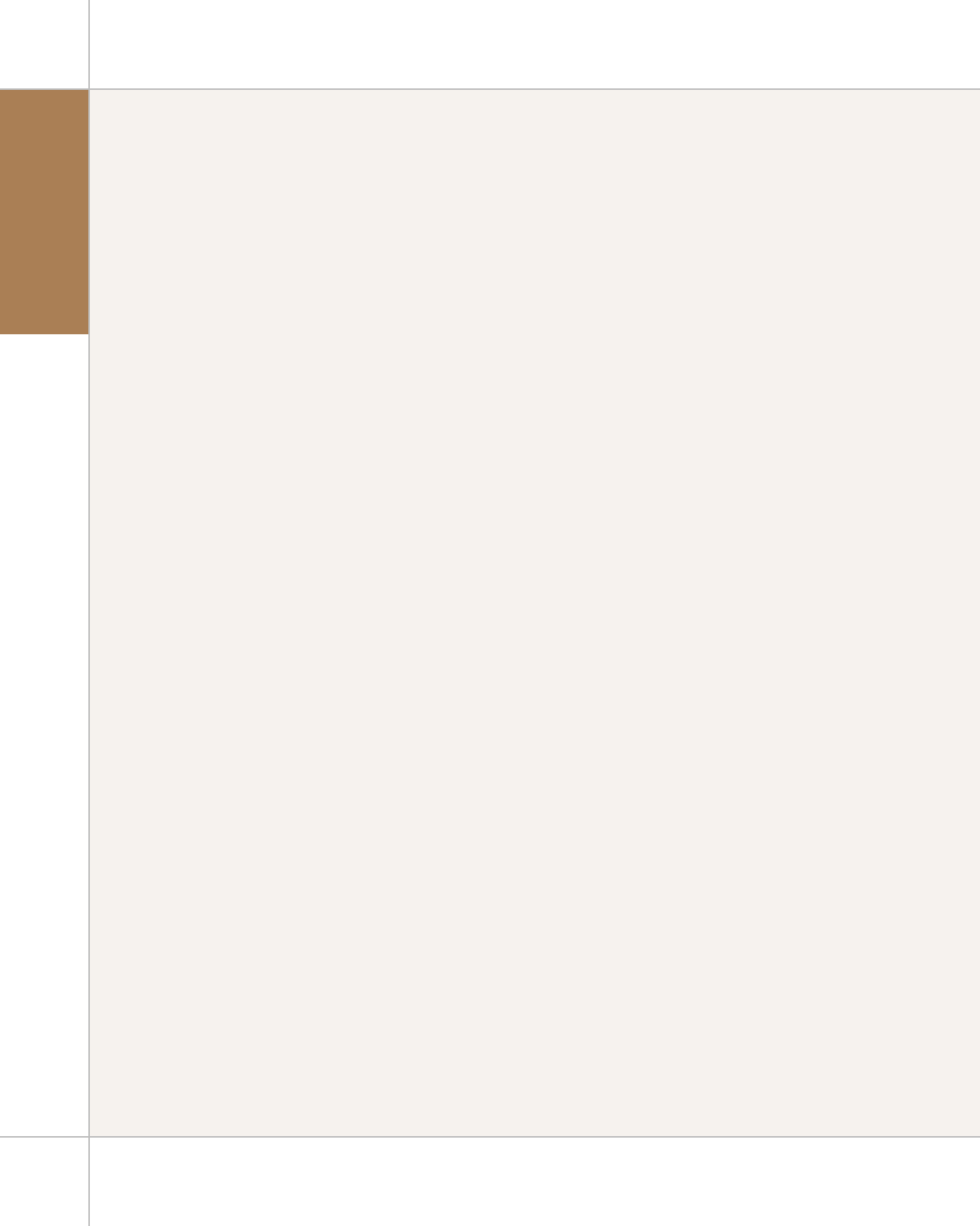




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the journey continues...

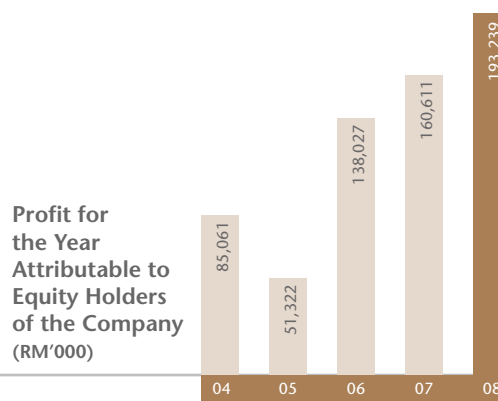
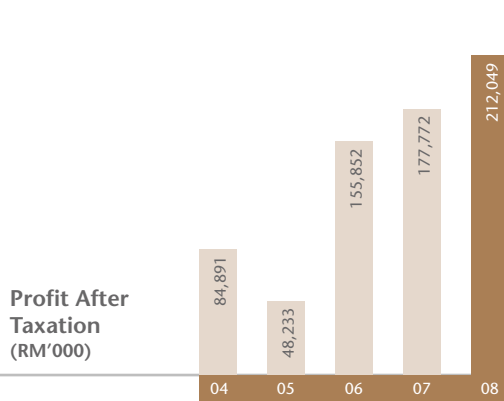
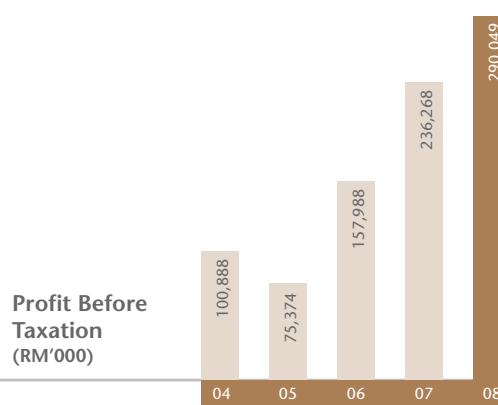
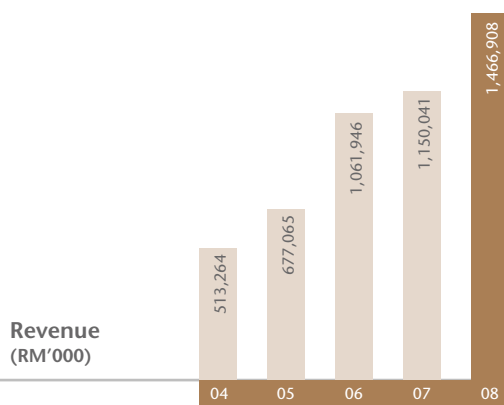
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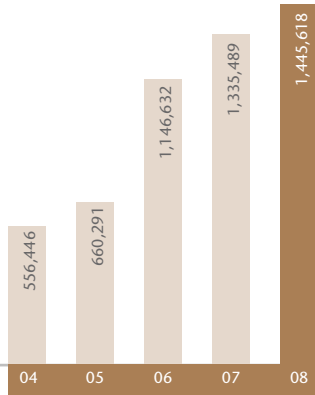
Corporate Review	Financial Highlights	2
	Chairman's Statement	4
	Notice of Annual General Meeting	10
	Statement Accompanying Notice of Annual General Meeting	13
	Corporate Information	14
	Profile of the Board of Directors	15
	Statement of Directors' Responsibilities	20
	Audit Committee Report	21
	Statement on Corporate Governance	25
	Statement on Internal Control	28
	Disclosure of Recurrent Related Party Transactions	30
	Analysis of Share/Irredeemable Convertible Unsecured Loan Stocks (ICULS) Holdings	32
	Statement of Directors' Interests	36
	Schedule of Share Buy-Back	40
	List of Properties	41
	Financial Statements	Directors' Report
Statement by Directors		59
Statutory Declaration		59
Independent Auditors' Report		60
Income Statements		62
Balance Sheets		63
Consolidated Statement of Changes in Equity		66
Statement of Changes in Equity		68
Cash Flow Statements		69
Notes to the Financial Statements		73
	Form of Proxy	

Financial Highlights

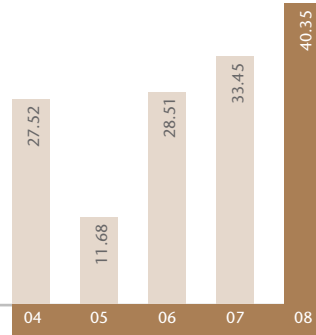
	2008	2007	2006	2005	2004
Revenue (RM'000)	1,466,908	1,150,041	1,061,946	677,065	513,264
Profit Before Taxation (RM'000)	290,049	236,268	157,988	75,374	100,888
Profit After Taxation (RM'000)	212,049	177,772	155,852	48,233	84,891
Profit for the Year Attributable to Equity Holders of the Company (RM'000)	193,239	160,611	138,027	51,322	85,061
Shareholders' Funds (RM'000)	1,445,618	1,335,489	1,146,632	660,291	556,446
Earnings per Share (Sen)	40.35	33.45	28.51	11.68	27.52
Dividend per Share (Sen)	25.00	15.00	10.00	10.00	10.00
Total Assets (RM'000)	2,821,760	2,567,011	2,480,527	2,419,065	1,110,300
Net Assets per Share (RM)	3.08	2.84	2.35	1.37	1.54



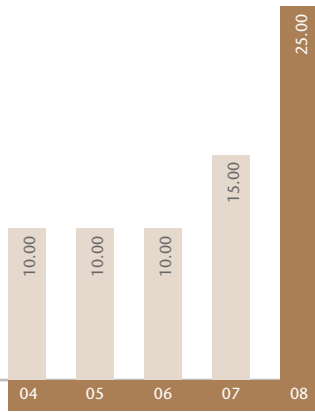
Shareholders' Funds (RM'000)



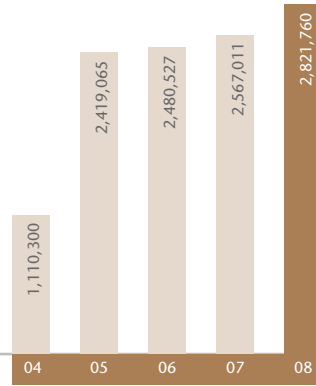
Earnings per Share (Sen)



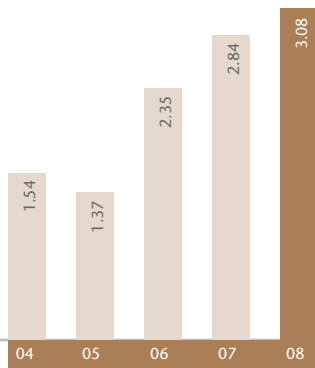
Dividend per Share (Sen)



Total Assets (RM'000)



Net Assets per Share (RM)



On behalf of the Board of Directors of YTL Cement Berhad ("YTL Cement"), I have the pleasure of presenting to you the Annual Report and audited financial statements of the Company and its subsidiaries ("Group") for the financial year ended 30 June 2008.



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

OVERVIEW

YTL Cement's strategy of organic and acquisition-driven growth, coupled with increasing improvements in plant and logistical efficiencies, continues to ensure strong and sustainable financial performance.

The Malaysian economy remained relatively resilient during the year under review. Real gross domestic product (GDP) grew by 6.3% for the 2007 calendar year, but is projected to moderate to 5.7% by the end of 2008 as increased external uncertainties continue to have a dampening effect on domestic growth. The construction industry also remained steady and is estimated to grow at 4.0% for 2008 compared to 4.6% in 2007, with the slight slowdown also impacting cement manufacturers (source: Economic Report 2008/2009).

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

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

In November 2007, the Group completed the acquisition of Zhejiang Lin'an Jin Yuan Cement Co Ltd ("Jin Yuan Cement"), which is principally involved in the manufacture and sale of Ordinary Portland cement and clinker in the People's Republic of China, and has begun to see positive gains from this investment. YTL Cement's focus on regional development has enabled us to successfully diversify our operations and markets, and our investments in China and other parts of Southeast Asia are well in line with this policy. The Group's strong performance during the year under review was also buttressed by growing regional demand for our products and the increasing market share of our operations in countries including Singapore and China

FINANCIAL PERFORMANCE

The Group achieved a 27.6% growth in revenue to RM1,466.9 million for the financial year ended 30 June 2008, compared to RM1,150.0 million for the previous financial year ended 30 June 2007, whilst profit before taxation grew to RM290.0 million for the 2008 financial year, a 22.8% increase over RM236.3 million for the last financial year. Profit for the financial year under review registered a 19.3% increase to RM212.0 million.

The increases in revenue and profit were due substantially to the Group's improved operational efficiencies for the year under review, as well as better selling prices for the Group's products.

DIVIDENDS

The Board of Directors of YTL Cement is pleased to recommend for shareholders' approval, a Final Dividend of 5% less Malaysian income tax in respect of the financial year ended 30 June 2008. This dividend is recommended in concurrence with the Group's policy of creating value for shareholders through a sustainable dividend policy.

During the financial year under review, YTL Cement increased returns to shareholders with the distribution of a 1st interim dividend of 20% less Malaysian income tax, which was paid in March 2008, followed by a 2nd interim dividend of 10% less Malaysian income tax, which was paid in June 2008.

This is the 14th year that YTL Cement has declared dividends to shareholders since listing on Bursa Malaysia Securities Berhad in 1993.

SIGNIFICANT CORPORATE DEVELOPMENTS

YTL Cement has received all necessary approvals for its proposal to issue guaranteed exchangeable bonds of up to USD200 million, exchangeable into ordinary shares of RM0.50 each in YTL Cement, via a wholly-owned subsidiary to be incorporated in the Federal Territory of Labuan. On 26 September 2008, the Securities Commission approved the Company's application for an extension of time until 4 April 2009 to implement this proposal. The proceeds arising from the bond issue will be utilised to fund the Group's future investments and projects.



REVIEW OF OPERATIONS

The Group's fully-integrated production and supply chain continues to enable us to realise cost savings and economies of scale, and our acquisitions in recent years have increased the Group's capacity to an annual production of 6.0 million metric tonnes for clinker and 7.5 million metric tonnes for cement.

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

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

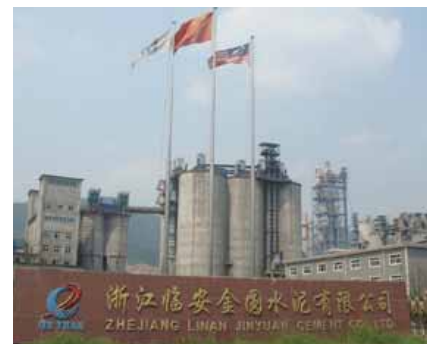
YTL Cement's well-known brand names, including Cap Orang Kuat, Castle, Dragon, Marinecem, Mascem, Pozzolan Cement, Slagcem, SRC (sulphate resisting cement), Target and Wallcem, continue to command premiums in their own right, with their well-established reputation for strong quality control and reliability.

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

YTL Cement's slag cement plants and downstream activities in the ready-mixed concrete division continued to operate at peak efficiency levels during the year under review, driven by strong customer demand and the better performance of the construction industry. The Group has maintained our market share in key urban areas, with the resulting expanded distribution network across Malaysia facilitating ongoing opportunities for growth and expansion, as well as allowing us to serve our customers nation-wide more effectively. The Group has continued to monitor efficiency levels throughout our operations and has continuously implemented more stringent manufacturing controls to ensure the quality of our products, and to enhance customer service levels.

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

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



CORPORATE SOCIAL RESPONSIBILITY

Sustainability Initiatives

YTL Cement's main plants in Perak, Pahang, Johor and Port Klang have all been ISO-accredited, with receipt in September 2007 of MS ISO 14001:2004 (Environmental Management System) certification for our cement plant in Perak, as well as ISO 9001:2000 (Quality Management System) certification for our Port Klang and Johor plants, received in the course of the last 2 years.

The Group's ongoing modernisation projects are designed to improve energy efficiency and reduce fuel consumption and carbon dioxide emissions at our cement plants, as well as to ensure that our cement plants are compliant with applicable environmental regulations. These include programmes to reduce carbon dioxide (CO₂) emissions, as well as increasing operational and production efficiencies to reduce energy consumption and improve output of our plants.

Examples of these efforts are the Operations Improvement Projects being undertaken at our cement plant in Perak, which include the installation of modern, high efficiency separators on the raw and coal mills, resulting in increased production, improved burnability and reduced electrical power consumption, and the retro-fitting of a clinker cooler incorporating the latest technology to enhance clinker quality, improve heat recovery and significantly reduce the fuel consumption of the kiln. The upgrading of production facilities, such as the clinker cooler and its ancillary equipment and the stabilisation of kiln operations through improvements in the quality of raw materials, have also increased annual clinker production, reduced maintenance costs and improved the quality of the end-product.

The acquisition of Jin Yuan Cement in China is also expected to complement our activities in these areas as the Jin Yuan Cement plant has the potential to generate carbon credits and Certified Emissions Reductions (CERs).

Left to right:

Fire Safety Training at Pahang Cement Sdn Bhd

Staff Team Building Training in Sg Semuji, Pahang

Executive Training & Development Programme at Perak-Hanjoong Simen Sdn Bhd



Social Initiatives

YTL Cement continues to play a strong role in growing and safeguarding the potential of our future generation of leaders and supporting local communities, particularly the communities where our plants operate, through financial support for community events and functions, participation in adopt-a-school programmes and by offering scholarships to deserving individuals.

The Group believes that effective corporate responsibility can deliver benefits to our businesses and, in turn, to our 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 Cement 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. The sustainability of these businesses, in turn, benefits 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 statements on corporate governance and internal control, which elaborate further on our systems and controls, can be found as a separate section in this Annual Report.

FUTURE PROSPECTS

The Group will continue to strengthen its market presence throughout Malaysia and in its overseas markets, in addition to pursuing viable investment opportunities to complement our existing cement and ready-mixed concrete operations. YTL Cement has made good progress in developing our products to meet the needs of our export customers in a number of countries in the ASEAN region and on the Indian sub-continent in recent years, and export volumes remain an integral element in the Group's strategy, enabling us to further develop our knowledge of the region and introducing our products to a wider market.

In 2009, Malaysia's GDP growth is expected to be affected by external developments with global growth expected to weaken with a more protracted slowdown in a number of the developed economies and some moderation in growth in the emerging economies. Growth in the construction sector is forecasted to moderate in 2009 compared to 2008, which is likely to have a knock-on effect on the cement industry. Internationally, fluctuating prices of commodities and oil are expected to continue to give rise to economic turbulence (sources: Economic Report 2008/2009, Bank Negara Malaysia).

Regionally, our acquisition of Jin Yuan Cement, with its established cement operations and distribution networks in China, has enabled YTL Cement to tap China's vast and rapidly expanding cement market. Although future growth in China is expected to slow compared to 2007 levels, GDP growth for 2009 is projected to recover slightly, and China remains one of the highest-growth markets in the world (source: Economic Report 2008/2009).

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

YTL Cement is well-positioned to mitigate rising operational costs faced by the industry, by maximising production efficiencies and improving service levels to customers in order to retain existing customers and attract potential new business partners and customers.

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 Cement would like to thank our investors, customers, business associates and the regulatory authorities, for their continued support. As always, we thank the management and staff for their continued dedication and commitment to the Group.

TAN SRI DATO' SERI (DR) YEOH TIONG LAY

PSM, SPMS, DPMS, KMN, PPN, PJK





18 December 2007

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

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

The project involves the construction of a power generation plant which recycles the waste heat discharged during clinker production as a source of energy.



26 August 2008

Meeting with Baosteel Group, Shanghai

From left to right: Dato' Michael Yeoh Sock Siong, Executive Director, YTL Cement Berhad; Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Managing Director, YTL Cement Berhad; Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Executive Chairman, YTL Cement Berhad; and Mr Xu Lejiang, Chairman, Baosteel Group.



27 August 2008

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

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



27 August 2008

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

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



28 August 2008

Luncheon with Officials of Hangzhou City, China

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

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-First Annual General Meeting of YTL Cement 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 10.00 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 sanction the declaration of a Final Dividend of 5% gross less Malaysian Income Tax in respect of the financial year ended 30 June 2008; **Resolution 2**
3. To re-elect the following Directors who retire pursuant to Article 84 of the Company's Articles of Association:
 - (i) Tan Sri Dato' (Dr) Francis Yeoh Sock Ping **Resolution 3**
 - (ii) Dato' Yeoh Seok Kian **Resolution 4**
 - (iii) Dato' Michael Yeoh Sock Siong **Resolution 5**
 - (iv) Joseph Benjamin Seaton **Resolution 6**
4. To consider and if thought fit, pass the following Ordinary Resolutions in accordance with Section 129(6) of the Companies Act, 1965:
 - (i) "THAT Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." **Resolution 7**
 - (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 8**
5. To approve the payment of Directors' fees amounting to RM540,000 for the financial year ended 30 June 2008; **Resolution 9**
6. To re-appoint the Auditors and to authorise the Directors to fix their remuneration. **Resolution 10**

AS SPECIAL BUSINESS

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

ORDINARY RESOLUTION 1

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

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

Resolution 11

ORDINARY RESOLUTION 2

8. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

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

(i) The maximum number of shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities provided always that in the event that the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellation of shares, sale of shares on the market of Bursa Securities or distribution of treasury shares to shareholders as dividend in respect of shares bought back under the previous shareholders' mandate for share buy-back which was obtained at the Annual General Meeting held on 7 December 2007, the Company shall be entitled to further purchase and/or hold such additional number of shares as shall (in aggregate with the shares then still held by the Company) not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities;

(ii) The maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy-Back shall not exceed the sum of Retained Profits and the Share Premium Account of the Company based on its latest audited financial statements available up to the date of a transaction pursuant to the Proposed Share Buy-Back. As at 30 June 2008, the audited Retained Profits and Share Premium Account of the Company were RM113,206,000.00 and RM121,435,000.00 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 12

Notice of Annual General Meeting

ORDINARY RESOLUTION 3

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

"THAT the Company and/or its subsidiaries be and is/are hereby authorised to enter into recurrent related party transactions from time to time with Related Parties who may be a Director, a major shareholder of the Company and/or its subsidiaries or a person connected with such a Director or major shareholder, as specified in section 2.1.2 of the Circular to Shareholders dated 10 November 2008 subject to the following:

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

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

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

Resolution 13

NOTICE OF BOOK CLOSURE

Notice is hereby given that the Register of Members of the Company will be closed at 5.00 p.m. on 10 December 2008 for the entitlement of the following:

Proposed Final Dividend of five percent (5%) gross less Malaysian Income Tax in respect of the financial year ended 30 June 2008 as recommended by the Directors on 19 August 2008.

