



YTL
E-SOLUTIONS
BERHAD 236137-K

the journey continues...



annual report 2009

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**YTL
E-SOLUTIONS
BERHAD** 236137-K

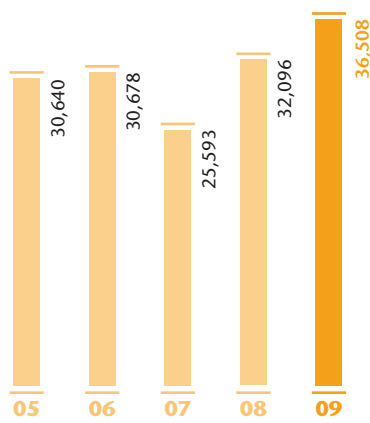


annual report 2009

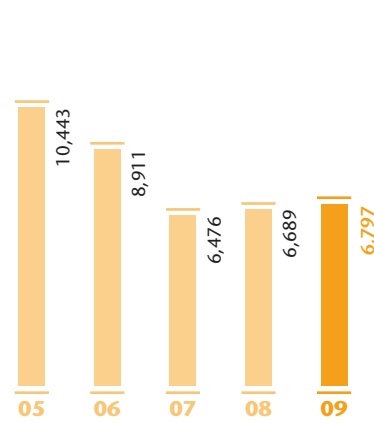
Financial Highlights

	2009	2008	2007	2006	2005
Revenue (RM'000)	36,508	32,096	25,593	30,678	30,640
Profit Before Taxation (RM'000)	6,797	6,689	6,476	8,911	10,443
Profit After Taxation (RM'000)	3,092	3,245	4,514	6,676	6,667
Profit for the Year Attributable to Equity Holders of the Company (RM'000)	4,151	4,125	5,051	5,764	5,133
Shareholders' Funds (RM'000)	164,512	165,550	167,330	163,709	160,279
Earnings per Share (Sen)	0.31	0.31	0.37	0.43	0.38
Dividend per Share (Sen)	–	0.30	0.30	0.20	0.20
Total Assets (RM'000)	196,280	196,612	193,533	178,784	176,832
Net Assets per Share (RM)	0.12	0.12	0.12	0.12	0.12

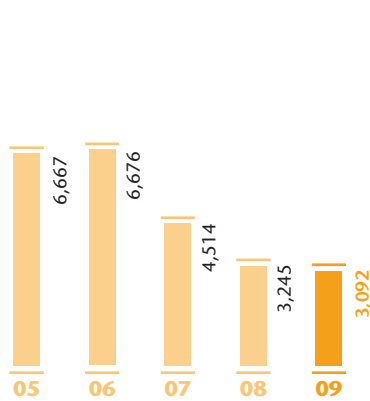
REVENUE RM'000



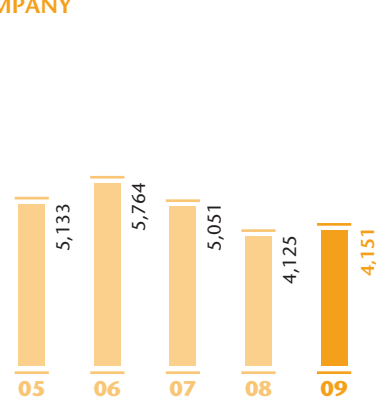
PROFIT BEFORE TAXATION RM'000



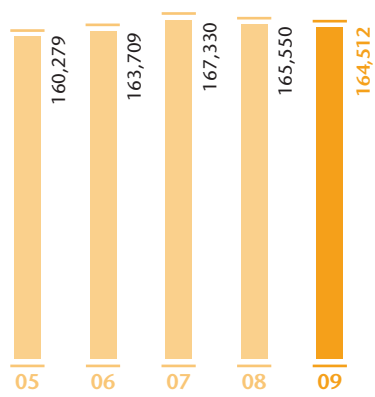
PROFIT AFTER TAXATION RM'000



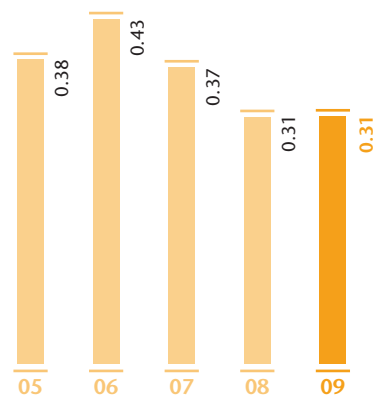
PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY RM'000



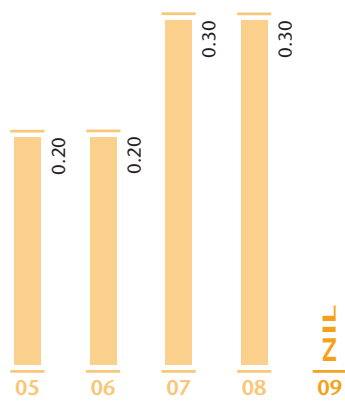
SHAREHOLDERS' FUNDS
RM'000



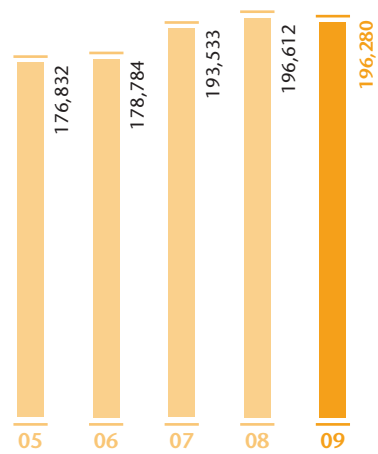
EARNINGS PER SHARE
SEN



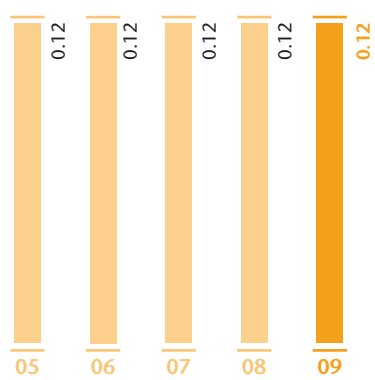
DIVIDEND PER SHARE
SEN



TOTAL ASSETS
RM'000



NET ASSETS PER SHARE
RM



Chairman's Statement

for the financial year ended 30 June 2009

On behalf of the Board of Directors of YTL e-Solutions Berhad ("YTL e-Solutions" or the "Company"), 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 2009.

OVERVIEW

Despite unprecedented global and domestic economic volatility, YTL e-Solutions achieved a satisfactory year, sustained by its digital media and Alternative Voice Service Provider ("AVSP") operations.

After recording growth in gross domestic product (GDP) of 4.6% for the 2008 calendar year (compared to 6.2% in 2007), the Malaysian economy contracted by an estimated 5.1% in the first half of the 2009 calendar year. However, the Government's focus on developing the country's information and communications technology (ICT) infrastructure continued to generate improvements in key indicators such as the broadband penetration rate, which had increased to approximately 21.1% by the end of 2008, compared to 14.4% in 2007 (source: Ministry of Finance quarterly updates; Bank Negara Malaysia quarterly bulletins and annual reports).

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE
Executive Chairman & Managing Director



The Group is well positioned to benefit from its ownership of a 2.3GHz Worldwide Interoperability for Microwave Access ("WiMAX") spectrum, ensuring that it will be at the forefront of the Government's drive to increase broadband penetration, boost the knowledge economy and narrow the digital divide in Malaysia. The Group's spectrum has already been utilised in a limited deployment of a WiMAX enterprise connectivity service to selected businesses in the Bukit Bintang area of Kuala Lumpur, an introductory service focused on providing high-speed enterprise data and wireless internet broadband access to a selected number of corporate clients.

FINANCIAL PERFORMANCE

The Group's revenue for the financial year ended 30 June 2009 grew 13.7% to RM36.508 million compared to RM32.096 million for the previous financial year ended 30 June 2008, due mainly to the recognition of non-recurring project income by the Company during the financial year, and higher sales recognised by the Group's narrowcasting and digital media division.

In tandem with the higher revenues recorded, profit before taxation increased marginally to RM6.797 million compared to RM6.689 million in the previous financial year, whilst profit for the financial year stood at RM3.092 million compared to RM3.245 million last year.

REVIEW OF OPERATIONS

The Group's main operations continued to perform well during the year under review. These comprise AVSP services carried out by Extiva Communications Sdn Bhd ("Extiva"), and digital media applications under Infoscreen Networks Plc and its wholly-owned subsidiary, YTL Info Screen Sdn Bhd ("YTLIS").

The Group also progressed well in its WiMAX/broadband initiatives during the year under review, through Y-Max Networks Sdn Bhd ("Y-Max Networks"), owner of the WiMAX spectrum, and Airzed Services Sdn Bhd ("Airzed"), the Group's fixed wireless broadband operation. Y-Max Networks' spectrum will facilitate WiMAX mobility services to be rolled out in Malaysia, enabling end-users to enjoy a significantly enhanced roaming experience, making WiMAX a major platform for next generation converged communication services, capable of delivering fast, wide-coverage, and ubiquitous and always-connected voice, data and video services. Meanwhile, the Group successfully integrated and consolidated its former "Bizsurf"-branded fixed wireless broadband operations with those of Airzed, cutting costs and creating significant operational efficiencies in the process.

During the year under review, YTL e-Solutions, previously a member of the WiMAX Spectrum Owners Alliance (WISOA), became a member of the Wireless Broadband Alliance ("WBA") when the two organisations merged. The WBA was created to drive the adoption of wireless broadband technologies and services around the world by developing a common commercial, technical and marketing framework for wireless network interoperability. The organisation also actively collaborates with other alliances and forums towards the harmonisation of wireless broadband roaming standards, including those for WiMAX roaming. As a result of its membership of the WBA, the Group successfully participated in international WiMAX roaming trials in during the course of the year.

In the Group's digital media division, YTLIS, an innovator of the digital narrowcast media sector in Malaysia, achieved good levels of advertising revenue during the year under review, derived primarily from

advertising via its digital narrowcast media networks in the Bintang Walk area of Kuala Lumpur, including shopping centres such as Sungei Wang Plaza, and on the Kuala Lumpur Express Rail Link (KLIA Ekspres) trains.

Globally, advertising expenditure ("adex") in digital media has been amongst the fastest growing sub-sectors and Malaysian digital media adex growth has been no exception. With the rapid growth of convergence between the telecommunications and media technologies, the indications are that this trend is likely to continue, especially with the advent of the WiMAX era. YTLIS has provided the Group with a solid platform from which to leverage on the many opportunities expected to materialise in this space over next 5 years.

Extiva, a pioneer in the AVSP market in Malaysia, meanwhile, performed well in the challenging conditions prevailing in the AVSP market. The division's cost cutting strategy ensured that the company achieved a satisfactory level of performance during the year under review, and continued to earn the Group a substantial return on its equity investment. Indeed, since gaining its license in 2001, and despite competing with over 255 other licensees in Malaysia over the years, Extiva has succeeded in contributing profits to the Group amounting to over 60 times the equity share capital invested in the company. In cognizance of the challenging competitive market conditions prevailing today, mostly from the incumbent Tier 1 telcos, Extiva continues to explore new technologies and initiatives that are synergistic to its current services.

Chairman's Statement

for the financial year ended 30 June 2009





CORPORATE RESPONSIBILITY

The Group believes that effective corporate responsibility can deliver benefits to its businesses and, in turn, to its shareholders, by enhancing reputation and business trust, risk management performance, relationships with regulators, staff motivation and attraction of talent, customer retention 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 is one of the Group's key values and YTL e-Solutions 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 Statement on Corporate Governance and Internal Control, which elaborates further on its systems and controls, can be found as a separate section in this Annual Report.

FUTURE PROSPECTS

The Malaysian economy is expected to continue on its recovery path for the remainder of the 2009 calendar year and into 2010. Improvements in domestic economic activities are expected to emanate from the gradual recovery in global growth and the multiplier effect of the stimulus packages. After declining 5.1% in the first half, the Malaysia economy is expected to perform better in the second half of the 2009 calendar year, to contract by an average of 4.0-5.0% for the full year (source: Ministry of Finance quarterly updates; Bank Negara Malaysia quarterly bulletins and annual reports).

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

Going forward, the Group will continue to focus on its capabilities in developing innovative new solutions, applications, digital media content and other software to add value to its ongoing businesses and new ventures alike.

The Board of Directors of YTL e-Solutions wishes to thank the Group's shareholders, investors, customers, business associates and the regulatory authorities for their ongoing support. We also extend our gratitude to the management and staff for their dedication and commitment to the Group.

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

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Seventeenth Annual General Meeting of YTL e-Solutions Berhad will be held at Starhill 2, Level 4, JW Marriott Hotel Kuala Lumpur, 183, Jalan Bukit Bintang, 55100 Kuala Lumpur on Tuesday, the 1st day of December, 2009 at 12.00 noon to transact the following business:-

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2009 together with the Reports of the Directors and Auditors thereon; **Resolution 1**
2. To re-elect the following Directors who retire pursuant to Article 83 of the Company's Articles of Association:-
 - i) Dato' Yeoh Seok Hong **Resolution 2**
 - ii) Dato' Sri Michael Yeoh Sock Siong **Resolution 3**
 - iii) Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin **Resolution 4**
3. To re-elect Yeoh Keong Yeow who retires pursuant to Article 90 of the Company's Articles of Association; **Resolution 5**
4. To approve the payment of Directors' fees amounting to RM185,000 for the financial year ended 30 June 2009; **Resolution 6**
5. To re-appoint the Auditors and to authorise the Directors to fix their remuneration. **Resolution 7**

AS SPECIAL BUSINESS

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

ORDINARY RESOLUTION 1

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

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad." **Resolution 8**

ORDINARY RESOLUTION 2

7. **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

"THAT subject to the Company's compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the ACE Market Listing Requirements ("ACE LR") 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 RM0.10 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 2 December 2008, 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 2009, the audited Retained Profits and Share Premium Account of the Company were RM5,309,000 and RM1,475,000 respectively; and

iii) The shares purchased by the Company pursuant to the Proposed Share Buy-Back may be dealt with by the Directors in all or any of the following manner:-

- a) the shares so purchased may be cancelled; and/or
- b) the shares so purchased may be retained in treasury for distribution as dividend to the shareholders and/or resold on the market of Bursa Securities and/or subsequently cancelled; and/or
- c) part of the shares so purchased may be retained as treasury shares with the remainder being cancelled.

