abidin bin Abdul Kadir (DLR 072)	35,617,470	4.55
4 Mayban Securities Nominees (Tempatan) Sdn Bhd - Construction Lease (M) Sdn Bhd for MZK Realty Sdn Bhd (DLR 072)	22,028,946	2.82
5 Pemasaran Simen Negara Sdn Bhd	10,424,532	1.33
6 Citigroup Nominees (Asing) Sdn Bhd - GSI for North of South Capital LLP	10,000,000	1.28
7 Alliancegroup Nominees (Tempatan) Sdn Bhd - Pheim Asset Management Sdn Bhd for Employees Provident Fund	9,993,000	1.28
8 Yeoh Tiong Lay & Sons Holdings Sdn Bhd	8,021,600	1.03
9 Permodalan Nasional Berhad	7,351,600	0.94
10 DB (Malaysia) Nominee (Asing) Sdn Bhd - Exempt An for Deutsche Bank Ag Singapore (PWM Asing)	7,169,600	0.92
11 Yeoh Tiong Lay & Sons Holdings Sdn Bhd	6,402,200	0.82
12 Mayban Nominees (Tempatan) Sdn Bhd - Mayban Trustees Berhad for Public Ittikal Fund (N14011970240)	4,806,400	0.61
13 Bara Aktif Sdn Bhd	4,200,000	0.54
14 Mayban Securities Nominees (Tempatan) Sdn Bhd - Construction Lease (M) Sdn Bhd for Raja Dato' Wahid Bin Raja Kamaral Zaman (DLR 072)	3,896,438	0.50
15 Amanah Raya Nominees (Tempatan) Sdn Bhd - Public Far-East Property & Resorts Fund	3,755,000	0.48
16 Yeoh Tiong Lay & Sons Holdings Sdn Bhd	3,432,500	0.44
17 Mayban Nominees (Tempatan) Sdn Bhd - Mayban Trustees Berhad for Public Regular Savings Fund (N14011940100)	3,290,000	0.42
18 Citigroup Nominees (Asing) Sdn Bhd - Goldman Sachs International	2,268,700	0.29

Name	No. of Shares	%#
19 Amanah Raya Nominees (Tempatan) Sdn Bhd - Public Smallcap Fund	2,129,200	0.27
20 Affin Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Sew Hoey (Tan Siew Hoey) (TAN6986M)	2,082,900	0.27
21 YTL Corporation Berhad	2,004,300	0.26
22 Eagletron Venture Corp.	1,981,600	0.25
23 Mayban Nominees (Tempatan) Sdn Bhd - Mayban Trustees Berhad for PB Asean Dividend Fund (270334)	1,880,100	0.24
24 Employees Provident Fund Board	1,451,000	0.19
25 Public Nominees (Tempatan) Sdn Bhd - Pledged Securities A/C for Lee Kwong Joo (E-KLC)	1,258,400	0.16
26 KE-Zan Nominees (Asing) Sdn Bhd - Kim Eng Securities Pte Ltd for Exquisite Holdings Limited	1,175,500	0.15
27 AMSEC Nominees (Tempatan) Sdn Bhd - AMBank (M) Berhad for Datin Ramona Suleiman Nee Lee Lai Wah	1,131,810	0.14
28 HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Value Fund (4223)	1,092,000	0.14
29 HLG Nominee (Tempatan) Sdn Bhd - PB Trustee Services Berhad for HLG Growth Fund	1,068,200	0.14
30 ECML Nominees (Tempatan) Sdn Bhd - Boom Securities (HK) Ltd for Ng Avery Chee Yoong	1,065,900	0.14
Total	694,241,269	88.79

SUBSTANTIAL SHAREHOLDERS (as per register of substantial shareholders)

Name	Direct	No. of Shares Held		%#
		%#	Indirect	
YTL Corporation Berhad	478,346,432	61.17	–	–
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	17,856,300	2.28	478,346,432 ^①	61.17
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	496,202,732 ^②	63.45
Bara Aktif Sdn Bhd	61,130,241	7.82	–	–
Dato' Mohamed Zainal Abidin bin Abdul Kadir	35,637,470	4.56	83,159,187 ^③	10.63
Raja Dato' Wahid bin Raja Kamaral Zaman	3,896,438	0.50	61,130,241 ^④	7.82

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.

③ Deemed interested by virtue of his interests in Bara Aktif Sdn Bhd & MZK Realty Sdn Bhd pursuant to section 6A of the Companies Act, 1965.

④ Deemed interested by virtue of his interests in Bara Aktif Sdn Bhd pursuant to section 6A of the Companies Act, 1965.

Based on the issued and paid-up share capital of the Company of RM398,568,243.00 comprising 797,136,486 ordinary shares and after deduction of 15,171,700 treasury shares retained by the Company as per Record of Depositors.

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

as at 30 September 2008

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	121	6.54	5,398	0.00
100 – 1,000	170	9.19	68,764	0.04
1,001 – 10,000	818	44.22	4,822,296	2.63
10,001 – 100,000	585	31.62	21,157,156	11.55
100,001 to less than 5% of issued ICPS	154	8.32	79,930,954	43.62
5% and above of issued ICPS	2	0.11	77,256,022	42.16
Total	1,850	100.00	183,240,590	100.00

THIRTY LARGEST 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	31.65
2 Mayban Nominees (Tempatan) Sdn Bhd - Mayban Investment Management Sdn Bhd for Malayan Banking Berhad (GRM-230592)	19,256,022	10.51
3 Affin-ACF Finance Berhad	6,676,032	3.64
4 Bumiputra-Commerce Factorslease Berhad	6,000,000	3.27
5 Lee San Ming @ Lee Lay Eng	4,250,000	2.32
6 Wong Keat Keong	4,010,064	2.19
7 AMSEC Nominees (Tempatan) Sdn Bhd - AMBank (M) Berhad for Dato' Suleiman Bin Abdul Manan	3,713,400	2.03
8 Jerneh Insurance Bhd	3,462,000	1.89
9 Mayban Nominees (Tempatan) Sdn Bhd - Mayban Trustees Berhad for FJ Benjamin Fashions (M) Sdn Bhd (TCB-200510)	2,158,534	1.18
10 MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Wong Soo Noi (CTS-WSN0001)	1,700,000	0.93
11 Blue Fountain Sdn Bhd	1,600,000	0.87
12 Haw Ah Bee Construction Sdn Bhd	1,600,000	0.87
13 Koh Bee Yong	1,504,000	0.82

Name	No. of ICPS	
	2001/2011	%
14 Tan Kok Sing	1,407,200	0.77
15 Ng San Tiong	1,369,300	0.75
16 Ong Aik Khoon	1,360,000	0.74
17 Apcot PP (M) Sdn Bhd	1,321,772	0.72
18 AMSEC Nominees (Tempatan) Sdn Bhd - AMBank (M) Berhad for Lee Kwong Joo (SMART)	1,280,000	0.70
19 Lee Pei Hoon @ Lee Poh	1,210,000	0.66
20 Mayban Nominees (Tempatan) Sdn Bhd - Mayban Trustees Berhad for Generation Two Thousand Apparel Sdn Bhd (TCB-200572)	970,620	0.53
21 Ma Kai Foo	955,100	0.52
22 Tan Pak Nang	850,000	0.46
23 Tay Teck Ho	805,000	0.44
24 Hashim Dan Lim Sdn Bhd	761,820	0.42
25 Foong Wye Soon	724,500	0.40
26 Yong Siew Meng	681,000	0.37
27 Ho Bok Sing	660,252	0.36
28 Fu Lai Chee	603,200	0.33
29 Mayban Nominees (Tempatan) Sdn Bhd - Mayban Trustees Berhad for Club Twenty-One Retail (Malaysia) Sdn Bhd (TCB-200504)	567,636	0.31
30 Lee Swee Mui @ Lee Swee Chin	554,500	0.30
Total	130,011,952	70.95

Statement of Directors' Interests

in the Company and related corporations as at 30 September 2008

THE COMPANY

YTL LAND & DEVELOPMENT BERHAD

Name	Direct	No. of Shares Held		%
		%	Indirect	
Dato' Suleiman Bin Abdul Manan	344,988	0.04	1,598,940 ⁽¹⁾	0.21
Eu Peng Meng @ Leslie Eu	20,000	*	–	–

Name	Direct	No. of Irredeemable Convertible Preference Shares 2001/2011 Held		%
		%	Indirect	
Dato' Suleiman Bin Abdul Manan	3,713,400	2.03	1,089,794 ⁽²⁾	0.60
Dato' Yeoh Seok Kian	240,000	0.13	–	–