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

- (a) shares transferred into the Depositor's Securities Account before 4.00 p.m. on 10 December 2008 in respect of transfers; and
- (b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

Notice is also hereby given that the Dividend Payment Date of the Proposed Final Dividend of five percent (5%) gross less Malaysian Income Tax in respect of the financial year ended 30 June 2008, if approved by the shareholders at the forthcoming Thirty-First Annual General Meeting, shall be on 26 December 2008.

Holders of Irredeemable Convertible Unsecured Loan Stocks 2005/2015 are reminded to lodge with the Company's Registrar, YTL Corporation Berhad of 11th Floor, Yeoh Tiong Lay Plaza, 55 Jalan Bukit Bintang, 55100 Kuala Lumpur, their notices of conversion for new shares by 5.00 p.m. on 10 December 2008 to qualify for the above dividend entitlement.

By Order of the Board,

HO SAY KENG
Company Secretary

KUALA LUMPUR
10 November 2008

Notes:

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

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

The Company is actively pursuing business opportunities in prospective areas so as to broaden the operating base and earnings potential of the Company. Such expansion plans may require the issue of new shares not exceeding ten per centum of the Company's issued share capital. With the passing of the Resolution 11 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 12, 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 13, 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 Thirty-First Annual General Meeting of the Company.

Corporate Information

BOARD OF DIRECTORS

Executive Chairman

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay

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

Vice Chairman

Tan Sri Datuk Asmat Bin Kamaludin

PSM, PJN, JSM, SMJ, KMN
BA (Hons) Economics

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

Dato' Sri Haji Abd Rahim Bin Haji Abdul

SSAP, SIMP, DIMP, PJN, SMP
BA (Hons), MPA, LLB (Hons)

Dato' Kamaruddin Bin Mohammed

DIMP
Diploma in Business Studies, Certificate in
Management, SF Fin

Dato' Yoogalingam A/L Vyramuttu

DIMP, AMN, Order of Diplomatic Service
Gwanghwajang First Class (Republic of Korea)
BA (Hons)

Mej Jen Dato' Hj Abdul Shukor Bin Haji Jaafar (B)

PSAT, DSDK, JSM, PAT, KMN, AMN
Masters in Defense Studies

Dato' Tan Guan Cheong

DSSA

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' Yeoh Soo Keng

DIMP
BSc (Hons) Civil Engineering

Dato' Mark Yeoh Seok Kah

DSSA
LLB (Hons)

Eu Peng Meng @ Leslie Eu

BCom, FCILT

Joseph Benjamin Seaton

Diploma in Communications, Advertising and
Marketing

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

6th 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

AUDIT COMMITTEE

Eu Peng Meng @ Leslie Eu

(Chairman and Independent Non-Executive
Director)

Dato' Michael Yeoh Sock Siong

(Executive Director)

Dato' Yoogalingam A/L Vyramuttu

(Independent Non-Executive Director)

Dato' Tan Guan Cheong

(Independent Non-Executive Director)

AUDITORS

HLB Ler Lum (AF 0276)

Chartered Accountants
(A member of HLB International)

PRINCIPAL BANKERS OF THE GROUP

Affin Bank Berhad
Bank of China Limited
CIMB Bank Berhad
Citibank Berhad
DBS Bank Ltd
DBS Bank (China) Limited
Hong Leong Bank Berhad
Malayan Banking Berhad
Oversea-Chinese Banking Corporation
Limited

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad

Main Board (26.6.1997)

Profile of the Board of Directors

TAN SRI DATO' SERI (DR) YEOH TIONG LAY, Malaysian, aged 78, was appointed to the Board on 19 March 1992 and has been the Executive Chairman since then. His contributions are well recognised with the conferment of the title of Doctor of Engineering by Heriot-Watt University, Edinburgh and his appointment as Honorary Life President of the Master Builders Association of Malaysia in 1988. He is the co-founder and the first Chairman of the ASEAN Constructors' Federation. On 26 October 2002, Tan Sri Yeoh Tiong Lay was conferred the Honorary Doctorate in Philosophy (Business Administration) by Universiti Malaysia Sabah. He was installed as Pro-Chancellor for Universiti Malaysia Sabah on 1 July 2005. He is the past President and Lifetime member of the International Federation of Asian and Western Pacific Contractors Association. Tan Sri Yeoh Tiong Lay is currently an EXCO member of the Malaysian Crime Prevention Foundation. On 19 January 2008, Tan Sri Yeoh Tiong Lay was conferred the prestigious Order of the Rising Sun, Gold Rays with Neck Ribbon by the Emperor of Japan in recognition of his outstanding contribution towards the economic co-operation and friendship between Japan and Malaysia, including his efforts as an executive member and Vice President of the Malaysia-Japan Economic Association. He is also the Honorary Chairman of Tung Shin Hospital and is on the board of Governors for several schools. Tan Sri Yeoh Tiong Lay is also the Executive Chairman of YTL Corporation Berhad and YTL Power International Berhad, both listed on the Main Board of the Bursa Malaysia Securities Berhad and a board member of other public companies such as YTL Industries Berhad, YTL Foundation and Wessex Water Limited (a private utilities company in UK).

TAN SRI DATUK ASMAT BIN KAMALUDIN, Malaysian, aged 64, was appointed to the Board on 19 March 2001 as the Vice Chairman. He is an Independent Non-Executive Director of the Company. Tan Sri Datuk Asmat graduated with a BA (Hons) in Economics from the University of Malaya. He was formerly the Secretary-General of the Ministry of International Trade and Industry and had been with the Ministry for 35 years, 9 of which as the Secretary General. Tan Sri Datuk Asmat also served as Economic Counsellor for Malaysia in Brussels for matters relating to the formation of the European Community and its implications for Malaysia. Chalking up a long and distinguished career in trade, dealing with both domestic and international trade sectors. Tan Sri Datuk Asmat has worked with several international trade bodies such as ASEAN, WTO and APEC, representing Malaysia in relevant negotiations and agreements. He has also been actively involved in several national organisations such as Permodalan Nasional Berhad, Johore Corporation, the Small and Medium Scale Industries Corporation and the Malaysia External Trade Development Co-operation. On 21 April 2008, Tan Sri Datuk Asmat was appointed by the Minister of International Trade and Industry to represent Malaysia as Governor on the Governing Board of The Economic Research Institute for Asean and East Asia.

He is currently also a board member of UMW Holdings Berhad, Malaysian Pacific Industries Berhad, Carlsberg Brewery Malaysia Berhad, Lion Industries Corporation Berhad, Permodalan Nasional Berhad, Panasonic Manufacturing Malaysia Berhad, Symphony House Berhad, SCOMI Group Berhad, Trans-Asia Shipping Corporation Berhad, Compugates Holdings Berhad, JACTIM Foundation and Royal Bank of Scotland Berhad (formerly known as ABN AMRO Bank Berhad).

Profile of the Board of Directors

16

TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING, Malaysian, aged 54, was appointed to the Board on 19 March 1992 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 Land & Development Berhad, all listed on the Main Board of Bursa Malaysia Securities Berhad. Tan Sri Francis is also the Executive Chairman and Managing Director of YTL e-Solutions Berhad which is listed on the MESDAQ Market of Bursa Malaysia Securities Berhad. Besides the listed entities in YTL Group, Tan Sri Francis also sits on the board of several public companies such as YTL Industries Berhad, YTL Foundation and the prominent private utilities companies in United Kingdom, Wessex Water Limited and Wessex Water Services Limited. He is also a director and Chief Executive Officer of Pintar Projek Sdn Bhd, the Manager of Starhill Real Estate Investment Trust.

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

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

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

DATO' SRI HAJI ABD RAHIM BIN HAJI ABDUL, Malaysian, aged 59, was appointed to the Board as Non-Independent Non-Executive Director on 26 April 2004. He graduated from University of Malaya with a BA (Hons) degree in 1972. He obtained his Master of Public Administration from Pennsylvania State University, U.S.A. in 1983 and LLB (Hons) from University of London in 1993. Dato' Sri Haji Abd Rahim started his career in the Malaysian Civil Service on 2 March 1973 when he was appointed as Assistant Secretary in the Federal Treasury, a post he held for 14 years. Thereafter, he held various posts in various departments, namely Ministry of Youth and Sports, Prime Minister's Department, National Registration Department, Institute of Islamic Understanding Malaysia and the State Financial Officers of Perlis and Pahang respectively before being appointed as the State Secretary of Pahang on 16 October 2001 until 1 October 2004. His last post was as Deputy Secretary General of Treasury, Ministry of Finance till his retirement on 2 September 2005. Dato' Sri is also a board member of ASM Investment Service Berhad and Sycal Ventures Berhad.

DATO' KAMARUDDIN BIN MOHAMMED, Malaysian, aged 59, was appointed to the Board as Non-Independent Non-Executive Director on 26 April 2004. He is a graduate in Business Studies from Universiti Teknologi MARA and is a Senior Fellow, Financial Services Institute of Australasia; Sydney, Australia. He also holds a Certificate in Management from The Asian Institute of Management Manila, Philippines. After serving Amanah Saham MARA Berhad Group ("ASMB") for over 38 years, he retired as the Group Managing Director on 30 April 2008. With his wide and extensive experience in Management, Investment and Financial Analysis, he was appointed as Deputy Chairman of the Board cum Advisor of ASMB on 1 May 2008. He is currently, also the Chairman of Far East Holdings Berhad and Pascorp Paper Industries Berhad and a board member of Amanah Saham Pahang Berhad and ASM Investment Service Berhad.

DATO' YOOGALINGAM A/L VYRAMUTTU, Malaysian, aged 63, was appointed to the Board as an Independent Non-Executive Director on 26 April 2004. He is also a member of the Audit Committee. Dato' Yoogalingam graduated from the University of Malaya with a BA (Hons) degree in 1968. He started his career with the Ministry of Foreign Affairs in October 1968 as Assistant Secretary to the Administrative and Diplomatic Service of Malaysia. Thereafter, he served at Malaysia's embassies in Vietnam, Yugoslavia, the Republic of Turkey and the Republic of Korea. In 1986, he returned to Malaysia to take up the position of Deputy Director General (ASEAN National Secretariat). Dato' Yoogalingam was subsequently posted as High Commissioner of Malaysia to Papua New Guinea, concurrently accredited to the Solomon Islands and Vanuatu in 1989, and then to the Republic of Zimbabwe, concurrently accredited to Angola, Botswana, Mozambique, Madagascar, Malawi, Namibia, Mauritius, Seychelles, Uganda, Tanzania and Zambia in 1994. In 1998, he was posted as Ambassador of Malaysia to the Republic of Korea where he served until retiring from the Ministry of Foreign Affairs in June 2003.

MEJ JEN DATO' HJ ABDUL SHUKOR BIN HAJI JAAFAR (B), Malaysian, aged 66, was appointed to the Board on 28 July 1997 as an Independent Non-Executive Director. He obtained his Masters in Defense Studies from the Indian National Defence College, New Delhi / University of Alahabad. Dato' Hj Abdul Shukor served in the Malaysian Army from 1962 to 1996 and held various senior command, staff and training appointments covering operations, logistics and support of UN operations.

DATO' TAN GUAN CHEONG, Malaysian, aged 64, was appointed to the Board on 25 October 2004 as an Independent Non-Executive Director. He is also a member of the Audit Committee. Dato' Tan graduated with a Bachelor of Commerce degree from Otago University, New Zealand. He is a Chartered Accountant and a Member of the Malaysian Institute of Accountants since 1983. He worked in international audit firms overseas and also in Malaysia. He has more than 20 years' experience in the field of financial services. He is also a director of Box-Pak (Malaysia) Berhad.

DATO' YEOH SEOK KIAN, Malaysian, aged 51, was appointed to the Board on 3 February 1987 as an Executive Director. 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 presently the Deputy Managing Director of YTL Corporation Berhad and YTL Power International Berhad and Executive Director of YTL Land & Development Berhad, all listed on the Main Board of Bursa Malaysia Securities Berhad. Dato' Yeoh Seok Kian also serves on the board of several other public companies such as YTL Industries Berhad, The Kuala Lumpur Performing Arts Centre, YTL Vacation Club Berhad and private utilities company, Wessex Water Limited. He is also an Executive Director of Pintar Projek Sdn Bhd, the Manager of Starhill Real Estate Investment Trust.

DATO' YEOH SEOK HONG, Malaysian, aged 49, was appointed to the Board on 18 May 2007 as an Executive Director. He obtained his Bachelor of Engineering (Hons) Civil & Structural Engineering Degree from the University Bradford, United Kingdom in 1982. He is a member of the Faculty of Building, United Kingdom. Dato' Yeoh Seok Hong has vast experience in the construction industry, being the Executive Director responsible for the YTL Group construction division. He was the project director responsible for the development and the construction of the two Independent Power Producer power stations owned by YTL Power Generation Sdn Bhd. His other achievements include the construction of the Express Rail Link between the Kuala Lumpur International Airport and the Kuala Lumpur Sentral Station. He is also responsible for developing the power and utility businesses of the YTL Power International Berhad Group. He is a director of YTL Corporation Berhad, YTL Power International Berhad, YTL Land & Development Berhad, all listed on the Main Board of Bursa Malaysia Securities Berhad and YTL e-Solutions Berhad, a company listed on the MESDAQ Market of Bursa Malaysia Securities Berhad. Dato' Yeoh Seok Hong also sits on the board of YTL Industries Berhad, YTL Foundation, Wessex Water Limited and Wessex Water Services Limited.

Profile of the Board of Directors

18

DATO' MICHAEL YEOH SOCK SIONG, Malaysian, aged 48, was appointed to the Board on 1 September 1985 as an Executive Director. He is also a member of the Audit Committee. 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 Land & Development Berhad, all listed on the Main Board of Bursa Malaysia Securities Berhad and YTL e-Solutions Berhad, a company listed on the MESDAQ Market of Bursa Malaysia Securities Berhad. He also sits on the board of other public companies such as YTL Industries Berhad, Sentul Raya Golf Club Berhad and private utilities company, Wessex Water Limited.

DATO' YEOH SOO KENG, Malaysian, aged 45, was appointed to the Board on 23 August 1995 as an Executive Director. She graduated with a Bachelor of Science (Hons) in Civil Engineering from Leeds University, United Kingdom in 1985. She was the project director for the construction of the British High Commissioner's residence, Kuala Lumpur; the Design & Build of the National Art Gallery in Kuala Lumpur and the Selangor Medical Centre in Shah Alam. She was also in charge of a few turnkey projects such as the construction and completion of Yeoh Tiong Lay Plaza, Pahang Cement plant in Pahang and Slag Cement plants in Selangor and Johor. Dato' Yeoh Soo Keng is the purchasing director responsible for bulk purchases of building materials and related items for the construction, hotels and resorts, and property development divisions of the YTL Group. She is instrumental in the sales and marketing of cement and related products for YTL Cement Berhad, Pahang Cement Marketing Sdn Bhd and Perak-Hanjoong Simen Sdn Bhd. She is also a director of YTL Corporation Berhad and YTL Power International Berhad, all listed on the Main Board of Bursa Malaysia Securities Berhad.

DATO' MARK YEOH SEOK KAH, Malaysian, aged 43, was appointed to the Board on 18 May 2007 as an Executive Director. He graduated from King's College, University of London with a LLB (Hons) and was subsequently called to the Bar at Gray's Inn, London in 1988. Dato' Mark Yeoh joined YTL Group in 1989 and is presently the Executive Director responsible for the YTL Hotels and Resorts Division. In addition, he is also part of YTL Power's Mergers & Acquisitions Team and was involved in the takeovers of ElectraNet SA (Australia), Wessex Water Limited (UK) and P.T. Jawa Power (Indonesia). He also serves on the board of YTL Corporation Berhad, YTL Power International Berhad, YTL Land & Development Berhad, all listed on the Main Board of the Bursa Malaysia Securities Berhad and YTL e-Solutions Berhad, a company listed on the MESDAQ Market of Bursa Malaysia Securities Berhad. He is also a board member of YTL Vacation Club Berhad and private utilities company, Wessex Water Limited.

EU PENG MENG @ LESLIE EU, Malaysian, aged 73, was appointed to the Board on 31 March 2003 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. He was a Board Member of Lembaga Pelabuhan Kelang from 1970 to 1999. In 1995, he was presented the Straits Shipper Transport Personality award by the Minister of Transport. He was appointed by the United Nations Conference on Trade and Development as one of the 13 experts to assist the developing nations in establishing their maritime fleets. Mr Leslie Eu presently serves on the board of several public companies such as YTL Corporation Berhad and YTL Land & Development Berhad, all listed on the Main Board of Bursa Malaysia Securities Berhad, and Lloyd's Register of Shipping (Malaysia) Bhd. He is also a director of Pintar Projek Sdn Bhd, the Manager of Starhill Real Estate Investment Trust.

JOSEPH BENJAMIN SEATON, Malaysian, aged 67, was appointed to the Board on 15 June 1988 as an Executive Director. Mr Seaton possesses a Diploma in Communications, Advertising and Marketing and also attended the Harvard Business School Course in Business Administration. He has more than 38 years' management experience in the building and construction industry. His experience includes the production and marketing of cement, ready-mixed concrete and concrete related products.

Notes:

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

DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

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

	Attendance
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	5
Tan Sri Datuk Asmat Bin Kamaludin	6
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping	7
Dato' Sri Haji Abd Rahim Bin Haji Abdul	7
Dato' Kamaruddin Bin Mohammed	7
Dato' Yoogalingam A/L Vyrmuttu	7
Mej Jen Dato' Hj Abdul Shukor Bin Haji Jaafar (B)	7
Dato' Tan Guan Cheong	7
Dato' Yeoh Seok Kian	5
Dato' Yeoh Seok Hong	7
Dato' Michael Yeoh Sock Siong	6
Dato' Yeoh Soo Keng	5
Dato' Mark Yeoh Seok Kah	6
Eu Peng Meng @ Leslie Eu	7
Joseph Benjamin Seaton	6

Statement of Directors' Responsibilities

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

The Directors consider that, in preparing the financial statements for the financial year ended 30 June 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)

Dato' Michael Yeoh Sock Siong

(Member/Executive Director)

Dato' Yoogalingam A/L Vyramuttu

(Member/Independent Non-Executive Director)

Dato' Tan Guan Cheong

(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 Cement 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.

Audit Committee Report

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.
2. Recommend the nomination of a person or persons as external auditors and the external audit fee.

3. Promptly report to the 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.

Audit Committee Report

ACTIVITIES

In line with the terms of reference of the Committee, the following activities were carried out by the Committee during the financial year ended 30 June 2008 in discharging its functions:

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

INTERNAL AUDIT ACTIVITIES

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

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

NUMBER OF MEETINGS HELD AND DETAILS OF ATTENDANCE

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

	Attendance
Eu Peng Meng @ Leslie Eu	5
Dato' Michael Yeoh Sock Siong	4
Dato' Yoogalingam A/L Vyramuttu	5
Dato' Tan Guan Cheong	5

Statement on Corporate Governance

The Board of Directors ("Board") of YTL Cement Berhad ("YTL Cement" or "Company") remains firmly committed to ensuring an appropriate and sound system of corporate governance throughout the Company and its subsidiaries ("YTL Cement 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 Cement Group has a long-standing commitment to corporate governance and protection of shareholder value, which has been integral to the YTL Cement 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 Cement Group, whilst taking into account the interests of all stakeholders.

This section of the Annual Report details the measures implemented by the YTL Cement 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 Cement 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 Cement 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 Cement 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 15 Directors, comprising 8 executive members and 7 non-executive members, 5 of whom are independent. This is in compliance with the Listing Requirements, which require one-third of the Board to be independent.

The positions of the Executive Chairman and the Managing Director are held by separate members of the Board. The Executive Chairman is primarily responsible for the orderly conduct and working of the Board, whilst the Managing Director oversees the day-to-day running of the business, implementation of Board policies and making of operational decisions. The Managing Director and the Executive Directors are accountable to the Board for the profitable operation and development of the YTL Cement 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 Cement 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 Cement 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 Cement 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 Cement 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.

Statement on Corporate Governance

The Directors have full and unrestricted access to all information pertaining to the YTL Cement 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 Cement 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 Cement 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 Cement Group successfully. In general, the component parts of remuneration are structured so as to link rewards to performance. Directors do not participate in decisions regarding their own remuneration packages and Directors' fees must be approved by shareholders at the AGM.

Details of the aggregate remuneration of Directors categorised into appropriate components and the range of remuneration for each Director can be found in Note 6 of the Notes to the Financial Statements in this Annual Report (for security reasons, details are not shown with reference to Directors individually).

DIALOGUE WITH SHAREHOLDERS & INVESTORS

The YTL Cement 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 Cement 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 Cement 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 Cement Group is not disclosed in these sessions until after the prescribed announcement to Bursa Securities has been made.

The AGM is the principal forum for dialogue with shareholders. The Board provides opportunities for shareholders to raise questions pertaining to issues in the Annual Report, corporate developments in the YTL Cement Group, the resolutions being proposed and the business of the YTL Cement 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 Cement 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 Cement 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 Cement Group's system of internal control and its internal audit functions are contained in the Statement on Internal Control and the Audit Committee Report in this Annual Report.

RELATIONSHIP WITH THE AUDITORS

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

ADDITIONAL DISCLOSURE

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

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

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

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

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

Statement on Internal Control

During the year under review, YTL Cement Berhad (“YTL Cement” or “Company”) and its subsidiaries (“YTL Cement Group”) continued to enhance the YTL Cement 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 Cement 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 Cement 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 Cement 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 CEMENT GROUP’S SYSTEM OF INTERNAL CONTROL

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

- **Authorisation Procedures:** The YTL Cement 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 Cement Group which set out, among others, authorisation levels, segregation of duties and other control procedures.