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

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect to the Proposed Share Buy-Back with full powers to amend and/or assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/regulatory authorities from time to time and with full power to do all such acts and things thereafter in accordance with the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the ACE LR of Bursa Securities and all other relevant governmental/regulatory authorities." **Resolution 9**

ORDINARY RESOLUTION 3

8. PROPOSED RENEWAL OF SHAREHOLDER MANDATE AND NEW SHAREHOLDER 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 (a) & (b) of the Circular to Shareholders dated 9 November 2009 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 ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

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

AND THAT the Directors of the Company be authorised to complete and do such acts and things as they may consider expedient or necessary to give full effect to the shareholders' mandate." **Resolution 10**

By Order of the Board,

HO SAY KENG
Company Secretary

KUALA LUMPUR
9 November 2009

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 59(ii) 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 23 November 2009. Only a depositor whose name appears on the General Meeting Record of Depositors as at 23 November 2009 shall be entitled to attend the said meeting or appoint proxy to attend and/or vote in his stead.

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

The Company is actively pursuing business opportunities in prospective areas so as to broaden the operating base and earnings potential of the Company. Such expansion plans may require the issue of new shares not exceeding ten per centum of the Company's issued share capital. With the passing of the Resolution 8 mentioned above by the shareholders of the Company at the forthcoming Annual General Meeting, the Directors would avoid delay and cost of convening further general meetings to approve issue of such shares for such purposes.

Resolution pertaining to the renewal of Authority To Buy-Back Shares of the Company

For Resolution 9, further information on the Share Buy-Back is set out in the Share Buy-Back Statement dated 9 November 2009 which is despatched together with the Company's Annual Report 2009.

Resolution pertaining to the Recurrent Related Party Transactions

For Resolution 10, further information on the Recurrent Related Party Transactions is set out in the Circular to Shareholders dated 9 November 2009 which is despatched together with the Company's Annual Report 2009.

Statement Accompanying Notice Of Annual General Meeting

(Pursuant to Rule 8.29(2) of the ACE Market 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 Seventeenth Annual General Meeting of the Company.

BOARD OF DIRECTORS

Executive Chairman and Managing Director

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

Directors

Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman
PSM, SPDK, DSNS, JSM, DNS, PGBP, PMC
PhD (Sociology), MA & BA (Hons), D.Agr.Sc.
(Hon), D. Mgmt. (Hon)

Dato' Cheong Keap Tai

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

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

Dato' Mark Yeoh Seok Kah
DSSA
LLB (Hons)

Syed Abdullah Bin Syed Abd. Kadir
BSc (Engineering Production), BCom
(Economics)

Amarjit Singh Chhina
CIB I (Eng)

Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin
BE (Hons) Automotive Engineering

Yeoh Keong Yeow
MEng (Electrical & Electronic Engineering with
Management)

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

Levels 1 & 3, Annexe Block
Lot 10 Shopping Centre
50 Jalan Sultan Ismail
50250 Kuala Lumpur
Tel • 603 2330 2700
Fax • 603 2330 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

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

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

Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin
(Independent Non-Executive Director)

AUDITORS

HLB Ler Lum (AF 0276)
Chartered Accountants
(A member of HLB International)

PRINCIPAL BANKERS OF THE GROUP

CIMB Bank Berhad
Malayan Banking Berhad

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
ACE Market (2.7.2002)

Profile of the Board of Directors

TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING

Malaysian, aged 55, was appointed to the Board on 26 April 2000 as an Executive Chairman and Managing Director. 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, YTL Cement Berhad and YTL Land & Development Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad. Tan Sri Francis is also the Executive Chairman of YTL Pacific Star REIT Management Limited, which is the Manager for Starhill Global REIT, a vehicle listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX-ST). 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. He was named one of the Asia's Top Executives in 2008 by Asiamoney.

TAN SRI DATUK SERI PANGLIMA DR. ABU HASSAN BIN OTHMAN

Malaysian, aged 69, was appointed to the Board on 29 December 2006 as an Independent Non-Executive Director. He is also a member of the Audit Committee. Tan Sri Datuk Seri Panglima Dr. Abu Hassan holds a PhD in Sociology from Michigan State University, U.S.A., a MA and Bachelor of Arts (Hons) Second Class Upper from University of Malaya ("UM"), a D.Agr.Sc. (Honorary) from Kinki University, Japan and D. Mgmt. (Honorary) from Open University Malaysia.

He served as Tutor in the Faculty of Arts of UM from 1969 to 1971. This was followed by 23 years of service with University Kebangsaan Malaysia where he held various positions as Lecturer, Department Head to Professor in the Department of Anthropology & Sociology, Dean of the Faculty of Social Sciences & Humanities, and Deputy Vice Chancellor of Student Affairs. From 1994 to 2005, Tan Sri Datuk Seri Panglima Dr. Abu Hassan who was a Distinguished Fullbright Hays scholar, served as the Founding and First Vice Chancellor of University Malaysia Sabah. While serving as Vice Chancellor, he also held distinguished appointments both nationally and internationally. Nationally, he was Chairman of the Malaysian Vice Chancellors Committee, Chairman of the Malaysian Examination Council, Member of the Malaysian National Higher Education Council and Board Member of National Productivity Corporation. On the international front, he represented Malaysia as Chairman of the Council of the University

Mobility of Asia Pacific, Chairman of the Malaysian-Australian Vice Chancellors Committee, Board Member of the Association of Commonwealth Universities as well as Board Member of the Association of South East Asian Institutions of Higher Learning. He was the Chairman of both Permai Polyclinics Sdn Bhd and Malaysian-American Commission on Educational Exchange. Tan Sri Datuk Seri Panglima Dr. Abu Hassan is a director of YTL Land & Development Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad, as well as Chairman of Management & Science University Foundation and Meteor Doc. Sdn Bhd.

DATO' CHEONG KEAP TAI,

Malaysian, aged 61, was appointed to the Board on 30 September 2004 as an Independent Non-Executive Director. He is the Chairman of the Audit Committee. Dato' Cheong graduated from the University of Singapore with a degree of Bachelor of Accountancy. He is a Chartered Accountant of Malaysian Institute of Accountants, a Member of the Malaysian Institute of Certified Public Accountants, Member of Malaysian Institute of Taxation and Licensed Tax Agent and a Member of the Institute of Chartered Secretaries and Administrators. Dato' Cheong was the Executive Director and Partner of Coopers & Lybrand and upon its merger with Price Waterhouse was the Executive Director and Partner of PricewaterhouseCoopers until his retirement in December 2003. Currently, he is a director of YTL Corporation Berhad, YTL Land & Development Berhad, Gromutual Berhad and several private limited companies.

DATO' YEOH SEOK HONG

Malaysian, aged 50, was appointed to the Board of the Company on 26 April 2000 as an Executive Director. He obtained his Bachelor of Engineering (Hons) Civil & Structural Engineering Degree from the University of 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 Cement Berhad and YTL Land & Development Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad. Dato' Yeoh Seok Hong also sits on the board of YTL Industries Berhad, YTL Foundation, Wessex Water Limited, Wessex Water Services Limited and PowerSeraya Limited.

DATO' SRI MICHAEL YEOH SOCK SIONG

Malaysian, aged 49, was appointed to the Board on 15 May 2000 as an Executive Director. He graduated from University of Bradford, United Kingdom in 1983 with a Bachelor of Engineering (Hons) Civil & Structural Engineering Degree. Dato' Sri Michael Yeoh is primarily responsible for the YTL Group Manufacturing Division which activities involve cement manufacturing and other building material industries. He is also a director of YTL Corporation Berhad, YTL Cement Berhad, YTL Power International Berhad and YTL Land & Development Berhad, all listed on the Main 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 as well as Jurong Cement Limited.

DATO' MARK YEOH SEOK KAH

Malaysian, aged 44, was appointed to the Board on 26 April 2000 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 acquisition of ElectraNet SA (Australia), Wessex Water Limited (UK), P.T. Jawa Power (Indonesia) and PowerSeraya Limited (Singapore). He serves on the board of YTL Corporation Berhad, YTL Power International Berhad, YTL Cement Berhad and YTL Land & Development Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad. He is also a board member of YTL Vacation Club Berhad and private utilities company, Wessex Water Limited, as well as PowerSeraya Limited.

SYED ABDULLAH BIN SYED ABD. KADIR

Malaysian, aged 55, was appointed to the Board on 26 April 2000 as an Executive Director. He graduated from the University of Birmingham in 1977 with a Bachelor of Science (Engineering Production) and a Bachelor of Commerce (Economics) Double Degree. He has extensive experience in banking and financial services, having been with Bumiputra Merchant Bankers Berhad from 1984 to 1994, holding the position of general manager immediately prior to his departure from the bank. Prior to joining YTL Corporation Berhad Group, he was, from November 1994 to February 1996, the general manager of Amanah Capital Partners Berhad, a public listed company with subsidiaries involved in, *inter alia*, discount, money broking, unit trusts, finance and fund management operations. He also serves on the board of YTL Corporation Berhad, YTL Power International Berhad, Iris Corporation Berhad and Versatile Creative Berhad.

AMARJIT SINGH CHHINA

British, aged 42, was appointed to the Board on 26 April 2000 as an Executive Director. He is also the Chief Executive Officer of Infoscreen Networks PLC. He has attained professional qualifications from the Institute of Bankers (U.K.), the London International Stock Exchange, the Stock Exchange of Singapore and has previously been licensed by the Securities and Futures Authority (U.K.) and the Monetary Authority of Singapore. He has 12 years' of investment banking and equity market experience, beginning his career with the stockbrokers, Grieveson Grant & Co. in London and then going on to become a UK Equity Fund Manager with Kleinwort Benson Investment Management. In 1990, he joined Barclays de Zoete Wedd Securities Ltd. ("BZW") in London as a UK Equity Analyst, where he advised on a number of equity capital raisings for listed UK Building & Construction companies, and acted as one of the advisors to Steetley PLC in its defence of the USD1.2 billion hostile takeover bid from Redland PLC. In 1993, he was seconded to BZW Asia and over the next 5 years held posts in Hong Kong, Singapore and Malaysia as Associate Director, working on capital raising transactions on behalf of YTL Corporation Berhad, YTL Power International Berhad, Litrak Berhad and Petronas Gas, amongst others. In 1998, he was appointed Associate Sales Director of HSBC Securities Pte. Ltd. in Singapore, eventually leaving to found a high technology manufacturing company.

MOHAMAD ZAID BIN DATO' HJ MOHD ZAINAL ABIDIN

Malaysian, aged 30, was appointed to the Board on 20 October 2003 as an Independent Non-Executive Director. He is also a member of the Audit Committee. He graduated from University of Hertfordshire, Hatfield, Hert in 2003 with a Bachelor of Engineering (Hons) in Automotive Engineering. Encik Mohamad Zaid underwent 9 months of industrial placement at Perusahaan Otomobil Nasional Berhad under the Research & Development Department.

YEOH KEONG YEOW

Malaysian, aged 24, was appointed to the Board on 17 December 2008 as an Executive Director. He graduated from Imperial College London, United Kingdom in 2006 with a Master of Engineering in Electrical & Electronic Engineering with Management. He is an Associate to the City and Guilds of London Institute. Mr Yeoh Keong Yeow joined YTL Group in 2007 and is presently involved in the Construction Division and Information Technology and e-Commerce Division of the Group. He also serves as a director of Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd, YTL Power Generation Sdn Bhd, Airzed Broadband Sdn Bhd and YTL Communications Sdn Bhd.

DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

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

	Attendance
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping	5
Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman	5
Dato' Cheong Keap Tai	4
Dato' Yeoh Seok Hong	5
Dato' Sri Michael Yeoh Sock Siong	4
Dato' Mark Yeoh Seok Kah	5
Syed Abdullah Bin Syed Abd. Kadir	5
Amarjit Singh Chhina	5
Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin	5
Yeoh Keong Yeow (Appointed w.e.f 17.12.2008)	2

Notes:**1. Family Relationship with Director and/or Major Shareholder**

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Dato' Yeoh Seok Hong, Dato' Sri Michael Yeoh Sock Siong and Dato' Mark Yeoh Seok Kah are siblings. Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, the father of Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Dato' Yeoh Seok Hong, Dato' Sri Michael Yeoh Sock Siong and Dato' Mark Yeoh Seok Kah, is a deemed major shareholder of the Company. Mr Yeoh Keong Yeow is a son of Tan Sri Dato' (Dr) Francis Yeoh Sock Ping. 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.

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 2009, 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 for Entities Other Than Private Entities.