HOLDING COMPANY

YTL CORPORATION BERHAD

Name	Direct	No. of Shares Held		No. of Share Options	
		%	Indirect	%	Options
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,203,652	0.95	–	–	5,000,000
Dato' Yeoh Seok Kian	5,321,210	0.36	515,683 ⁽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	0.31	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, FICE	2,285,472	0.87	–	–
Dato' Yeoh Seok Kian	655,866	0.25	–	–
Dato' Yeoh Seok Hong	648,372	0.25	–	–
Dato' Michael Yeoh Sock Siong	550,110	0.21	547,180 ⁽³⁾	0.21
Dato' Mark Yeoh Seok Kah	271,800	0.10	–	–

ULTIMATE HOLDING COMPANY
YEOH TIONG LAY & SONS HOLDINGS SDN BHD

Name	Direct	No. of Shares Held		%
		%	Indirect	
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	5,000,000	12.28	–	–
Dato' Yeoh Seok Kian	5,000,000	12.28	–	–
Dato' Yeoh 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, FICE	2,042,923	0.44	–	–	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, FICE	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

Statement of Directors' Interests

in the Company and related corporations as at 30 September 2008

YTL E-SOLUTIONS BERHAD

Name	Direct	No. of Shares Held		%
		%	Indirect	
Dato' Michael Yeoh Sock Siong	–	–	30,000 ⁽³⁾	*

YTL POWER INTERNATIONAL BERHAD

Name	Direct	No. of Shares Held		No. of Share Options	
		%	Indirect	%	Options
Dato' Suleiman Bin Abdul Manan	–	–	1,230 ⁽³⁾	*	–
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,945,040	0.26	–	–	7,000,000
Dato' Yeoh Seok Kian	5,021,360	0.09	1,245,941 ⁽³⁾	0.02	3,000,000
Dato' Hamidah Binti Maktar	3,895	*	–	–	–
Dato' Yeoh Seok Hong	8,648,863	0.15	2,459,947 ⁽⁴⁾	0.04	5,000,000
Dato' Michael Yeoh Sock Siong	4,601,744	0.08	919,291 ⁽³⁾	0.02	3,000,000
Dato' Mark Yeoh Seok Kah	5,784,713	0.10	825,233 ⁽³⁾	0.01	3,000,000
Eu Peng Meng @ Leslie Eu	20,170	*	–	–	–

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

Name	Direct	No. of Warrants 2008/2018 Held		%
		%	Indirect	
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	4,860,175	0.32	–	–
Dato' Yeoh Seok Kian	1,632,962	0.11	450,000 ⁽³⁾	0.03
Dato' Hamidah Binti Maktar	1,600	*	–	–
Dato' Yeoh Seok Hong	8,861,405	0.59	799,982 ⁽⁴⁾	0.05
Dato' Michael Yeoh Sock Siong	1,496,502	0.10	298,956 ⁽³⁾	0.02
Dato' Mark Yeoh Seok Kah	1,881,207	0.12	268,368 ⁽³⁾	0.02
Eu Peng Meng @ Leslie Eu	7,000	*	–	–

* 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/Warrants held by his spouse and children.

Schedule of Share Buy-Back for the financial year ended 30 June 2008

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

Monthly Breakdown	No. of Shares Purchased And Retained As Treasury Shares	Purchase Price Per Share (RM)		Average Cost Per Share (RM)	Total Cost (RM)
		Lowest	Highest		
July 2007	1,947,100	1.78	2.40	2.20209	4,287,681.92
August 2007	379,400	1.47	1.96	1.71694	651,407.29
October 2007	58,500	1.64	1.65	1.65759	96,968.95
January 2008	261,600	1.27	1.53	1.35467	354,381.22
February 2008	11,000	1.19	1.21	1.20068	13,207.51
TOTAL	2,657,600			2.03328	5,403,646.89

During the financial year, all the shares purchased by the Company were retained as treasury shares. As at 30 June 2008, a total of 15,171,700 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 2008

Location	Tenure	Land Area	Description and Existing Use	Built up Area (sq. m.)	Approximate Age of Building (years)	Lease Expiry Date	Net Book Value RM'000	Date of Acquisition
Lot 3870, CT 16290 Mukim of Setul District of Seremban	Freehold	1 acre	Future Development Land	–	–	–	300	1993/1994
CT 21247, Lot 1839 Mukim of Ampang District of Gombak	Freehold	0.483 acres	2 storey detached house for residential use	1,078.23	11	–	5,276	2002
HSD 23805-23812 PT 10579-10586 Mukim Lumut Daerah Manjung Perak	Leasehold	102.050 acres	Future Development Land	–	–	Year 2105	12,663	2006
HSD 13902, PT 8561 Mukim Lumut Daerah Manjung Perak	Leasehold	93.500 acres	Future Development Land	–	–	Year 2097	6,050	1997
Section 81, 83 & 84 Bandar Kuala Lumpur Wilayah Persekutuan and Mukim Batu Kuala Lumpur	Freehold	37.592 acres	Park Land	–	–	–	26,507	1995
		47.212 acres	Future Development Land	–	–	–	62,663	1995
		72.32 acres	Mixed residential and commercial development	–	–	–	72,745	1995
		2.349 acres	Commercial development	–	–	–	3,960	2004
Geran 2897, Lot 2763 Mukim Batu Daerah Kuala Lumpur	Freehold	0.500 acres	Future Development Land	–	–	–	2,880	2007
Geran 2389, Lot 162 Section 84 Daerah Kuala Lumpur	Freehold	0.712 acres	Future Development Land	–	–	–	2,420	2008

Location	Tenure	Land Area	Description and Existing Use	Approximate		Lease Expiry Date	Net Book Value RM'000	Date of Acquisition
				Built up Area (sq. m.)	Age of Building (years)			
No. 379, Jalan Ipoh 57100 Kuala Lumpur	Freehold	0.037 acres	2 Storey shop	–	–	–	720	2008
No. 383, Jalan Ipoh 57100 Kuala Lumpur	Freehold	0.037 acres	2 Storey shop	–	–	–	720	2008
Lot 742 & 743 Part Lot No. 939 to 942 Mukim of Sungei Petai Daerah Alor Gajah Malacca	Leasehold	186.390 acres	Future Development Land	–	–	Year 2048	4,195	1995
Lot 3543, HSD 68386 Mukim of Kuala Lumpur	Leasehold	37.92 acres	Future Development Land	–	–	Year 2090	25,237	1990
PT 12418, HSD 50456 Mukim of Petaling District of Petaling	Leasehold	100.000 acres	Residential Development	–	–	Year 2090	5,997	1991
PT 296, GRN 29723 Bandar Kuala Lumpur	Freehold	3.255 acres	Future Development Land	–	–	–	61,095	1992



This page has been intentionally left blank.

Financial Statements	Directors' Report	40
	Statement by Directors	49
	Statutory Declaration	49
	Independent Auditors' Report	50
	Income Statements	52
	Balance Sheets	53
	Statements of Changes in Equity	55
	Cash Flow Statements	56
	Notes to the Financial Statements	58

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 2008.

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 13 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	13,164	146
Attributable to:		
Equity holders of the Company	10,322	146
Minority interests	2,842	–
	13,164	146

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

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

DIVIDENDS

No dividends have been paid or declared by the Company since the end of the previous financial year.

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, FICE
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 except that certain directors received remuneration from the Company's related companies.

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 and related corporations, as stated below:

	Number of Ordinary Shares of RM0.50 each			
	As At 1 July 2007	Acquired	Disposed	As At 30 June 2008
The Company				
Direct interests				
Dato' Suleiman bin Abdul Manan	344,988	–	–	344,988
Eu Peng Meng @ Leslie Eu	–	20,000	–	20,000
Indirect interests				
Dato' Suleiman bin Abdul Manan	1,976,040 ⁽¹⁾⁽³⁾	540,000	(917,100)	1,598,940 ⁽¹⁾⁽³⁾
Number of Irredeemable Convertible Preference Shares 2001/2011 (ICPS-A) of RM0.50 each				
	As At 1 July 2007	Acquired	Exercised/ Disposed	As At 30 June 2008
Direct interests				
Dato' Suleiman bin Abdul Manan	3,713,400	–	–	3,713,400
Dato' Yeoh Seok Kian	240,000	–	–	240,000
Eu Peng Meng @ Leslie Eu	20,000	58,000	(78,000)	–
Indirect interests				
Dato' Suleiman bin Abdul Manan	1,089,794 ⁽²⁾⁽³⁾	–	–	1,089,794 ⁽²⁾⁽³⁾

Directors' Report

HOLDING COMPANY YTL CORPORATION BERHAD

42

	Number of Ordinary Shares of RM0.50 each			
	As At 1 July 2007	Acquired	Disposed	As At 30 June 2008
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,203,652	–	–	14,203,652
Dato' Yeoh Seok Kian	5,321,210	–	–	5,321,210
Dato' Yeoh Seok Hong	5,036,490	–	–	5,036,490
Dato' Michael Yeoh Sock Siong	4,577,997	–	–	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