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

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

- **Financial Performance:** Interim financial results are reviewed by the Audit Committee and approved by the Board upon recommendation of the Audit Committee before release to Bursa Securities. The full year financial results and analyses of the YTL Cement Group’s state of affairs are disclosed to shareholders after review and audit by the external auditors.
- **Internal Compliance:** The YTL Cement 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 CEMENT 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 Cement Group’s internal audit function is carried out by the YTL Corporation Berhad Group Internal Audit department (“YTLIA”), which reports 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 RM70,000.00 were incurred in relation to the internal audit function for the financial year ended 30 June 2008.

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

The 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. The Board is of the view that the current system of internal control in place throughout the YTL Cement Group is effective to safeguard its interests.

- **Senior Management Meetings:** The YTL Cement 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 Cement 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 Cement 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 Cement Group's strong financial profile is the result of a system of internal control and risk management designed to mitigate risks which arise in the course of business. This is exemplified by the YTL Cement Group's strategy of financing acquisitions on a non-recourse basis, as well as in undertaking cement plant operations, in order to reduce risk levels. The YTL Cement Group's joint venture in 1993 with the Pahang State Government to build and operate Pahang Cement Sdn Bhd's ("Pahang Cement") Bukit Sagu cement plant is an example of this strategy. Pahang Cement is now a wholly-owned subsidiary of YTL Cement following the acquisition of the remaining 50% stake in Pahang Cement by the Company in 2004.

The Board acknowledges that all areas of the YTL Cement 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 Cement 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 Cement 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 Cement 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 financial year ended 30 June 2008

At the last Annual General Meeting of YTL Cement Berhad (“YTL Cement”) held on 7 December 2007, the Company had obtained a mandate from its shareholders to allow YTL Cement and/or its subsidiaries (“YTL Cement 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 Cement Group involved in the Recurrent Transactions

Related Party	Nature of Transactions	Interested Related Parties	Nature of Relationship	Value of Transactions RM’000
Batu Tiga Quarry Sdn Bhd ⁽⁵⁾ (“BTQuarry”)	<ul style="list-style-type: none"> • Purchase of raw materials used for concrete manufacturing, in particular sand and aggregates from Related Party; • Supply of lime stone and clay by Related Party 	Yeoh Tiong Lay & Sons Holdings Sdn Bhd (“YTL SH”);	Major Shareholder/ Person Connected ⁽¹⁾	67,718
Buildcon-Cimaco Concrete Sdn Bhd,		YTL Corporation Berhad (“YTL Corporation”);	Major Shareholder/ Person Connected ⁽²⁾	
C.I. Readymix Sdn Bhd,		YTL Industries Berhad (“YTL Industries”);	Major Shareholder/ Person Connected ⁽³⁾	
Pahang Cement Sdn Bhd,		Tan Sri Dato’ Seri (Dr) Yeoh Tiong Lay [“Tan Sri Yeoh Tiong Lay”]	Director/Major Shareholder / Person Connected ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	
YTL Cement Singapore Pte Ltd		Tan Sri Dato’ (Dr) Francis Yeoh Sock Ping, Dato’ Yeoh Seok Kian, Dato’ Yeoh Seok Hong, Dato’ Michael Yeoh Sock Siong, Dato’ Yeoh Soo Keng, Dato’ Mark Yeoh Seok Kah [collectively referred to as the “Yeoh Siblings”]	Directors ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	

Companies in the YTL Cement Group involved in the Recurrent Transactions	Related Party	Nature of Transactions	Interested Related Parties	Nature of Relationship	Value of Transactions RM'000
Buildcon-Cimaco Concrete Sdn Bhd,	YTL Technologies Sdn Bhd ⁽⁶⁾ ("YTL Tech")	<ul style="list-style-type: none"> • Purchase of equipment from Related Party; • Maintenance cost on mixer trucks, plant and machinery paid to Related Party; 	YTLISH; YTL Corporation; YTL Industries;	Major Shareholders/ Persons Connected ⁽¹⁾⁽²⁾⁽³⁾	35,973
Buildcon Concrete Sdn Bhd,		<ul style="list-style-type: none"> • Purchase of lubricants and diesel from Related Party; 	Tan Sri Yeoh Tiong Lay;	Director/Major Shareholder / Person Connected ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	
C.I. Readymix Sdn Bhd,		<ul style="list-style-type: none"> • Hiring/rental charges on machinery, mixer trucks paid to Related Party; 	Yeoh Siblings	Directors ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	
Pahang Cement Sdn Bhd,		<ul style="list-style-type: none"> • Ash pond management charges paid to Related Party; 			
Pahang Cement Marketing Sdn Bhd,		<ul style="list-style-type: none"> • Rental of 387,684 sq. ft factory at Kota Kemuning, Shah Alam for RM20,000 per month, and 25,000 sq. ft factory at Larkin Industrial Estate, Johor Bahru for RM5,000 per month paid by Related Party 			
Perak-Hanjoong Simen Sdn Bhd,					
Slag Cement Sdn Bhd,					
Slag Cement (Southern) Sdn Bhd,					
YTL Cement Marketing Sdn Bhd					

Notes:

- (1) YTLISH is a major shareholder of YTL Cement and the Related Party. YTLISH is a person connected to the major shareholder and director, Tan Sri Yeoh Tiong Lay; and the directors, the Yeoh Siblings.
- (2) YTL Corporation is a major shareholder of YTL Cement and the Related Party. YTL Corporation is a person connected to the major shareholder and director, Tan Sri Yeoh Tiong Lay; and the directors, the Yeoh Siblings.
- (3) YTL Industries is a major shareholder of YTL Cement and YTL Tech. YTL Industries is a person connected to the major shareholder and director, Tan Sri Yeoh Tiong Lay; and the directors, the Yeoh Siblings.
- (4) Tan Sri Yeoh Tiong Lay is a major shareholder of YTLISH, YTL Corporation, YTL Industries, YTL Cement and the Related Party. Tan Sri Yeoh Tiong Lay is also a person connected to the directors, the Yeoh Siblings.
- (5) BTQuarry is a wholly-owned subsidiary of YTL Industries, which in turn is a wholly-owned subsidiary of YTL Corporation and subsidiary of YTLISH.
- (6) YTL Tech is a 60% owned subsidiary of Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd, which in turn is a subsidiary of YTL Corporation and YTLISH. YTL Cement holds the remaining 40% interests in YTL Tech.

Analysis of Share/Irredeemable Convertible Unsecured Loan Stocks (ICULS) Holdings as at 30 September 2008

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

DISTRIBUTION OF SHAREHOLDINGS

Size of holding	No. of Shareholders	%	No. of Shares#	%#
Less than 100	653	17.54	21,324	0.00
100 – 1,000	767	20.60	476,287	0.10
1,001 – 10,000	1,584	42.55	6,525,355	1.39
10,001 – 100,000	595	15.98	16,767,886	3.57
100,001 to less than 5% of issued shares	121	3.25	164,608,056	35.06
5% and above of issued shares	3	0.08	281,133,134	59.88
Total	3,723	100.00	469,532,042	100.00

THIRTY LARGEST SHAREHOLDERS

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

Name	No. of Shares	%#
1 YTL Industries Berhad	210,899,198	44.92
2 DB (Malaysia) Nominee (Asing) Sdn Bhd - Exempt An for Deutsche Bank Ag Singapore (PWM Asing)	44,719,273	9.52
3 State Secretary, Pahang	25,514,663	5.43
4 Valuecap Sdn Bhd	16,987,292	3.62
5 Bara Aktif Sdn Bhd	13,966,833	2.97
6 OSK Nominees (Tempatan) Sdn Berhad - OSK Trustees Bhd for Pasdec Corporation Sdn Bhd	13,897,290	2.96
7 YTL Corporation Berhad	12,324,103	2.62
8 CIMB Group Nominees (Tempatan) Sdn. Bhd. - Pahang Off-Shore Sdn Bhd for Pasdec Corporation Berhad (49311 KTUM)	10,200,000	2.17
9 YTL Power International Berhad	10,015,304	2.13
10 Employees Provident Fund Board	6,525,090	1.39
11 Mayban Nominees (Tempatan) Sdn Bhd - Mayban Trustees Berhad for Public Ittikal Fund (N14011970240)	6,370,100	1.36
12 HSBC Nominees (Asing) Sdn Bhd - Exempt An for JPMorgan Chase Bank, National Association (BVI)	5,757,000	1.23
13 YTL Corporation Berhad	5,259,500	1.12
14 HSBC Nominees (Asing) Sdn Bhd - Exempt An for The Hongkong and Shanghai Banking Corporation Limited (HBFS-I CLT ACCT)	4,282,200	0.91
15 Cartaban Nominees (Asing) Sdn Bhd -SSBT Fund KG33 for AIM Asia Pacific Growth Fund	4,163,000	0.89
16 DB (Malaysia) Nominee (Asing) Sdn Bhd - Exempt An for Deutsche Bank AG London (Prime Brokerage)	3,429,118	0.73
17 HSBC Nominees (Asing) Sdn Bhd - Exempt An for JPMorgan Chase Bank, National Association (Jersey)	3,317,500	0.71

Name	No. of Shares	%#
18 Citigroup Nominees (Tempatan) Sdn Bhd - Exempt An for Prudential Fund Management Berhad	2,321,100	0.49
19 Mayban Nominees (Tempatan) Sdn Bhd - Mayban Trustees Berhad for Public Regular Savings Fund (N14011940100)	2,002,600	0.43
20 BHLB Trustee Berhad - Public Regional Sector Fund	1,741,400	0.37
21 Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1,727,423	0.37
22 Amanah Raya Nominees (Tempatan) Sdn Bhd - Public Islamic Sector Select Fund	1,549,700	0.33
23 HSBC Nominees (Tempatan) Sdn Bhd - Nomura Asset Mgmt Malaysia for Employees Provident Fund	1,538,900	0.33
24 Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,518,562	0.32
25 Citigroup Nominees (Asing) Sdn Bhd - Exempt An for Merrill Lynch International (Prime Broker)	1,500,362	0.32
26 Eagletron Venture Corp.	1,390,729	0.30
27 Amanah Raya Nominees (Tempatan) Sdn Bhd - Public Islamic Select Treasures Fund	1,390,700	0.30
28 AMSEC Nominees (Tempatan) Sdn Bhd - AMTrustee Berhad for HLG Strategic Fund (UT-HLG-SF)	1,270,700	0.27
29 Dato' Michael Yeoh Sock Siong	1,265,634	0.27
30 Amanah Raya Nominees (Tempatan) Sdn Bhd - Public Islamic Dividend Fund	1,196,800	0.25
Total	418,041,374	89.03

SUBSTANTIAL SHAREHOLDERS (as per register of substantial shareholders)

Name	Direct	No. of Shares Held		%#
		%#	Indirect	
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	19,000	–	238,498,105 ⁽¹⁾	50.79
YTL Corporation Berhad	17,583,603	3.74	220,914,502 ⁽²⁾	47.05
YTL Industries Berhad	210,899,198	44.92	–	–
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,681,634	0.36	238,517,105 ⁽³⁾	50.79
Perbadanan Setiausaha Kerajaan Pahang	25,514,663	5.43	–	–
Pasdec Corporation Sdn Bhd	24,141,121	5.14	–	–
Pasdec Holdings Berhad	–	–	24,141,121 ⁽⁴⁾	5.14
Perbadanan Kemajuan Negeri Pahang	–	–	24,141,121 ⁽⁵⁾	5.14

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

⁽²⁾ Deemed interested by virtue of its interests in YTL Industries Berhad & YTL Power International Berhad pursuant to section 6A of the Companies Act, 1965.

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

⁽⁴⁾ Deemed interested by virtue of its 100% equity interests in Pasdec Corporation Sdn Bhd

⁽⁵⁾ Deemed interested by virtue of its interests in Pasdec Holdings Berhad

Based on the issued and paid-up capital of the Company of RM245,238,103.00 comprising 490,476,206 ordinary shares after deduction of 20,944,164 treasury shares retained by the Company as per Record of Depositors.

Analysis of Share/Irredeemable Convertible Unsecured Loan Stocks (ICULS) Holdings as at 30 September 2008

Type of Securities : Irredeemable Convertible Unsecured Loan Stocks 2005/2015 (ICULS 2005/2015)
 Voting rights : One vote per ICULS 2005/2015 holder on a show of hands or one vote per ICULS 2005/2015 on a poll in respect of meeting of ICULS 2005/2015 holders

DISTRIBUTION OF ICULS HOLDINGS

Size of holding	No. of ICULS 2005/2015 Holders		No. of ICULS 2005/2015	
		%		%
Less than 100	42	5.82	1,735	0.00
100 – 1,000	54	7.48	38,441	0.01
1,001 – 10,000	361	50.00	1,633,091	0.34
10,001 – 100,000	213	29.50	6,708,383	1.39
100,001 to less than 5% of issued ICULS	49	6.79	53,731,790	11.14
5% and above of issued ICULS	3	0.41	420,368,318	87.12
Total	722	100.00	482,481,758	100.00

THIRTY LARGEST ICULS 2005/2015 HOLDERS

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

Name	No. of ICULS 2005/2015	%
1 YTL Industries Berhad	210,899,198	43.71
2 YTL Corporation Berhad	185,000,000	38.34
3 YTL Corporation Berhad	24,469,120	5.07
4 YTL Power International Berhad	14,052,945	2.91
5 YTL Power International Berhad	10,015,304	2.08
6 YTL Power International Berhad	5,042,932	1.05
7 YTL Corporation Berhad	4,721,600	0.98
8 Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1,727,423	0.36
9 Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,518,562	0.31
10 Dato' Michael Yeoh Sock Siong	1,265,634	0.26
11 Datin Tan Siew Bee	1,109,388	0.23
12 Goh Thong Beng	1,090,000	0.23
13 HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Prudential Equity Income Fund (4801)	821,352	0.17
14 Dato' Yeoh Soo Keng	818,251	0.17
15 Onn Kok Puay (Weng Guopei)	804,900	0.17
16 HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities A/c for Lee Kwong Joo	703,600	0.15

Name	No. of ICULS	
	2005/2015	%
17 HSBC Nominees (Asing) Sdn Bhd - Exempt An for JPMorgan Chase Bank, National Association (JPMINTL BK Ltd)	644,800	0.13
18 Bara Aktif Sdn Bhd	642,800	0.13
19 Dato' Yeoh Seok Kian	618,754	0.13
20 Amanah Saham Mara Berhad	580,944	0.12
21 Onn Ping Lan	520,100	0.11
22 Amanah Saham Mara Berhad	517,712	0.11
23 Citigroup Nominees (Tempatan) Sdn Bhd - Pledged Securities A/c for Lee Kwong Joo (471898)	482,000	0.10
24 Brian Ma Kok Kin	455,000	0.09
25 Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Kong Goon Khing (E-BTR)	376,900	0.08
26 Fong Siew Fang	372,000	0.08
27 Tng Keok Keow	289,523	0.06
28 Law Chin Wat	263,200	0.05
29 Liou Wei Hau	246,100	0.05
30 Public Nominees (Tempatan) Sdn Bhd - Pledged Securities A/c for Yap Soon Heng (E-TSA)	232,400	0.05
Total	470,302,442	97.48

Statement of Directors' Interests

in the Company and related corporations as at 30 September 2008

THE COMPANY YTL CEMENT BERHAD

Name	Direct	No. of Shares Held		No. of Share Options	
		%	Indirect	%	
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,681,634	0.36	238,832,990 ⁽¹⁾	50.87	1,400,000
Tan Sri Datuk Asmat Bin Kamaludin	–	–	10,400 ⁽²⁾	*	–
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	*	–	–	–
Dato' Yeoh Soo Keng	938,251	0.20	90,251 ⁽³⁾	0.02	700,000
Joseph Benjamin Seaton	477,423	0.10	–	–	250,000
Dato' Kamaruddin Bin Mohammed	–	–	300,000 ⁽³⁾	0.06	–

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

Name	Direct		Indirect	
		%		%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,681,634	0.35	454,535,984 ⁽¹⁾	94.21
Tan Sri Datuk Asmat Bin Kamaludin	–	–	10,400 ⁽²⁾	*
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
Dato' Yeoh Soo Keng	818,251	0.17	–	–
Dato' Kamaruddin Bin Mohammed	–	–	208,000 ⁽³⁾	0.04

HOLDING COMPANY YTL INDUSTRIES BERHAD

Name	Direct	No. of Shares Held		%
		%	Indirect	
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	12,980,009 ⁽⁴⁾	100

**PENULTIMATE HOLDING COMPANY
YTL CORPORATION BERHAD**

Name	Direct	No. of Shares Held		No. of Share Options	
		%	Indirect	%	
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	8,200,894	0.55	801,304,040 ⁽⁵⁾	53.57	5,000,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,203,652	0.95	–	–	5,000,000
Dato' Yeoh Seok Kian	5,321,210	0.36	515,683 ⁽³⁾	0.03	3,500,000
Dato' Yeoh Seok Hong	5,036,490	0.34	3,228,126 ⁽⁶⁾	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	*	–	–	–
Dato' Yeoh Soo Keng	5,048,166	0.34	68,899 ⁽³⁾	*	3,000,000

Name	Direct	No. of Warrants 1999/2009 Held		
		%	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,117,350	0.43	187,154,097 ⁽⁵⁾	71.20
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,285,472	0.87	–	–
Dato' Yeoh Seok Kian	655,866	0.25	–	–
Dato' 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	–	–
Dato' Yeoh Soo Keng	654,600	0.25	14,400 ⁽³⁾	0.01

**ULTIMATE HOLDING COMPANY
YEHO TIONG LAY & SONS HOLDINGS SDN BHD**

Name	Direct	No. of Shares Held		
		%	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	8,220,004	20.18	6,250,004 ⁽⁶⁾	15.35
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	–	–
Dato' Yeoh Soo Keng	1,250,000	3.07	–	–

Statement of Directors' Interests

in the Company and related corporations as at 30 September 2008

RELATED CORPORATIONS YTL E-SOLUTIONS BERHAD

Name	Direct	No. of Shares Held		%
		%	Indirect	
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	1,002,227,600 ⁽⁷⁾	74.49
Dato' Michael Yeoh Sock Siong	–	–	30,000 ⁽³⁾	*
Dato' Yeoh Soo Keng	500,000	0.04	–	–

YTL LAND & DEVELOPMENT BERHAD

Name	Direct	No. of Shares Held		%
		%	Indirect	
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	496,202,732 ⁽⁷⁾	63.46
Eu Peng Meng @ Leslie Eu	20,000	*	–	–
Dato' Yeoh Soo Keng	100,000	0.01	–	–
Dato' Sri Haji Abd Rahim Bin Haji Abdul	2,000	*	–	–

Name	Direct	No. of Irredeemable Convertible Preference Shares 2001/2011 Held		%
		%	Indirect	
Dato' Yeoh Seok Kian	240,000	0.13	–	–

YTL POWER INTERNATIONAL BERHAD

Name	Direct	No. of Shares Held		No. of Share Options	
		%	Indirect	%	Options
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	10,096,250	0.18	3,292,602,786 ⁽⁸⁾	58.26	7,000,000
Tan Sri Datuk Asmat Bin Kamaludin	–	–	46,707 ⁽²⁾	*	–
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' Yeoh Seok Hong	8,648,863	0.15	2,459,947 ⁽⁶⁾	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	*	–	–	–
Dato' Yeoh Soo Keng	5,081,777	0.09	112,260 ⁽³⁾	*	3,000,000

Name	Direct	No. of Warrants 2000/2010 Held		%
		%	Indirect	
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	726,098,046 ⁽⁸⁾	85.18
Dato' Michael Yeoh Sock Siong	–	–	100,000 ⁽³⁾	0.01
Dato' Yeoh Soo Keng	–	–	21,240 ⁽³⁾	*

Name	No. of Warrants 2008/2018 Held			
	Direct	%	Indirect	%
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	3,284,000	0.22	1,102,968,255 ⁽⁸⁾	73.20
Tan Sri Datuk Asmat Bin Kamaludin	–	–	18,000 ⁽²⁾	*
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' Yeoh Seok Hong	8,861,405	0.59	799,982 ⁽⁶⁾	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	*	–	–
Dato' Yeoh Soo Keng	1,585,944	0.11	36,507 ⁽³⁾	*

* Negligible

⁽¹⁾ Deemed interested by virtue of his interests in Yeoh Tiong Lay & Sons Holdings Sdn Bhd, YTL Corporation Berhad, YTL Power International Berhad and YTL Industries Berhad, and Shares/ICULS held by his spouse and children

⁽²⁾ Deemed interested by virtue of Shares/ICULS held by his children.

⁽³⁾ Deemed interested by virtue of Shares/ICULS/Warrants held by their respective spouses.

⁽⁴⁾ Deemed interested by virtue of his interests in YTL Corporation Berhad.

⁽⁵⁾ Deemed interested by virtue of his interests in Yeoh Tiong Lay & Sons Holdings Sdn Bhd and Shares/Warrants held by his spouse and children.

⁽⁶⁾ Deemed interested by virtue of Shares/Warrants held by his spouse and children.

⁽⁷⁾ Deemed interested by virtue of his interests in Yeoh Tiong Lay & Sons Holdings Sdn Bhd and YTL Corporation Berhad.

⁽⁸⁾ Deemed interested by virtue of his interests in Yeoh Tiong Lay & Sons Holdings Sdn Bhd, YTL Corporation Berhad and YTL Power Services Sdn Bhd, and Shares/Warrants held by his spouse and children.