MEMBERS

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

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

Amarjit Singh Chhina
(Member/Executive Director)
(Resigned on 22 January 2009)

Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin
(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 e-Solutions 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. Act upon the Board of Directors' request to investigate and report on any issues or concerns in regard to the management of the Group.
6. Review existing practices and recommend to Management to formalise an ethics code for all executives and members of the staff of the Group.
7. 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, all of whom must be non-executive directors, with a majority of them being Independent Directors.
2. At least one member of the Audit Committee:-
 - (a) must be a member of the Malaysian Institute of Accountants; or
 - (b) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-
 - (i) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - (ii) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
 - (c) fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities").
3. The Board must ensure that no alternate director is appointed as a member of the Audit Committee.
4. The members of the Committee shall elect a Chairman from amongst their number who shall be an Independent Director.

Authority

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

1. have explicit 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 or activity;
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) the audit plan with the external auditors;
 - (b) the evaluation by the external auditors 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) the audit report with the external auditors;
 - (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;
 - (k) all areas of significant financial risk and the arrangements in place to contain those risks to acceptable levels; and
 - (l) 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 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 Bursa Securities ACE Market Listing Requirements ("ACE LR").
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 and internal 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 Management 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 sub-Rule 15.09(1) of the ACE LR, the Company must fill the vacancy within three months.

Minutes

- The Secretary 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.
- Minutes of each meeting shall also be distributed to the members of the Committee prior to each meeting.
- 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.
- The books containing the minutes of proceedings of any meeting of the Committee shall be kept by the Company at the registered office of the Company and shall be opened to the inspection of any member of the Committee and of the Board.

Secretary

The Secretary to the Committee shall be the Company Secretary.

ACTIVITIES

In line with the terms of reference of the Committee, the following activities were carried out by the Committee during the financial year ended 30 June 2009 in discharging its functions:-

- Review of the external auditors' scope of work and their audit plan.
- 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.

- 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.
- Review of the quarterly results and annual financial statements to ensure compliance with the ACE LR, applicable approved accounting standards and other statutory and regulatory requirements prior to recommending for approval by the Board of Directors.
- Review of the related party transactions entered into by the Group.
- Review of the adequacy and competency of the internal audit function and the profiles of the internal auditors.

INTERNAL AUDIT ACTIVITIES

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

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

NUMBER OF MEETINGS HELD AND DETAILS OF ATTENDANCE

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

	Attendance
Dato' Cheong Keap Tai	5
Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman	5
Amarjit Singh Chhina (Resigned on 22 January 2009)	2
Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin	5

The Board of Directors ("Board") of YTL e-Solutions Berhad ("YTL e-Solutions" or "Company") remains firmly committed to ensuring an appropriate and sound system of corporate governance throughout the Company and its subsidiaries ("YTL e-Solutions Group"). In implementing its governance system and ensuring full compliance with the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board has been guided by the measures and best practices recommended in the Malaysian Code on Corporate Governance ("Code") and Guidance Note II: Internal Control and Corporate Governance Statement ("Guidance Note"), contained in the Listing Requirements.

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 e-Solutions Group, whilst taking into account the interests of all stakeholders.

This section of the Annual Report details the measures implemented by the YTL e-Solutions 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 e-Solutions is led and managed by an experienced Board with a wide and varied range of expertise to address and manage the complexity and scale of the YTL e-Solutions Group's operations. This broad spectrum of skills and experience ensures the YTL e-Solutions 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 e-Solutions Group and have adopted the six primary responsibilities as listed in the Code, which facilitate the discharge of the Board's stewardship responsibilities.

The Board currently has 10 Directors, comprising 7 executive members and 3 non-executive members, all of whom are independent. This provides an effective check and balance in the functioning of the Board, and complies with the Listing Requirements, which require one-third of the Board to be independent.

Due to the strong independent component of the Board, the roles of the Managing Director and Chairman have not been divided, and both functions continue to be exercised by the same person. He is primarily responsible for the orderly conduct and effectiveness of the Board, day-to-day running of the business, implementation of Board policies and making of operational decisions, in addition to advancing relationships with regulators and all other stakeholders. The Managing Director and the Executive Directors are accountable to the Board for the profitable operation and development of the YTL e-Solutions 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 collectively accountable for the running and management of the YTL e-Solutions 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 e-Solutions Group conducts its business.

Together, the Directors believe that the structure of the Board satisfactorily reflects the interests of its shareholders and is able to provide clear effective leadership to the YTL e-Solutions Group. The composition of the Board reflects 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 Director to whom concerns may be conveyed, mainly because full deliberation of issues affecting the YTL e-Solutions Group by all members of the Board and shareholders is encouraged.

DIRECTORS' TRAINING

The Directors are fully cognisant of the importance and value of attending seminars, training programmes and conferences in order to update themselves on developments and changes in the industries in which the YTL e-Solutions Group operates, as well as wider economic, financial and governance issues to enhance their skills, knowledge and expertise in their respective fields. All Directors have attended and completed the Mandatory Accreditation Programme prescribed by Bursa Securities, and the Board will continue to evaluate and determine the training needs of its Directors on an ongoing basis.

Throughout the financial year under review, the Directors attended various briefings, conferences, seminar programmes and speaking engagements covering areas that included corporate governance, leadership, relevant industry updates and global business developments which they have collectively or individually considered as useful in discharging their stewardship responsibilities.

BOARD MEETINGS & ACCESS TO INFORMATION

Board meetings are scheduled with due notice 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 convened on an ad-hoc basis when significant issues arise relating to the YTL e-Solutions Group and when necessary to review the progress of its operating subsidiaries in achieving their strategic goals. The Board met 5 times during the financial year ended 30 June 2009. Details of each Director's attendance of Board meetings are disclosed in the Profile of the Board of Directors in this Annual Report.

The Directors are fully apprised of the need to determine and disclose potential or actual conflicts of interest which may arise in relation to transactions or matters which come before the Board. In accordance with applicable laws and regulations, the Directors formally disclose any direct or indirect interests or conflicts of interests in such transactions or matters as and when they arise and abstain from deliberations and voting at Board meetings as required.

The Directors have full and unrestricted access to all information pertaining to the YTL e-Solutions 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 e-Solutions Group rests firmly with the Board.

Prior to each Board meeting, all Directors receive the agenda together with a comprehensive set of Board papers encompassing qualitative and quantitative 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, who ensures that accurate and proper records of the proceedings of Board meetings and resolutions passed are recorded and kept in the statutory register at the registered office of YTL e-Solutions Group.

Board papers are presented in a consistent, concise and comprehensive format, and include, where relevant to the proposal put forward for the Board's deliberation, approval or knowledge, progress reports on the YTL e-Solutions Group's operations and detailed information on corporate proposals, major fund-raising exercises and significant acquisitions and disposals. Where necessary or prudent, professional advisers may be on hand to provide further information and respond directly to Directors' queries. In order to maintain confidentiality, Board papers on issues that are deemed to be price-sensitive may be handed out to Directors during the Board meeting.

All Directors have full access to the advice and services of the Company Secretary who consistently 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 endorsement lies with the entire Board to ensure that the required mix of skills, experience and expertise of members of the Board is sufficient to address the issues affecting the YTL e-Solutions 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 financial year under review, there were no new appointments to the Board.

In accordance with the Company's Articles of Association, at least one-third of the Directors are required to retire from office at each Annual General Meeting ("AGM") and may offer themselves for re-election by rotation. 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 by shareholders 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.

In accordance with the Listing Requirements, each member of the Board holds not more than ten directorships in public listed companies and not more than fifteen directorships in non-public listed companies. This ensures that their commitment, resources and time are focused on the affairs of the YTL e-Solutions Group, thereby enabling them to discharge their duties effectively.

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, retain, motivate and incentivise Directors of the necessary calibre needed to lead the YTL e-Solutions Group successfully. In general, the remuneration of the directors is reviewed against the performance of the individual and the YTL e-Solutions Group. The Executive Directors' remuneration consists of basic salary, other emoluments and other customary benefits as appropriate to a senior management member. 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 to the Financial Statements in this Annual Report. Details are not shown with reference to Directors individually, both for security reasons and because the Board believes that such information will not add significantly to the understanding and evaluation of the YTL e-Solutions Group's standards of corporate governance.

DIALOGUE WITH SHAREHOLDERS & INVESTORS

The YTL e-Solutions Group values dialogue with investors and constantly strives to improve transparency by maintaining channels of communication with shareholders and investors that enable the Board to convey information about performance, corporate strategy and other matters affecting shareholders' interests. The Board believes that a constructive and effective investor relationship is essential in enhancing shareholders value and recognises the importance of timely dissemination of information to shareholders. Accordingly, the Board ensures that shareholders are kept well-informed of any major developments of the YTL e-Solutions 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 not only to promote the dissemination of the YTL e-Solutions Group's financial results but to provide updates on strategies and new developments to ensure mutual understanding of the YTL e-Solutions Group's operations and activities. Presentations based on permissible disclosures are made to explain the YTL e-Solutions Group's performance and major development programs.

Whilst efforts are made to provide as much information as possible to its shareholders and stakeholders, the Directors are cognisant of the legal and regulatory framework governing the release of material and sensitive information so as to not mislead its shareholders. Therefore, information that is price-sensitive or that may be regarded as undisclosed material information about the YTL e-Solutions Group is not disclosed to any party 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 e-Solutions Group, the resolutions being proposed and the business of the YTL e-Solutions Group in general at every AGM and extraordinary general meeting of the Company. The notice of the AGM and a circular to shareholders in relation to the renewal of the Company's share buy-back and recurrent related party transactions mandates are sent to shareholders at least 21 days prior to the AGM in accordance with the Listing Requirements and the Companies Act 1965 in order to enable shareholders to review the YTL e-Solutions Group's financial and operational performance for the financial year and to fully evaluate new resolutions being proposed.

The Managing Director and Executive Directors takes the opportunity to present a comprehensive review of the progress and performance of the YTL e-Solutions Group, and provide appropriate answers in response to shareholders' questions during the meeting, thereby ensuring a high level of accountability, transparency and identification with the YTL e-Solutions 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.

During the course of each financial year, the Company ensures prompt and timely release and dissemination of quarterly results, announcements, circulars and notices to enable shareholders to keep abreast of the YTL e-Solutions Group's financial and operational performance and to make informed decisions with regards to significant corporate developments.

THE AUDIT COMMITTEE

The Company has in place an Audit Committee which comprises 3 Non-Executive Directors in compliance with the Code and the Listing Requirements which require all the members of the Audit Committee to be Non-Executive Directors.

The Audit Committee holds quarterly meetings to review matters including the YTL e-Solutions Group's financial reporting, the audit plans for the financial year and recurrent related party transactions, as well as to deliberate the findings of the internal and external auditors.

The Audit Committee met 5 times during the financial year ended 30 June 2009. Full details of the composition, complete terms of reference and a summary of 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 for Entities Other Than Private Entities. 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 the Securities Commission.

The Statement by Directors made pursuant to Section 169 of the Companies Act 1965, is set out 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 external auditors, Messrs HLB Ler Lum. The external auditors also attend each AGM in order to address clarifications sought pertaining to the audited financial statements by shareholders.

INTERNAL CONTROL & INTERNAL AUDIT

During the financial year under review, YTL e-Solutions continued to enhance its system of internal control and risk management. The Board is responsible for maintaining a sound system of internal control to safeguard shareholders' investments and the YTL e-Solutions Group's assets, 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 e-Solutions 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 e-Solutions Group's system of internal control, financial or otherwise, should provide reasonable assurance regarding the achievement of the YTL e-Solutions Group's objectives in ensuring effectiveness and efficiency of operations, reliability and transparency of financial information and compliance with laws and regulations.

The YTL e-Solutions Group's internal audit function is co-sourced by the YTL Corporation Berhad Group Internal Audit department ("YTLIA") and IBDC (Malaysia) Sdn Bhd ("IBDC"). Both YTLIA and IBDC provide independent assurance on the efficiency and effectiveness of the internal control systems implemented by management, and report directly to the Audit Committee. A description of the activities of the internal audit function can be found in the Audit Committee Report included in this Annual Report.

YTLIA provides periodic reports to the Audit Committee, reporting on the outcome of the audits conducted which highlight the effectiveness of the system of internal control and significant risks. The Audit Committee reviews and evaluates the key concerns and issues raised by YTLIA and ensures that appropriate and prompt remedial action is taken by Management.

Costs amounting to approximately RM62,000.00 were incurred in relation to the internal audit function for the financial year ended 30 June 2009.

None of the internal control weaknesses or issues identified during this review has 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 principal features of the YTL e-Solutions Group's system of internal control can be summarised as follows:-

- Definition of authorisation procedures and a clear line of accountability, with strict authorisation, responsibility levels, approval and control procedures within which senior management operates;
- Delegation of 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 authorised limits is reserved for decision by the Board;
- 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 e-Solutions Group's state of affairs are disclosed to shareholders after review and audit by the external auditors; and
- Monitoring of compliance with 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.

ADDITIONAL DISCLOSURE

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

The Board is satisfied that the Company has, in all material aspects, complied with the best practices of the Code as at 30 June 2009.

This statement was approved by the Board of Directors on 15 October 2009.

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

for the financial year ended 30 June 2009

YTL E-SOLUTIONS BERHAD

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At the last Annual General Meeting of YTL e-Solutions Berhad (“YTL e-Solutions”) held on 2 December 2008, the Company had obtained a mandate from its shareholders to allow YTL e-Solutions and/or its subsidiaries (“YTL e-Solutions Group”) to enter into related party transactions which are recurrent, of a revenue or trading nature and which are necessary for the day-to-day operations of YTL e-Solutions or its subsidiaries (“Recurrent Related Party Transactions”).