Indirect interests				
Dato' Yeoh Seok Kian	510,683 ⁽³⁾	–	–	510,683 ⁽³⁾
Dato' Yeoh Seok Hong	3,228,126 ⁽³⁾	–	–	3,228,126 ⁽³⁾
Dato' Michael Yeoh Sock Siong	2,526,451 ⁽³⁾	–	–	2,526,451 ⁽³⁾
Dato' Mark Yeoh Seok Kah	611,133 ⁽³⁾	–	–	611,133 ⁽³⁾

	Number of Warrants 1999/2009			
	As At 1 July 2007	Acquired	Exercised/ Disposed	As At 30 June 2008
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,285,472	–	–	2,285,472
Dato' Yeoh Seok Kian	655,866	–	–	655,866
Dato' Yeoh Seok Hong	648,372	–	–	648,372
Dato' Michael Yeoh Sock Siong	550,110	–	–	550,110
Dato' Mark Yeoh Seok Kah	271,800	–	–	271,800

Indirect interests				
Dato' Michael Yeoh Sock Siong	547,180 ⁽³⁾	–	–	547,180 ⁽³⁾

	Number of Options Over Ordinary Shares of RM0.50 Each			
	As At 1 July 2007	Granted	Exercised	As At 30 June 2008
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	5,000,000	–	–	5,000,000
Dato' Yeoh Seok Kian	3,500,000	–	–	3,500,000
Dato' Yeoh 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
YEOH TIONG LAY & SONS HOLDINGS SDN BHD

	Number of Ordinary Shares of RM1.00 Each			
	As At 1 July 2007	Acquired	Disposed	As At 30 June 2008
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	5,000,000	–	–	5,000,000
Dato' Yeoh Seok Kian	5,000,000	–	–	5,000,000
Dato' Yeoh 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 1 July 2007	Acquired	Disposed	As At 30 June 2008
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,042,923	–	–	2,042,923
Dato' Yeoh Seok Kian	618,754	–	–	618,754
Dato' 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
Indirect interests				
Dato' Yeoh Seok Kian	83,200 ⁽³⁾	–	–	83,200 ⁽³⁾
Dato' Yeoh Seok Hong	45,123 ⁽³⁾	–	–	45,123 ⁽³⁾
Dato' Michael Yeoh Sock Siong	1,109,388 ⁽³⁾	–	–	1,109,388 ⁽³⁾
Dato' Mark Yeoh Seok Kah	135,200 ⁽³⁾	–	–	135,200 ⁽³⁾

	Number of Irredeemable Convertible Unsecured Loan Stocks (ICULS) of RM1.00 Nominal Value Each			
	As At 1 July 2007	Acquired	Converted/ Disposed	As At 30 June 2008
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1,727,423	–	–	1,727,423
Dato' Yeoh Seok Kian	618,754	–	–	618,754
Dato' Yeoh 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
Indirect interests				
Dato' Yeoh Seok Kian	100,000 ⁽³⁾	–	–	100,000 ⁽³⁾
Dato' Yeoh Seok Hong	45,123 ⁽³⁾	–	–	45,123 ⁽³⁾
Dato' Michael Yeoh Sock Siong	1,109,388 ⁽³⁾	–	–	1,109,388 ⁽³⁾
Dato' Mark Yeoh Seok Kah	135,200 ⁽³⁾	–	–	135,200 ⁽³⁾

Directors' Report

Number of Options Over Ordinary Shares of RM0.50 Each

	As At 1 July 2007	Granted	Exercised	As At 30 June 2008
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1,400,000	–	–	1,400,000
Dato' Yeoh Seok Kian	350,000	–	–	350,000
Dato' Michael Yeoh Sock Siong	1,000,000	–	–	1,000,000

RELATED COMPANIES

YTL POWER INTERNATIONAL BERHAND

Number of Ordinary Shares of RM0.50 Each

	As At 1 July 2007	Acquired	Disposed	As At 30 June 2008
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	13,109,251	1,471,278	–	14,580,529
Dato' Yeoh Seok Kian	4,369,367	529,521	–	4,898,888
Dato' Yeoh Seok Hong	6,540,529	597,387	–	7,137,916
Dato' Michael Yeoh Sock Siong	4,023,374	466,133	–	4,489,507
Dato' Mark Yeoh Seok Kah	5,218,469	425,154	–	5,643,623
Dato' Hamidah binti Maktar	–	3,800	–	3,800
Eu Peng Meng @ Leslie Eu	17,576	2,103	–	19,679
Indirect interests				
Dato' Suleiman bin Abdul Manan	–	1,200	–	1,200 ⁽³⁾
Dato' Yeoh Seok Kian	1,050,436 ⁽³⁾	165,117	–	1,215,553 ⁽³⁾
Dato' Yeoh Seok Hong	2,100,362 ⁽³⁾	299,587	–	2,399,949 ⁽³⁾
Dato' Michael Yeoh Sock Siong	700,424 ⁽³⁾	196,446	–	896,870 ⁽³⁾
Dato' Mark Yeoh Seok Kah	734,966 ⁽³⁾	70,140	–	805,106 ⁽³⁾

Number of Warrants 2008/2018

	As At 1 July 2007	Acquired	Exercised/ Disposed	As At 30 June 2008
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	–	4,860,175	–	4,860,175
Dato' Yeoh Seok Kian	–	1,632,962	–	1,632,962
Dato' Yeoh Seok Hong	–	8,861,405	–	8,861,405
Dato' Michael Yeoh Sock Siong	–	1,496,502	–	1,496,502
Dato' Mark Yeoh Seok Kah	–	1,881,207	–	1,881,207
Dato' Hamidah binti Maktar	–	1,600	–	1,600
Eu Peng Meng @ Leslie Eu	–	7,000	–	7,000

	Number of Warrants			As At 30 June 2008
	As At 1 July 2007	Acquired	Exercised/ Disposed	
Indirect interests				
Dato' Yeoh Seok Kian				
- Warrants 2000/2010	86,000 ⁽³⁾	–	(86,000)	–
- Warrants 2008/2018	–	450,000	–	450,000 ⁽³⁾
Dato' Yeoh Seok Hong				
- Warrants 2008/2018	–	799,982	–	799,982 ⁽³⁾
Dato' Michael Yeoh Sock Siong				
- Warrants 2000/2010	100,000 ⁽³⁾	–	–	100,000 ⁽³⁾
- Warrants 2008/2018	–	298,956	–	298,956 ⁽³⁾
Dato' Mark Yeoh Seok Kah				
- Warrants 2008/2018	–	268,368	–	268,368 ⁽³⁾

	Number of Options Over Ordinary Shares of RM0.50 Each			As At 30 June 2008
	As At 1 July 2007	Granted	Exercised	
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	7,000,000	–	–	7,000,000
Dato' Yeoh Seok Kian	3,000,000	–	–	3,000,000
Dato' Yeoh 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

YTL E-SOLUTIONS BERHAD

	Number of Ordinary Shares of RM0.10 Each			As At 30 June 2008
	As At 1 July 2007	Acquired	Disposed	
Indirect interests				
Dato' Michael Yeoh Sock Siong	–	30,000	–	30,000 ⁽³⁾

RELATED COMPANIES

INFOSCREEN NETWORKS PLC *

	Number of Ordinary Shares of £0.01 Each			As At 30 June 2008
	As At 1 July 2007	Acquired	Disposed	
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	100	–	–	100

Directors' Report

RELATED COMPANIES

YTL CORPORATION (UK) PLC *

	Number of Ordinary Shares of £0.25 Each			
	As At 1 July 2007	Acquired	Disposed	As At 30 June 2008
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1

* Incorporated in United Kingdom

RELATED COMPANIES

SYARIKAT PELANCONGAN SERI ANDALAN (M) SDN BHD

	Number of Ordinary Shares of RM1.00 Each			
	As At 1 July 2007	Acquired	Disposed	As At 30 June 2008
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1

RELATED COMPANIES

YTL CONSTRUCTION (S) PTE LTD +

	Number or Amount (\$\$) of Ordinary Shares			
	As At 1 July 2007	Acquired	Disposed	As At 30 June 2008
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2	–	–	2

+ Incorporated in Singapore

RELATED COMPANIES

YTL CONSTRUCTION (THAILAND) LIMITED @

	Number of Ordinary Shares of THB100 Each			
	As At 1 July 2007	Acquired	Disposed	As At 30 June 2008
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	–	1	–	1
Dato' Yeoh Seok Kian	–	1	–	1
Dato' Yeoh Seok Hong	–	1	–	1
Dato' Michael Yeoh Sock Siong	–	1	–	1
Dato' Mark Yeoh Seok Kah	–	1	–	1

@ YTL Construction (Thailand) Limited, a company incorporated in Thailand became a related company on 26 November 2007.

(1) Deemed interests under Section 6A of the Companies Act, 1965 through holdings by Investma Sdn Bhd.

(2) Deemed interests under Section 6A of the Companies Act, 1965 through holdings by DSM Resources Sdn Bhd.