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

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

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	112,600	5.40	5.65	5.58111	628,432.71
August 2007	817,200	4.18	5.05	4.77248	3,900,071.71
September 2007	142,400	5.00	5.15	5.10480	726,923.13
October 2007	11,000	4.96	5.00	5.01909	55,209.96
November 2007	268,200	4.98	5.20	5.14719	1,380,475.15
December 2007	–	–	–	–	–
January 2008	13,100	4.98	5.20	5.12481	67,182.19
February 2008	101,300	4.90	5.05	4.99526	506,019.34
March 2008	60,700	4.46	4.54	4.49808	273,033.45
April 2008	–	–	–	–	–
May 2008	–	–	–	–	–
June 2008	25,900	4.76	4.80	4.79274	124,131.86
TOTAL	1,552,400			4.93525	7,661,479.50

During the financial year, all the shares purchased by the Company were retained as treasury shares. As at 30 June 2008, a total of 20,934,164 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	
Geran 44701, Lot 20213 Bandar Johor Bahru Johor	Freehold	–	4 units of apartments known as Indera Putera Courts	558	23	–	818	21.5.1985	
		(strata title)	–	2 units of apartments known as Indera Putera Courts	276	23	–	447	10.5.1985
		(strata title)	–	2 units of apartments known as Indera Putera Courts	276	23	–	443	6.6.1984
		(strata title)	–	1 unit of apartment known as Indera Putera Courts	138	23	–	222	15.6.1984
		(strata title)	–	1 unit of apartment known as Indera Putera Courts	138	23	–	216	28.9.1984
		(strata title)	–	1 unit of apartment known as Indera Putera Courts	138	23	–	222	28.5.1984
HS (D) 60573 Lot A/607573 Mukim Kuala Lumpur	Leasehold	7,281.047 sq.m.	Industrial land with batching plant	–	–	Year 2067	789	9.6.1992	
PM 82, Lot 7445 Mukim of Ulu Kelang Ampang, Selangor	Freehold	–	4 units of apartments known as Tudor Courts	353	18	–	316	31.12.1989	
Pajakan Negeri No. 10023 Lot 45609 Mukim of Kuala Lumpur	Leasehold	3,218.05 sq.m.	Industrial land	–	–	Year 2067	1,373	30.9.1995	

List of Properties as at 30 June 2008

Location	Tenure	Land Area	Description and Existing Use	Approximate		Lease Expiry Date	Net Book Value RM'000	Date of Acquisition
				Built up Area (sq.m.)	Age of Building (years)			
Sublease from Port Klang Authority Selangor	Leasehold	107,888 sq.m.	Slag cement plant	6,752	12	Year 2024	72,853	January 1996
Lot No. 38, Section 12 Phase 1A Pulau Indah Industrial Park Pulau Indah Mukim Klang Selangor	Leasehold	1 hectare	Slag cement plant	–	–	Year 2094	2,086	16.5.2002
Sublease of part of a land held under master title HS (D) 238642 PT: D119841 Mukim Plentong Daerah Johor Bahru Johor	Leasehold	35,810 sq.m.	Slag cement plant	7,796	12	Year 2022	62,790	October 1997
Land title under title HS (D) 00013857 PT 000988 Mukim Ulu Kuantan Pahang	Leasehold	121.4 hectare	Cement plant	759,480	10	24.9.2061	346,943	25.9.1995
Land title under title HS (D) 00015539 PT 000991 Mukim Ulu Kuantan Pahang	Leasehold	8.09 hectare	Cement plant		10	2.6.2062		2.6.1996
Land title under title HS (D) 00011079 PT 000980 Mukim Ulu Kuantan Pahang	Leasehold	81 hectare	Cement plant		10	9.11.2060		9.11.1994
Geran 31549 Lot No. 3792 Mukim & District of Klang Selangor	Freehold	387,684 sq.ft.	Land with factory building	11,603	8	–	7,899	30.6.2004

Location	Tenure	Land Area	Description and Existing Use	Built up Area (sq.m.)	Approximate Age of Building (years)	Lease Expiry Date	Net Book Value RM'000	Date of Acquisition
HS (D) 606 Lot No. 4150 Mukim Tanjung Bunga Pulau Pinang	Freehold	– (strata title)	2 units of apartments known as Azuria	130.06	–	–	235	30.11.2002
QT (R) 479 TLO No. 443 District of Johor Bahru Johor	Leasehold	1.5783 hectare	Industrial land with batching plant	–	–	Year 2038	1,888	23.2.2005
PT No. 6017 HS (D) 22115 Bandar Johor Bahru Daerah Johor Bahru Johor	Leasehold	1.5859 hectare	Industrial land with batching plant	–	–	Year 2038	1,888	23.2.2005
HS (M) 22017 PT 35760 Mukim Bandar Selayang	Leasehold	178.37 sq.m.	Shop office	–	5	Year 2098	800	26.7.2004
HS (M) 22018 PT 35761 Mukim Bandar Selayang	Leasehold	178.37 sq.m.	Shop office	–	5	Year 2098	800	26.7.2004
05-08-07 Lin'an Zhejiang Province	Leasehold	178,025.4 sq.m.	Cement plant		3	Year 2054	196,871	15.11.2007
05-08-09 Lin'an Zhejiang Province	Leasehold	72,026.6 sq.m.	Cement Plant		3	Year 2054		15.11.2007
HS (D) 460/88 PT 1122#	Leasehold	59.79 acres	Cement plant	–	–	Year 2087	1,059,390	30.7.1998
HS (D) 461/88 PT 1123#	Leasehold	0.9864 acres	Cement plant	–	–	Year 2087		30.7.1988
HS (D) 2675 PT 1327#	Leasehold	22.21 acres	Cement plant	–	–	Year 2095		17.4.1996
HS (D) 3705 PT 1417#	Leasehold	1.46 acres	Warehouse & depot	–	–	Year 2096		29.12.1997
HS (D) 3706 PT 1418#	Leasehold	14.55 acres	Cement plant	–	–	Year 2096		29.12.1997

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

List of Properties as at 30 June 2008

Location	Tenure	Land Area	Description and Existing Use	Approximate		Lease Expiry Date	Net Book Value RM'000	Date of Acquisition
				Built up Area (sq.m.)	Age of Building (years)			
HS (D) 2676 PT 1328#	Leasehold	8.20 acres	Cement plant	–		Year 2095	1,059,390	17.4.1996
HS (D) 2677 PT 1329#	Leasehold	30.25 acres	Cement plant	–	–	Year 2095		17.4.1996
HS (D) 2678 PT 1330#	Leasehold	102.33 acres	Cement plant	–	–	Year 2095		17.4.1996
HS (D) 2679 PT 1331#	Leasehold	130.97 acres	Cement plant	–	–	Year 2026		17.4.1996
HS (D) 2680 PT 1332#	Leasehold	14.41 acres	Cement plant	–	–	Year 2026		17.4.1996
HS (D) 2735 PT 1326#	Leasehold	28.24 acres	Staff quarter building	–	–	Year 2095		29.5.1996
HS (D) 2737 PT 417#	Leasehold	28.17 acres	Cement plant	–	–	Year 2095		27.6.1996
HS (D) 2681 PT 1333#	Leasehold	278.24 acres	Cement plant	–	–	Year 2026		17.4.1996
HS (D) 4170 PT 1419#	Leasehold	30.06 acres	Cement plant	–	–	Year 2097		15.9.1998
HS (D) 4171 PT 1420#	Leasehold	3.54 acres	Cement plant	–	–	Year 2097		15.9.1998
HS (D) 8804 PT 1421#	Leasehold	13.38 acres	Cement plant	–	–	Year 2102		1.10.2003
PN 00108181, Lot 2764#	Leasehold	49.57 acres	Cement plant	–	–	Year 2886		1.11.1996

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

Financial Statements	Directors' Report	46
	Statement by Directors	59
	Statutory Declaration	59
	Independent Auditors' Report	60
	Income Statements	62
	Balance Sheets	63
	Consolidated Statement of Changes in Equity	66
	Statement of Changes in Equity	68
	Cash Flow Statements	69
	Notes to the Financial Statements	73

Directors' Report

The Directors have pleasure in submitting their Report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2008.

PRINCIPAL ACTIVITIES

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

The subsidiaries are principally engaged in the manufacture and supply of ordinary portland cement, blended cement and clinker, processing and supply of ready-mixed concrete and related services.

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

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	212,049	159,852
Attributable to:		
Equity holders of the Company	193,239	159,852
Minority interests	18,810	–
	212,049	159,852

DIVIDENDS

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

	RM'000
In respect of the financial year ended 30 June 2007:	
Final dividend of 20% less 27% tax, paid on 31.12.2007	34,281
In respect of the financial year ended 30 June 2008:	
First interim dividend of 20% less 26% tax, paid on 24.3.2008	34,738
Second interim dividend of 10% less 26% tax, paid on 24.6.2008	17,368
	86,387

The Board of Directors has recommended a final dividend of 5% less Malaysian income tax for the financial year ended 30 June 2008 subject to the approval of the shareholders at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

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

SHARE CAPITAL

Issuance of shares

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

Class of Shares	Number	Term of Issue	Issue price	Purpose of Issue
Ordinary	17,000	Cash	RM 1.21	Exercise of ESOS
Ordinary	1,241	Non-cash	2.72	Conversion of ICULS

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

Repurchase of shares

The shareholders of the Company granted a mandate to the Company to repurchase its own shares at the Annual General Meeting held on 7 December 2007. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

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

Financial year ended	No. of shares repurchased/ (Distributed as share dividend)	Highest price paid (RM/share)	Lowest price paid (RM/share)	Average purchase price (RM/share)	Total consideration RM
30 June 2001	5,489,000	3.20	2.27	2.82	15,460,415
30 June 2002	738,000	4.60	2.90	3.64	2,684,726
30 June 2003	245,000	2.98	2.77	2.91	712,725
30 June 2004	4,661,000	5.30	4.18	5.02	23,421,411
30 June 2005	11,133,000*	–	–	–	–
	(18,567,736)	–	–	1.90	(35,256,417)
30 June 2006	1,574,400	2.45	2.21	2.34	3,679,402
30 June 2007	14,109,100	6.05	2.43	4.51	63,693,077
30 June 2008	1,552,400	5.65	4.18	4.94	7,661,480
Total	20,934,164				82,056,819

* As a result of share subdivision into two (2) ordinary shares of RM0.50 each for every one (1) ordinary share of RM1.00 each in the Company, which was effected on 1 July 2004.

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

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

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

The main features of the Scheme are as follows:

- (i) The ESOS shall be in force for a period of ten (10) years, effective from 30 November 2001.
- (ii) The maximum number of shares which may be made available under the Scheme shall not exceed ten per cent (10%) of the total issued and paid-up share capital of the Company at the time of offering the option.
- (iii) Any employee (including executive Directors) of the Group shall be eligible to participate in the Scheme if, as at the date of offer for an option ("Offer Date"), the employee:
 - (a) has attained the age of eighteen (18) years;
 - (b) is employed by and on payroll of a company within the Group; and
 - (c) has been in the employment of the Group for a period of at least one (1) year of continuous service prior to and up to the Offer Date, including service during the probation period, and is confirmed in service. The options committee may, at its discretion, nominate any employee (including executive Directors) of the Group to be an eligible employee despite the eligibility criteria under Clause 4.1(iii) of the Bye-Laws not being met, at any time and from time to time.
- (iv) The price payable for shares under the Scheme shall be based on the five-day weighted average market price of the underlying shares at the time the option is granted, with a discount of not more than ten per cent (10%), if deemed appropriate.
- (v) Subject to Clause 14 of the Bye-Laws, the options committee may, at any time and from time to time, before or after an option is granted, limit the exercise of the option to a maximum number of new YTL Cement Shares and/or such percentage of the total YTL Cement Shares comprised in the option during such period(s) within the option period and impose any other terms and/or conditions deemed appropriate by the options committee in its sole discretion including amending/varying any terms and conditions imposed earlier. Notwithstanding the above, and subject to Clause 11 and 12 of the Bye-Laws, the option can only be exercised by the grantee three (3) years after the Offer Date, by notice in writing to the Company, provided however that the options committee may at its discretion or upon the request in writing by the grantee allow the option to be exercised at any earlier or other period.
- (vi) The grantee shall be prohibited from disposing the YTL Cement Shares so allotted to him for a period of twelve (12) months from the date on which the option is exercised. However, the options committee may at its discretion or upon request in writing by the grantee allow the disposal of such YTL Cement Shares at any earlier or other period.
- (vii) The persons whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

Movements in the number of options at the end of the financial year and their exercise prices were as follows:

Grant Date	Expiry Date	Exercise Price RM/share	Number of share options ('000)				At end of financial year
			At beginning of financial year	Granted	Exercised	Lapsed	
Financial year ended 30 June 2008							
16.10.2002	29.11.2011	1.21	162	–	(17)	(30)	115
21.07.2005	29.11.2011	2.08	6,011	–	–	(54)	5,957
07.08.2006	29.11.2011	2.08	1,706	–	–	(176)	1,530
16.01.2008	29.11.2011	4.64	–	1,736	–	(63)	1,673
			7,879	1,736	(17)	(323)	9,275

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the name of option holders granted less than 500,000 options each during the financial year pursuant to the ESOS. There was only one option holder who has been granted options of 500,000 or more during the financial year, details of which are as follows:

	No. of share options
Mehmet Ersan Asim	500,000

DIRECTORS

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

Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay
 Tan Sri Datuk Asmat Bin Kamaludin
 Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE
 Dato' Sri Haji Abd. Rahim Bin Haji Abdul
 Dato' Kamaruddin Bin Mohammed
 Dato' Yoogalingam A/L Vyramuttu
 Mej. Jen. Dato' Hj Abdul Shukor Bin Haji Jaafar (B)
 Dato' Tan Guan Cheong
 Dato' Yeoh Seok Kian
 Dato' Yeoh Seok Hong
 Dato' Michael Yeoh Sock Siong
 Dato' Yeoh Soo Keng
 Dato' Mark Yeoh Seok Kah
 Eu Peng Meng @ Leslie Eu
 Joseph Benjamin Seaton

Directors' Report

DIRECTORS' INTERESTS

According to the Register of Directors' shareholdings, particulars of interests of Directors who held office at the end of the financial year in the shares of the Company and related companies are as follows:

The Company	Number of ordinary shares of RM0.50 each			
	Balance at 1.7.2007	Acquired	Disposed	Balance at 30.6.2008
Direct Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,681,634	–	–	1,681,634
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,042,923	–	–	2,042,923
Dato' Yeoh Seok Kian	618,754	–	–	618,754
Dato' Yeoh Seok Hong	225,634	–	–	225,634
Dato' Michael Yeoh Sock Siong	1,265,634	–	–	1,265,634
Dato' Yeoh Soo Keng	918,251	–	–	918,251
Dato' Mark Yeoh Seok Kah	187,200	–	–	187,200
Eu Peng Meng @ Leslie Eu	20,000	–	–	20,000
Joseph Benjamin Seaton	477,423	–	–	477,423
Deemed Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	238,755,090 ⁽¹⁾⁽⁶⁾	77,900	–	238,832,990 ⁽¹⁾⁽⁶⁾
Tan Sri Datuk Asmat Bin Kamaludin	10,400 ⁽⁶⁾	–	–	10,400 ⁽⁶⁾
Dato' Kamaruddin Bin Mohammed	208,000 ⁽⁶⁾	92,000	–	300,000 ⁽⁶⁾
Dato' Yeoh Seok Kian	83,200 ⁽⁶⁾	–	–	83,200 ⁽⁶⁾
Dato' Yeoh Seok Hong	45,123 ⁽⁶⁾	–	–	45,123 ⁽⁶⁾
Dato' Michael Yeoh Sock Siong	1,109,388 ⁽⁶⁾	–	–	1,109,388 ⁽⁶⁾
Dato' Yeoh Soo Keng	90,251 ⁽⁶⁾	–	–	90,251 ⁽⁶⁾
Dato' Mark Yeoh Seok Kah	135,200 ⁽⁶⁾	–	–	135,200 ⁽⁶⁾

The Company	Number of Irredeemable Convertible Unsecured Loan Stock 2005/2015			
	Balance at 1.7.2007	Acquired	Converted/ Disposed	Balance at 30.6.2008
Direct Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,681,634	–	–	1,681,634
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1,727,423	–	–	1,727,423
Dato' Yeoh Seok Kian	618,754	–	–	618,754
Dato' Yeoh Seok Hong	225,634	–	–	225,634
Dato' Michael Yeoh Sock Siong	1,265,634	–	–	1,265,634
Dato' Yeoh Soo Keng	818,251	–	–	818,251
Dato' Mark Yeoh Seok Kah	187,200	–	–	187,200
Deemed Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	451,415,984 ⁽¹⁾⁽⁶⁾	3,120,000	–	454,535,984 ⁽¹⁾⁽⁶⁾
Tan Sri Datuk Asmat Bin Kamaludin	10,400 ⁽⁶⁾	–	–	10,400 ⁽⁶⁾
Dato' Kamaruddin Bin Mohammed	208,000 ⁽⁶⁾	–	–	208,000 ⁽⁶⁾
Dato' Yeoh Seok Kian	100,000 ⁽⁶⁾	–	–	100,000 ⁽⁶⁾
Dato' Yeoh Seok Hong	45,123 ⁽⁶⁾	–	–	45,123 ⁽⁶⁾
Dato' Michael Yeoh Sock Siong	1,109,388 ⁽⁶⁾	–	–	1,109,388 ⁽⁶⁾
Dato' Mark Yeoh Seok Kah	135,200 ⁽⁶⁾	–	–	135,200 ⁽⁶⁾

	Number of options over ordinary shares of RM0.50 each			
	Balance at 1.7.2007	Granted	Exercised	Balance at 30.6.2008
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,400,000	–	–	1,400,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1,400,000	–	–	1,400,000
Dato' Yeoh Seok Kian	350,000	–	–	350,000
Dato' Michael Yeoh Sock Siong	1,000,000	–	–	1,000,000
Dato' Yeoh Soo Keng	700,000	–	–	700,000
Joseph Benjamin Seaton	250,000	–	–	250,000

**PENULTIMATE HOLDING COMPANY
YTL CORPORATION BERHAD**

	Number of ordinary shares of RM0.50 each			
	Balance at 1.7.2007	Acquired	Disposed	Balance at 30.6.2008
Direct Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	8,200,894	–	–	8,200,894
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,203,652	–	–	14,203,652
Dato' Yeoh Seok Kian	5,321,210	–	–	5,321,210
Dato' Yeoh Seok Hong	5,036,490	–	–	5,036,490
Dato' Michael Yeoh Sock Siong	4,577,997	–	–	4,577,997
Dato' Yeoh Soo Keng	5,048,166	–	–	5,048,166
Dato' Mark Yeoh Seok Kah	3,246,248	–	–	3,246,248
Eu Peng Meng @ Leslie Eu	20,000	–	–	20,000
Deemed Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	801,262,340 ⁽²⁾⁽⁶⁾	41,700	–	801,304,040 ⁽²⁾⁽⁶⁾
Dato' Yeoh Seok Kian	510,683 ⁽⁶⁾	–	–	510,683 ⁽⁶⁾
Dato' Yeoh Seok Hong	3,228,126 ⁽⁶⁾	–	–	3,228,126 ⁽⁶⁾
Dato' Michael Yeoh Sock Siong	2,526,451 ⁽⁶⁾	–	–	2,526,451 ⁽⁶⁾
Dato' Yeoh Soo Keng	68,899 ⁽⁶⁾	–	–	68,899 ⁽⁶⁾
Dato' Mark Yeoh Seok Kah	611,133 ⁽⁶⁾	–	–	611,133 ⁽⁶⁾

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

Directors' Report

	Number of Warrants 1999/2009			Balance at 30.6.2008
	Balance at 1.7.2007	Acquired	Exercised/ Disposed	
Deemed Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	187,068,897 ⁽²⁾⁽⁶⁾	85,200	–	187,154,097 ⁽²⁾⁽⁶⁾
Dato' Michael Yeoh Sock Siong	547,180 ⁽⁶⁾	–	–	547,180 ⁽⁶⁾
Dato' Yeoh Soo Keng	14,400 ⁽⁶⁾	–	–	14,400 ⁽⁶⁾

	Number of options over ordinary shares of RM0.50 each			Balance at 30.6.2008
	Balance at 1.7.2007	Granted	Exercised	
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	5,000,000	–	–	5,000,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	5,000,000	–	–	5,000,000
Dato' Yeoh Seok Kian	3,500,000	–	–	3,500,000
Dato' Yeoh Seok Hong	3,000,000	–	–	3,000,000
Dato' Michael Yeoh Sock Siong	3,000,000	–	–	3,000,000
Dato' Yeoh Soo Keng	3,000,000	–	–	3,000,000
Dato' Mark Yeoh Seok Kah	3,000,000	–	–	3,000,000

ULTIMATE HOLDING COMPANY YEHO TIONG LAY & SONS HOLDINGS SDN. BHD.