In accordance with Rule 10.09(2)(b) of Bursa Malaysia Securities Berhad ACE Market Listing Requirements, details of the Recurrent Related Party Transactions conducted during the financial year ended 30 June 2009 pursuant to the said shareholder mandate are as follows:-

Companies in the YTL e-Solutions Group involved in the Recurrent Related Party Transactions	Related Party	Nature of Transactions	Interested Related Parties	Nature of Relationship	Value of Transactions RM'000
Airzed Broadband Sdn Bhd, Airzed Services Sdn Bhd (formerly known as Intellectual Learning Sdn Bhd), Extiva Communications Sdn Bhd, YMax Sdn Bhd, Y-Max Networks Sdn Bhd, YTL e-Solutions, YTL Info Screen Sdn Bhd	YTL Corporation ^(b) Group ^(f)	Provision of information technology hardware and/or software, portal development & management services, telecommunications, and related services to Related Party; Provision of graphic design, digital imaging services, and other related services to Related Party; Rental of premises located at 213 Jalan Bukit Gambir, Bukit Jambul, 11950 Penang from Related Party; Provision of renovation works by Related Party; Provision of maintenance of automatic fare collection system, internet connection, customer database and related services to Related Party; Provision of info screen and other advertising services to Related Party; Rental of advertising and promotion space from Related Party; Provision of equipment maintenance, technical and repair support services to Related Party;	YTL ^(a) YTL Corporation ^(b) Tan Sri Yeoh Tiong Lay ^(c) Yeoh Siblings ^(d) Other Yeoh Family ^(e)	Major Shareholder/ Person Connected ⁽¹⁾ Major Shareholder/ Person Connected ⁽²⁾ Major Shareholder / Person Connected ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾ Directors ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾ Person Connected ⁽⁴⁾⁽⁵⁾	17,444.92
<i>(continued next page)</i>					

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

for the financial year ended 30 June 2009

Companies in the YTL e-Solutions Group involved in the Recurrent Related Party Transactions	Related Party	Nature of Transactions	Interested Related Parties	Nature of Relationship	Value of Transactions RM'000
		<p><i>(continued from previous page)</i></p> <p>Provision of software maintenance and/or hosting services to Related Party;</p> <p>Provision of broadband services, equipment and/or related services to Related Party;</p> <p>Provision of parking facilities by Related Party;</p> <p>Employee share option expenses charged by Related Party;</p> <p>Procurement of conference room, hotel accommodation and/or related facilities from Related Party;</p> <p>Provision of internet related content and promotion/advertising content to Related Party.</p>			

Definitions:-

- (a) YTLSH – Yeoh Tiong Lay & Sons Holdings Sdn Bhd
- (b) YTL Corporation – YTL Corporation Berhad
- (c) Tan Sri Yeoh Tiong Lay – Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay
- (d) Yeoh Siblings – Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, Dato' Yeoh Seok Hong, Dato' Sri Michael Yeoh Sock Siong & Dato' Mark Yeoh Seok Kah
- (e) Other Yeoh Family – Puan Sri Datin Seri Tan Kai Yong @ Tan Kay Neong, Dato' Yeoh Seok Kian, Dato' Yeoh Soo Min, Dato' Yeoh Soo Keng, Datin Lim Lee Lee, Dato' Tan Kim Kuan, Datin Kathleen Chew Wai Lin, Datin Sri Tan Siew Bee, Choy Wai Hin, Datin Julie Teh Chooi Gan, Yeoh Keong Hann, Tan Chien Wen and Yeoh Pei Lou
- (f) YTL Corporation Group – YTL Corporation and its subsidiary and associate companies (excluding YTL e-Solutions, YTL Cement Berhad, YTL Power International Berhad, YTL Land & Development Berhad and their subsidiary and associate companies)

Notes:-

- (1) YTLSH is a major shareholder of YTL e-Solutions and the Related Party. YTLSH is a person connected with Tan Sri Yeoh Tiong Lay and the Yeoh Siblings.
- (2) YTL Corporation is a major shareholder of YTL e-Solutions and the Related Party. YTL Corporation is a person connected with Tan Sri Yeoh Tiong Lay and the Yeoh Siblings.
- (3) Tan Sri Yeoh Tiong Lay is a major shareholder of YTLSH, YTL Corporation, YTL e-Solutions and the Related Party. Tan Sri Yeoh Tiong Lay is a person connected with the Yeoh Siblings.
- (4) Other Yeoh Family are persons connected with Tan Sri Yeoh Tiong Lay and the Yeoh Siblings.
- (5) Tan Sri Yeoh Tiong Lay, the Yeoh Siblings, and Other Yeoh Family are also shareholders of YTL Corporation. Tan Sri Yeoh Tiong Lay, the Yeoh Siblings, Dato' Yeoh Seok Kian, Dato' Yeoh Soo Min and Dato' Yeoh Soo Keng are also Directors of YTL Corporation.

Analysis of Shareholdings

as at 30 September 2009

YTL E-SOLUTIONS BERHAD

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ANALYSIS OF SHAREHOLDINGS as at 30 September 2009

Class of shares : Ordinary Shares of RM0.10 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	331	3.46	7,266	0.00
100 – 1,000	1,065	11.13	781,742	0.06
1,001 – 10,000	5,559	58.11	30,876,382	2.30
10,001 – 100,000	2,334	24.40	75,683,210	5.63
100,001 to less than 5% of issued shares	275	2.87	160,481,100	11.93
5% and above of issued shares	2	0.02	1,077,498,000	80.09
Total	9,566	100.00	1,345,327,700	100.00

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

Name	No. of Shares	% [#]
1 YTL Corporation Berhad	1,000,000,000	74.33
2 DB (Malaysia) Nominee (Asing) Sdn Bhd – Exempt An for Deutsche Bank Ag Singapore (PWM Asing)	77,498,000	5.76
3 UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank Ag Singapore Branch (PBD) for Velvet Properties Limited	26,737,000	1.99
4 UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank Ag Singapore Branch (PBD) for Orchestral Harmony Limited	17,622,000	1.31
5 UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank Ag Singapore Branch (PBD) for Water City Limited	16,322,000	1.21
6 HSBC Nominees (Asing) Sdn Bhd – Exempt An for JPMorgan Chase Bank, National Association (JPMINTL BK Ltd)	9,686,000	0.72
7 UOBM Nominees (Asing) Sdn Bhd – Deutsche Bank Ag Singapore Branch (PBD) for Windchime Developments Limited	7,174,000	0.53
8 Eagletron Venture Corp.	4,389,000	0.33
9 Citigroup Nominees (Asing) Sdn Bhd – CBNY for DFA Emerging Markets Small Cap Series	3,485,600	0.26
10 Yeoh Tiong Lay & Sons Holdings Sdn Bhd	2,064,300	0.15
11 Datin Sri Tan Siew Bee	1,905,500	0.14
12 Law Chin Wat	1,643,900	0.12
13 Elewinton Investment Limited	1,487,000	0.11
14 CIMSEC Nominees (Tempatan) Sdn Bhd – CIMB Bank for Nazri bin Abdullah @ Nazri Bhupalan (MM0581)	1,448,000	0.11

Name	No. of Shares	%#
15 Choy Wee Chiap	1,084,500	0.08
16 HLB Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Tan Ting Wong	1,063,000	0.08
17 Seri Yakin Sdn Bhd	962,000	0.07
18 Public Nominees (Tempatan) Sdn Bhd – Pledged Securities A/c for Kong Loi Kin (E-KKU)	847,900	0.06
19 Ding Hock Hing	818,000	0.06
20 Public Nominees (Tempatan) Sdn Bhd – Pledged Securities A/c for Tan Ting Wong (KLC/HLG)	805,800	0.06
21 Heah Gaik Kooi	800,000	0.06
22 Yap Mee Moy	786,000	0.06
23 Mayban Securities Nominees (Tempatan) Sdn Bhd – Pledged Securities A/c for Lim Chee Sing (R01-Margin)	780,100	0.06
24 BHLB Trustee Berhad – Exempt An for Employees Provident Fund (PCM)	756,100	0.06
25 Public Invest Nominees (Tempatan) Sdn Bhd – Pledged Securities A/c for Wong Wai Ping (M)	750,000	0.06
26 Yap Chu	724,000	0.05
27 Citigroup Nominees (Asing) Sdn Bhd – CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	713,500	0.05
28 Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd – Pledged Securities A/c for Tan Yong Thai	707,000	0.05
29 CIMSEC Nominees (Tempatan) Sdn Bhd – DMG & Partners Securities Pte Ltd for Yeap Lean Seng Sdn Bhd	689,000	0.05
30 Jong Sek Phing	670,000	0.05
Total	1,184,419,200	88.03

SUBSTANTIAL SHAREHOLDERS (as per register of substantial shareholders)

Name	No. of Shares Held			
	Direct	%#	Indirect	%#
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	2,081,700	0.16	1,000,145,900 ^①	74.34
YTL Corporation Berhad	1,000,145,900	74.34	—	—
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	—	—	1,002,227,600 ^②	74.50

^① Deemed interests by virtue of interests held by YTL Corporation Berhad pursuant to Section 6A of the Companies Act, 1965.

^② Deemed interests by virtue of interests held by Yeoh Tiong Lay & Sons Holdings Sdn Bhd & YTL Corporation Berhad pursuant to Section 6A of the Companies Act, 1965.

Based on the issued and paid-up share capital of the Company of RM135,000,000.00 comprising 1,350,000,000 ordinary shares net of 4,672,300 treasury shares retained by the Company as per Record of Depositors.

Statement of Directors' Interests

in the Company and related corporations as at 30 September 2009

THE COMPANY YTL E-SOLUTIONS BERHAD

Name	No. of Shares Held			
	Direct	%	Indirect	%
Dato' Sri Michael Yeoh Sock Siong	–	–	1,905,500 [#]	0.14
Syed Abdullah Bin Syed Abd Kadir	300,000	0.02	–	–
Amarjit Singh Chhina	100,000	0.01	–	–
Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin	110,000	0.01	–	–

HOLDING COMPANY YTL CORPORATION BERHAD

Name	No. of Shares Held			
	Direct	%	Indirect	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	16,818,906	0.94	–	–
Dato' Yeoh Seok Hong	5,137,219	0.29	3,972,962 [#]	0.22
Dato' Sri Michael Yeoh Sock Siong	5,230,669	0.29	2,577,061 [#]	0.14
Dato' Mark Yeoh Seok Kah	3,588,408	0.20	623,355 [#]	0.03
Syed Abdullah Bin Syed Abd Kadir	768,275	0.04	3,683 [#]	*
Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin	1,020	*	–	–

Name	No. of Share Options	
	Direct	Indirect
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	5,000,000	400,000 ^{<}
Dato' Yeoh Seok Hong	3,000,000	400,000 [#]
Dato' Sri Michael Yeoh Sock Siong	3,000,000	–
Dato' Mark Yeoh Seok Kah	3,000,000	–
Syed Abdullah Bin Syed Abd Kadir	3,000,000	–
Amarjit Singh Chhina	25,000	–

Statement of Directors' Interests

in the Company and related corporations as at 30 September 2009

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

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

**RELATED CORPORATIONS
YTL CEMENT BERHAD**

Name	No. of Shares Held				No. of Share Options
	Direct	%	Indirect	%	Direct
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,042,923	0.44	–	–	1,400,000
Dato' Yeoh Seok Hong	225,634	0.05	45,123 [#]	0.01	–
Dato' Sri Michael Yeoh Sock Siong	1,265,634	0.27	1,109,388 [#]	0.24	1,000,000
Dato' Mark Yeoh Seok Kah	187,200	0.04	135,200 [#]	0.03	–
Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin	7,600	*	–	–	–

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

YTL LAND & DEVELOPMENT BERHAD

Name	No. of Irredeemable Convertible Preference Shares 2001/2011 Held			
	Direct	%	Indirect	%
Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin	20,000	0.01	–	–

YTL POWER INTERNATIONAL BERHAD

Name	No. of Shares Held			No. of Share Options	
	Direct	%	Indirect	%	Direct
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,945,040	0.25	–	–	14,000,000
Dato' Yeoh Seok Hong	17,510,268	0.30	3,281,179 [#]	0.06	10,000,000
Dato' Sri Michael Yeoh Sock Siong	4,601,744	0.08	1,019,291 [#]	0.02	6,000,000
Dato' Mark Yeoh Seok Kah	6,665,920	0.11	1,093,601 [#]	0.02	6,000,000
Syed Abdullah Bin Syed Abd Kadir	2,181,203	0.04	524 [#]	*	6,000,000
Amarjit Singh Chhina	50,000	*	–	–	–
Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin	2,132	*	–	–	–

No. of Warrants 2000/2010 Held

Name	Direct	%	Indirect	%
Syed Abdullah Bin Syed Abd Kadir	87,000	0.01	–	–

No. of Warrants 2008/2018 Held

Name	Direct	%	Indirect	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	4,860,175	0.37	–	–
Dato' Sri Michael Yeoh Sock Siong	1,496,502	0.12	298,956 [#]	0.02
Dato' Mark Yeoh Seok Kah	1,000,000	0.08	–	–
Amarjit Singh Chhina	–	–	25,000	*
Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin	693	*	–	–

INFOSCREEN NETWORKS PLC

Name	No. of Shares Held	
	Direct	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	100	*

YTL CORPORATION (UK) PLC

Name	No. of Shares Held	
	Direct	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	*

Statement of Directors' Interests

in the Company and related corporations as at 30 September 2009

SYARIKAT PELANCONGAN SERI ANDALAN (M) SDN BHD

Name	No. of Shares Held	
	Direct	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	*

YTL CONSTRUCTION (THAILAND) LIMITED

Name	No. of Shares Held	
	Direct	%
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	0.01
Dato' Yeoh Seok Hong	1	0.01
Dato' Sri Michael Yeoh Sock Siong	1	0.01
Dato' Mark Yeoh Seok Kah	1	0.01

* Negligible

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

< Deemed interests by virtue of interests held in the name of deceased spouse in which the director, who is the legal representative, is entitled to exercise under the terms of the ESOS.