(3) Deemed interests under Section 134(12)(c) of the Companies Act, 1965 through holdings by spouse and/or child.

SHARE CAPITAL

During the financial year, the Company:

- (a) issued 7,638,635 new ordinary shares of RM0.50 each upon conversion of 29,790,726 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 397,978,027 new ordinary shares of RM0.50 each upon conversion of 533,290,580 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 2,657,600 (2007:12,293,400) of its issued ordinary shares of RM0.50 each from the open market at an average price of RM2.03 (2007: RM1.34) per share. The total consideration paid (inclusive of transaction costs) for the repurchases was RM5,403,647 (2007: RM16,533,122). The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 30 June 2008, the Company held as treasury shares a total of 15,171,700 of its 796,559,000 issued ordinary shares. Such treasury shares are held at a carrying amount of RM22,200,000 and further details are disclosed in Note 31 to the financial statements.

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.

Directors' Report

- (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 37 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 16 October 2008

Dato' Suleiman bin Abdul Manan

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

Statement by Directors pursuant to Section 169(15) of The Companies Act, 1965

We, Dato' Suleiman bin Abdul Manan and Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE 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 93 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2008 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 16 October 2008

Dato' Suleiman bin Abdul Manan

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

49

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

I, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE 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 93 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, FICE

Subscribed and solemnly declared by
the abovenamed Tan Sri Dato' (Dr)
Francis Yeoh Sock Ping, CBE, FICE at
Kuala Lumpur in the Federal Territory
on 16 October 2008

Before me,

Soh Ah Kau, AMN
Commissioner for Oaths

Independent Auditors' Report

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

Report on the financial statements

We have audited the financial statements of YTL Land & Development Berhad, which comprise the balance sheets as at 30 June 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 52 to 93.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

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

Report on other legal and regulatory requirements

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 13 to the financial statements.
- (c) We are satisfied that the accounts 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.
- (d) The auditors' reports on the accounts 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.

Other matters

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

Ernst & Young

AF: 0039

Chartered Accountants

Mohd. Sukarno bin Tun Sardon

No. 1697/03/09(J)

Chartered Accountant

Kuala Lumpur, Malaysia

16 October 2008

Income Statements for the year ended 30 June 2008

	Note	Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Revenue	3	336,084	223,643	-	-
Cost of sales	4	(298,926)	(188,976)	-	-
Gross profit		37,158	34,667	-	-
Other income		7,943	13,447	3,249	193,461
Administration expenses		(26,416)	(21,272)	(5,231)	(4,243)
Operating profit		18,685	26,842	(1,982)	189,218
Finance costs	8	(1,343)	(1,204)	(9)	(24)
Profit/(loss) before tax	5	17,342	25,638	(1,991)	189,194
Income tax expenses	9	(4,178)	(1,575)	2,137	(51,241)
Net profit for the year		13,164	24,063	146	137,953
Attributable to:					
Equity holders of the Company		10,322	19,506	146	137,953
Minority interests		2,842	4,557	-	-
		13,164	24,063	146	137,953
Earnings per 50 sen share					
Basic (sen)					
Before mandatory conversion of ICPS-A & ICPS-B	10(a)	2.05	5.39		
After mandatory conversion of ICPS-A & ICPS-B	10(a)	1.88	2.39		
Diluted (sen)	10(b)	1.88	2.39		

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

Balance Sheets as at 30 June 2008

	Note	Group		Company	
		2008 RM'000	2007 RM'000 Restated	2008 RM'000	2007 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	35,467	35,461	7,818	7,859
Prepaid land lease payments	12	47	51	–	–
Investment in subsidiaries	13	–	–	274,832	274,832
Investment properties	14	28,623	28,600	–	–
Land held for property development	15	483,821	462,142	12,664	10,649
Goodwill on consolidation	16	12,183	12,183	–	–
Deferred tax assets	33	114	710	–	–
		560,255	539,147	295,314	293,340
Current assets					
Inventories	17	55,695	74,439	–	–
Property development costs	18	130,684	118,683	–	–
Trade receivables	19	52,483	83,751	–	–
Other receivables	20	13,914	12,797	3,211	1,150
Amount due from subsidiaries	21	–	–	225,821	209,189
Amount due from related companies	22	3,130	833	8	6
Fixed deposits with licensed banks	23	112,522	111,530	61,429	88,649
Cash and bank balances	24	3,456	10,407	128	232
		371,884	412,440	290,597	299,226
TOTAL ASSETS		932,139	951,587	585,911	592,566

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

Balance Sheets as at 30 June 2008

	Note	Group		Company	
		2008 RM'000	2007 RM'000 Restated	2008 RM'000	2007 RM'000
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	30	491,026	569,758	491,026	569,758
Share premium		201,946	123,214	201,946	123,214
Treasury shares	31	(22,200)	(16,797)	(22,200)	(16,797)
Accumulated losses		(145,184)	(155,506)	(86,087)	(86,233)
		525,588	520,669	584,685	589,942
Minority interest		7,399	4,557	–	–
TOTAL EQUITY		532,987	525,226	584,685	589,942
Non-current liabilities					
Borrowings	28	194,298	204,092	138	–
Long term liabilities	32	67,696	69,216	–	–
Deferred tax liabilities	33	56,556	57,866	–	–
		318,550	331,174	138	–
Current liabilities					
Provisions	25	10,526	10,837	–	–
Trade payables	26	15,430	28,736	–	–
Other payables	27	12,824	13,590	853	1,700
Amount due to ultimate holding company	22	–	1	–	–
Amount due to immediate holding company	22	657	745	137	463
Amount due to related companies	22	38,933	40,353	26	37
Borrowings	28	224	419	72	271
Current tax payable		2,008	506	–	153
		80,602	95,187	1,088	2,624
TOTAL LIABILITIES		399,152	426,361	1,226	2,624
TOTAL EQUITY AND LIABILITIES		932,139	951,587	585,911	592,566

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

Statement of Changes in Equity for the financial year ended 30 June 2008

Group	Attributable to equity holders of the Company							
	Share capital		Non-distributable		Distributable		Minority interest	Total equity
	Ordinary shares (Note 30) RM'000	ICPS (Note 31) RM'000	Share premium RM'000	Treasury shares RM'000	Accumulated losses RM'000	Total RM'000		
At 30 June 2006	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	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
Net profit for the year	–	–	–	–	10,322	10,322	2,842	13,164
Conversion of ICPS to ordinary shares	202,808	(281,540)	78,732	–	–	–	–	–
Shares repurchased	–	–	–	(5,403)	–	(5,403)	–	(5,403)
At 30 June 2008	398,279	92,747	201,946	(22,200)	(145,184)	525,588	7,399	532,987
Company								
At 30 June 2006	177,624	417,566	97,782	(264)	(224,186)	468,522	–	468,522
Conversion of ICPS to ordinary shares	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
Conversion of ICPS to ordinary shares	202,808	(281,540)	78,732	–	–	–	–	–
Shares repurchased	–	–	–	(5,403)	–	(5,403)	–	(5,403)
Net profit for the year	–	–	–	–	146	146	–	146
At 30 June 2008	398,279	92,747	201,946	(22,200)	(86,087)	584,685	–	584,685

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

Cash Flow Statements for the year ended 30 June 2008

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash flows from operating activities				
Profit/(loss) before tax	17,342	25,638	(1,991)	189,194
Adjustments for:				
Depreciation of property, plant and equipment	597	999	309	207
Amortisation of prepaid land lease payments	4	4	-	-
Interest income	(2,977)	(3,604)	(2,648)	(1,531)
Interest expense	1,343	1,204	9	24
Property, plant and equipment written off	5	3	-	-
Bad debt written off	10	-	-	-
Gain on disposal of property, plant and equipment	25	-	-	-
Net provision of damages claims	(28)	(67)	-	-
Operating profit/(loss) before working capital changes	16,321	24,177	(4,321)	187,894
(Increase)/decrease in land held for property development	(12,001)	58,986	-	-
Decrease/(increase) in inventories	18,744	(20,015)	-	-
Decrease/(increase) in receivables	29,314	(41,686)	(79)	93
(Decrease)/increase in payables	(15,875)	13,863	(847)	984
(Decrease)/increase in amount due to holding company	(89)	315	(326)	44
Increase in amount due from subsidiaries	-	-	(16,632)	(54,775)
Decrease in amount due to related companies	(3,717)	(10,481)	(11)	(187)
Cash generated from/(used in) operating activities	32,697	25,159	(22,216)	134,053
Income tax paid	(2,563)	(4,506)	-	(51,622)
Net cash generated from/(used in) operating activities	30,134	20,653	(22,216)	82,431
Cash flows from investing activities				
Interest received	2,977	3,604	2,648	1,531
Investment properties	(23)	59,504	-	-
Land held for property development	(21,679)	(63,533)	(2,015)	(164)
Acquisition of subsidiary	-	-	-	(1,000)
Purchase of property, plant and equipment	(633)	(2,699)	(268)	(23)
Transfer of property, plant and equipment	-	1,136	-	-
Net cash (used in)/generated from investing activities	(19,358)	(1,988)	365	344