	Number of ordinary shares of RM1.00 each			Balance at 30.6.2008
	Balance at 1.7.2007	Acquired	Disposed	
Direct Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	8,220,004	–	–	8,220,004
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	5,000,000	–	–	5,000,000
Dato' Yeoh Seok Kian	5,000,000	–	–	5,000,000
Dato' Yeoh Seok Hong	5,000,000	–	–	5,000,000
Dato' Michael Yeoh Sock Siong	5,000,000	–	–	5,000,000
Dato' Yeoh Soo Keng	1,250,000	–	–	1,250,000
Dato' Mark Yeoh Seok Kah	5,000,000	–	–	5,000,000
Deemed Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	6,250,004 ⁽⁶⁾	–	–	6,250,004 ⁽⁶⁾

RELATED COMPANIES
YTL POWER INTERNATIONAL BERHAD

	Number of ordinary shares of RM0.50 each			
	Balance at 1.7.2007	Acquired	Disposed	Balance at 30.6.2008
Direct Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	8,945,040	904,960	-	9,850,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	13,109,251	1,471,278	-	14,580,529
Dato' Yeoh Seok Kian	4,369,367	529,521	-	4,898,888
Dato' Yeoh Seok Hong	6,540,529	597,387	-	7,137,916
Dato' Michael Yeoh Sock Siong	4,023,374	466,133	-	4,489,507
Dato' Yeoh Soo Keng	4,251,239	506,593	-	4,757,832
Dato' Mark Yeoh Seok Kah	5,218,469	425,154	-	5,643,623
Eu Peng Meng @ Leslie Eu	17,576	2,103	-	19,679
Joseph Benjamin Seaton	1,256	50	(1,306)	-
Deemed Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	3,129,153,097 ⁽³⁾⁽⁶⁾	183,033,424	(100,003,116)	3,212,183,405 ⁽³⁾⁽⁶⁾
Tan Sri Datuk Asmat Bin Kamaludin	43,816 ⁽⁶⁾	1,752	-	45,568 ⁽⁶⁾
Dato' Yeoh Seok Kian	1,050,436 ⁽⁶⁾	165,117	-	1,215,553 ⁽⁶⁾
Dato' Yeoh Seok Hong	2,100,362 ⁽⁶⁾	299,587	-	2,399,949 ⁽⁶⁾
Dato' Michael Yeoh Sock Siong	700,424 ⁽⁶⁾	196,446	-	896,870 ⁽⁶⁾
Dato' Yeoh Soo Keng	100,894 ⁽⁶⁾	8,628	-	109,522 ⁽⁶⁾
Dato' Mark Yeoh Seok Kah	734,966 ⁽⁶⁾	70,140	-	805,106 ⁽⁶⁾

	Number of Warrants			
	Balance at 1.7.2007	Acquired	Exercised/ Disposed	Balance at 30.6.2008
Direct Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay - Warrants 2008/2018	-	3,284,000	-	3,284,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE - Warrants 2008/2018	-	4,860,175	-	4,860,175
Dato' Yeoh Seok Kian - Warrants 2008/2018	-	1,632,962	-	1,632,962
Dato' Yeoh Seok Hong - Warrants 2008/2018	-	8,861,405	-	8,861,405
Dato' Michael Yeoh Sock Siong - Warrants 2008/2018	-	1,496,502	-	1,496,502
Dato' Yeoh Soo Keng - Warrants 2008/2018	-	1,585,944	-	1,585,944
Dato' Mark Yeoh Seok Kah - Warrants 2008/2018	-	1,881,207	-	1,881,207
Eu Peng Meng @ Leslie Eu - Warrants 2008/2018	-	7,000	-	7,000

Directors' Report

54

	Number of Warrants			Balance at 30.6.2008
	Balance at 1.7.2007	Acquired	Exercised/ Disposed	
Deemed Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay				
- Warrants 2000/2010	726,210,046 ⁽⁵⁾	-	-	726,210,046 ⁽⁵⁾
- Warrants 2008/2018	-	1,102,968,255	-	1,102,968,255 ⁽³⁾⁽⁶⁾
Tan Sri Datuk Asmat Bin Kamaludin				
- Warrants 2008/2018	-	18,000	-	18,000 ⁽⁶⁾
Dato' Yeoh Seok Kian				
- Warrants 2000/2010	86,000 ⁽⁶⁾	-	(86,000)	-
- Warrants 2008/2018	-	450,000	-	450,000 ⁽⁶⁾
Dato' Yeoh Seok Hong				
- Warrants 2008/2018	-	799,982	-	799,982 ⁽⁶⁾
Dato' Michael Yeoh Sock Siong				
- Warrants 2000/2010	100,000 ⁽⁶⁾	-	-	100,000 ⁽⁶⁾
- Warrants 2008/2018	-	298,956	-	298,956 ⁽⁶⁾
Dato' Yeoh Soo Keng				
- Warrants 2000/2010	21,240 ⁽⁶⁾	-	-	21,240 ⁽⁶⁾
- Warrants 2008/2018	-	36,507	-	36,507 ⁽⁶⁾
Dato' Mark Yeoh Seok Kah				
- Warrants 2008/2018	-	268,368	-	268,368 ⁽⁶⁾

	Number of options over ordinary shares of RM0.50 each			Balance at 30.6.2008
	Balance at 1.7.2007	Granted	Exercised	
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	7,000,000	-	-	7,000,000
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	7,000,000	-	-	7,000,000
Dato' Yeoh Seok Kian	3,000,000	-	-	3,000,000
Dato' Yeoh Seok Hong	5,000,000	-	-	5,000,000
Dato' Michael Yeoh Sock Siong	3,000,000	-	-	3,000,000
Dato' Yeoh Soo Keng	3,000,000	-	-	3,000,000
Dato' Mark Yeoh Seok Kah	3,000,000	-	-	3,000,000

RELATED COMPANIES YTL e-SOLUTIONS BERHAD

	Number of ordinary shares of RM0.10 each			Balance at 30.6.2008
	Balance at 1.7.2007	Acquired	Disposed	
Deemed interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	1,000,520,500 ⁽⁴⁾	1,707,100	-	1,002,227,600 ⁽⁴⁾
Dato' Michael Yeoh Sock Siong	-	30,000	-	30,000 ⁽⁶⁾

RELATED COMPANIES
YTL LAND & DEVELOPMENT BERHAD

	Number of ordinary shares of RM0.50 each			
	Balance at 1.7.2007	Acquired	Disposed	Balance at 30.6.2008
Direct Interests				
Dato' Sri Haji Abd. Rahim Bin Haji Abdul	2,000	-	-	2,000
Eu Peng Meng @ Leslie Eu	-	20,000	-	20,000
Deemed Interests				
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	217,964,800 ⁽⁴⁾	277,497,032	-	495,461,832 ⁽⁴⁾

	Number of Irredeemable Convertible Preference Shares 2001/2011 of RM0.50 Each			
	Balance at 1.7.2007	Acquired	Exercised/ Disposed	Balance at 30.6.2008
Direct Interests				
Dato' Yeoh Seok Kian	240,000	-	-	240,000
Eu Peng Meng @ Leslie Eu	20,000	58,000	(78,000)	-

INFOSCREEN NETWORKS PLC *

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

YTL CORPORATION (UK) PLC *

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

* Incorporated in United Kingdom

SYARIKAT PELANCONGAN SERI ANDALAN (M) SDN. BHD.

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

Directors' Report

RELATED COMPANIES

YTL CONSTRUCTION (S) PTE. LTD.

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

Incorporated in Singapore

YTL CONSTRUCTION (THAILAND) LIMITED +

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

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

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

⁽²⁾ Deemed interests by virtue of his interests in Yeoh Tiong Lay & Sons Holdings Sdn. Bhd. pursuant to Section 6A of the Companies Act 1965.

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

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

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

⁽⁶⁾ Deemed interests by virtue of the interests held by spouse and/or children pursuant to Section 134(12)(c) of the Companies Act 1965.

By virtue of Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay's deemed interests in the shares of the Company under Section 6A of the Companies Act 1965, he is deemed to have interests in the shares of the subsidiaries of the Company to the extent of the Company's interests in the respective subsidiaries as disclosed under Note 11 to the financial statements.

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

DIRECTORS' BENEFITS

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

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

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

Directors' Report

OTHER STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

The Directors state that:

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

In their opinion,

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

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Details of significant subsequent events are disclosed in Note 45 to the financial statements.

ULTIMATE HOLDING COMPANY

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

AUDITORS

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

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

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

Dato' Michael Yeoh Sock Siong

Dated: 16 October 2008
Kuala Lumpur

Statement by Directors

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

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

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

Dato' Michael Yeoh Sock Siong

Dated: 16 October 2008
Kuala Lumpur

Statutory Declaration

I, DATO' MICHAEL YEOH SOCK SIONG, being the Director primarily responsible for the financial management of YTL CEMENT BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Dato' Michael Yeoh Sock Siong

Subscribed and solemnly declared by the abovenamed
Dato' Michael Yeoh Sock Siong
at Kuala Lumpur on 16 October 2008

Before me:

Soh Ah Kau, AMN
Commissioner for Oaths

Independent Auditors' Report to the members of YTL Cement Berhad

Report on the Financial Statements

We have audited the financial statements of YTL CEMENT BERHAD, which comprise the Balance Sheets of the Group and of the Company as at 30 June 2008, and the Income Statements, Statements of Changes in Equity and Cash Flow Statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 62 to 121.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

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 financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 11 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for these purposes.
- (d) The auditors' report on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174 (3) of the Act.

Other Matters

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

HLB LER LUM

(Firm Number: AF 0276)
Chartered Accountants

LER CHENG CHYE

871/3/09(J/PH)
Chartered Accountant

Dated: 16 October 2008
Kuala Lumpur

Income Statements for the financial year ended 30 June 2008

	Note	Group		Company	
		2008 RM'000	2007 (Restated) RM'000	2008 RM'000	2007 (Restated) RM'000
Revenue	4	1,466,908	1,150,041	173,332	58,044
Cost of sales		(879,507)	(637,183)	-	-
Gross profit		587,401	512,858	173,332	58,044
Other operating income		27,374	24,801	26,795	26,709
Selling & distribution costs		(220,036)	(195,523)	-	-
Administration expenses		(58,975)	(52,257)	(5,980)	(8,825)
Finance costs	5	(49,785)	(53,367)	(11,555)	(11,900)
Share of profit/(loss) of associated companies		4,070	(244)	-	-
Profit before tax	6	290,049	236,268	182,592	64,028
Income tax expense	7	(78,000)	(58,496)	(22,740)	(12,753)
Profit for the financial year		212,049	177,772	159,852	51,275
Attributable to:					
Equity holders of the Company		193,239	160,611	159,852	51,275
Minority interests		18,810	17,161	-	-
		212,049	177,772	159,852	51,275
Earnings per share for profit for the financial year attributable to ordinary equity holders of the Company (sen)	8				
Basic					
- Before mandatory conversion of ICULS		40.35	33.45		
- After mandatory conversion of ICULS		30.70	25.75		
Diluted		30.49	25.60		
Gross dividend per share as distribution to ordinary equity holders of the Company (sen)	9	25.0	15.0	25.0	15.0

The notes set out on pages 73 to 121 form an integral part of these financial statements.

Balance Sheets as at 30 June 2008

	Note	Group		Company	
		2008 RM'000	2007 (Restated) RM'000	2008 RM'000	2007 (Restated) RM'000
ASSETS					
Non-current assets					
Property, plant & equipment	10	1,786,104	1,621,658	148	177
Investment in subsidiaries	11	–	–	624,475	495,518
Investment in associated companies	12	47,708	41,390	3,600	3,600
Development expenditure	13	34,833	34,782	–	–
Investment properties	14	12,617	12,617	11,000	11,000
Quoted investments	15	15	15	–	–
Deferred tax assets	16	11,011	61,036	37,275	39,417
Amount due from a subsidiary	11	–	–	312,000	312,000
Goodwill	17	60,476	10,408	–	–
Prepaid lease rentals	18	59,382	50,921	5,773	6,233
		2,012,146	1,832,827	994,271	867,945
Current assets					
Inventories	19	150,241	105,179	–	–
Trade receivables	20	220,747	167,296	–	–
Other receivables, deposits & prepayments	21	48,004	31,205	785	737
Income tax assets		959	3,488	–	2,052
Amount due from subsidiaries	11	–	–	101,659	69,172
Amount due from related companies	22	6,766	1,051	762	651
Amount due from an associated company	12	311	952	35	395
Fixed deposits	23	344,589	377,847	27,089	30,576
Cash & bank balances	23	37,997	47,166	8,574	554
		809,614	734,184	138,904	104,137
Total assets		2,821,760	2,567,011	1,133,175	972,082

The notes set out on pages 73 to 121 form an integral part of these financial statements.

Balance Sheets as at 30 June 2008

	Note	Group		Company	
		2008 RM'000	2007 (Restated) RM'000	2008 RM'000	2007 (Restated) RM'000
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	24	245,170	245,160	245,170	245,160
Share premium	25	121,435	121,420	121,435	121,420
Other reserves	26	11,144	227	2,559	1,425
Unappropriated profits		777,684	670,832	113,206	39,741
Treasury shares, at cost	24	(82,057)	(74,395)	(82,057)	(74,395)
ICULS					
- equity component	27	372,242	372,245	372,242	372,245
		1,445,618	1,335,489	772,555	705,596
Minority interests		170,200	152,052	-	-
Total equity		1,615,818	1,487,541	772,555	705,596
Non-current liabilities					
Other payables	28	20,695	22,806	-	411
Finance lease liabilities	29	9,446	-	-	-
Hire purchase payables	30	384	545	49	-
Borrowings	31	400,684	397,893	-	-
Post employment benefit obligations	32	-	-	-	-
ICULS					
- liability component	27	133,004	141,241	133,004	141,241
		564,213	562,485	133,053	141,652

The notes set out on pages 73 to 121 form an integral part of these financial statements.

	Note	Group		Company	
		2008 RM'000	2007 (Restated) RM'000	2008 RM'000	2007 (Restated) RM'000
Current liabilities					
Trade payables	33	122,864	79,356	–	–
Other payables & accruals	34	148,700	94,260	3,169	3,158
Finance lease liabilities	29	1,836	–	–	–
Hire purchase payables	30	541	711	44	–
Short term borrowings	31	303,931	282,214	–	–
Amount due to penultimate holding company	35	1,359	707	1,312	651
Amount due to holding company	35	6	1	6	–
Amount due to subsidiaries	11	–	–	222,402	120,604
Amount due to related companies	22	39,037	17,383	406	396
Amount due to an associated company	12	5,688	5,831	*	–
Bankers' acceptance	36	11,704	33,865	–	–
Post-employment benefit obligations	32	689	666	24	25
Income tax liabilities		5,374	1,991	204	–
		641,729	516,985	227,567	124,834
Total liabilities		1,205,942	1,079,470	360,620	266,486
Total equity and liabilities		2,821,760	2,567,011	1,133,175	972,082

* Less than RM1,000

The notes set out on pages 73 to 121 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the financial year ended 30 June 2008

Group	Attributable to equity holders of the Company								Minority interests	Total equity
	Non distributable				Distributable					
	Share capital	Share premium	Reserve on consolidation	Other reserves	Equity component of ICULS	Treasury shares	Unappropriated profits	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 July 2006										
- as previously reported	244,869	120,834	35,276	388	372,455	(10,702)	383,512	1,146,632	134,891	1,281,523
- effect of change in accounting policy										
- FRS 112	-	-	-	-	-	-	124,881	124,881	-	124,881
- as restated	244,869	120,834	35,276	388	372,455	(10,702)	508,393	1,271,513	134,891	1,406,404
Effect of change in accounting policy										
- FRS 3	-	-	(35,276)	-	-	-	54,516	19,240	-	19,240
Currency translation differences	-	-	-	(1,745)	-	-	-	(1,745)	-	(1,745)
Net income recognised directly in equity	-	-	(35,276)	(1,745)	-	-	54,516	17,495	-	17,495
Profit for the financial year										
- as previously reported	-	-	-	-	-	-	161,374	161,374	17,161	178,535
- effect of change in accounting policy										
- FRS 112	-	-	-	-	-	-	(763)	(763)	-	(763)
	-	-	-	-	-	-	160,611	160,611	17,161	177,772
Total recognised income and expenses for the financial year	-	-	(35,276)	(1,745)	-	-	215,127	178,106	17,161	195,267
Issue of shares	235	334	-	-	-	-	-	569	-	569
Treasury shares	-	-	-	-	-	(63,693)	-	(63,693)	-	(63,693)
Dividends paid	-	-	-	-	-	-	(52,523)	(52,523)	-	(52,523)
Share option expenses	-	-	-	1,425	-	-	-	1,425	-	1,425
Transfer of reserve from unappropriated profits	-	-	-	159	-	-	(159)	-	-	-
Conversion of ICULS	56	252	-	-	(210)	-	(6)	92	-	92
Balance at 30 June 2007	245,160	121,420	-	227	372,245	(74,395)	670,832	1,335,489	152,052	1,487,541

The notes set out on pages 73 to 121 form an integral part of these financial statements.

Group	Attributable to equity holders of the Company							Minority interests RM'000	Total equity RM'000
	Non distributable				Distributable				
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Equity component of ICULS RM'000	Treasury shares RM'000	Unappropriated profits RM'000	Total RM'000		
Balance at 1 July 2007									
- as previously reported	245,160	121,420	227	372,245	(74,395)	546,714	1,211,371	152,052	1,363,423
- effect of change in accounting policy - FRS 112	-	-	-	-	-	124,118	124,118	-	124,118
- as restated	245,160	121,420	227	372,245	(74,395)	670,832	1,335,489	152,052	1,487,541
Currency translation differences	-	-	9,783	-	-	-	9,783	-	9,783
Net income recognised directly in equity	-	-	9,783	-	-	-	9,783	-	9,783
Profit for the financial year	-	-	-	-	-	193,239	193,239	18,810	212,049
Total recognised income for the financial year	-	-	9,783	-	-	193,239	203,022	18,810	221,832
Issue of shares	9	12	-	-	-	-	21	-	21
Treasury shares	-	-	-	-	(7,662)	-	(7,662)	-	(7,662)
Dividends paid	-	-	-	-	-	(86,387)	(86,387)	-	(86,387)
Share options expenses	-	-	1,134	-	-	-	1,134	-	1,134
Decrease due to additional investment in a subsidiary by a subsidiary	-	-	-	-	-	-	-	(662)	(662)
Conversion of ICULS	1	3	-	(3)	-	-	1	-	1
Balance at 30 June 2008	245,170	121,435	11,144	372,242	(82,057)	777,684	1,445,618	170,200	1,615,818

The notes set out on pages 73 to 121 form an integral part of these financial statements.

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

Company	Attributable to equity holders						Total equity RM'000
	Share capital RM'000	Share premium RM'000	Non distributable		Distributable		
			Equity component of ICULS RM'000	Other reserves RM'000	Treasury shares RM'000	Unappropriated profits RM'000	
Balance at 1 July 2006	244,869	120,834	372,455	–	(10,702)	40,995	768,451
Profit for the financial year, representing total recognised income and expenses for the financial year	–	–	–	–	–	51,275	51,275
Issue of shares	235	334	–	–	–	–	569
Treasury shares	–	–	–	–	(63,693)	–	(63,693)
Dividends paid	–	–	–	–	–	(52,523)	(52,523)
Share options expenses	–	–	–	1,425	–	–	1,425
Conversion of ICULS	56	252	(210)	–	–	(6)	92
Balance at 30 June 2007	245,160	121,420	372,245	1,425	(74,395)	39,741	705,596
Profit for the financial year, representing total recognised income and expenses for the financial year	–	–	–	–	–	159,852	159,852
Issue of shares	9	12	–	–	–	–	21
Treasury shares	–	–	–	–	(7,662)	–	(7,662)
Dividends paid	–	–	–	–	–	(86,387)	(86,387)
Share options expenses	–	–	–	1,134	–	–	1,134
Conversion of ICULS	1	3	(3)	–	–	–	1
Balance at 30 June 2008	245,170	121,435	372,242	2,559	(82,057)	113,206	772,555

The notes set out on pages 73 to 121 form an integral part of these financial statements.

Cash Flow Statements for the financial year ended 30 June 2008

	Group		Company	
	2008	2007	2008	2007
	RM'000	(Restated) RM'000	RM'000	(Restated) RM'000
Cash flows from operating activities				
Profit before tax	290,049	236,268	182,592	64,028
Adjustments for:				
Allowance for doubtful debts	1,272	4,947	–	–
Allowance for doubtful debts no longer required	(458)	(5,062)	–	–
Amortisation of prepaid lease rentals	1,191	1,090	166	178
Bad debts recovered	(1,250)	(180)	–	–
Bad debts written off	493	1,778	–	–
Defined benefit plan	–	64	–	–
Depreciation	99,804	89,944	202	195
Dividend income	(1,929)	–	(170,200)	(54,912)
Gain on disposal of property, plant & equipment - net	(1,383)	(952)	(1,124)	(377)
Gain on disposal of prepaid lease rentals	(415)	(128)	(415)	(128)
Impairment loss on investment in subsidiary	–	–	–	3,000
Interest expenses	49,785	53,367	11,555	11,900
Interest income	(13,948)	(13,879)	(23,688)	(25,172)
Negative goodwill recognised in Income Statement	(251)	–	–	–
Other receivables written off	869	–	–	–
Property, plant & equipment written off	*	*	–	–
Share options expenses	1,134	1,425	534	1,024
Share of (profit)/loss of associated companies	(4,070)	244	–	–
Unrealised loss on foreign exchange	108	61	–	59
Operating profit/(loss) before working capital changes	421,001	368,987	(378)	(205)
(Increase)/Decrease in inventories	(26,870)	7,589	–	–
Increase in receivables	(70,226)	(16,789)	(59)	(102)
(Decrease)/Increase in payables	(41,538)	12,388	(422)	409

The notes set out on pages 73 to 121 form an integral part of these financial statements.

Cash Flow Statements for the financial year ended 30 June 2008

	Group		Company	
	2008 RM'000	2007 (Restated) RM'000	2008 RM'000	2007 (Restated) RM'000
Penultimate holding company	652	(467)	–	–
Holding company	5	(1)	667	(519)
Subsidiaries	–	–	69,913	(27,150)
Related companies	15,688	6,242	(102)	(590)
Associated companies	497	(1,574)	360	(355)
Cash generated from/(absorbed by) operations	299,209	376,375	69,979	(28,512)
Interest paid	(49,607)	(59,814)	(19,771)	(19,312)
Interest received	13,948	13,879	23,688	25,172
Payment to a retirement benefit scheme	–	(2,663)	–	–
Tax paid	(25,084)	(15,155)	(1,912)	(618)
Tax refund	2,372	620	2,132	–
Net cash from/(used in) operating activities	240,838	313,242	74,116	(23,270)
Cash flows from investing activities				
Acquisition of a subsidiary	–	–	*	–
Acquisition of a subsidiary by a subsidiary (net of cash paid)	(50,094)	–	–	–
Acquisition of additional shares in existing subsidiaries	–	–	(128,957)	–
Acquisition of additional shares in existing subsidiary by a subsidiary	(411)	–	–	–
Development expenditure incurred	(51)	–	–	–
Dividends received	1,773	169	151,638	45,967
Prepaid lease rental payments made	(2,311)	–	–	–
Proceeds from disposal of prepaid lease rentals	722	465	721	465
Proceeds from disposal of property, plant & equipment	2,183	1,227	1,124	377
Purchase of property, plant & equipment	(69,297)	(10,177)	(43)	–
Purchase of shares in associated company by a subsidiary	(1,439)	(35)	–	–
Net cash (used in)/from investing activities	(118,925)	(8,351)	24,483	46,809

The notes set out on pages 73 to 121 form an integral part of these financial statements.

	Note	Group		Company	
		2008 RM'000	2007 (Restated) RM'000	2008 RM'000	2007 (Restated) RM'000
Cash flows from financing activities					
Dividends paid		(86,387)	(52,523)	(86,387)	(52,523)
Proceeds from bankers' acceptance		93,569	82,301	-	-
Proceeds from ICULS		3	-	-	-
Proceeds from issue of shares		21	569	21	569
Proceeds from term loan		125,722	-	-	-
Purchase of own shares (at net)		(7,662)	(63,693)	(7,662)	(63,693)
Repayment of Bai Bithaman Ajil Facility		-	(17,301)	-	-
Repayment of bankers' acceptance		(115,730)	(88,692)	-	-
Repayment of hire purchase payables (at net)		(2,199)	(1,172)	(38)	-
Repayment of revolving credit		(33,000)	(33,000)	-	-
Repayment of term loans		(140,584)	(48,407)	-	-
Net cash used in financing activities		(166,247)	(221,918)	(94,066)	(115,647)
Net changes in cash and cash equivalents		(44,334)	82,973	4,533	(92,108)
Effects of exchange rate changes		1,907	(114)	-	-
Cash and cash equivalents brought forward		425,013	342,154	31,130	123,238
Cash and cash equivalents carried forward	23	382,586	425,013	35,663	31,130

* Less than RM1,000

The notes set out on pages 73 to 121 form an integral part of these financial statements.