Other than as disclosed above, none of the other Directors had any interest in shares of the company or its related corporations.

Schedule of Share Buy-Back

for the financial year ended 30 June 2009

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

Monthly Breakdown	No. of Shares Purchased And Retained As Treasury Shares	Purchase Price Per Share (RM)		Average Cost Per Share (RM)	Total Cost (RM)
		Lowest	Highest		
July 2008	721,400	0.415	0.470	0.4471	322,539.98
August 2008	126,000	0.400	0.430	0.4179	52,651.70
September 2008	90,100	0.335	0.370	0.3482	31,369.90
October 2008	5,000	0.220	0.220	0.2285	1,142.33
February 2009	100	0.305	0.305	0.7151	71.51
Total	942,600			0.4326	407,775.42

During the financial year, all the shares purchased by the Company were retained as treasury shares. As at 30 June 2009, a total of 4,671,200 ordinary shares were held as treasury shares. None of the treasury shares were resold or cancelled during the financial year.

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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 2009.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, provision of incubation services including developing and incubating technology companies, internet contents of all descriptions and non-internet related businesses and provision of consultancy and advisory services in relation to the business of electronic commerce or internet commerce solutions.

The principal activities of the subsidiaries are set out in Note 13 of the Financial Statements.

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	3,092	1,978
Attributable to:-		
Equity holders of the Company	4,151	1,978
Minority interests	(1,059)	-
Profit for the financial year	3,092	1,978

DIVIDENDS

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

In respect of the financial year ended 30 June 2008 as reported in the Directors' Report of that financial year:-

	RM'000
First and final dividend of 3% gross less Malaysian Income Tax of 25%, paid on 26 December 2008	3,027

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

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 2 December 2008.

During the financial year, the Company repurchased 942,600 (2008: 3,728,600) of its issued share capital from the open market. The average price paid for the shares repurchased was RM0.43 per share (2008: RM0.46 per share). The repurchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares in accordance with Section 67A of the Companies Act 1965.

As at 30 June 2009, the Company held a total of 4,671,200 (2008: 3,728,600) treasury shares out of its 1,350,000,000 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM2,140,000 (2008: RM1,732,000).

DIRECTORS

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

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE
Tan Sri Datuk Seri Panglima Dr. Abu Hassan Bin Othman
Dato' Chong Keap Thai @ Cheong Keap Tai
Dato' Yeoh Seok Hong
Dato' Sri Michael Yeoh Sock Siong
Dato' Mark Yeoh Seok Kah
Syed Abdullah Bin Syed Abd. Kadir
Amarjit Singh Chhina
Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin
Yeoh Keong Yeow (Appointed on 17.12.2008)

DIRECTORS' INTERESTS

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

THE COMPANY**– YTL e-Solutions Berhad**

	← Number of ordinary shares of RM0.10 each →			
	Balance at 1.7.2008	Acquired	Disposed	Balance at 30.6.2009
Direct interests				
Dato' Chong Keap Thai @ Cheong Keap Tai	–	100,000	(100,000)	–
Syed Abdullah Bin Syed Abd. Kadir	300,000	–	–	300,000
Amarjit Singh Chhina	75,000	25,000	–	100,000
Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin	110,000	–	–	110,000

Deemed interests

Dato' Sri Michael Yeoh Sock Siong	30,000*	1,257,300	–	1,287,300*
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HOLDING COMPANY**– YTL Corporation Berhad**

	← Number of ordinary shares of RM0.50 each →			
	Balance at 1.7.2008	Acquired	Disposed	Balance at 30.6.2009
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,203,652	2,285,472	–	16,489,124
Dato' Yeoh Seok Hong	5,036,490	–	–	5,036,490
Dato' Sri Michael Yeoh Sock Siong	4,577,997	550,110	–	5,128,107
Dato' Mark Yeoh Seok Kah	3,246,248	271,800	–	3,518,048
Syed Abdullah Bin Syed Abd. Kadir	752,611	600	–	753,211
Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin	1,000	–	–	1,000

Deemed interests

Dato' Yeoh Seok Hong	3,228,126*	666,936	–	3,895,062*
Dato' Sri Michael Yeoh Sock Siong	2,526,451*	80	–	2,526,531*
Dato' Mark Yeoh Seok Kah	611,133*	–	–	611,133*
Syed Abdullah Bin Syed Abd. Kadir	2,937*	674	–	3,611*

HOLDING COMPANY
– YTL Corporation Berhad

	← Number of Warrants 1999/2009 →			
	Balance at 1.7.2008	Acquired	Exercised/ Disposed	Balance at 30.6.2009
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,285,472	–	(2,285,472)	–
Dato' Yeoh Seok Hong	648,372	–	(648,372)	–
Dato' Sri Michael Yeoh Sock Siong	550,110	–	(550,110)	–
Dato' Mark Yeoh Seok Kah	271,800	–	(271,800)	–
Syed Abdullah Bin Syed Abd. Kadir	600	–	(600)	–
Deemed interests				
Dato' Yeoh Seok Hong	–	651,972	(651,972)	–
Dato' Sri Michael Yeoh Sock Siong	547,180*	–	(547,180)	–
Syed Abdullah Bin Syed Abd. Kadir	674*	–	(674)	–

	← Number of share options over ordinary shares of RM0.50 each →			
	Balance at 1.7.2008	Granted	Exercised	Balance at 30.6.2009

Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	5,000,000	–	–	5,000,000
Dato' Yeoh Seok Hong	3,000,000	–	–	3,000,000
Dato' Sri Michael Yeoh Sock Siong	3,000,000	–	–	3,000,000
Dato' Mark Yeoh Seok Kah	3,000,000	–	–	3,000,000
Syed Abdullah Bin Syed Abd. Kadir	3,000,000	–	–	3,000,000
Amarjit Singh Chhina	25,000	–	–	25,000
Deemed interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	400,000 [®]	–	–	400,000 [®]
Dato' Yeoh Seok Hong	400,000*	–	–	400,000*

ULTIMATE HOLDING COMPANY
– Yeoh Tiong Lay & Sons Holdings Sdn. Bhd.

	← Number of ordinary shares of RM1.00 each →			
	Balance at 1.7.2008	Acquired	Disposed	Balance at 30.6.2009
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	5,000,000	–	–	5,000,000
Dato' Yeoh Seok Hong	5,000,000	–	–	5,000,000
Dato' Sri Michael Yeoh Sock Siong	5,000,000	–	–	5,000,000
Dato' Mark Yeoh Seok Kah	5,000,000	–	–	5,000,000

RELATED COMPANIES

– YTL Power International Berhad

	← Number of ordinary shares of RM0.50 each →			Balance at 30.6.2009
	Balance at 1.7.2008	Acquired	Disposed	
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	14,580,529	364,511	–	14,945,040
Dato' Yeoh Seok Hong	7,137,916	10,372,352	–	17,510,268
Dato' Sri Michael Yeoh Sock Siong	4,489,507	112,237	–	4,601,744
Dato' Mark Yeoh Seok Kah	5,643,623	1,022,297	–	6,665,920
Syed Abdullah Bin Syed Abd. Kadir	2,128,003	53,200	–	2,181,203
Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin	2,080	52	–	2,132
Deemed interests				
Dato' Yeoh Seok Hong	2,399,949*	881,230	–	3,281,179*
Dato' Sri Michael Yeoh Sock Siong	896,870*	122,421	–	1,019,291*
Dato' Mark Yeoh Seok Kah	805,106*	288,495	–	1,093,601*
Syed Abdullah Bin Syed Abd. Kadir	512*	12	–	524*

	← Number of Warrants →			Balance at 30.6.2009
	Balance at 1.7.2008	Acquired	Exercised/ Disposed	
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE – Warrants 2008/2018	4,860,175	–	–	4,860,175
Dato' Yeoh Seok Hong – Warrants 2008/2018	8,861,405	–	(8,861,405)	–
Dato' Sri Michael Yeoh Sock Siong – Warrants 2008/2018	1,496,502	–	–	1,496,502

RELATED COMPANIES

– YTL Power International Berhad

	← Number of Warrants →			
	Balance at 1.7.2008	Acquired	Exercised/ Disposed	Balance at 30.6.2009
Direct interests				
Dato' Mark Yeoh Seok Kah – Warrants 2008/2018	1,881,207	–	(881,207)	1,000,000
Syed Abdullah Bin Syed Abd. Kadir – Warrants 2000/2010	87,000	–	–	87,000
Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin – Warrants 2008/2018	693	–	–	693
Deemed interests				
Dato' Yeoh Seok Hong – Warrants 2000/2010	–	2,666	(2,666)	–
– Warrants 2008/2018	799,982*	4,560	(804,542)	–
Dato' Sri Michael Yeoh Sock Siong – Warrants 2000/2010	100,000*	–	(100,000)	–
– Warrants 2008/2018	298,956*	–	–	298,956*
Dato' Mark Yeoh Seok Kah – Warrants 2008/2018	268,368*	–	(268,368)	–
Amarjit Singh Chhina – Warrants 2008/2018	–	25,000	–	25,000*

← Number of share options over ordinary shares of RM0.50 each →

	Balance at 1.7.2008	Granted	Exercised	Balance at 30.6.2009
	Direct interests			
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	7,000,000	7,000,000	–	14,000,000
Dato' Yeoh Seok Hong	5,000,000	5,000,000	–	10,000,000
Dato' Sri Michael Yeoh Sock Siong	3,000,000	3,000,000	–	6,000,000
Dato' Mark Yeoh Seok Kah	3,000,000	3,000,000	–	6,000,000
Syed Abdullah Bin Syed Abd. Kadir	3,000,000	3,000,000	–	6,000,000

RELATED COMPANIES

– YTL Cement Berhad

	← Number of ordinary shares of RM0.50 each →			
	Balance at 1.7.2008	Acquired	Disposed	Balance at 30.6.2009
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2,042,923	–	–	2,042,923
Dato' Yeoh Seok Hong	225,634	–	–	225,634
Dato' Sri Michael Yeoh Sock Siong	1,265,634	–	–	1,265,634
Dato' Mark Yeoh Seok Kah	187,200	–	–	187,200
Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin	7,600	–	–	7,600
Deemed interests				
Dato' Yeoh Seok Hong	45,123*	–	–	45,123*
Dato' Sri Michael Yeoh Sock Siong	1,109,388*	–	–	1,109,388*
Dato' Mark Yeoh Seok Kah	135,200*	–	–	135,200*

	← Number of Irredeemable Convertible Unsecured Loan Stocks 2005/2015 →			
	Balance at 1.7.2008	Acquired	Converted/ Disposed	Balance at 30.6.2009
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1,727,423	–	–	1,727,423
Dato' Yeoh Seok Hong	225,634	–	–	225,634
Dato' Sri Michael Yeoh Sock Siong	1,265,634	–	–	1,265,634
Dato' Mark Yeoh Seok Kah	187,200	–	–	187,200
Deemed interests				
Dato' Yeoh Seok Hong	45,123*	–	–	45,123*
Dato' Sri Michael Yeoh Sock Siong	1,109,388*	–	–	1,109,388*
Dato' Mark Yeoh Seok Kah	135,200*	–	–	135,200*

RELATED COMPANIES
– YTL Cement Berhad

← Number of share options over ordinary shares of RM0.50 each →
Balance
at 1.7.2008 Granted Exercised Balance
at 30.6.2009

Direct interests

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1,400,000	–	–	1,400,000
Dato' Sri Michael Yeoh Sock Siong	1,000,000	–	–	1,000,000

RELATED COMPANIES
– YTL Land & Development Berhad

← Number of ordinary shares of RM0.50 each →
Balance
at 1.7.2008 Acquired Disposed Balance
at 30.6.2009

Direct interests

Amarjit Singh Chhina	–	25,000	–	25,000
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Number of Irredeemable Convertible Preference
Shares 2001/2011 of RM0.50 each
← Balance Acquired Exercised/
at 1.7.2008 Disposed Balance
at 30.6.2009

Direct interests

Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin	20,000	–	–	20,000
--	--------	---	---	--------

RELATED COMPANIES
– Infoscreen Networks PLC ^

← Number of ordinary shares of £0.01 each →
Balance
at 1.7.2008 Acquired Disposed Balance
at 30.6.2009

Direct interests

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	100	–	–	100
--	-----	---	---	-----

RELATED COMPANIES– YTL Corporation (UK) PLC [^]

	← Number of ordinary shares of £0.25 each →			
	Balance at 1.7.2008	Acquired	Disposed	Balance at 30.6.2009
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1

[^] Incorporated in United Kingdom**RELATED COMPANIES**

– Syarikat Pelancongan Seri Andalan (M) Sdn. Bhd.

	← Number of ordinary shares of RM1.00 each →			
	Balance at 1.7.2008	Acquired	Disposed	Balance at 30.6.2009
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1

RELATED COMPANIES– YTL Singapore Pte. Ltd. [#]

	← Number/Amount (S\$) of ordinary shares →			
	Balance at 1.7.2008	Acquired	Disposed	Balance at 30.6.2009
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	2	–	(2)	–

[#] Incorporated in Singapore**RELATED COMPANIES**– YTL Construction (Thailand) Limited ⁺

	← Number of ordinary shares of THB100 each →			
	Balance at 1.7.2008	Acquired	Disposed	Balance at 30.6.2009
Direct interests				
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, CBE, FICE	1	–	–	1
Dato' Yeoh Seok Hong	1	–	–	1
Dato' Sri Michael Yeoh Sock Siong	1	–	–	1
Dato' Mark Yeoh Seok Kah	1	–	–	1

⁺ Incorporated in Thailand

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

@ Deemed interests by virtue of interests held in the name of deceased spouse in which the Director, who is the legal representative, is entitled to exercise under the terms of the ESOS.