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

	Note	Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash flows from financing activities					
Drawdown of term loan		–	204,000	–	–
Repayment of term loan		(10,000)	(188,413)	–	–
Shares repurchased		(5,403)	(16,533)	(5,403)	(16,533)
Drawdown of hire purchase		481	154	220	–
Hire purchase repayment		(470)	(662)	(281)	(346)
Interest paid		(1,343)	(1,204)	(9)	(24)
Net cash used in financing activities		(16,735)	(2,658)	(5,473)	(16,903)
Net (decrease)/increase in cash and cash equivalents					
Cash and cash equivalents at beginning of year		(5,959)	16,007	(27,324)	65,872
Cash and cash equivalents at end of year	34	115,978	121,937	61,557	88,881
Cash and cash equivalents consist of the following:					
Fixed deposits with licensed banks	23	112,522	111,530	61,429	88,649
Cash and bank balances	24	3,456	10,407	128	232
		115,978	121,937	61,557	88,881
Note to cash flow statements					
Analysis of acquisition of property, plant and equipment:					
Cash paid		152	2,545	48	23
Hire purchase creditors		481	154	220	–
		633	2,699	268	23

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

Notes to the Financial Statements

1. CORPORATE 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 13 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 16 October 2008.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements comply in accordance with Financial Reporting Standards ("FRS") and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company had adopted new and revised FRSs and IC Interpretations as described fully 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 year 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	12.5%
Other equipment	10%
Infrastructure works	2%

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. With effect from the current financial year, the group changed the annual depreciation rate for motor vehicles from 16% to 12.5% so as to better reflect their estimated useful life. The effect on the financial statements of this change in accounting estimate is not material.

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.

(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) Land held for property development and property development costs

(i) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

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

(ii) 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) Receivables

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) Payables

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) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

(ii) Operating leases - the Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interest in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

(j) 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.

(k) 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.

(l) Provisions

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.

(m) 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 Executive 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.

(n) 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 year.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year 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.

(o) 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 arising from adoption of new and revised FRSs and IC Interpretations

(a) Adoption of new/revised FRSs and Interpretations

The Malaysian Accounting Standards Board ("MASB") has issued a number of new and revised FRSs and IC Interpretations as follows:

FRSs, Amendment to FRSs and IC Interpretations		Effective for financial periods beginning on or after
FRS 117	Leases	1 October 2006
FRS 124	Related Party Disclosure	1 October 2006
FRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2007
Amendments to FRS 119 ₂₀₀₄	Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures	1 January 2007
FRS 107	Cash Flow Statements	1 July 2007
FRS 111	Construction Contracts	1 July 2007
FRS 112	Income Taxes	1 July 2007
FRS 118	Revenue	1 July 2007
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
FRS 134	Interim Financial Reporting	1 July 2007
FRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 July 2007
Amendments to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation	1 July 2007
IC Interpretations 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Interpretations 2	Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Interpretations 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Fund	1 July 2007
IC Interpretations 6	Liabilities Arising from Participating in a Decommissioning, Specific Market - Waste Electrical and Electronic Equipment	1 July 2007
IC Interpretations 7	Applying the Restatement Approach under FRS 129 ₂₀₀₄ Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Interpretations 8	Scope of FRS 2	1 July 2007

The adoption of all the above standards and IC interpretations does not result in significant changes to the accounting policies of the Group. The principal changes in accounting policies and their effects resulting from the adoption of the FRS 117 is discussed below:

FRS 117: Leases

Prior to 1 July 2007, leasehold land held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of leases of land. Leases of land are classified as operating or finance leases in the same way as leases of other assets and the land elements of a lease of land are considered separately for the purposes of lease classification. Leasehold land held for own use is now classified as operating lease and where necessary, the minimum lease payments of the up-front payments made are allocated between the land elements in proportion to the relative fair values for leasehold interests in the land element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

The Group has applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 July 2007, the unamortised amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and as disclosed in Note 2.3(b), certain comparatives have been restated. The effects on the consolidated balance sheet as at 30 June 2008 are set out below. There is no effect on the consolidated income statement and the financial statements of the Company.

	2008 RM'000
Group	
Decrease in property, plant and equipment	(47)
Increase in prepaid land lease payments	47

(b) Restatement of comparatives

This change in accounting policy has been accounted for retrospectively and comparatives have been restated as follows:

Description of change	Previously stated RM'000	Increase/ (decrease) RM'000	Restated RM'000
At 30 June 2007			
Group			
Property, plant and equipment	35,512	(51)	35,461
Prepaid land lease payments	–	51	51

(c) Standard in issue but not yet effective

FRS 139 Financial Instruments: Recognition and Measurement is effective for financial period beginning on or after 1 January 2010. The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of this standard.

2.4 Significant accounting judgements and estimates

(a) Key sources of estimation uncertainty

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) Depreciation of property, plant and equipment

The cost of property, plant and equipment are depreciated on a straight-line basis over the assets' useful lives up to its residual value. Management reviews the residual values, useful lives and depreciation method at the end of each financial year end and ensures consistency with previous estimates and patterns of consumptions of the economic benefits that embodies the items in these assets. Changes in useful lives and residual values of these assets may result in revision of future depreciation charges.

Notes to the Financial Statements

(ii) 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.

(iii) 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 RM438,000 (2007: RM2,205,000) and the unrecognised tax losses and capital allowances of the Group was RM564,000 (2007: RM8,251,000).

3. REVENUE

	Group	
	2008	2007
	RM'000	RM'000
Sales of completed properties	33,769	15,253
Revenue from construction	193,174	72,368
Revenue from property development	109,141	136,022
	336,084	223,643

4. COST OF SALES

	Group	
	2008	2007
	RM'000	RM'000
Cost of inventories sold	23,015	10,682
Construction cost (Note 19 a)	189,627	71,039
Property development costs (Note 18)	86,284	107,255
	298,926	188,976

5. PROFIT/(LOSS) BEFORE TAX

The following amounts have been included at arriving at profit/(loss) before tax:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Employee benefit expense (Note 6)	3,015	2,378	814	607
Auditors' remuneration				
- current year	142	130	35	35
- underprovision in prior year	13	7	5	-
Depreciation	597	999	309	207
Executive directors' remuneration (Note 7)	1,703	1,569	919	817
Non-executive directors' remuneration (Note 7)	809	793	779	733
Amortisation of prepaid land lease payments (Note 12)	4	4	-	-
Bad debts written off	10	-	-	-
Provision for doubtful debts				
- subsidiaries	-	-	-	9
Property, plant and equipment written off	5	3	-	-
Rental expenses				
- building	1,151	1,082	1,026	974
- equipment	16	24	10	10
Dividend Income	-	-	-	(191,192)
Rental income	(1,380)	(1,356)	-	-
Interest income	(2,977)	(3,604)	(2,648)	(1,531)
Net provision of damages claims (Note 25)	(28)	(67)	-	-
Bad debts recovered	-	(25)	-	-
Management fees from subsidiaries	-	-	(600)	(600)
Administrative fees from subsidiaries	-	-	-	(138)

6. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Wages and salaries	2,175	1,730	711	530
Social security costs	21	18	6	5
Pension costs				
- defined contribution plans	240	195	79	57
ESOS expenses	296	261	18	15
Other staff related expenses	283	174	-	-
	3,015	2,378	814	607

The employee benefits expense of the Group and of the Company exclude executive directors' remuneration amounting to RM1,703,000 (2007: RM1,569,000) and RM919,000 (2007: RM817,000) respectively as disclosed in Note 7.

Notes to the Financial Statements

7. DIRECTORS' REMUNERATION

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Directors of the Company				
Executive directors:				
Salaries and other emoluments	513	463	513	463
Fees	125	125	125	125
Bonus	250	200	250	200
ESOS expenses	31	29	31	29
Benefits-in-kind	59	45	59	45
	978	862	978	862
Non-executive directors:				
Salaries and other emoluments	534	488	534	488
Fees	95	95	95	95
Bonus	150	150	150	150
Benefits-in-kind	194	166	194	166
	973	899	973	899
Directors of Subsidiaries				
Executive directors:				
Salaries and other emoluments	744	672	–	–
Fees	40	80	–	–
Benefits-in-kind	76	54	–	–
	860	806	–	–
Non-executive directors:				
Fees	30	60	–	–
	30	60	–	–
	2,841	2,627	1,951	1,761
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefits-in-kind (Note 5)	1,703	1,569	919	817
Total non-executive directors' remuneration excluding benefits-in-kind (Note 5)	809	793	779	733
Total directors' remuneration excluding benefits-in-kind	2,512	2,362	1,698	1,550

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	
	2008	2007
Executive directors:		
RM1 - RM50,000	5	5
RM700,001 - RM900,000	1	1
Non-executive directors:		
RM1 - RM50,000	3	3
RM750,001 - RM850,000	1	1

8. FINANCE COSTS

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Interest expenses on:				
- hire purchase	22	40	9	24
- term loan	1,116	1,164	-	-
- others	205	-	-	-
	1,343	1,204	9	24

9. INCOME TAX EXPENSES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Current income tax:				
Malaysian income tax	6,827	3,637	-	51,241
(Over)/under provision in prior years:	(1,935)	143	(2,137)	-
	4,892	3,780	(2,137)	51,241
Deferred tax (Note 33):				
Relating to reversal of temporary differences	(1,483)	(2,205)	(95)	-
Underprovision in prior years	769	-	95	-
	(714)	(2,205)	-	-
Income tax expenses	4,178	1,575	(2,137)	51,241

Domestic current income tax is calculated at the statutory tax rate of 26% (2007: 27%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 25% from the current year's rate of 26%, effective year of assessment 2009. The computation of deferred tax as at 30 June 2008 has reflected these changes.