Cash Flow Statements for the financial year ended 30 June 2008

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

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash	69,297	10,177	43	–
Financial lease arrangement	13,147	–	–	–
Hire purchase arrangement	1,872	922	129	–
Receivables	356	–	–	–
Related companies	312	–	–	–
	84,984	11,099	172	–

(b) Summary of net assets acquired:

	Group	
	2008 RM'000	2007 RM'000
Property, plant & equipment	175,614	–
Prepaid lease rentals	7,578	–
Inventories	16,914	–
Receivables	5,136	–
Cash & cash equivalents	14,609	–
Payables	(117,487)	–
Borrowings	(72,370)	–
Income tax liabilities	(805)	–
Goodwill on acquisition	50,068	–
	79,257	–
Represented by:		
Purchase consideration paid in cash	64,703	–
Purchase consideration accrued for	14,554	–
Total purchase consideration	79,257	–
Less: Purchase consideration accrued for	(14,554)	–
Less: Cash & cash equivalents of subsidiaries acquired	(14,609)	–
Net cash outflow on acquisition	50,094	–

The notes set out on pages 73 to 121 form an integral part of these financial statements.

Notes to the Financial Statements

1. GENERAL INFORMATION

The principal activities of the Company are those of an investment holding and management company and hiring of vehicles. The principal activities of the subsidiaries are set out in Note 11 to the financial statements.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of the Bursa Malaysia Securities Berhad.

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

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

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

6th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur

2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

(a) Foreign currency exchange risk

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

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

(b) Interest rate risk

The Group finances its operations through a mixture of shareholders' funds and bank borrowings. Interest rates exposures arise from the Group's borrowings and deposits. It is the Group's policy to manage its interest costs within predictable and desired range. Deposits with licensed financial institutions are held for short term and not for speculative purposes.

(c) Credit risk

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

Notes to the Financial Statements

(d) Market risk

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

(e) Liquidity and cash flow risk

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

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

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

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

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3(b) to the financial statements.

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

The Malaysian Accounting Standards Board has issued following new or revised Financial Reporting Standards ("FRS") and IC Interpretations ("IC Int"):

		Effective for financial periods beginning on or after
FRS 117	Leases	1 October 2006
FRS 124	Related Party Disclosures	1 October 2006
FRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2007
Amendments to FRS 119 ²⁰⁰⁴	Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures	1 January 2007
FRS 107	Cash Flow Statements	1 July 2007
FRS 111	Construction Contracts	1 July 2007
FRS 112	Income Taxes	1 July 2007
FRS 118	Revenue	1 July 2007
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance	1 July 2007
FRS 134	Interim Financial Reporting	1 July 2007
FRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 July 2007

		Effective for financial periods beginning on or after
Amendments to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation	1 July 2007
IC Int 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 July 2007
IC Int 2	Members' Shares in Co-operative Entities and Similar Instruments	1 July 2007
IC Int 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Fund	1 July 2007
IC Int 6	Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	1 July 2007
IC Int 7	Applying the Restatement Approach under FRS 129 ²⁰⁰⁴ Financial Reporting in Hyperinflationary Economies	1 July 2007
IC Int 8	Scope of FRS 2	1 July 2007

The financial statements have been amended as required, in accordance with the relevant transitional provisions in the respective FRSs. The adoption of the above FRSs does not have significant financial impact on the Group and the Company.

The Company has not adopted FRS 139 Financial Instruments: Recognition and Measurement which has been issued but not yet effective.

(b) Significant accounting estimates and judgements

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) Impairment test on goodwill

The Group tests goodwill for impairment annually, in accordance with its accounting policy as disclosed in Note 3(j). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations or fair value less costs to sell calculations. These calculations require the use of estimates.

(ii) Impairment of property, plant & equipment

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

(iii) Estimated residual values and useful lives of property, plant & equipment

The Group's and the Company's businesses are fairly capital intensive and the annual depreciation of property, plant & equipment forms a significant component of total costs charged to the Income Statement. The Group and the Company review the residual values and useful lives of property, plant & equipment at each balance sheet date in accordance with the accounting policy. The review is based on factors such as expected level of usage, business plans and strategies and future regulatory changes. The estimation of the residual values and useful lives involves significant judgement.

(iv) Allowance for doubtful debts

The Group and the Company assess at each balance sheet date whether there are objective evidence that trade receivables have been impaired. Impairment loss is calculated based on a review of the current status of existing receivables and historical collections experience. Such provisions are adjusted periodically to reflect the actual and anticipated impairment.

(v) Income tax

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities for tax matters based on estimates of whether additional taxes will be due. If the final outcome of these tax matters result in a difference in the amounts initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made.

(vi) Deferred tax assets

Deferred tax assets are recognised for unabsorbed tax losses and unutilised capital allowances to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax asset that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(vii) Share based payments

Equity-settled share based payments are measured at fair value at the grant date. The Group revises the estimated number of performance shares that participants are expected to receive based on non-market vesting conditions at each balance sheet date. The assumption of the Trinomial Valuation model is used to determine the fair value of options granted.

(c) Property, plant & equipment

Property, plant & equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

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 Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Income Statement during the financial year in which they are incurred.

Freehold land is not depreciated as it has an infinite life.

No provision for depreciation has been made on the capital work-in-progress. Depreciation will only be provided when the equipment is completed.

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

The principal annual rates of depreciation used are as follows:

	%
Buildings	2 - 10
Plant, machinery & equipment	3.64 - 50
Motor vehicles	12.5 - 33 1/3
Furniture, fixtures & equipment	10 - 33 1/3
Office equipment	10 - 50
Infrastructure & site facilities	10 - 20

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

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

(d) Impairment of non-financial assets

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

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

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

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

(e) Investment in subsidiaries and basis of consolidation

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

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

Notes to the Financial Statements

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

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

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

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

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

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

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

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

(f) Investment in associated companies

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

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

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

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

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

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

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

(g) Development expenditure

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

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

The expenditure capitalised includes the cost of direct labour and an appropriate proportion of overheads. Other development expenditures that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

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

(h) Investments

Investments held on long term basis are stated at cost. An allowance is made when the Directors are of the opinion that there is a decline other than temporary in their value. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is included in the Income Statement.

(i) Investment properties

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

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

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

(j) Goodwill

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

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

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

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

(k) Inventories

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

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

The cost of finished goods comprises raw materials, direct labour, other direct costs and an appropriate proportion of production overheads (based on normal operating capacity).

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

(l) Receivables

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

(m) Payables

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

(n) Prepaid lease rentals

Payment for rights to use land over a predetermined period is classified as prepaid lease rental and is stated at cost less amount amortised and accumulated impairment losses.

The unamortised carrying amounts of previously revalued land are to be retained as surrogated carrying amounts of the prepaid lease rentals. On disposal or at the end of the lease of revalued prepaid lease rentals, amounts in revaluation reserve relating to those assets are transferred to retained profits.

The prepaid lease rentals are amortised on a straight-line basis over the lease period ranging from 69 to 98 years.

(o) Finance lease

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

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

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

(p) Hire purchase

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

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

(q) Income tax and deferred tax

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

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

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

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

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

(r) Ordinary share capital

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of share issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Costs incurred directly attributable to the issuance of shares are accounted for as a deduction from share premium. Otherwise they are charged to the Income Statement.

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

Notes to the Financial Statements

Purchase of own shares

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

(s) Irredeemable Convertible Unsecured Loan Stock 2005/2015 ("ICULS")

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

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

(t) Revenue recognition

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

(i) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyers.

(ii) Dividend income

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

(iii) Hiring income

Revenue is recognised on an accrual basis.

(iv) Interest income

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

(u) Interest-bearing borrowings

Interest-bearing borrowings are recorded at the amount of proceeds received.

Borrowing costs are recognised as an expense in the Income Statement in the period in which they are incurred.

(v) Foreign currencies

(i) Functional and presentation currency

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

(ii) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions (or at the average rate for the period when this is a reasonable approximation). Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

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

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

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

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

(ii) Post-employment benefits

The Group and the Company have various post-employment benefit schemes in accordance with local conditions and practices in the industries in which they operate. These benefit plans are either defined contribution or defined benefits plan.

Defined contribution plan

A defined contribution plan is a pension plan under which the Group and the Company pay fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the Income Statement as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(iii) Share-based compensation

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

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

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

Notes to the Financial Statements

(x) Financial instruments

(i) Description

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

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

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

(ii) Financial instruments recognised on the Balance Sheet

The particular recognition method adopted for other financial instruments recognised on Balance Sheet is disclosed in the individual accounting policy statement associated with each item.

(iii) Fair value estimation for disclosure purposes

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

(y) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances and deposits held at call with financial institutions and highly liquid investments, which have an insignificant risk of changes in value.

4. REVENUE

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Sale of goods	1,464,979	1,150,041	–	–
Dividend income	1,929	–	170,200	54,912
Hiring income	–	–	3,132	3,132
	1,466,908	1,150,041	173,332	58,044

5. FINANCE COSTS

	Group		Company	
	2008	2007 (Restated)	2008	2007
	RM'000	RM'000	RM'000	RM'000
Bank overdraft interest	*	1	–	–
Bankers' acceptance interest	2,120	1,194	438	–
Finance lease interest	210	–	–	–
Hire purchase interest	64	71	5	–
ICULS interest	11,112	11,900	11,112	11,900
Revolving credit, term loan interest & Bai Bithaman Ajil expenses	36,061	39,157	–	–
Other interest charges	218	1,044	–	–
	49,785	53,367	11,555	11,900

* Less than RM1,000

6. PROFIT BEFORE TAX

	Group		Company	
	2008	2007 (Restated)	2008	2007 (Restated)
	RM'000	RM'000	RM'000	RM'000
Profit before tax is stated after charging (except for those disclosed in Note 5):				
Allowance for doubtful debts	1,272	4,947	–	–
Amortisation of prepaid lease rentals	1,191	1,090	166	178
Auditors' remuneration				
- current financial year	396	226	50	33
- over-provision in prior financial year	(8)	–	–	–
Bad debts written off	493	1,778	–	–
Depreciation	99,804	89,944	202	195
Directors' remuneration				
- fees	540	540	540	540
- emoluments	3,162	3,357	2,382	2,637
Hiring of plant, machinery, motor vehicles & office equipment	3,549	3,043	–	–
Impairment loss on investment in subsidiary	–	–	–	3,000
Loss on foreign exchange				
- realised	167	333	714	–
- unrealised	108	61	–	59
Loss on disposal of property, plant & equipment	28	8	–	–
Other receivables written off	869	–	–	–
Property, plant & equipment written off	*	*	–	–
Rental of land & buildings	3,417	2,980	132	132

* Less than RM1,000

Notes to the Financial Statements

86

	Group		Company	
	2008 RM'000	2007 (Restated) RM'000	2008 RM'000	2007 (Restated) RM'000
And crediting (except for those disclosed in Note 4):				
Allowance for doubtful debts no longer required	458	5,062	-	-
Bad debts recovered	1,250	180	-	-
Fixed deposit interest	13,747	13,674	1,788	3,332
Gain on disposal of property, plant & equipment	1,411	960	1,124	377
Gain on disposal of prepaid lease rentals	415	128	415	128
Hiring income	489	4,137	-	-
Negative goodwill recognised in Income Statement	251	-	-	-
Other interest income	201	205	21,900	21,840
Rental income from				
- investment properties	317	360	360	360
- other properties	86	86	360	360

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

Group	Fees RM'000	Salaries RM'000	Bonus RM'000	Others* RM'000	Total RM'000
Executive Directors	165	1,365	860	875	3,265
Non-executive Directors	375	-	-	62	437

Company

Executive Directors	165	975	600	745	2,485
Non-executive Directors	375	-	-	62	437

The number of Directors of the Company whose total remuneration fall within the following bands for the financial year ended 30 June 2008 are as follows:

Range of remuneration	Group No. of Directors		Company No. of Directors	
	Executive	Non-Executive	Executive	Non-Executive
Below RM50,000	2	6	3	6
RM50,001 - RM100,000	2	-	2	-
RM100,001 - RM150,000	-	-	-	-
RM150,001 - RM200,000	2	-	2	-
RM200,001 - RM250,000	-	1	-	1
RM250,001 - RM550,000	-	-	-	-
RM550,001 - RM600,000	1	-	-	-
RM600,001 - RM1,900,000	-	-	-	-
RM1,900,001 - RM1,950,000	-	-	1	-
RM1,950,001 - RM2,150,000	-	-	-	-
RM2,150,001 - RM2,200,000	1	-	-	-

* Included in the remuneration of Directors are the following:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Defined contribution plan	267	246	189	171
Share options expenses	556	922	528	922

7. INCOME TAX EXPENSE

	Group		Company	
	2008 RM'000	2007 (Restated) RM'000	2008 RM'000	2007 RM'000
Malaysian income tax based on profit for the financial year	25,657	16,748	19,973	11,437
Under/(Over)-provision in prior financial years	520	(537)	625	(740)
Deferred tax (Note 16)				
- origination and reversal of temporary differences	50,025	42,285	2,142	2,056
Foreign tax	1,798	-	-	-
	78,000	58,496	22,740	12,753

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

	Group		Company	
	2008 RM'000	2007 (Restated) RM'000	2008 RM'000	2007 RM'000
Profit before tax	290,049	236,268	182,592	64,028
Income tax using Malaysian tax rate of 26% (2007: 27%)	75,413	63,792	47,474	17,288
Non deductible expenses	5,519	3,975	3,472	1,181
Reinvestment allowances	(636)	(4,236)	-	-
Tax exempt income	(3,162)	(27)	(28,831)	(4,976)
Under/(Over)-provision in prior financial years	520	(537)	625	(740)
Tax effect of previously unrecognised deferred tax liabilities/(assets)	1,606	(1,232)	-	-
Tax effect of previously unrecognised tax losses	(82)	-	-	-
Tax effect of change in tax rate	(1,118)	(116)	-	-
Tax effect of unrecognised deferred tax assets during the financial year	3	172	-	-
Effect on opening deferred tax of reduction in income tax rate	(63)	(3,295)	-	-
	78,000	58,496	22,740	12,753

Notes to the Financial Statements

The Company has exempt income estimated at RM6,868,376 (2007: RM6,868,376) pursuant to Section 12 of the Income Tax (Amendment) Act 1999, from which tax exempt dividends can be declared. This is, however, subject to confirmation by the Inland Revenue Board.

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

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

Based on prevailing tax rate applicable to dividends and the estimated tax credits under Section 108 of the Income Tax Act 1967 and the tax exempt account balance as mentioned above, all of the unappropriated profits (2007: RM39,741,937) of the Company as at 30 June 2008 are available for distribution by way of dividends without additional tax liabilities being incurred. This is, however, subject to confirmation by the Inland Revenue Board.

8. EARNINGS PER SHARE ("EPS")

(a) Basic EPS

(i) Before mandatory conversion of ICULS

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

	2008	Group 2007 (Restated)
Profit attributable to equity holders of the Company (RM'000)	193,239	160,611
Weighted average number of ordinary shares in issue ('000)	478,871	480,182
Basic EPS (sen)	40.35	33.45

(ii) After mandatory conversion of ICULS

For the purpose of calculating basic EPS after mandatory conversion of ICULS, profit attributable to equity holders of the Company and the weighted average number of ordinary shares are adjusted for the effects of full conversion of 10 financial years 4% stepping up to 6% Irredeemable Convertible Unsecured Loan Stock ("ICULS").

The ICULS are assumed to have been converted into ordinary shares and the profit is adjusted to eliminate the interest expense less the tax effect.

	2008	Group 2007 (Restated)
Profit attributable to equity holders of the Company (RM'000)	193,239	160,611
Interest expenses on ICULS (net of tax)	8,223	8,687
Profit used to determine Basic EPS after mandatory conversion of ICULS (RM'000)	201,462	169,298
Weighted average number of ordinary shares in issue for basic EPS ('000)	478,871	480,182
Adjustment for ordinary shares deemed conversion of ICULS ('000)	177,383	177,384
	656,254	657,566
Basic EPS (sen)	30.70	25.75

(b) Diluted EPS

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

	2008	Group 2007 (Restated)
Profit used to determine Basic EPS after mandatory conversion of ICULS (RM'000)	201,462	169,298
Weighted average number of ordinary shares in issue for basic EPS after mandatory conversion of ICULS ('000)	656,254	657,566
Adjustment for ordinary shares deemed issued for no consideration on assumed exercise of options ('000)	4,422	3,877
	660,676	661,443
Diluted EPS (sen)	30.49	25.60

9. DIVIDENDS

	Group/Company			
	2008		2007	
	Gross dividend per share (sen)	Amount of dividend, net of tax RM'000	Gross dividend per share (sen)	Amount of dividend, net of tax RM'000
Dividends paid in respect of financial year ended 30 June 2008:				
- interim, less 26% tax	10.0	34,738	-	-
- second interim, less 26% tax	5.0	17,368	-	-
Dividends paid in respect of financial year ended 30 June 2007:				
- interim, less 27% tax	-	-	5.0	17,231
- final, less 27% tax	10.0	34,281	-	-
Dividend paid in respect of financial year ended 30 June 2006:				
- final, less 27% tax	-	-	10.0	35,292
Dividend recognised as distribution to ordinary equity holders of the Company	25.0	86,387	15.0	52,523
Proposed final dividend, less 25% tax (2007: 27% tax)	2.5	8,801	10.0	34,379

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 30 June 2008 of 2.5 sen per share less Malaysian Income Tax will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of unappropriated profits in the financial year ending 30 June 2009.

Notes to the Financial Statements

10. PROPERTY, PLANT & EQUIPMENT

Group - 2008

	Long term leasehold buildings RM'000	Short term leasehold buildings RM'000	Factory & other buildings RM'000
Cost			
At 1.7.2007 (Restated)	669,450	15,347	389
Exchange differences	2,577	-	-
Additions	-	-	-
Disposals	-	-	(389)
Written off	-	-	-
Transfer	29,441	314	-
Arising on acquisition	48,577	-	-
At 30.6.2008	750,045	15,661	-
Accumulated Depreciation			
At 1.7.2007 (Restated)	116,541	2,307	78
Exchange differences	307	-	-
Charge for the financial year	14,965	310	-
Disposals	-	-	(78)
Written off	-	-	-
Transfer	(134)	-	-
Acquisition of subsidiaries	5,029	-	-
At 30.6.2008	136,708	2,617	-
Net Book Value			
At 30.6.2008	613,337	13,044	-

Plant, machinery & equipment RM'000	Motor vehicles RM'000	Furniture, fixtures & equipment RM'000	Office equipment RM'000	Infrastructure & site facilities RM'000	Capital work- in-progress RM'000	Total RM'000
1,808,715	105,958	8,856	16,123	477	710	2,626,025
5,575	39	-	27	-	2,229	10,447
10,075	28,184	681	893	28	45,123	84,984
(1,293)	(5,396)	(22)	(503)	-	-	(7,603)
(106)	-	(189)	(3)	-	-	(298)
5,150	27	-	78	-	(37,231)	(2,221)
105,095	739	-	503	-	42,021	196,935
1,933,211	129,551	9,326	17,118	505	52,852	2,908,269
782,897	81,622	7,354	13,141	427	-	1,004,367
1,148	91	1	15	-	-	1,562
71,074	12,015	361	1,071	8	-	99,804
(874)	(5,389)	(11)	(478)	-	-	(6,830)
(106)	-	(188)	(3)	-	-	(297)
-	-	-	-	-	-	(134)
18,188	247	-	229	-	-	23,693
872,327	88,586	7,517	13,975	435	-	1,122,165
1,060,884	40,965	1,809	3,143	70	52,852	1,786,104

Notes to the Financial Statements

Group - 2007

	Freehold land RM'000	Freehold building RM'000	Long term leasehold buildings RM'000	Short term leasehold buildings RM'000	Factory & other buildings RM'000
Cost					
At 1.7.2006 (Restated)	4,437	8,095	669,284	15,347	389
Exchange differences	-	-	-	-	-
Additions	-	-	106	-	-
Disposals	-	-	-	-	-
Written off	-	-	-	-	-
Transfer	(4,437)	(8,095)	60	-	-
At 30.6.2007 (Restated)	-	-	669,450	15,347	389
Accumulated Depreciation					
At 1.7.2006 (Restated)	-	1,531	103,187	2,000	70
Exchange differences	-	-	-	-	-
Charge for the financial year	-	-	13,357	307	8
Disposals	-	-	-	-	-
Written off	-	-	-	-	-
Transfer	-	(1,531)	(3)	-	-
At 30.6.2007 (Restated)	-	-	116,541	2,307	78
Net Book Value					
At 30.6.2007 (Restated)	-	-	552,909	13,040	311

Plant, machinery & equipment RM'000	Motor vehicles RM'000	Furniture, fixtures & equipment RM'000	Office equipment RM'000	Infrastructure & site facilities RM'000	Capital work- in-progress RM'000	Total RM'000
1,797,996	108,736	8,845	15,468	451	5,975	2,635,023
-	-	-	-	-	-	-
5,103	2,083	134	720	26	2,927	11,099
(305)	(4,861)	-	(65)	-	-	(5,231)
(591)	-	(123)	-	-	-	(714)
6,512	-	-	-	-	(8,192)	(14,152)
1,808,715	105,958	8,856	16,123	477	710	2,626,025
719,763	75,615	7,092	11,948	421	-	921,627
-	-	-	-	-	-	-
64,029	10,601	385	1,251	6	-	89,944
(304)	(4,594)	-	(58)	-	-	(4,956)
(591)	-	(123)	-	-	-	(714)
-	-	-	-	-	-	(1,534)
782,897	81,622	7,354	13,141	427	-	1,004,367
1,025,818	24,336	1,502	2,982	50	710	1,621,658