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

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.

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

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.

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

Amarjit Singh Chhina

Dated: 15 October 2009
Kuala Lumpur

We, TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING, CBE, FICE and AMARJIT SINGH CHHINA, being two of the Directors of YTL e-SOLUTIONS 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 2009 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

Amarjit Singh Chhina

Dated: 15 October 2009
Kuala Lumpur

Statutory Declaration

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

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

Subscribed and solemnly declared by the abovenamed
TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING, CBE, FICE
at Kuala Lumpur on 15 October 2009

Before me:

TAN SEOK KETT
Commissioner for Oaths

Independent Auditors' Report

to the members of YTL e-Solutions Berhad (Company No: 236137-K)

Report on the Financial Statements

We have audited the financial statements of YTL e-SOLUTIONS BERHAD, which comprise the Balance Sheets of the Group and of the Company as at 30 June 2009, 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 48 to 91.

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 judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal 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 2009 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 13 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

871/3/11(J/PH)

Chartered Accountant

Dated: 15 October 2009

Kuala Lumpur

Income Statements

for the financial year ended 30 June 2009

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revenue	4	36,508	32,096	9,097	7,320
Cost of sales		(16,116)	(15,994)	(3,324)	(3,895)
Gross profit		20,392	16,102	5,773	3,425
Other operating income		4,905	6,645	1,584	2,633
Administration expenses		(18,475)	(16,015)	(4,440)	(4,374)
Finance costs	5	(25)	(43)	(14)	(13)
Profit before tax	6	6,797	6,689	2,903	1,671
Income tax expense	7	(3,705)	(3,444)	(925)	(763)
Profit for the financial year		3,092	3,245	1,978	908
Attributable to:-					
Equity holders of the Company		4,151	4,125	1,978	908
Minority interests		(1,059)	(880)	-	-
Profit for the financial year		3,092	3,245	1,978	908
Earnings per ordinary share					
Basic (sen)	8	0.31	0.31		
Gross dividend per share recognised as distribution to ordinary equity holders of the Company (sen)	9	0.30	0.30		

The notes set out on pages 55 to 91 form an integral part of these financial statements.

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
ASSETS					
Non-current assets					
Property, plant & equipment	10	5,813	11,425	1,132	1,084
Goodwill on consolidation	11	2,821	2,821	–	–
Other intangible assets	12	1,090	789	15	12
Investment in subsidiaries	13(a)	–	–	64,950	63,950
Fixed deposit	14	449	437	–	–
		10,173	15,472	66,097	65,046
Current assets					
Inventories	15	214	414	77	97
Trade receivables	16	3,411	3,966	337	696
Other receivables, deposits & prepayments	17	1,393	2,684	482	234
Income tax assets		13	4	–	–
Amount due from ultimate holding company	18	6	–	1	–
Amount due from holding company	18	1,960	337	285	332
Amount due from subsidiaries	13(d)	–	–	4,744	5,291
Amount due from related companies	19	27,070	3,416	11,046	1,765
Fixed deposits	14	150,915	166,604	57,831	68,326
Cash & bank balances	14	1,125	3,715	332	691
		186,107	181,140	75,135	77,432
Total assets		196,280	196,612	141,232	142,478

The notes set out on pages 55 to 91 form an integral part of these financial statements.

Balance Sheets

as at 30 June 2009

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	20	135,000	135,000	135,000	135,000
Share premium		1,475	1,475	1,475	1,475
Other reserves	21	(3,004)	(954)	–	–
Retained earnings		33,181	31,761	5,309	6,358
Treasury shares, at cost	20	(2,140)	(1,732)	(2,140)	(1,732)
		164,512	165,550	139,644	141,101
Minority interests		20,267	20,627	–	–
Total equity		184,779	186,177	139,644	141,101
Non-current liabilities					
Finance lease liabilities	22	121	42	102	–
Deferred tax liabilities	23	256	300	219	219
		377	342	321	219
Current liabilities					
Trade payables	24	2,125	1,713	417	279
Other payables & accruals	25	6,963	6,469	526	431
Amount due to subsidiary	13(d)	–	–	–	29
Amount due to related companies	19	442	87	80	71
Finance lease liabilities	22	98	239	76	148
Bank overdraft	14 & 27	61	170	–	–
Post-employment defined contribution obligations	26(a)	220	198	58	70
Income tax liabilities		1,215	1,217	110	130
		11,124	10,093	1,267	1,158
Total liabilities		11,501	10,435	1,588	1,377
Total equity and liabilities		196,280	196,612	141,232	142,478

The notes set out on pages 55 to 91 form an integral part of these financial statements.

Consolidated Statement of Changes In Equity

for the financial year ended 30 June 2009

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	← Attributable to Shareholders →					Total RM'000	Minority interests RM'000	Total equity RM'000
	Share capital RM'000	← Non-distributable →		← Distributable →				
		Share premium RM'000	Other reserves RM'000	Retained earnings RM'000	Treasury shares RM'000			
Balance as at 1 July 2007	135,000	1,475	263	30,592	–	167,330	18,678	186,008
Currency translation differences	–	–	(1,217)	–	–	(1,217)	(3)	(1,220)
Expense recognised directly in equity	–	–	(1,217)	–	–	(1,217)	(3)	(1,220)
Profit for the financial year	–	–	–	4,125	–	4,125	(880)	3,245
Total recognised (expense)/ income for the financial year	–	–	(1,217)	4,125	–	2,908	(883)	2,025
Increase arising from subsidiaries acquired	–	–	–	–	–	–	2,868	2,868
Reduction arising from additional shares acquired in existing subsidiary	–	–	–	–	–	–	(36)	(36)
Treasury shares	–	–	–	–	(1,732)	(1,732)	–	(1,732)
Dividend paid	–	–	–	(2,956)	–	(2,956)	–	(2,956)
Balance as at 30 June 2008	135,000	1,475	(954)	31,761	(1,732)	165,550	20,627	186,177
Balance as at 1 July 2008	135,000	1,475	(954)	31,761	(1,732)	165,550	20,627	186,177
Currency translation differences	–	–	–	–	–	–	–	–
Expense recognised directly in equity	–	–	(2,050)	–	–	(2,050)	(5)	(2,055)
Profit for the financial year	–	–	–	4,151	–	4,151	(1,059)	3,092
Total recognised (expense)/ income for the financial year	–	–	(2,050)	4,151	–	2,101	(1,064)	1,037
Effects of issue of shares by subsidiary to minority interests	–	–	–	294	–	294	706	1,000
Increase/(decrease) arising from changes in composition of the group	–	–	–	2	–	2	(2)	–
Treasury shares	–	–	–	–	(408)	(408)	–	(408)
Dividend paid	–	–	–	(3,027)	–	(3,027)	–	(3,027)
Balance as at 30 June 2009	135,000	1,475	(3,004)	33,181	(2,140)	164,512	20,267	184,779

The notes set out on pages 55 to 91 form an integral part of these financial statements.

Statement of Changes In Equity

for the financial year ended 30 June 2009

	Share capital RM'000	Non- disistributable Share premium RM'000	← Distributable →		Total equity RM'000
			Retained earnings RM'000	Treasury shares RM'000	
Balance at 1 July 2007	135,000	1,475	8,406	–	144,881
Profit for the financial year, representing total recognised income and expenses for the financial year	–	–	908	–	908
Treasury shares	–	–	–	(1,732)	(1,732)
Dividend paid	–	–	(2,956)	–	(2,956)
Balance at 30 June 2008	135,000	1,475	6,358	(1,732)	141,101
Profit for the financial year, representing total recognised income and expenses for the financial year	–	–	1,978	–	1,978
Treasury shares	–	–	–	(408)	(408)
Dividend paid	–	–	(3,027)	–	(3,027)
Balance at 30 June 2009	135,000	1,475	5,309	(2,140)	139,644

The notes set out on pages 55 to 91 form an integral part of these financial statements.

Cash Flow Statements

for the financial year ended 30 June 2009

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	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Cash flows from operating activities				
Profit before tax	6,797	6,689	2,903	1,671
Adjustments for:-				
Allowance for doubtful debts	1,398	479	27	-
Allowance for impairment loss on other intangible assets	262	-	-	-
Allowance for obsolete inventories	168	-	-	-
Amortisation of intangible assets	352	152	6	4
Bad debts recovered	(2)	(1)	-	-
Bad debts written off	*	75	-	-
Depreciation	2,388	2,093	254	238
Gain on disposal of property, plant & equipment	(1)	(17)	-	(16)
(Gain)/Loss on disposal of shares in subsidiaries	(198)	-	400	-
Impairment loss on goodwill	-	490	-	-
Interest expenses	25	43	14	13
Interest income	(4,657)	(6,493)	(1,974)	(2,610)
Inventories written off	40	43	-	-
Property, plant & equipment written off	342	10	1	4
Unrealised loss/(gain) on foreign exchange	219	(107)	(1)	(3)
Operating profit/(loss) before changes in working capital	7,133	3,456	1,630	(699)
(Increase)/Decrease in inventories	(8)	(138)	20	(88)
(Increase)/Decrease in receivables	(78)	(1,111)	114	(354)
Increase/(Decrease) in payables	2,693	(1,141)	221	161
Net changes in ultimate holding company	(6)	1	(1)	1
Net changes in holding company	(1,623)	138	48	105
Net changes in subsidiaries	-	-	(1,382)	(3,575)
Net changes in related companies	(2,175)	(697)	(9,272)	509
Cash generated from/(absorbed by) operations	5,936	508	(8,622)	(3,940)
Interest paid	(25)	(43)	(14)	(13)
Interest received	4,644	6,331	1,944	2,509
Tax paid	(3,742)	(1,824)	(945)	(635)
Net cash from/(used in) operating activities	6,813	4,972	(7,637)	(2,079)

* Less than RM1,000

The notes set out on pages 55 to 91 form an integral part of these financial statements.

Cash Flow Statements

for the financial year ended 30 June 2009

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Cash flows from investing activities					
Acquisition of subsidiaries (net of cash acquired)		–	123	–	–
Acquisition of additional shares in existing subsidiary		–	(1,507)	–	(1,507)
Subscription of additional shares in a subsidiary		–	–	–	(500)
Proceeds from disposal of property, plant & equipment		302	28	–	17
Proceeds from disposal of subsidiaries (net of cash disposed)		85	–	500	–
Purchase of property, plant & equipment		(19,435)	(4,939)	(72)	(37)
Purchase of intangible assets		(155)	(21)	(9)	(4)
Net cash used in investing activities		(19,203)	(6,316)	419	(2,031)
Cash flows from financing activities					
Dividend paid		(3,027)	(2,956)	(3,027)	(2,956)
Repayment of finance lease liabilities		(293)	(272)	(201)	(181)
Purchase of own shares (at net)		(408)	(1,732)	(408)	(1,732)
Net cash used in financing activities		(3,728)	(4,960)	(3,636)	(4,869)
Net changes in cash and cash equivalents		(16,118)	(6,304)	(10,854)	(8,979)
Effects of exchange rate changes		(2,040)	(1,243)	–	–
Cash and cash equivalents brought forward		170,586	178,133	69,017	77,996
Cash and cash equivalents carried forward	14	152,428	170,586	58,163	69,017
NOTES TO THE CASH FLOW STATEMENTS					
(a) Analysis of acquisition of property, plant & equipment:-					
Cash		19,435	4,939	72	37
Finance lease liabilities		231	66	231	–
Other payables		76	–	–	–
		19,742	5,005	303	37
(b) Analysis of acquisition of other intangible assets:-					
Cash		155	21	9	4
Other payables		924	–	–	–
		1,079	21	9	4

The notes set out on pages 55 to 91 form an integral part of these financial statements.

1. GENERAL INFORMATION

The principal activities of the Company are investment holding, provision of incubation services including developing and incubating technology companies, internet contents of all descriptions and non-internet related businesses and provision of consultancy and advisory services in relation to the business of electronic commerce or internet commerce solutions. The principal activities of the subsidiaries are set out in Note 13 of the Financial Statements.

The Company is a limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of 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:-

Levels 1 & 3, Annexe Block
Lot 10 Shopping Centre
50 Jalan Sultan Ismail
50250 Kuala Lumpur

2. FINANCIAL RISK MANAGEMENT AND OBJECTIVES

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

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

(a) Foreign currency risk

The Group and the Company are exposed to currency risk as a result of foreign currency transactions other than Ringgit Malaysia. However, the effect of foreign currency risk is not significant as the majority of Group's and Company's transactions, assets and liabilities are denominated in Ringgit Malaysia.

(b) Interest rate risk

The Group and the Company finance their operations through a mixture of shareholders' funds and borrowings. Interest rates exposures arise from the Group's and the Company's borrowings and deposits. It is the Group's and the Company's policy to manage their interest costs within predictable and desired range and to achieve this through the use of fixed rate debt where appropriate. Deposits with licensed financial institutions are held for short term and not for speculative purposes.

(c) Credit risk

Credit risk is the potential financial loss resulting from the failure of a counter party to settle their obligations to the Group and the Company. Credit risk of the Group and the Company arises mainly from trade receivables and fixed deposits.

(d) Liquidity and cash flow risk

The Group and the Company practise prudent liquidity risk management policies and maintain sufficient levels of cash and credit facilities for working capital and contingent funding requirements.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

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

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

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

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

(b) Significant accounting estimates and judgments

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 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.