Notes to the Financial Statements

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

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Profit/(loss) before tax	17,342	25,638	(1,991)	189,194
Taxation at Malaysian statutory tax rate of 26% (2007: 27%)	4,509	6,922	(517)	51,082
Effects of expenses not deductible for tax purposes	1,671	1,549	404	178
Effects of different tax rate	(46)	–	–	–
Effect of utilisation of previously unrecognised unabsorbed capital allowances and tax losses	(808)	(7,137)	–	(19)
Deferred tax assets not recognised during the year	18	98	18	–
Underprovision of deferred tax in prior year	769	–	95	–
(Over)/under provision of tax expense in prior year	(1,935)	143	(2,137)	–
Income tax expense for the year	4,178	1,575	(2,137)	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 RM10,322,000 (2007: RM19,506,000) by the weighted average number of ordinary shares in issue during the year before and after mandatory conversion of ICPS-A & ICPS-B of 502,662,054 (2007: 362,106,869) and 550,224,133 (2007: 815,285,641) 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 RM10,322,000 (2007: RM19,506,000) by the adjusted weighted average number of shares of 550,224,133 (2007: 815,285,641), assuming the full conversion of the irredeemable convertible preference shares in issue during the year of 185,492,110 (2007: 748,573,416).

11. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Building 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 2008									
Cost									
At 1 July 2007 (Restated)	6,644	2,823	2,471	3,335	2,125	4,999	4,258	18,642	45,297
Additions	–	–	3	100	–	530	–	–	633
Write off	–	–	–	(6)	–	–	–	–	(6)
Disposal	–	–	–	–	–	(158)	–	–	(158)
At 30 June 2008	6,644	2,823	2,474	3,429	2,125	5,371	4,258	18,642	45,766
Accumulated depreciation									
At 1 July 2007 (Restated)	–	258	2,286	2,805	1,112	3,290	85	–	9,836
Charge for the year	–	27	44	130	151	160	85	–	597
Write off	–	–	–	(1)	–	–	–	–	(1)
Disposal	–	–	–	–	–	(133)	–	–	(133)
At 30 June 2008	–	285	2,330	2,934	1,263	3,317	170	–	10,299
Net carrying amount									
At 30 June 2008	6,644	2,538	144	495	862	2,054	4,088	18,642	35,467

Notes to the Financial Statements

Group	Freehold land RM'000	Building 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	2,906	4,619	2,176	4,845	2,928	17,840	44,781
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	2,471	3,335	2,125	4,999	4,258	18,642	45,297
Accumulated depreciation									
At 1 July 2006	–	231	2,481	3,281	965	2,923	–	–	9,881
Charge for the year	–	27	102	254	164	367	85	–	999
Write off	–	–	–	(3)	–	–	–	–	(3)
Transfer of property, plant & equipment	–	–	(297)	(727)	(17)	–	–	–	(1,041)
At 30 June 2007	–	258	2,286	2,805	1,112	3,290	85	–	9,836
Net carrying amount									
At 30 June 2007	6,644	2,565	185	530	1,013	1,709	4,173	18,642	35,461

Included in property, plant and equipment of the Group are motor vehicles with net book value of RM2,018,000 (2007: RM1,629,000) held under hire purchase arrangement.

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 2008							
Cost							
At 1 July 2007	3,036	2,823	134	333	1,408	1,404	9,138
Addition	–	–	3	27	238	–	268
At 30 June 2008	3,036	2,823	137	360	1,646	1,404	9,406
Accumulated depreciation							
At 1 July 2007	–	256	38	166	378	441	1,279
Charge for the year	–	27	13	30	99	140	309
At 30 June 2008	–	283	51	196	477	581	1,588
Net carrying amount							
At 30 June 2008	3,036	2,540	86	164	1,169	823	7,818
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
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

Notes to the Financial Statements

12. PREPAID LAND LEASE PAYMENTS

	Group	
	2008 RM'000	2007 RM'000
At 1 July	51	55
Amortisation for the year (Note 5)	(4)	(4)
At 30 June	47	51
Analysed as:		
Short term leasehold land	47	51

13. INVESTMENT IN SUBSIDIARIES

	Company	
	2008 RM'000	2007 RM'000
Unquoted shares:		
- At cost	265,699	265,699
- At valuation	222,296	222,296
	487,995	487,995
Less: Accumulated impairment losses	(213,163)	(213,163)
	274,832	274,832

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	
		2008 %	2007 %
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 investment	70	70
Sentul Park Management Sdn Bhd	Dormant	70	70

Name of subsidiaries	Principal activities	Effective equity interest	
		2008 %	2007 %
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	Dormant	100	100
* 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

14. INVESTMENT PROPERTIES

	Group	
	2008 RM'000	2007 RM'000
At 1 July	28,600	88,104
Additional expenditure	23	–
Transfer from land held for property development (Note 15)	–	2,558
Fair value adjustment	–	600
Transfer to land held for property development (Note 15)	–	(62,662)
At 30 June	28,623	28,600

Notes to the Financial Statements

15. LAND HELD FOR PROPERTY DEVELOPMENT

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At 1 July				
Cost				
Freehold land	139,101	113,463	–	–
Leasehold land	31,589	32,574	10,036	10,036
	170,690	146,037	10,036	10,036
Development expenditure	291,452	252,572	613	449
	462,142	398,609	10,649	10,485
Cost incurred during the year:				
Freehold land	3,860	2,880	–	–
Leasehold land	2,058	206	–	–
Development expenditure	20,405	4,996	2,015	174
	26,323	8,082	2,015	174
Transfer to investment property (Note 14):				
Freehold land	–	(2,242)	–	–
Development cost	–	(316)	–	–
	–	(2,558)	–	–
Transfer from investment property (Note 14):				
Freehold land	–	25,000	–	–
Development cost	–	37,662	–	–
	–	62,662	–	–
Transfer to property development costs (Note 18):				
Freehold land	(3,232)	–	–	–
Leasehold land	(76)	(1,191)	–	–
Development cost	(1,330)	(3,352)	–	–
	(4,638)	(4,543)	–	–
Write off to income statement	(6)	(110)	–	(10)
At 30 June	483,821	462,142	12,664	10,649

Land held for property development comprises 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.

16. GOODWILL ON CONSOLIDATION

	2008 RM'000	Group 2007 RM'000
At 1 July/30 June	12,183	12,183

17. INVENTORIES

	2008 RM'000	Group 2007 RM'000
Properties held for sale		
- At cost	21,720	36,878
- At net realisable value	33,975	37,561
	55,695	74,439

18. PROPERTY DEVELOPMENT COSTS

	2008 RM'000	Group 2007 RM'000
Property development costs, at 1 July:		
Freehold and leasehold land, at cost	14,817	15,468
Development and construction costs	392,486	511,003
Less: Adjustment (Note a)	(24,669)	(24,669)
Provision for foreseeable losses	(11,632)	(11,632)
	371,002	490,170
Cost incurred during the year:		
Leasehold land	9	417
Development and construction costs	96,463	73,560
	96,472	73,977
Reversal of development costs for completed projects		
Leasehold land	(9,412)	(197)
Development cost	(119,688)	(167,240)
	(129,100)	(167,437)

Notes to the Financial Statements

80

	Group	
	2008 RM'000	2007 RM'000
Transfer from land held for property development (Note 15):		
Freehold land	3,232	–
Leasehold land	76	1,191
Development cost	1,330	3,352
	4,638	4,543
Transfer to inventories		
Freehold land	(259)	(2,062)
Development cost	(2,566)	(28,189)
	(2,825)	(30,251)
Costs recognised in income statement:		
At 1 July	252,319	312,501
Recognised during the year (Note 4)	86,284	107,255
Completed projects	(129,100)	(167,437)
At 30 June	209,503	252,319
Property development costs, at 30 June	130,684	118,683

Included in property development costs of the Group are interest capitalised during the financial year amounting to RM7,946,000 (2007: RM8,580,000).