Notes to the Financial Statements

Securities

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

	2008 RM'000	Group 2007 RM'000
Long term leasehold buildings	539,519	552,909
Plant, machinery & equipment	846,026	900,669
Motor vehicles	2,105	2,502
Furniture, fixtures & equipment	801	1,039
Office equipment	2,245	2,344
Capital work-in-progress	35,912	–
Total	1,426,608	1,459,463

Company - 2008

	Motor vehicles RM'000	Furniture & fittings RM'000	Air- conditioners RM'000	Office equipment RM'000	Electrical & water installation RM'000	Total RM'000
Cost						
At 1.7.2007	29,101	485	81	169	25	29,861
Additions	145	2	–	25	–	172
Disposals	(4,120)	(1)	–	–	–	(4,121)
At 30.6.2008	25,126	486	81	194	25	25,912
Accumulated Depreciation						
At 1.7.2007	28,934	477	80	168	25	29,684
Charge for the financial year	186	4	–	11	–	201
Disposals	(4,120)	(1)	–	–	–	(4,121)
At 30.6.2008	25,000	480	80	179	25	25,764
Net Book Value						
At 30.6.2008	126	6	1	15	*	148

* Less than RM1,000

Company - 2007

	Freehold land RM'000	Freehold building RM'000	Motor vehicles RM'000	Furniture & fittings RM'000	Air- conditioners RM'000	Office equipment RM'000	Electrical & water installation RM'000	Total RM'000
Cost								
At 1.7.2006	4,437	8,095	31,341	485	81	169	25	44,633
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	(2,240)	-	-	-	-	(2,240)
Transfer	(4,437)	(8,095)	-	-	-	-	-	(12,532)
At 30.6.2007	-	-	29,101	485	81	169	25	29,861
Accumulated Depreciation								
At 1.7.2006	-	1,532	30,996	465	79	164	25	33,261
Charge for the financial year	-	-	178	12	1	4	-	195
Disposals	-	-	(2,240)	-	-	-	-	(2,240)
Transfer	-	(1,532)	-	-	-	-	-	(1,532)
At 30.6.2007	-	-	28,934	477	80	168	25	29,684
Net Book Value								
At 30.6.2007	-	-	167	8	1	1	*	177

* Less than RM1,000

11. SUBSIDIARIES

(a) Investment in subsidiaries

	Company	
	2008 RM'000	2007 RM'000
Unquoted shares, at cost	627,475	498,518
Less: Accumulated impairment losses	(3,000)	(3,000)
	624,475	495,518

Notes to the Financial Statements

Details of the subsidiaries are as follows:

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest	
			2008 %	2007 %
Awan Serunding Sdn. Bhd.	Malaysia	Investment holding	100.00	100.00
Buildcon-Cimaco Concrete Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	50.45	50.45
Buildcon Concrete Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	100.00	100.00
Buildcon Concrete Enterprise Sdn. Bhd.	Malaysia	Investment holding	100.00	100.00
Buildcon Desa Sdn. Bhd. (Formerly known as Buildcon-Ensidesa Sdn. Bhd.)	Malaysia	Manufacture & sale of ready-mixed concrete	51.00	51.00
C.I. Readymix Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	100.00	100.00
Mini-Mix Sdn. Bhd.	Malaysia	Inactive	100.00	100.00
*Pahang Cement Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement & clinker	100.00	100.00
*Pahang Cement Marketing Sdn. Bhd.	Malaysia	Marketing of cement products	100.00	100.00
Perak-Hanjoong Simen Sdn. Bhd.	Malaysia	Manufacture & sale of clinker, ordinary portland cement & blended cement	64.84	64.84
PHS Trading Sdn. Bhd.	Malaysia	Marketing of cement products	64.84	64.84
Slag Cement Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement & blended cement	100.00	100.00
Slag Cement (Southern) Sdn. Bhd.	Malaysia	Manufacture & sale of ordinary portland cement & blended cement	100.00	100.00

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest	
			2008 %	2007 %
Specialist Cement Sdn. Bhd.	Malaysia	Inactive	85.00	85.00
Straits Cement Sdn. Bhd.	Malaysia	Manufacture & sale of cement	100.00	100.00
Tugas Sejahtera Sdn. Bhd.	Malaysia	Investment holding	100.00	100.00
YTL Building Products Sdn. Bhd.	Malaysia	Dormant	100.00	100.00
YTL Cement Marketing Sdn. Bhd.	Malaysia	Marketing of cement products	100.00	100.00
YTL Quarry Sdn. Bhd.	Malaysia	Dormant	100.00	100.00
*Buildcon Vietnam Ltd.	British Virgin Islands	Dormant	70.00	70.00
*YTL Cement Singapore Pte. Ltd.	Singapore	Investment holding, sale & marketing of construction products	100.00	100.00
*YTL Concrete (S) Pte. Ltd.	Singapore	Manufacture & sale of ready-mixed concrete & related products	100.00	100.00
*YTL Cement Marketing Singapore Pte. Ltd.	Singapore	Sale & marketing of cement, cementitious products & other related construction products	100.00	–
*YTL Cement (Hong Kong) Limited (Formerly known as Leadmax Limited)	Hong Kong	Investment holding	100.00	–
*Zhejiang Lin'an Jin Yuan Cement Co. Ltd.	China	Manufacture & sale of ordinary portland cement & clinker	100.00	–

* Companies not audited by HLB Ler Lum

Notes to the Financial Statements

(b) Subsidiary's financial statements

The unaudited financial statements of Buildcon Vietnam Ltd. was consolidated in the Group's financial statements as this subsidiary was not required by its local legislations to have its financial statements audited.

(c) Amounts due from/to subsidiaries

The amounts due from/to subsidiaries pertain mainly to advances, hiring charges and loan. The outstanding amounts are unsecured, interest free and have no fixed terms of repayment except for loan given to a subsidiary amounting to RM312,000,000 (2007: RM312,000,000), which bear interest at 7% (2007: 7%) per annum and is repayable in a lump sum repayment in the seventh year from the date of the first drawdown.

(d) Acquisition of subsidiaries

- (i) On 17 August 2007, the Company acquired 1 ordinary share of HKD1.00 representing the entire issued and paid-up capital of Leadmax Limited, now known as YTL Cement (Hong Kong) Limited ("YTL HK") for a cash consideration of HKD1.00. As a result, YTL HK became a wholly-owned subsidiary of the Company.
- (ii) On 28 August 2007, YTL HK entered into a transfer of equity interests contract ("Contract") with the various parties set out therein for the purchase of the entire equity interests in Zhejiang Lin'an Jin Yuan Cement Co. Ltd. ("Zhejiang Lin'an"), a company incorporated in the People's Republic of China, for a total cash consideration of Renminbi (RMB) 150 million or its foreign currency equivalent, subject to downward adjustments (if any) in accordance with the terms and conditions of the Contract. Zhejiang Lin'an became an indirect wholly-owned subsidiary of the Company following completion of the Contract on 15 November 2007.
- (iii) On 31 January 2008, YTL Cement Singapore Pte. Ltd., a wholly-owned subsidiary of the Company, subscribed for 1 ordinary share representing the entire issued and paid-up share capital of YTL Cement Marketing Singapore Pte. Ltd. ("YTLCMS") at SGD1.00 in cash. YTLCMS was incorporated on 31 January 2008 for the purpose of undertaking the business of sale and marketing of cement, cementitious products and other related construction products.

The effect of the acquisition of these subsidiaries on the financial results of the Group in the financial year are as follows:

	Group	
	2008	2007
	RM'000	RM'000
Revenue	93,889	–
Loss for the financial year	(5,019)	(2)

If the acquisition had occurred on 1 July 2007, the Group's revenue and profit for the financial year would have been RM1,529,534,205 and RM191,259,265 respectively. There was no material effect on the Group's revenue and loss for the previous financial year.

12. ASSOCIATED COMPANIES

(a) Investment in associated companies

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Unquoted shares, at cost	3,700	3,700	3,600	3,600
Quoted shares outside Malaysia, at cost	21,608	20,169	–	–
Share of post acquisition reserves	22,400	17,521	–	–
	47,708	41,390	3,600	3,600
Market value of quoted shares outside Malaysia	44,375	44,175	–	–

The associated companies of the Company are as follows:

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest	
			2008 %	2007 %
SMC Mix Sdn. Bhd.	Malaysia	Manufacture & sale of ready-mixed concrete	50.00	50.00
YTL Technologies Sdn. Bhd.	Malaysia	Servicing & hiring of equipment	40.00	40.00
*Jurong Cement Limited	Singapore	Investment holding	21.48	20.94

* Company not audited by HLB Ler Lum

The financial year end of the above associated companies are coterminous with those of the Group, except for Jurong Cement Limited ("JCL") which has changed its financial year end from 31 March to 31 December.

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

	Group	
	2008 RM'000	2007 RM'000
Non-current assets	76,072	174,609
Current assets	203,053	93,127
Non-current liabilities	(4,849)	(10,637)
Current liabilities	(62,825)	(51,987)
Net assets	211,451	205,112
Revenue	351,749	(2,873)
Profit/(Loss) for the financial year	17,844	222,740

Notes to the Financial Statements

The details of the goodwill and negative goodwill included within the Group's carrying amount of investment in associated companies are as follows:

	Group		2007 Negative Goodwill RM'000	Total RM'000
	2008 Goodwill RM'000	Goodwill RM'000		
At beginning of the financial year	732	732	(19,240)	(18,508)
Derecognised and adjustment to unappropriated profits	-	-	19,240	19,240
At end of the financial year	732	732	-	732

(b) Amounts due from/to associated companies

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

13. DEVELOPMENT EXPENDITURE

	Group	
	2008 RM'000	2007 RM'000
At beginning of the financial year	34,782	34,782
Capitalised during the financial year	51	-
At end of the financial year	34,833	34,782

14. INVESTMENT PROPERTIES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At beginning of the financial year	12,617	-	11,000	-
Transfer from property, plant & equipment	-	12,617	-	11,000
At end of the financial year	12,617	12,617	11,000	11,000

15. QUOTED INVESTMENTS

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

	Group	
	2008 RM'000	2007 RM'000
Cost	15	15
Market value	1	5

The Directors are of the opinion that the shortfall in market value of the quoted investments of the Group is temporary in nature and there is no permanent diminution in the value of these investments in respect of the shortfall.

16. DEFERRED TAX ASSETS

	Group		Company	
	2008 RM'000	2007 (Restated) RM'000	2008 RM'000	2007 RM'000
At beginning of the financial year, as restated	61,036	103,321	39,417	41,473
Tax charge/(credit) to Income Statement (Note 7)	(50,025)	(42,285)	(2,142)	(2,056)
At end of the financial year	11,011	61,036	37,275	39,417

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts determined after appropriate offsetting are shown in the Balance Sheet:

	Group		Company	
	2008 RM'000	2007 (Restated) RM'000	2008 RM'000	2007 RM'000
Deferred tax assets				
Investment tax allowances	86,770	123,833	–	–
Reinvestment allowances	–	285	–	–
Unutilised tax losses	33,809	33,809	–	–
Unabsorbed capital allowances	110,123	123,814	–	–
Temporary differences				
- ICULS	33,251	39,548	33,251	39,548
- others	5,127	32	4,053	32
	269,080	321,321	37,304	39,580

Notes to the Financial Statements

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Deferred tax liabilities				
Property, plant & equipment				
- capital allowances in excess of depreciation	(258,069)	(260,182)	(29)	(59)
Other temporary differences	-	(103)	-	(104)
At end of the financial year (after offsetting)	11,011	61,036	37,275	39,417

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

	Group	
	2008 RM'000	2007 RM'000
Unabsorbed tax losses	6,242	5,730
Unutilised capital allowances	3,336	4,839
Taxable temporary differences		
- Property, plant & equipment		
- Capital allowances in excess of depreciation	(238)	(217)
	9,340	10,352
Potential tax benefits calculated at 25% (2007: 26%) tax rate	2,335	2,692

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

17. GOODWILL

	Group	
	2008 RM'000	2007 RM'000
Cost		
At beginning of the financial year		
- as previously reported	10,408	-
- reclassification from reserve on consolidation	-	10,408
- Acquisition of new subsidiary by a subsidiary	50,068	-
At end of the financial year	60,476	10,408

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to the respective companies.

Recoverable amount based on value-in-use

The recoverable amount of the CGUs is determined based on value-in-use calculation. The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial budgets and forecasts approved by management covering the period ending June 2017.

Key assumption used for value-in-use calculation:

Pre-tax discount rate	5.8%
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The discount rates used are pre-tax and reflect specific risks relating to the CGU. The discount rates applied to the cash flow projections are derived from the cost of capital plus a reasonable risk premium at the date of the assessment of the respective CGU.

18. PREPAID LEASE RENTALS

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At beginning of the financial year, as restated	52,011	53,437	6,411	6,926
Acquisition of subsidiaries	7,578	-	-	-
Additions during the financial year	2,311	-	-	-
Disposals during the financial year	(307)	(336)	(306)	(337)
Amortised during the financial year	(1,191)	(1,090)	(166)	(178)
At end of the financial year	60,402	52,011	5,939	6,411

The prepaid lease rentals are subject to the following maturity periods:

Current

- Not later than 1 year included in prepayment under current assets	1,020	1,090	166	178
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Non-current

- Later than 1 year	59,382	50,921	5,773	6,233
	60,402	52,011	5,939	6,411

19. INVENTORIES - at cost

	Group	
	2008 RM'000	2007 RM'000
Raw materials	62,697	30,984
Finished goods	19,344	11,667
Work-in-progress	9,624	7,328
Spare parts	49,986	46,487
Consumable stores	8,590	8,713
	150,241	105,179

Notes to the Financial Statements

20. TRADE RECEIVABLES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Trade receivables	242,164	188,390	18	18
Less: Allowance for doubtful debts	(21,417)	(21,094)	(18)	(18)
	220,747	167,296	-	-

The Group's normal trade credit term range from 30 days to 150 days (2007: 30 days to 150 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 exposure to a single receivable or to a group of receivables.

21. OTHER RECEIVABLES, DEPOSITS & PREPAYMENTS

	Group		Company	
	2008 RM'000	2007 (Restated) RM'000	2008 RM'000	2007 (Restated) RM'000
Other receivables	37,048	21,054	451	350
Deposits	7,249	3,391	168	209
Prepayments	3,707	6,760	166	178
	48,004	31,205	785	737

22. AMOUNTS DUE FROM/TO RELATED COMPANIES

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

23. CASH & CASH EQUIVALENTS

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash & cash equivalents comprise:				
Fixed deposits				
- licensed banks	344,072	377,847	27,089	30,576
- other corporations	517	-	-	-
	344,589	377,847	27,089	30,576
Cash & bank balances	37,997	47,166	8,574	554
	382,586	425,013	35,663	31,130

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

	Group		Company	
	2008 %	2007 %	2008 %	2007 %
Fixed deposits				
- licensed banks	3.10	3.47	3.46	3.49
- other corporations	3.55	-	-	-

No interest is earned on the bank balance.

Deposits of the Group and of the Company have maturities ranging from 1 day to 35 days (2007: 4 days to 32 days) and 1 day to 35 days (2007: 5 days to 30 days) respectively. Bank balances are deposits held at call with banks.

24. SHARE CAPITAL

	Group/Company	
	2008 RM'000	2007 RM'000
Authorised:		
2,000,000,000 (2007: 2,000,000,000) ordinary shares of RM0.50 each	1,000,000	1,000,000
Issued and fully paid:		
At beginning of the financial year		
- 490,320,965 (2007: 489,737,385) ordinary shares of RM0.50 each	245,160	244,869
Exercise of ESOS		
- 17,000 (2007: 470,000) ordinary shares of RM0.50 each	9	235
Conversion of ICULS		
- 1,241 (2007: 113,580) ordinary shares of RM0.50 each	1	56
At end of the financial year		
- 490,339,206 (2007: 490,320,965) ordinary shares of RM0.50 each	245,170	245,160

During the financial year, 17,000 (2007: 470,000) new ordinary shares of RM0.50 each were issued by the Company for cash by virtue of the exercise of ESOS at an exercise price of RM1.21 per share. The new ordinary shares issued ranked pari passu in all respects with the existing ordinary shares of the Company.

During the financial year, 1,241 (2007: 113,580) new ordinary shares of RM0.50 each were issued by the Company for non-cash by virtue of the conversion of ICULS at an exercise price of RM2.72 per share. The new ordinary shares issued ranked pari passu in all respects with the existing ordinary shares of the Company.

Out of a total of 490,339,206 (2007: 490,320,965) ordinary shares of RM0.50 issued and fully paid-up ordinary shares, 20,934,164 (2007: 19,381,764) ordinary shares of RM0.50 are held as treasury shares by the Company.

Notes to the Financial Statements

(a) Treasury shares

The shareholders of the Company granted a mandate to the Company to repurchase its own shares at the Annual General Meeting held on 7 December 2007. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

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

Financial year ended	No. of shares repurchased/ (Distributed as share dividend) ('000)	Highest price paid (RM/share)	Lowest price paid (RM/share)	Average purchase price (RM/share)	Total consideration RM('000)
30 June 2001	5,489	3.20	2.27	2.82	15,460
30 June 2002	738	4.60	2.90	3.64	2,685
30 June 2003	245	2.98	2.77	2.91	713
30 June 2004	4,661	5.30	4.18	5.02	23,421
30 June 2005	11,133* (18,567)	–	–	– (1.90)	– (35,256)
30 June 2006	1,574	2.45	2.21	2.34	3,679
30 June 2007	14,109	6.05	2.43	4.51	63,693
30 June 2008	1,552	5.65	4.18	4.94	7,662
Total	20,934				82,057

* As a result of share subdivision into two (2) ordinary shares of RM0.50 each for every one (1) ordinary share of RM1.00 each in the Company, which was effected on 1 July 2004.

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

(b) Share options

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

The main features of the Scheme are as follows:

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

- (iv) The price payable for shares under the Scheme shall be based on the five-day weighted average market price of the underlying shares at the time the option is granted, with a discount of not more than ten per cent (10%), if deemed appropriate.
- (v) Subject to Clause 14 of the Bye-Laws, the options committee may, at any time and from time to time, before or after an option is granted, limit the exercise of the option to a maximum number of new YTL Cement Shares and/or such percentage of the total YTL Cement Shares comprised in the option during such period(s) within the option period and impose any other terms and/or conditions deemed appropriate by the options committee in its sole discretion including amending/varying any terms and conditions imposed earlier. Notwithstanding the above, and subject to Clause 11 and 12 of the Bye-Laws, the option can only be exercised by the grantee three (3) years after the Offer Date, by notice in writing to the Company, provided however that the options committee may at its discretion or upon the request in writing by the grantee allow the option to be exercised at any earlier or other period.
- (vi) The grantee shall be prohibited from disposing the YTL Cement Shares so allotted to him for a period of twelve (12) months from the date on which the option is exercised. However, the options committee may at its discretion or upon request in writing by the grantee allow the disposal of such YTL Cement Shares at any earlier or other period.
- (vii) The persons whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

Movements in the number of options at the end of the financial year and their exercise prices were as follows:

Grant date	Expiry date	Exercise price RM/share	Number of share options ('000)				At end of financial year
			At beginning of financial year	Granted	Exercised	Lapsed	
Financial year ended 30 June 2008							
16.10.2002	29.11.2011	1.21	162	–	(17)	(30)	115
21.07.2005	29.11.2011	2.08	6,011	–	–	(54)	5,957
07.08.2006	29.11.2011	2.08	1,706	–	–	(176)	1,530
16.01.2008	29.11.2011	4.64	–	1,736	–	(63)	1,673
			7,879	1,736	(17)	(323)	9,275
Financial year ended 30 June 2007							
16.10.2002	29.11.2011	1.21	632	–	(470)	–	162
21.07.2005	29.11.2011	2.08	6,155	–	–	(144)	6,011
07.08.2006	29.11.2011	2.08	–	2,143	–	(437)	1,706
			6,787	2,143	(470)	(581)	7,879

Out of the outstanding options of 9,275,000 shares (2007:7,879,000), options of 6,072,000 shares (2007:162,000) are exercisable.

Notes to the Financial Statements

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

	Share options granted on 21.07.2005	Share options granted on 07.08.2006	Share options granted on 16.01.2008
Valuation assumptions:			
Expected volatility	19.5%	19.4%	26.8%
Expected dividend yield	5.56%	5.70%	2.11%
Expected option life	3 - 4 years	3 - 4 years	3 - 4 years
Risk-free interest rate per annum (based on Malaysian securities bonds)	3.2%	4.2%	3.5%

The volatility is based on statistical analysis of daily share prices over the 3 to 4 years before the grant dates.

25. SHARE PREMIUM

	Group/Company	
	2008 RM'000	2007 RM'000
At beginning of the financial year	121,420	120,834
Premium arising from shares issued upon exercise of ESOS	12	334
Premium arising from shares issued upon conversion of ICULS	3	252
At end of the financial year	121,435	121,420

26. OTHER RESERVES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Share option reserve [Note 26(i)]	2,559	1,425	2,559	1,425
Translation reserve [Note 26 (ii)]	8,451	(1,332)	-	-
Share of associated companies' reserve fund transferred from unappropriated profits [Note 26(iii)]	134	134	-	-
Reserve on consolidation [Note 26(iv)]	-	-	-	-
	11,144	227	2,559	1,425

The movement in each category of reserves are as follows:

(i) Share option reserve

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At beginning of the financial year	1,425	–	1,425	–
Employees share option scheme				
- Value of employee services				
- recognised in Income Statement	1,134	1,425	534	1,024
- allocated to subsidiaries	–	–	600	401
At end of the financial year	2,559	1,425	2,559	1,425

(ii) Translation reserve

	Group	
	2008 RM'000	2007 RM'000
At beginning of the financial year	(1,332)	388
Currency translation differences	9,783	(1,720)
At end of the financial year	8,451	(1,332)

(iii) Share of associated companies' reserve fund transferred from unappropriated profits

	Group	
	2008 RM'000	2007 RM'000
At beginning of the financial year	134	–
Share of reserve fund during the financial year	–	159
Currency translation differences	–	(25)
At end of the financial year	134	134

Reserve fund is set up by the associated company of the associated companies, established in the People's Republic of China for staff welfare and future expansion. The utilisation of the fund is subject to government approval.