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

The Group's and the Company's businesses are fairly capital intensive. The depreciation charges form a significant component of the total costs of 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 judgment.

(iii) Impairment test on goodwill

The Group tests goodwill for impairment annually, in accordance with its accounting policy as disclosed in Note 3(d) to the Financial Statements. 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.

(iv) Allowance for doubtful debts

The Group and the Company assess at each balance sheet date whether there are objective evidence that trade and other 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) Provisions

The Group and the Company recognise provisions when they have present legal or constructive obligations arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligations and a reliable estimate can be made. The recording of provisions requires the application of judgments about the ultimate resolution of these obligations. As a result, provisions are reviewed at each balance sheet date and adjusted to reflect the Group's and the Company's current best estimate.

(vi) Income tax

Judgment 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.

(vii) Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. This involves judgment regarding future financial performance of a particular entity in which the deferred tax asset has been recognised.

(viii) Share based payments

Equity-settled share based payments are measured at fair value at the grant date. The Group revises the estimated number of performance shares that participants are expected to receive based on non-market vesting conditions at each balance sheet date. The assumptions of the valuation model are set out in Note 26(b) of the Financial Statements.

(ix) Contingent liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and experts internal and external to the Group for matters in the ordinary course of business. Please refer to Note 32 of the Financial Statements for details.

(c) 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 investment 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 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(d) of the Financial Statements for the accounting policy on goodwill on acquisition of subsidiaries.

Any excess of the Group's interest in the net fair value of the 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.

(d) Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiaries over the Group's share of the fair value of their identifiable net assets at the date of acquisition.

Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that carrying value may be impaired. Goodwill is 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.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Inventories cost is determined on a first-in-first-out method.

Cost includes the actual cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

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

(f) Property, plant & equipment and depreciation

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.

Depreciation on property, plant & equipment is provided for on a straight line basis to write-off the cost of each asset to its residual value over the estimated life at the following annual rates:-

Computer infrastructure & equipment	5% – 50%
Furniture, fixtures & equipment	10% – 20%
Motor vehicles	12.5%
Telecommunications equipment	10% – 20%
Office renovation & fittings	10% – 20%

Capital work-in-progress represents construction of network infrastructure which are not ready for commercial use at the balance sheet date. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use.

Where applicable, capital work-in-progress includes cost, related expenditure and interest cost on borrowings taken to finance the acquisition of the assets to the date that assets are completed and put into use.

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.

(g) 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 are 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.

(h) Development expenditure

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

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

Capitalised development expenditure is stated at cost less accumulated amortisation and accumulated impairment losses. The capitalised development expenditure is amortised over a period of five years.

(i) Other intangible assets**(i) Computer software**

Software which forms an integral part of the related hardware is capitalised with that hardware and included within property, plant & equipment. Software which are not an integral part of the related hardware are capitalised as intangible assets.

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

(ii) Investment in programmes for future sale

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

(iii) Broadband network customer base & coverage

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

(j) 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.

(k) 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 other than a business combination 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 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.

(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) 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 the Company's functional and presentational 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.

(n) Investments

Investments held on long term basis are stated at cost. An allowance for diminution in value is made where, in the opinion of the Directors, 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 financial year in which the decline is identified.

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

(o) 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 and approved.

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 earnings or both.

(p) 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 and rendering of services

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised when the significant risks and rewards of ownership of the goods have passed to the buyers.

Revenue from rendering of services is recognised in the Income Statements in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to the proportion that costs incurred to date that reflect services performed bear to the total estimated costs of the transaction. Where the outcome of the transaction cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

(ii) Interest income

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

(q) Deferred revenue and deferred credit

Deferred revenue, which is included in other payables & accruals, relates to unutilised airtime of prepaid broadband packages and telephony services packages. The deferred revenue will be progressively recognised as revenue based on actual airtime utilisation of the services.

Deferred credit, which is included in other payables & accruals, comprises deferred revenue from future advertising services to be rendered to customers and is recognised over the period of the relevant contracts.

(r) Finance lease

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

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are treated as consisting of a capital element and finance 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.

(s) 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

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 Company's holding company, YTL Corporation Berhad ("YTL Corp"), operates an equity-settled, share-based compensation plan (namely the Employees' Share Option Scheme ("ESOS") in relation to YTL Corp shares) for employees of the YTL Corp Group. As the Company is subsidiary of YTL Corp, the eligible employees of the Company and its subsidiaries participate in the ESOS. The proportionate compensation expense relating to share options is recognised in the Income Statement over the vesting periods of the grants with a corresponding reduction in amount due from holding company. The total amount to be recognised as compensation expense is determined by reference to the fair value of the share options at the date of the grant and the number of share options to be vested by vesting date. The fair value of the share option is computed using a trinomial model. At every balance sheet date, the Group revises its estimates of the number of share options that are expected to vest by the vesting date. Any revision of this estimate is included in the Income Statement and a corresponding adjustment to amount due from holding company over the remaining vesting period.

(t) Interest-bearing borrowings

Interest-bearing bank loans and overdrafts 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.

(u) 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

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

(iii) Fair value estimation for disclosure purposes

The face values of financial assets and financial liabilities with a maturity period of less than one year are assumed to approximate their fair values. The carrying amount of other financial assets and liabilities at the balance sheet date approximate their fair value unless stated otherwise in the Notes to the financial statements.

(v) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances, bank overdrafts and deposits held at call with financial institutions. For the purpose of the Cash Flow Statements, cash and cash equivalents are presented net of bank overdrafts.

4. REVENUE

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Sale of goods	3,549	4,028	3,543	4,289
Services rendered	32,959	28,068	5,554	3,031
	36,508	32,096	9,097	7,320

5. FINANCE COSTS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Bank overdraft interest	7	23	–	–
Finance lease interest	18	20	14	13
	25	43	14	13

6. PROFIT BEFORE TAX

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Profit before tax is stated after charging (other than those disclosed in Note 5):-				
Auditors' remuneration				
– current financial year	128	109	7	7
– prior financial year	30	(1)	–	–
– other	2	1	–	–
Allowance for doubtful debts	1,398	479	27	–
Allowance for impairment loss on other intangible assets	262	–	–	–
Allowance for obsolete inventories	168	–	–	–
Amortisation of intangible assets	352	152	6	4
Bad debts written off	*	75	–	–
Depreciation	2,388	2,093	254	238
Directors' remuneration				
– fees	185	175	185	175
– emoluments	433	298	433	298
Impairment loss on goodwill	–	490	–	–
Inventories written off	40	43	–	–
Loss on disposal of shares in subsidiary	–	–	400	–
Loss on foreign exchange				
– realised	5	1	–	1
– unrealised	220	–	–	–
Property, plant & equipment written off	342	10	1	4
Rental of office equipment	34	22	12	16
Rental of premises	2,244	1,245	431	405
Staff costs [^] (excluding Directors' remuneration)	6,562	6,902	2,229	2,208

* Less than RM1,000

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
^ Included in staff costs are the following:-				
Defined contribution plan expenses	723	704	226	218
Charges for share options of YTL Corporation Berhad granted to employees	80	211	16	119
And crediting (other than those disclosed in Note 4):-				
Bad debt recovered	(2)	(1)	-	-
Fixed deposit interest	(4,657)	(6,493)	(1,974)	(2,610)
Gain on disposal of property, plant & equipment	(1)	(17)	-	(16)
Gain on disposal of shares in subsidiary	(198)	-	-	-
Gain on foreign exchange				
– realised	(7)	-	(7)	-
– unrealised	(1)	(107)	(1)	(3)

Cost of inventories recognised as an expense in the cost of sales are as follows:-

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Cost of inventories	3,419	3,941	3,323	3,886

The aggregate remuneration of Directors categorised into appropriate components for the financial year ended 30 June 2009 are as follows:-

	Group/Company				
	Fees RM'000	Salaries RM'000	Bonus RM'000	Others RM'000	Total RM'000
Executive Directors	110	328	30	43*	511
Non-executive Directors	75	-	-	32	107

* Included in this category are defined contribution plan expenses of RM43,000 (2008: RM28,000).

The number of Directors of the Group and of the Company whose total remuneration fell within the following bands for the financial year ended 30 June 2009 are as follows:-

Range of remuneration	Group/Company No. of Directors	
	Executive	Non-Executive
Below RM50,001	5	3
RM50,001 – RM100,000	–	–
RM100,001 – RM150,000	1	–
RM150,001 – RM250,000	–	–
RM250,001 – RM300,000	1	–

7. INCOME TAX EXPENSE

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
In Malaysia				
Income tax based on profit for the current financial year	3,844	3,062	1,013	679
(Over)/Under-provision in prior financial years	(106)	167	(88)	84
Deferred tax (Note 23)				
– Origination and reversal of temporary differences	1	–	–	–
– Over-provision in prior financial year	(45)	–	–	–
	3,694	3,229	925	763
Outside Malaysia				
Income tax based on profit for the current financial year	–	197	–	–
Under-provision in prior financial years	11	18	–	–
	3,705	3,444	925	763

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	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Profit before tax	6,797	6,689	2,903	1,671
Income tax using Malaysian tax rate of 25% (2008: 26%)	1,699	1,739	726	434
Non deductible expenses	585	924	201	194
Non-taxable income	(8)	–	–	–
(Over)/Under-provision in prior financial years	(140)	185	(88)	84
Tax effect of tax rate at 20% on first RM500,000 of chargeable income*	–	12	–	–
Tax effect of unrecognised (increase)/reduction in deferred tax liabilities during the financial year	(44)	34	86	51
Tax effect of unrecognised increase in deferred tax assets during the financial year	1,556	529	–	–
Expenses eligible for double tax deduction	–	(2)	–	–
Different tax rates in other countries	57	23	–	–
	3,705	3,444	925	763

* Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2008: 26%) of the estimated assessable profit for the financial year. In the prior financial year, certain subsidiaries of the Company being Malaysian resident companies with paid-up share capital of RM2.5 million or less qualified for the preferential tax rates under Paragraph 2A, Schedule 1 of the Income Tax Act 1967 is as follows:

On the first RM500,000 of chargeable income : 20%
In excess of RM500,000 of chargeable income : 26%

However, pursuant to Paragraph 2B, Schedule 1 of the Income Tax Act 1967 that was introduced with effect from the year of assessment 2009, these subsidiaries no longer qualify for the above preferential tax rates.

Subject to agreement with the Inland Revenue Board, the Company has exempt income estimated at RM161,000 (2008: RM161,000), from which tax exempt dividends can be declared.

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

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

Based on estimated tax credits available under Section 108 of the Income Tax Act 1967 and the tax exempt account mentioned above, the entire retained earnings of the Company as at 30 June 2009 (2008: RM6,358,000) is available for distribution by way of dividends without incurring additional tax liability. This is, however, subject to confirmation by the Inland Revenue Board.

8. EARNINGS PER SHARE (EPS)

	Group	
	2009	2008
Basic EPS		
Profit for the financial year attributable to equity holders of the Company (RM'000)	4,151	4,125
Weighted average number of shares in issue for basic EPS ('000)	1,345,377	1,349,758
Basic EPS (sen)	0.31	0.31

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

9. DIVIDENDS

	Group/Company			
	2009		2008	
	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:-				
(a) Financial year ended 30 June 2007 – first and final, less 27% tax			0.30	2,956
(b) Financial year ended 30 June 2008 – first and final, less 25% tax	0.30	3,027		
Proposed first and final dividend, less 25% tax	–	–	0.30	3,029

10. PROPERTY, PLANT & EQUIPMENT

Group – 2009	Computer infrastructure & equipment RM'000	Furniture, fixtures & equipment RM'000	Motor vehicles RM'000	Telecom- munications equipment RM'000	Office renovation & fittings RM'000	Capital work-in- progress RM'000	Total RM'000
Cost							
At 1.7.2008	15,726	363	997	1,378	1,196	3,575	23,235
Additions	520	558	256	61	955	17,392	19,742
Disposals	(42)	(125)	–	(3)	(149)	–	(319)
Write-off	(1,555)	(40)	–	(46)	(195)	–	(1,836)
Disposal of subsidiary	(213)	(315)	–	(58)	(765)	(20,967)	(22,318)
At 30.6.2009	14,436	441	1,253	1,332	1,042	–	18,504
Accumulated Depreciation							
At 1.7.2008	9,704	197	225	1,131	553	–	11,810
Charge for the financial year	1,943	88	98	84	175	–	2,388
Disposals	(12)	(1)	(3)	–	(1)	–	(17)
Write-off	(1,418)	(19)	–	(35)	(22)	–	(1,494)
Disposal of subsidiary	4	–	–	–	–	–	4
At 30.6.2009	10,221	265	320	1,180	705	–	12,691
Net Book Value							
At 30.6.2009	4,215	176	933	152	337	–	5,813

Group – 2008	Computer infrastructure & equipment RM'000	Furniture, fixtures & equipment RM'000	Motor vehicles RM'000	Telecom- munications equipment RM'000	Office renovation & fittings RM'000	Capital work-in- progress RM'000	Total RM'000
Cost							
At 1.7.2007	9,194	275	973	1,189	882	–	12,513
Acquisitions through business combination	5,800	11	–	–	8	–	5,819
Additions	783	78	73	190	306	3,575	5,005
Disposals	(28)	–	(49)	(1)	–	–	(78)
Write-off	(23)	(1)	–	–	–	–	(24)
At 30.6.2008	15,726	363	997	1,378	1,196	3,575	23,235
Accumulated Depreciation							
At 1.7.2007	6,912	147	258	1,023	429	–	8,769
Acquisitions through business combination	1,020	5	–	–	4	–	1,029
Charge for the financial year	1,803	46	75	109	120	–	2,153
Disposals	(17)	–	(49)	(1)	–	–	(67)
Write-off	(14)	–	–	–	–	–	(14)
Adjustment*	–	(1)	(59)	–	–	–	(60)
At 30.6.2008	9,704	197	225	1,131	553	–	11,810
Net Book Value							
At 30.6.2008	6,022	166	772	247	643	3,575	11,425

* The above adjustment was made as a result of a reassessment of residual values.