(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.

19. TRADE RECEIVABLES

	Group	
	2008 RM'000	2007 RM'000
Trade receivables	37,757	74,168
Accrued billings in respect of property development costs	14,782	9,639
	52,539	83,807
Less: Provision for doubtful debts	(56)	(56)
Construction contracts (Note a)	–	–
	52,483	83,751

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	
	2008 RM'000	2007 RM'000
Construction costs incurred to date (Note 4)	189,627	71,039
Attributable profits	3,547	1,329
	193,174	72,368
Less : Progress billings	(193,174)	(72,368)
	-	-

20. OTHER RECEIVABLES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Deposits	3,237	2,232	11	10
Prepayments	132	147	66	87
Tax recoverable	3,125	3,952	1,982	-
Other receivables	7,510	6,556	1,152	1,053
	14,004	12,887	3,211	1,150
Less: Provision for doubtful debts	(90)	(90)	-	-
	13,914	12,797	3,211	1,150

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

21. AMOUNT DUE FROM SUBSIDIARIES

The amounts due from subsidiaries, which are stated after provision for doubtful debts of RM15,448,800 (2007:RM15,448,800) primarily arose from payments on the subsidiaries' behalf, are unsecured, interest-free and have no fixed terms of repayment.

22. AMOUNT DUE FROM/(TO) RELATED COMPANIES AND HOLDING 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 RM20,068,000 (2007: RM28,657,000) due to related companies is trade in nature.

Notes to the Financial Statements

23. FIXED DEPOSITS WITH LICENSED BANKS

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Deposits with licensed banks	112,522	111,530	61,429	88,649

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

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
	%	%	%	%
Licensed banks	3.49	3.47	3.48	3.47

The average maturity of deposits as at the end of the financial year was 28 days (2007: 30 days).

24. CASH AND BANK BALANCES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Redemption account	741	667	–	–
Cash on hand and at bank	2,715	9,740	128	232
	3,456	10,407	128	232

Redemption account represents the amount deposited pursuant to the agreement in respect of the term loan of a subsidiary refinanced in the previous financial year and has been refunded to the subsidiary in August 2008.

Included in cash at banks of the Group are amounts of RM1,464,000 (2007: RM8,603,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations.

25. PROVISIONS

	Group	
	2008 RM'000	2007 RM'000
At 1 July	10,837	12,257
Unused amount reversed during the year (Note 5)	(28)	(67)
Utilisation of provision during the year	(283)	(1,353)
At 30 June	10,526	10,837

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.

26. TRADE PAYABLES

	Group	
	2008 RM'000	2007 RM'000
Trade payables	5,357	10,802
Progress billings in respect of property development costs	10,073	17,934
	15,430	28,736

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

27. OTHER PAYABLES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Other payables	8,698	11,427	155	1,032
Accruals	3,960	1,997	558	528
Deposits payable	26	26	–	–
Provision for losses arising from issue of ICPS-A towards settlement of subsidiaries' debts	140	140	140	140
	12,824	13,590	853	1,700

28. BORROWINGS

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Short Term Borrowings				
Secured:				
Hire purchase payables (Note 29)	224	419	72	271
Long Term Borrowings				
Secured:				
Term loan	194,000	204,000	–	–
Hire purchase payables (Note 29)	298	92	138	–
	194,298	204,092	138	–
Total Borrowings				
Term loan	194,000	204,000	–	–
Hire purchase payables (Note 29)	522	511	210	271
	194,522	204,511	210	271

Notes to the Financial Statements

In previous financial year, a subsidiary has refinanced its term loan and it bears interest at 0.75% (2007: 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. Prepayment of RM10,000,000 was made during the financial year as permitted under the agreement.

29. HIRE PURCHASE PAYABLES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Future minimum lease payments:				
Not later than 1 year	242	433	78	277
Later than 1 year and not later than 2 years	202	96	78	–
Later than 2 years	108	–	66	–
	552	529	222	277
Less: Future finance charges	(30)	(18)	(12)	(6)
Present value of hire purchase payables (Note 28)	522	511	210	271
Analysis of present value of hire purchase payables:				
Not later than 1 year	224	419	72	271
Later than 1 year and not later than 2 years	192	67	74	–
Later than 2 years	106	25	64	–
	522	511	210	271

The hire purchase bore interest at the balance sheet date at rates between 2.30% to 2.65% (2007: 2.82% to 4.38%) per annum.

30. SHARE CAPITAL

	Group/Company			
	2008 Number of shares RM'000	2007 Number of shares RM'000	2008 Number of shares RM'000	2007 Number of shares 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

	Group/Company			
	2008		2007	
	Number of shares RM'000	RM'000	Number of shares RM'000	RM'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	390,942	195,471	355,248	177,624
Conversion of ICPS to ordinary shares	405,617	202,808	35,694	17,847
At 30 June	796,559	398,279	390,942	195,471
Irredeemable convertible preference shares ("ICPS-A") of RM0.50 each				
At 1 July	215,284	107,642	274,284	137,142
Conversion of ICPS-A to ordinary shares	(29,791)	(14,895)	(59,000)	(29,500)
At 30 June	185,493	92,747	215,284	107,642
Irredeemable convertible preference shares ("ICPS-B") of RM0.50 each				
At 1 July	533,289	266,645	560,848	280,424
Conversion of ICPS-B to ordinary shares	(533,289)	(266,645)	(27,559)	(13,779)
At 30 June	–	–	533,289	266,645
Total	982,052	491,026	1,139,515	569,758

Notes to the Financial Statements

During the financial year, the Company:

- (a) issued 7,638,635 new ordinary shares of RM0.50 each upon conversion of 29,790,726 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 397,978,027 new ordinary shares of RM0.50 each upon conversion of 533,290,580 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 is 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 on or before 2011.

ICPS-B was fully converted into new ordinary shares of RM0.50 at a conversion of ratio of one new ordinary share of RM0.50 each for every 1.34 ICPS-B of RM0.50 each upon maturity during current financial year.

31. TREASURY SHARES

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

The shareholders of the Company, by an ordinary resolution passed in a general meeting held on 7 December 2007, renewed their approval for the Company's plan to repurchase its own ordinary shares. The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 2,657,600 (2007:12,293,400) of its issued ordinary shares from the open market at an average price of RM2.03 (2007: RM1.34) per share. The total consideration paid for the repurchase was RM5,403,647 (2007: RM16,533,122), comprising of consideration paid amounting to RM5,381,135 (2007: RM16,467,397) and transaction costs of RM22,512 (2007: RM65,725). The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

	Group/Company			
	2008			2007
	Number of shares RM'000	RM'000	Number of shares RM'000	RM'000
At 1 July	12,514	16,797	221	264
Purchase of treasury shares	2,658	5,381	12,293	16,467
Transaction costs	–	22	–	66
At 30 June	15,172	22,200	12,514	16,797

32. LONG TERM LIABILITIES

	Group	
	2008 RM'000	2007 RM'000
Amount due to Keretapi Tanah Melayu Berhad ("KTMB")	67,696	69,216

The amount represents the balance of the total purchase consideration of not less than RM105,616,000 (2007: RM105,616,000) for the acquisition of the Sentul Raya Development Project Site from KTMB, 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.

33. DEFERRED TAX

	Group	
	2008 RM'000	2007 RM'000
At 1 July	57,156	59,361
Recognised in income statement (Note 9)	(714)	(2,205)
At 30 June	56,442	57,156
Presented after appropriate offsetting as follows:		
Deferred tax assets	(114)	(710)
Deferred tax liabilities	56,556	57,866
	56,442	57,156

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 2006	158	59,203	59,361
Recognised in income statement	–	(1,495)	(1,495)
At 30 June 2007	158	57,708	57,866
At 1 July 2007	158	57,708	57,866
Recognised in income statement	114	(1,424)	(1,310)
At 30 June 2008	272	56,284	56,556

Notes to the Financial Statements

Deferred tax assets:

	Unused tax losses in subsidiaries RM'000	Total RM'000
At 1 July 2007	(710)	(710)
Recognised in income statement	596	596
At 30 June 2008	(114)	(114)

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

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Unabsorbed tax losses	278	7,780	71	7,573
Unutilised capital allowances	286	471	-	364
	564	8,251	71	7,937

34. CASH AND CASH EQUIVALENTS

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Fixed deposits with licensed banks (Note 23)	112,522	111,530	61,429	88,649
Cash and bank balances (Note 24)	3,456	10,407	128	232
	115,978	121,937	61,557	88,881

35. RELATED PARTY DISCLOSURES

- (a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

Entity	Relationship	Transaction type	Group	
			2008 RM'000	2007 RM'000
Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd	Subsidiary of immediate holding company	Provision of construction works	256,371	118,776
Suri Travel & Tours Sdn Bhd	Subsidiary of immediate holding company	Provision of air fare services and maintenance services	731	487
Autodome Sdn Bhd	Subsidiary of immediate holding company	Provision of rental of premises and food beverages	565	588

Entity	Relationship	Transaction type	Group	
			2008 RM'000	2007 RM'000
Starhill REIT	Deemed related to immediate holding company	Rental of premises	461	419
Corporate Promotions Sdn Bhd	Subsidiary of ultimate holding company	Provision of advertising and promotions and printing services	2,376	3,744
Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd	Subsidiary of immediate holding company	Commission receivable	–	(3,983)

Entity	Relationship	Transaction type	Company	
			2008 RM'000	2007 RM'000
Sentul Raya Sdn Bhd	Subsidiary of holding company	Management service receivable	300	300
Syarikat Kemajuan Perumahan Negara Sdn Bhd	Subsidiary of holding company	Management service receivable	150	150
Pakatan Perakbina Sdn Bhd	Subsidiary of holding company	Management service receivable	150	150

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.