Notes to the Financial Statements

(iv) Reserve on consolidation

	2008 RM'000	Group 2007 RM'000
At beginning of the financial year		
- as previously reported	-	24,868
- effect of reclassification to goodwill	-	10,408
- as restated	-	35,276
Derecognised and adjustment to unappropriated profits	-	(35,276)
At end of the financial year	-	-

27. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCK

On 10 November 2005, the Company issued 483,246,858 10 years 4% stepping up to 6% Irredeemable Convertible Unsecured Loan Stock ("ICULS") at a nominal value of RM1.00 each.

The main features of the ICULS are as follows:

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

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

The ICULS is recognised in the Balance Sheets of the Group and of the Company as follows:

	Group/Company	
	2008 RM'000	2007 RM'000
Face value of ICULS issued	483,247	483,247
Equity component, net of deferred tax	(329,998)	(329,998)
Liability component on initial recognition	153,249	153,249
Interest expenses recognised in Income Statement		
At beginning of the financial year	19,726	7,826
Recognised in Income Statement	11,112	11,900
At end of the financial year	30,838	19,726
Interest paid		
At beginning of the financial year	(28,940)	(9,628)
Paid during the financial year	(19,328)	(19,312)
At end of the financial year	(48,268)	(28,940)
	135,819	144,035
Accrued interest	(2,814)	(2,702)
Conversion to ordinary shares during the financial year	(1)	(92)
Liability component at end of the financial year	133,004	141,241
Equity component, net of deferred tax	329,998	329,998
Deferred tax assets	42,910	42,910
Equity component on initial recognition	372,908	372,908
Conversion to ordinary shares		
At beginning of the financial year	(663)	(453)
Conversion during the financial year	(3)	(210)
At end of the financial year	(666)	(663)
Equity component at end of the financial year	372,242	372,245

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

Notes to the Financial Statements

28. OTHER PAYABLES - non-current

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Deposits received	20,695	22,806	-	411

The above deposits are due within one to five years from the balance sheet date.

29. FINANCE LEASE LIABILITIES

	Group	
	2008 RM'000	2007 RM'000
Minimum lease payments:		
Repayable not later than 1 year	2,097	-
Repayable later than 1 year and not later than 5 years	11,055	-
	13,152	-
Less: Financing charges	(1,870)	-
Present value of minimum lease payments	11,282	-
Present value of minimum lease payments:		
Repayable not later than 1 year	1,836	-
Repayable later than 1 year and not later than 5 years	9,446	-
	11,282	-

The effective interest rate of the Group at the balance sheet date was ranging from 2.5% to 2.85% (2007: Nil) per annum.

30. HIRE PURCHASE PAYABLES

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Minimum hire purchase payments:				
Repayable not later than 1 year	574	754	47	-
Repayable later than 1 year and not later than 5 years	392	566	51	-
	966	1,320	98	-
Less: Financing charges	(41)	(64)	(5)	-
Present value of minimum hire purchase payments	925	1,256	93	-

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Present value of minimum hire purchase payments:				
Repayable not later than 1 year	541	711	44	–
Repayable later than 1 year and not later than 5 years	384	545	49	–
	925	1,256	93	–

The weighted average interest of the Group and of the Company at the balance sheet date was 2.76% (2007: 2.59%) and 2.43% (2007: Nil) per annum respectively.

31. BORROWINGS

	Group	
	2008 RM'000	2007 RM'000
Revolving credit	235,000	268,000
Term loans	469,615	412,107
	704,615	680,107

	Group	
	2008 RM'000	2007 RM'000
Repayable not later than 1 year	303,931	282,214
Repayable later than 1 year and not later than 5 years	400,684	397,230
Repayable later than 5 years	–	663
	704,615	680,107

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

	Group	
	2008 %	2007 %
Revolving credit	3.67	5.06
Term loans	4.31	4.73

The Group's borrowings are repayable by monthly, quarterly, semi-annually, yearly instalments and lump sum repayment.

Notes to the Financial Statements

114

Group		Securities
2008 RM'000	2007 RM'000	
100,800	162,400	- A fixed and floating charge over the property, plant & equipment of a subsidiary
306,722	181,000	- Corporate guarantee by the Company
297,093	336,707	- A fixed charge over the long term leasehold land of a subsidiary - A debenture to create a fixed & floating charge over the present and future assets of a subsidiary - A first fixed charge over all designated accounts of a subsidiary
704,615	680,107	

32. POST EMPLOYMENT BENEFIT OBLIGATIONS

(a) Defined contribution plan

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Current	689	666	24	25

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

(b) Defined benefits plan

	Group	
	2008 RM'000	2007 RM'000
At beginning of the financial year	-	2,599
Charged to Income Statement	-	64
Payments	-	(2,663)
At end of the financial year	-	-

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

33. TRADE PAYABLES

The currency exposure profile of trade payables is as follows:

	Group	
	2008 RM'000	2007 RM'000
Ringgit Malaysia	95,421	74,373
US Dollar	10,451	4,983
Yuan	10,331	–
Singapore Dollar	6,661	–
	122,864	79,356

The credit terms of trade payables granted to the Group ranged from 21 days to 180 days (2007: 21 days to 180 days). Other credit terms are assessed and approved on a case-by-case basis.

34. OTHER PAYABLES & ACCRUALS

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Other payables	91,737	53,337	31	31
Accruals	56,963	40,923	3,138	3,127
	148,700	94,260	3,169	3,158

35. HOLDING COMPANIES

The Company regards YTL Industries Berhad, a company incorporated in Malaysia as its holding company. The penultimate and ultimate holding companies are YTL Corporation Berhad (a public listed company) and Yeoh Tiong Lay & Sons Holdings Sdn. Bhd. respectively; both companies are incorporated in Malaysia.

The amounts due to the respective holding companies pertain mainly to advances and payments on behalf. The outstanding amounts are unsecured, interest free and have no fixed terms of repayment.

36. BANKERS' ACCEPTANCE - unsecured

The weighted average effective interest rate of the bankers' acceptance of the Group at balance sheet date was 4.75% (2007: 4.05%) per annum.

Notes to the Financial Statements

37. EMPLOYEES INFORMATION

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Staff costs (excluding Directors' remuneration)				
- salaries, wages, bonus & others	57,162	50,082	618	743
- defined benefit plan	-	64	-	-
- defined contribution plan	5,031	4,874	64	75
- share options expenses	578	503	5	102
	62,771	55,523	687	920

38. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related party transactions

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions. The significant related party transactions described below have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

Entity	Relationship	Type of transaction	Group	
			2008 RM'000	2007 RM'000
Batu Tiga Quarry Sdn. Bhd.	Subsidiary of holding company	Purchase of building materials	67,718	56,007
YTL Technologies Sdn. Bhd.	Associated company	Purchase of diesel & lubricant, maintenance costs and rental of plant & equipment	35,973	29,251
		Hiring income	1,107	32
Buildcon Concrete Sdn. Bhd.	Subsidiary	Dividend income	5,080	15,000
		Hiring income	3,132	3,132
		Rental income (gross)	300	300
			Company	
C.I. Readymix Sdn. Bhd.	Subsidiary	Dividend income	1,820	5,600
Pahang Cement Sdn. Bhd.	Subsidiary	Dividend income	144,635	-
Perak Hanjoong Simen Sdn. Bhd.	Subsidiary	Interest income	21,900	21,840
Slag Cement Sdn. Bhd.	Subsidiary	Dividend income	10,752	22,512
Slag Cement (Southern) Sdn. Bhd.	Subsidiary	Dividend income	7,913	11,800

(b) Key management personnel compensation

The key management personnel compensation during the financial year was in respect of the Directors' remuneration of the Group and of the Company as stated in Note 6.

39. CONTINGENT LIABILITIES - unsecured

- (a) The Company has given corporate guarantees amounting to RM554,400,000 (2007: RM303,000,000) to financial institutions for facilities granted by the financial institutions to its subsidiaries as follows:

	Total Amount Guaranteed	
	2008 RM'000	2007 RM'000
Letters of credit/trust receipts/bankers' acceptances/ overdrafts/bankers guarantees/term loan	554,400	303,000

	Amount Utilised	
	2008 RM'000	2007 RM'000
Letters of credit/trust receipts/bankers' acceptances/ overdrafts/bankers guarantees/term loan	315,177	206,412

- (b) On 13 August 2008, Inland Revenue Board ("IRB") has issued an Additional Notice of Assessment for Years of Assessment 2001 to 2006 amounting to RM34,419,878 to a subsidiary of the Group, Pahang Cement Marketing Sdn. Bhd.. The subsidiary is now in the process of appealing to the Special Commissioner of IRB to set aside the said Notice. The Directors are of the opinion that IRB has no concrete grounds for the case and it will be resolved in the favour of the subsidiary.

40. CAPITAL COMMITMENTS

- (a) As at the balance sheet date, a subsidiary of the Group, Slag Cement Sdn. Bhd. has the following commitments:

	Group	
	2008 RM'000	2007 RM'000
Lease rental on sublease of land		
Not later than 1 year	966	1,473
Later than 1 year and not later than 5 years	4,445	4,244
Later than 5 years	17,153	18,320
	22,564	24,037

Notes to the Financial Statements

(b) As at the balance sheet date, a subsidiary of the Group, YTL Concrete (S) Pte. Ltd. has the following commitments:

(i) **Operating lease commitments**

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

	Group 2008 RM'000
Lease payments payable	
Not later than 1 year	392
Later than 1 year and not later than 5 years	862
	1,254

The rental agreements are due to end in the year 2009 and 2010 respectively. The subsidiary expects to renew the agreements thereafter.

(ii) **Guarantee**

The subsidiary provides banker guarantees amounting to RM25,506,685 [SGD10,630,000] to Resorts World at Sentosa and Commissioner of Lands, and these are secured by a corporate guarantee by the Company.

41. SEGMENTAL INFORMATION

No segmental information is prepared as the Group's activities are predominantly in one industry segment and occur predominantly in Malaysia.

42. PRIOR YEARS ADJUSTMENTS

Prior to 1 July 2007, deferred tax assets on unused reinvestment allowances and investment tax allowances were not recognised. The adoption of FRS 112 has resulted in a retrospective change in the accounting policy relating to the recognition of deferred tax assets on unused reinvestment allowances and investment tax allowances.

Prior to 1 October 2006, the Group and the Company classified leasehold land held for own use as property, plant & equipment and was stated at cost less accumulated depreciation and impairment loss. The adoption of FRS 117 has resulted in a change to the accounting policy by the Group and the Company and accordingly, the unamortised carrying amount of leasehold land is classified as prepaid lease rentals and has been accounted for retrospectively. Certain comparatives of the Balance Sheets of the Group and of the Company as at 30 June 2007 have been restated. There were no effects on the Income Statements of the Group and of the Company for the financial year ended 30 June 2007.

The effects of these changes on the Group's and the Company's financial statements are as follows:

	As previously reported RM'000	FRS 112 RM'000	FRS 117 RM'000	As re-stated RM'000
Consolidated Income Statement				
Income tax	(57,733)	(763)	–	(58,496)
Profit for the financial year	178,535	(763)	–	177,772
Profit attributable to equity holders of the Company	161,374	(763)	–	160,611
Basic EPS				
- Before mandatory conversion of ICULS	33.61			33.45
- After mandatory conversion of ICULS	25.86			25.75
Diluted EPS	25.71			25.60
Consolidated Balance Sheet				
Property, plant & equipment	1,673,669	–	(52,011)	1,621,658
Deferred tax assets	–	61,036	–	61,036
Prepaid lease rentals	–	–	50,921	50,921
Other receivables, deposits & prepayments	30,115	–	1,090	31,205
Unappropriated profits				
- balance at 1.7.2006	383,512	124,881	–	508,393
- current year	163,202	(763)	–	162,439
Deferred tax liabilities	(63,082)	63,082	–	–
Consolidated Cash Flow Statement				
Amortisation of prepaid lease rentals	–	–	1,090	1,090
Depreciation	91,034	–	(1,090)	89,944
Gain on disposal of property, plant & equipment - net	(1,080)	–	128	(952)
Gain on disposal of prepaid lease rentals	–	–	(128)	(128)
Proceeds from disposal of prepaid lease rentals	–	–	465	465
Proceeds from disposal of property, plant & equipment	1,692	–	(465)	1,227
Balance Sheet				
Property, plant & equipment	6,588	–	(6,411)	177
Prepaid lease rentals	–	–	6,233	6,233
Other receivables, deposits & prepayments	559	–	178	737

Notes to the Financial Statements

120

	As previously reported RM'000	FRS 112 RM'000	FRS 117 RM'000	As re-stated RM'000
Cash Flow Statement				
Amortisation of prepaid lease rentals	–	–	178	178
Depreciation	373	–	(178)	195
Gain on disposal of property, plant & equipment	(505)	–	128	(377)
Gain on disposal of prepaid lease rentals	–	–	(128)	(128)
Proceeds from disposal of prepaid lease rentals	–	–	465	465
Proceeds from disposal of property, plant & equipment	842	–	(465)	377

43. RESTATEMENT OF COMPARATIVES

Certain comparative figures have been reclassified to conform with current financial year's presentation.

	As previously reported RM'000	Reclassification RM'000	As re-presented RM'000
Consolidated Income Statement			
Cost of sales	(647,679)	10,496	(637,183)
Selling & distribution costs	(185,027)	(10,496)	(195,523)
Administration expenses	(51,817)	(440)	(52,257)
Finance costs	(53,807)	440	(53,367)

44. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Pursuant to the Company's wholly-owned subsidiary, YTL HK entering into a contract ("Contract"), for the transfer of equity interests with various parties as set out therein for the purchase of the entire equity interests in Zhejiang Lin'an for a total cash consideration of Renminbi ("RMB") 150 million or its foreign currency equivalent, subject to downward adjustments (if any) in accordance with the terms and conditions of the Contract, Zhejiang Lin'an has on 15 November 2007 become a wholly-owned subsidiary of YTL HK and an indirect subsidiary of the Company.

45. SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

- (a) On 9 September 2008, the Company announced that it has subscribed for 4,990 ordinary shares of par value of USD100 each representing 99.8% of the issued and paid-up share capital of P.T. YTL Simen Indonesia ("YTL Simen Indo"), a company incorporated in Indonesia, for a cash consideration of USD499,000 ("the Subscription") whilst YTL Cement Singapore Pte Ltd, a wholly-owned subsidiary of the Company, subscribed for the remaining 0.2% of the issued and paid-up share capital or 10 ordinary shares for a cash consideration of USD1,000. As a result of the Subscription, YTL Simen Indo has become a wholly-owned subsidiary of the Company.
- (b) The Company on 17 September 2008 announced that YTL HK, has incorporated a wholly-owned subsidiary in the People's Republic of China known as Zhejiang YTL Cement Marketing Co. Ltd. with its registered capital of RMB 5 million.

46. CORPORATE PROPOSAL

On 29 August 2007, the Company announced its proposal to issue via a wholly-owned subsidiary to be incorporated in the Federal Territory of Labuan, up to USD 200 million nominal value five-year guaranteed Exchangeable Bonds which are exchangeable into new ordinary shares of RM0.50 each in the Company ("the Proposed Exchangeable Bonds Issue").

On 4 October 2007, Bank Negara Malaysia has granted its approval-in-principle for the Proposed Exchangeable Bonds Issue. The Proposed Exchangeable Bonds Issue has been approved by the Securities Commission ("SC") and the equity compliance units of the SC (via the SC) on 4 October 2007, subject to, inter-alia, the condition that the Company is required to increase its Bumiputera equity by 3.06% (or 23,500,000 Shares) of the new enlarged issued and paid-up share capital of the Company within two years after the date of implementation of the Proposed Exchangeable Bonds Issue.

The Proposed Exchangeable Bonds Issue has been approved by the shareholders of the Company at the Extraordinary General Meeting held on 6 November 2007.

Ministry of International Trade and Industry ("MITI") had vide its letter of 28 January 2008 granted its approval for the Proposed Exchangeable Bonds Issue ("Approval"), subject to the condition that the Company obtains the approval of the SC and complies with the Foreign Investment Committee Guidelines For Acquisition Of Interest, Mergers And Take-Overs By Local And Foreign Interests ("FIC Guidelines") which the Equity Compliance Unit (of the SC) had vide its letter dated 4 October 2007 approved the Proposed Exchangeable Bonds Issue.

MITI vide the Approval, had also granted C.I. Readymix Sdn. Bhd., Pahang Cement Sdn. Bhd. and Straits Cement Sdn. Bhd. (all of which are wholly-owned subsidiaries of the Company which are licensed by MITI), a period of one (1) year from the date of Approval for the respective subsidiaries to comply with the relevant equity conditions imposed by MITI.

On 3 April 2008, Aminvestment Bank Berhad ("Aminvestment Bank") made announcement on behalf of the Company that it had on 18 March 2008 made an application to the SC for an extension of time up to 4 October 2008 to complete the Proposed Exchangeable Bonds Issue which had been approved by SC vide letter dated 2 April 2008.

On 29 September 2008, Aminvestment Bank made announcement on behalf of the Company that it had on 19 September 2008 made an application to the SC for an extension of time up to 4 April 2009 to complete the Proposed Exchangeable Bonds Issue which had been approved by SC vide letter dated 26 September 2008.

47. FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and liabilities of the Group and of the Company at the balance sheet date approximate their fair values except as disclosed in the notes to financial statements.

48. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 16 October 2008.

Form of Proxy



I/We (full name as per NRIC/company name in block capitals)

NRIC/Company No. (new and old NRIC Nos.)

CDS Account No. (for nominee companies only)

of (full address)

being a member of **YTL Cement 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 31st 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 10.00 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.	Declaration of Final Dividend		
3.	Re-election of Tan Sri Dato' (Dr) Francis Yeoh Sock Ping		
4.	Re-election of Dato' Yeoh Seok Kian		
5.	Re-election of Dato' Michael Yeoh Sock Siong		
6.	Re-election of Joseph Benjamin Seaton		
7.	Re-appointment of Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay		
8.	Re-appointment of Eu Peng Meng @ Leslie Eu		
9.	Approval of the payment of Directors' fees		
10.	Re-appointment of Messrs HLB Ler Lum as Company Auditors		
11.	Authorisation for Directors to Allot and Issue Shares		
12.	Proposed Renewal of Share Buy-Back Authority		
13.	Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Dated this day of 2008

Signature of shareholder

No. of shares held

Notes:

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

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The Company Secretary

YTL CEMENT BERHAD

11th Floor

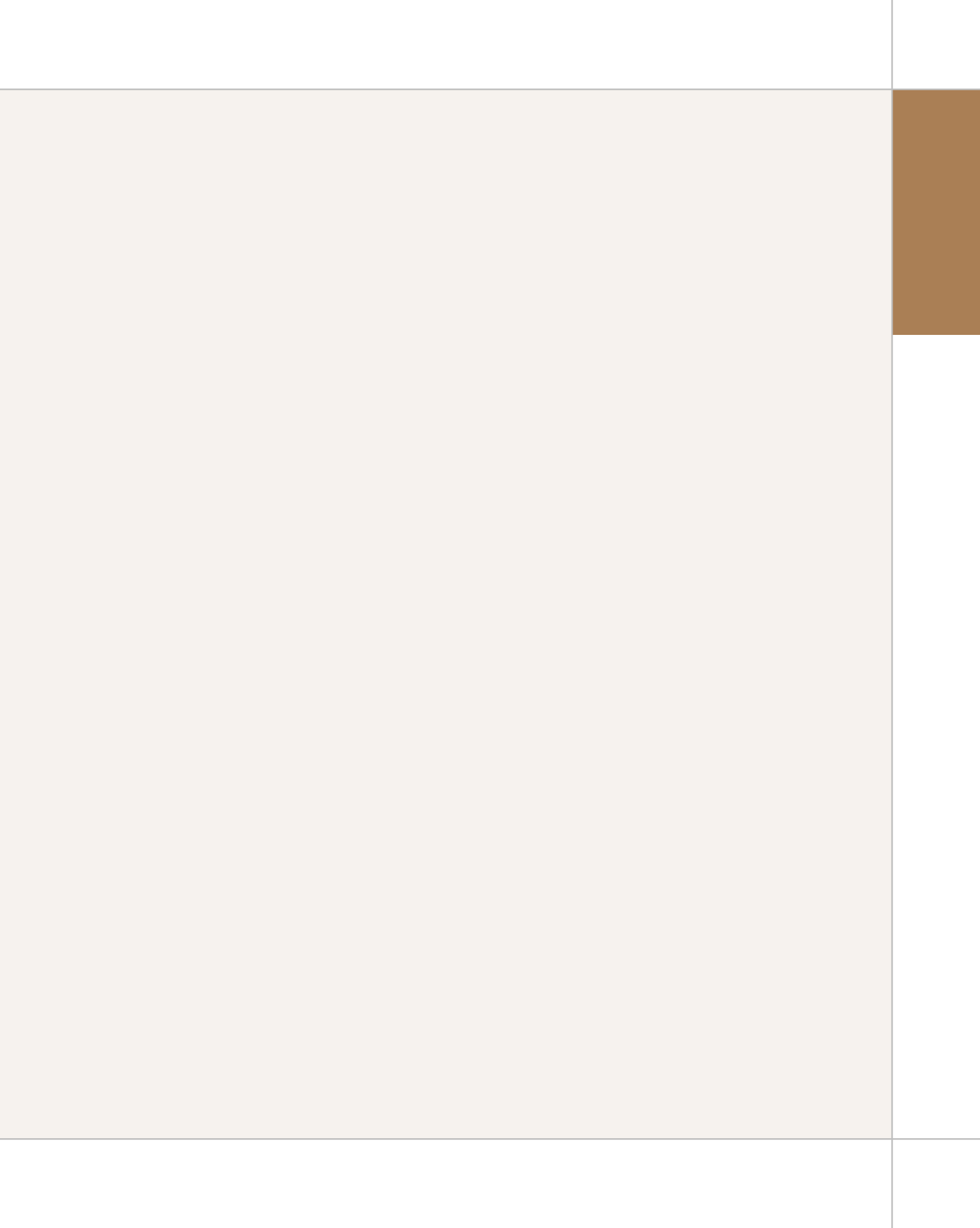
Yeoh Tiong Lay Plaza

55 Jalan Bukit Bintang

55100 Kuala Lumpur

Malaysia

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