- (b) Compensation to key management personnel comprised solely the directors' remuneration as disclosed in Note 7 to the financial statements.

36. COMMITMENTS

Non-cancellable operating lease commitments - Group as lessee

	Company	
	2008 RM'000	2007 RM'000
Future minimum rentals payable:		
Not later than 1 year	1,084	591
Later than 1 year	1,733	–
	2,817	591

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.

Notes to the Financial Statements

37. CONTINGENT LIABILITIES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Unsecured:				
Guarantees to financial institutions for credit facilities granted to subsidiaries	239,577	252,037	203,545	252,037
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.

38. 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 2008			
Revenue	193,174	142,910	336,084
Results			
Segment results	3,547	15,138	18,685
Finance cost			(1,343)
Profit before taxation			17,342
Income tax expenses			(4,178)
Net profit for the year			13,164

	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
Income tax expenses			(1,575)
Net profit for the year			24,063
At 30 June 2008			
Other information			
Segment assets	4,590	927,549	932,139
Segment liabilities	4,676	394,476	399,152
At 30 June 2007			
Other information			
Segment assets	29,225	922,362	951,587
Segment liabilities	19,001	407,360	426,361

39. 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 2008. The investment in financial assets, if any are mainly short term in nature and they are not held for speculative purposes.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level protection against hikes.

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/subsidiaries/related companies due principally to a lack of fixed repayment terms entered by the parties involved and without incurring excessive costs.

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

	Group Carrying amount RM'000	Fair value RM'000
Financial Liabilities		
At 30 June 2008:		
Term loan	194,000	184,938
At 30 June 2007:		
Term loan	204,000	194,935

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Cash and cash equivalents, trade and other receivables/payable and short term borrowings

The carrying amounts approximate their fair value due to the relatively short term maturity of these financial instruments.

(ii) Borrowings

The fair value of borrowings is estimated by discounting the expected future cash flows using the current interest rate for liabilities within similar risk profiles.

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 68th Annual General Meeting of the Company to be held at Starhill 2, Level 4, JW Marriott Hotel Kuala Lumpur, 183, Jalan Bukit Bintang, 55100 Kuala Lumpur on Tuesday, 2 December 2008 at 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 Tan Sri Dato' (Dr) Francis Yeoh Sock Ping		
3.	Re-election of Dato' Yeoh Seok Kian		
4.	Re-election of Dato' Hamidah Binti Maktar		
5.	Re-appointment of Dato' Suleiman Bin Abdul Manan		
6.	Re-appointment of Eu Peng Meng @ Leslie Eu		
7.	Approval of the payment of Directors' fees		
8.	Re-appointment of Messrs Ernst & Young as Company Auditors		
9.	Authorisation for Directors to Allot and Issue Shares		
10.	Proposed Renewal of Share Buy-Back Authority		
11.	Proposed Renewal of Shareholders' Mandate and New Shareholders Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Dated this day of 2008

Signature of shareholder

No. of shares held

Notes:

1. A member entitled to attend and vote at the meeting may appoint a proxy to vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member other than an Authorised Nominee shall not be entitled to appoint more than one proxy to attend and vote at the same meeting and where such member appoints more than one proxy to attend and vote at the same meeting, such appointment shall be invalid.
2. This form of proxy and the Power of Attorney or other authority (if any) under which it is signed or notarially certified copy thereof must be lodged at the Registered Office, 11th Floor, Yeoh Tiong Lay Plaza, 55 Jalan Bukit Bintang, 55100 Kuala Lumpur not less than 48 hours before the time appointed for the Meeting.
3. In the case of a corporation, this form of proxy should be executed under its Common Seal or under the hand of some officer of the corporation duly authorised in writing on its behalf.
4. Unless voting instructions are indicated in the spaces provided above, the proxy may vote as he thinks fit.
5. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 60(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 25 November 2008. Only a depositor whose name appears on the General Meeting Record of Depositors as at 25 November 2008 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.

fold here

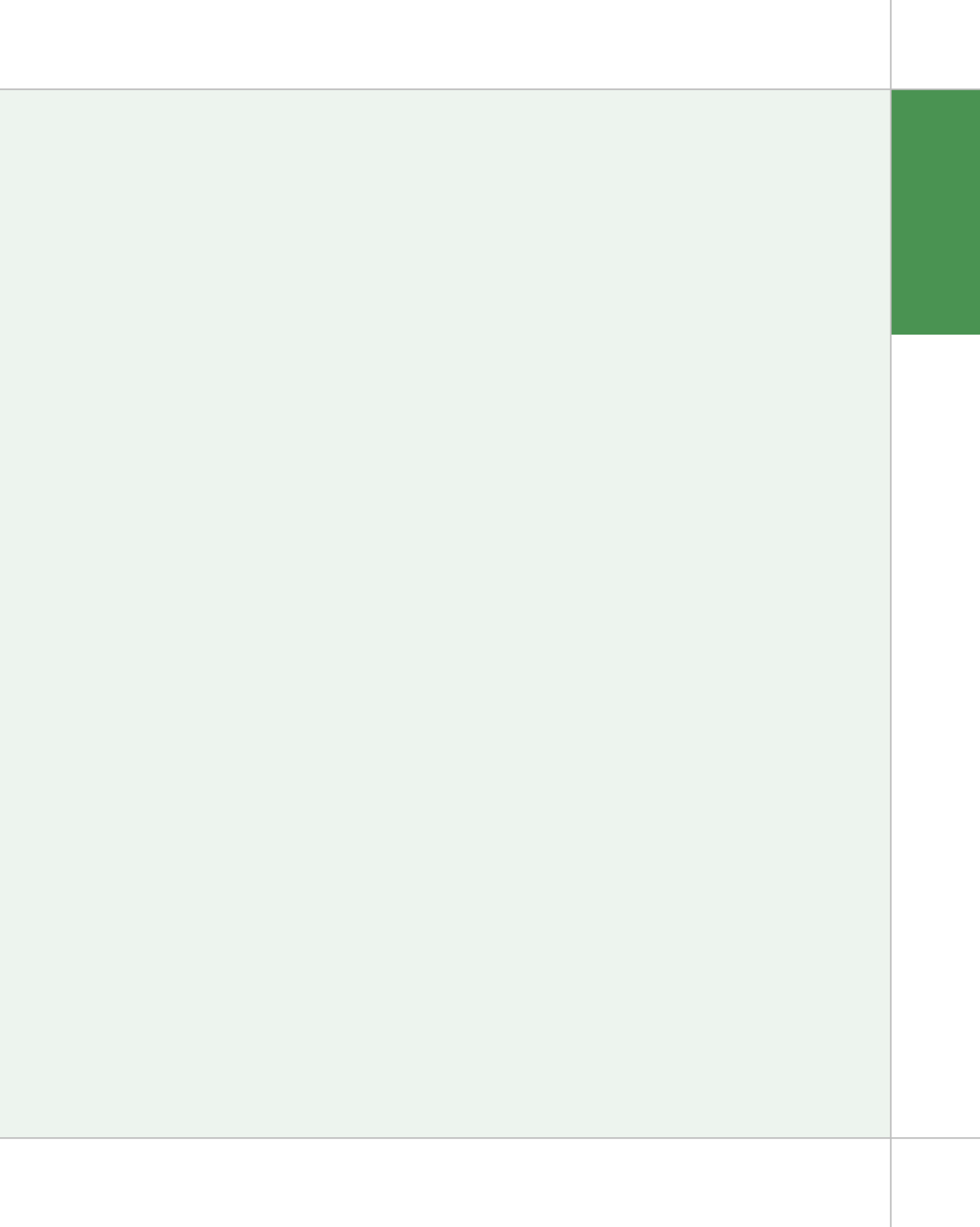
| Affix Stamp Here |

The Company Secretary

YTL LAND & DEVELOPMENT BERHAD

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

fold here



www.ytlcommunity.com

YTL LAND & DEVELOPMENT BERHAD 1116-M

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