Company – 2009	Computer infrastructure & equipment RM'000	Furniture, fixtures & equipment RM'000	Motor vehicles RM'000	Telecom- munications equipment RM'000	Office renovation & fittings RM'000	Total RM'000
Cost						
At 1.7.2008	2,312	166	594	31	890	3,993
Additions	21	20	256	–	6	303
Write-off	–	–	–	(1)	–	(1)
At 30.6.2009	2,333	186	850	30	896	4,295
Accumulated Depreciation						
At 1.7.2008	2,137	99	148	13	512	2,909
Charge for the financial year	83	19	59	3	90	254
Write-off	–	–	–	–	–	–
At 30.6.2009	2,220	118	207	16	602	3,163
Net Book Value						
At 30.6.2009	113	68	643	14	294	1,132
Company – 2008						
Cost						
At 1.7.2007	2,328	158	643	31	872	4,032
Additions	11	8	–	–	18	37
Disposals	(13)	–	(49)	–	–	(62)
Write-off	(14)	–	–	–	–	(14)
At 30.6.2008	2,312	166	594	31	890	3,993
Accumulated Depreciation						
At 1.7.2007	2,044	83	182	10	423	2,742
Charge for the financial year	115	16	50	3	89	273
Disposals	(12)	–	(49)	–	–	(61)
Write-off	(10)	–	–	–	–	(10)
Adjustment*	–	–	(35)	–	–	(35)
At 30.6.2008	2,137	99	148	13	512	2,909
Net Book Value						
At 30.6.2008	175	67	446	18	378	1,084

* The above adjustment was made as a result of a reassessment of residual values.

Included in property, plant & equipment of the Group and of the Company are motor vehicles with net book value of RM307,000 (2008: RM729,000) and RM239,000 (2008: RM446,000) respectively held under finance lease arrangements.

11. GOODWILL ON CONSOLIDATION

	Group	
	2009 RM'000	2008 RM'000
Cost		
At beginning of the financial year	3,311	1,029
Arising from the acquisition of new subsidiaries	–	812
Arising from acquisition of additional shares in existing subsidiary	–	1,470
At end of the financial year	3,311	3,311
Accumulated Impairment Losses		
At beginning of the financial year	(490)	–
Impairment loss recognised in the financial year	–	(490)
At end of the financial year	(490)	(490)
Carrying Amount		
At end of the financial year	2,821	2,821
At beginning of the financial year	2,821	1,029

Goodwill only arises in business combinations. The amount of goodwill initially recognised is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management judgment.

For the purposes of impairment testing, goodwill is allocated to the Group's cash-generating units (CGUs) identified according to the following information, communication and technology ("ICT") division:-

	Group	
	2009 RM'000	2008 RM'000
Digital narrowcasting & digital media*	767	767
Broadband provision & related services#	2,012	2,012
Others	42	42
At end of the financial year	2,821	2,821

* The recoverable amount of goodwill is based on fair value less cost to sell. Fair value is determined using the observable market price of shares listed on the Alternative Investment Market of the London Stock Exchange.

The recoverable amount of goodwill is based on value-in-use calculations. The value-in-use calculations apply a discounted cash flow model using cash flow projections based on financial forecasts covering the financial year ending June 2014. The discount rate applied to the value-in-use calculations was 3.06% (pre-tax) and was derived from the cost of capital plus a reasonable risk premium at the date of assessment.

12. OTHER INTANGIBLE ASSETS

Group 2009	Computer software RM'000	Investment in programmes for future sale RM'000	Broadband network customer base & coverage RM'000	Total RM'000
Cost				
At 1.7.2008	50	602	364	1,016
Additions	1,079	–	–	1,079
Exchange differences	–	(60)	–	(60)
Disposal of subsidiary	(110)	–	–	(110)
At 30.6.2009	1,019	542	364	1,925
Accumulated Amortisation and Impairment Losses				
At 1.7.2008	16	180	31	227
Amortisation charge for the financial year	224	106	22	352
Allowance for impairment loss for the financial year	–	262	–	262
Exchange differences	–	(6)	–	(6)
At 30.6.2009	240	542	53	835
Net Book Value				
At 30.6.2009	779	–	311	1,090

From the Group's year-end assessment of impairment of non-financial assets, it was noted that certain market indicators suggested that the fair value of the Group's investment in programmes for future sale was now negligible. This led to the recognition of RM262,000 allowance for impairment loss (included in "Administration expenses" as disclosed in Note 6 to the Financial Statements) during the financial year.

Group 2008	Computer software RM'000	Investment in programmes for future sale RM'000	Broadband network customer base & coverage RM'000	Total RM'000
Cost				
At 1.7.2007	29	639	364	1,032
Additions	21	–	–	21
Exchange differences	–	(37)	–	(37)
At 30.6.2008	50	602	364	1,016
Accumulated Amortisation				
At 1.7.2007	6	64	9	79
Charge for the financial year	10	120	22	152
Exchange differences	–	(4)	–	(4)
At 30.6.2008	16	180	31	227
Net Book Value				
At 30.6.2008	34	422	333	789

**Company
2009**

	Computer software RM'000	Total RM'000
Cost		
At 1.7.2008	19	19
Additions	9	9
At 30.6.2009	28	28
Accumulated Amortisation		
At 1.7.2008	7	7
Charge for the financial year	6	6
At 30.6.2009	13	13
Net Book Value		
At 30.6.2009	15	15

**Company
2008**

	Computer software RM'000	Total RM'000
Cost		
At 1.7.2007	15	15
Additions	4	4
At 30.6.2008	19	19
Accumulated Amortisation		
At 1.7.2007	3	3
Charge for the financial year	4	4
At 30.6.2008	7	7
Net Book Value		
At 30.6.2008	12	12

13. SUBSIDIARIES

(a)

	Company	
	2009 RM'000	2008 RM'000
Unquoted shares, at cost	44,999	43,999
Less : Allowance for diminution in value	(1,500)	(1,500)
	43,499	42,499
Quoted shares, at cost	21,451	21,451
	64,950	63,950
Market value		
– Quoted shares	28,500	48,727

The shares of all subsidiaries except for Airzed Broadband Sdn. Bhd., Airzed Services Sdn. Bhd. (formerly known as Intellectual Learning Sdn. Bhd.), Bizsurf MSC Sdn. Bhd., YMax Sdn. Bhd. and YTL Info Screen Sdn. Bhd., are held directly by the Company. Details of the subsidiaries are as follows:-

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest	
			2009 %	2008 %
Airzed Broadband Sdn. Bhd.	Malaysia	Providing wire line & wireless broadband internet access services & developing, producing, marketing, selling & maintaining software applications, research & development, consultancy & related services	49	49
Airzed Services Sdn. Bhd. (formerly known as Intellectual Learning Sdn. Bhd.)	Malaysia	Providing wire line & wireless broadband internet access services & developing, producing, marketing, selling & maintaining software applications, research & development, consultancy & related services	39.2	100
Bizsurf MSC Sdn. Bhd.	Malaysia	Providing wireless network distribution equipment & services, broadband & internet services & other internet related services	60	60
Extiva Communications Sdn. Bhd.	Malaysia	Developing & marketing of VoIP telephony services	90	90
PropertyNetAsia (Malaysia) Sdn. Bhd.	Malaysia	Developing & operating a property portal known as PropertyNetAsia. com.my & the provision of related services	60	60
YMax Sdn. Bhd.	Malaysia	Providing broadband internet access & related services	68	68
YTL Communications Sdn. Bhd. (formerly known as Y-Max Infra Sdn. Bhd.)	Malaysia	Providing wire line & wireless broadband access services	–	100
Y-Max Solutions Holdings Sdn. Bhd.	Malaysia	Investment holding	70	70
YTL Info Screen Sdn. Bhd.	Malaysia	Creating, providing & advertising content, media, web media, & up to date information via electronic media	99.78	99.78
Y-Max Networks Sdn. Bhd.	Malaysia	Providing computer networking & related information technology services	60	60

Name of Company	Place of Incorporation	Principal Activities	Effective Equity Interest	
			2009 %	2008 %
* Infoscreen Networks Plc	United Kingdom	Investment holding	99.78	99.78
* Wimax Capital Management Limited	United Kingdom	Principally engaged in acquiring WiMAX spectrum & undertaking activities utilising WiMAX related technologies	80	80

* Subsidiaries not audited by HLB Ler Lum

(b) During the financial year, the following group restructuring and disposal of subsidiary occurred:-

- (i) On 24 December 2008, the Company disposed of its 400,000 ordinary shares of RM1.00 each in Intellectual Learning Sdn. Bhd. ("ILSB"), representing the entire issued and paid-up share capital of ILSB, to Airzed Broadband Sdn. Bhd. ("AZB"), subsidiary of the Group, for a nominal cash consideration of RM2.00. On 26 December 2008, ILSB issued 1,000,000 ordinary shares of RM1.00 each to AZB at a subscription price of RM1.00 each. On 31 December 2008, ILSB issued 350,000 ordinary shares of RM1.00 each to Airzed Networks Sdn. Bhd. ("Airzed Networks"), now known as AU Networks Sdn. Bhd., for a total subscription price of RM1,000,000. As a result of this issue of shares to Airzed Networks, the Group's effective interest in ILSB was reduced from 49.0% to 39.2%. However, ILSB remains as subsidiary of the Group.

ILSB changed its name to Airzed Services Sdn. Bhd. on 27 February 2009.

- (ii) On 22 June 2009, the Company disposed of its 300,000 ordinary shares of RM1.00 each in the issued and paid-up share capital of YTL Communications Sdn. Bhd. (formerly known as Y-Max Infra Sdn. Bhd.) ("YTL Communications") to YTL Power International Berhad, related company, at par value per share or a total consideration of RM300,000. Subsequently, on 29 June 2009 the Company disposed of its remaining 200,000 ordinary shares of RM1.00 each in the issued and paid-up capital of YTL Communications at par value per share or a total consideration of RM200,000. Consequently, YTL Communications ceased to be subsidiary of the Company.

(c) Summary effects of the disposal of subsidiary

	Group RM'000
Net assets disposed:-	
Property, plant & equipment	22,322
Other intangible assets	110
Receivables	267
Cash & cash equivalents	415
Payables	(22,808)
Income tax liabilities	(4)
	302
Gain on disposal	198
Total proceeds from disposal	500
Less: Cash & cash equivalents	(415)
Disposal of subsidiary, net of cash disposed	85

(d) Amount due from/to subsidiaries

The amount due from/to subsidiaries pertains mainly to trade receivables and payments on behalf. The outstanding amounts are unsecured, interest free and have no fixed terms of repayment.

14. CASH & CASH EQUIVALENTS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Fixed deposits				
– Licensed banks	151,364	167,041	57,831	68,326
Cash & bank balances	1,125	3,715	332	691
Bank overdrafts	(61)	(170)	–	–
	152,428	170,586	58,163	69,017

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

	Group		Company	
	2009 %	2008 %	2009 %	2008 %
Fixed deposits				
– Licensed banks	1.93	3.70	2.43	3.53

Deposits of the Group and of the Company have maturities ranging from 1 day to 30 days (2008: 4 days to 32 days) and 1 day to 35 days (2008: 4 days to 32 days) respectively. Bank balances are deposits held at call with banks.

A deposit with a licensed bank of the Group amounting to RM449,000 (2008: RM437,000) was pledged as security for borrowings as disclosed in Note 27 to the Financial Statements.

15. INVENTORIES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Finished goods				
– at cost	214	414	77	97

16. TRADE RECEIVABLES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Trade receivables	4,151	4,713	348	707
Less : Allowance for doubtful debts	(740)	(747)	(11)	(11)
	3,411	3,966	337	696

The normal credit terms of the Group and of the Company granted to trade receivables ranged from 7 days to 30 days (2008: 7 days to 30 days). Other credit terms are assessed and approved on a case-by-case basis.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's and the Company's large number of customers. The Group's and the Company's historical experience in collection of accounts receivable fall within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts written off and the allowance made for doubtful debts is inherent in the Group's and Company's trade receivables.

17. OTHER RECEIVABLES, DEPOSITS & PREPAYMENTS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Other receivables	822	1,938	464	221
Deposits	89	82	12	13
Prepayments	482	664	6	–
	1,393	2,684	482	234

18. HOLDING COMPANIES

The Company is a 74.34% (2008: 74.29%) owned subsidiary of YTL Corporation Berhad, a public listed company incorporated in Malaysia and the ultimate holding company is Yeoh Tiong Lay & Sons Holdings Sdn. Bhd., a company incorporated in Malaysia.

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

19. AMOUNTS DUE FROM/TO RELATED COMPANIES

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

20. SHARE CAPITAL

	Group/Company	
	2009 RM'000	2008 RM'000
Authorised:-		
10,000,000,000 ordinary shares of RM0.10 each	1,000,000	1,000,000
Issued and fully paid:-		
1,350,000,000 ordinary shares of RM0.10 each	135,000	135,000

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 2 December 2008.

During the financial year, the Company repurchased 942,600 (2008: 3,728,600) of its issued share capital from the open market. The average price paid for the shares repurchased was RM0.43 per share (2008: RM0.46 per share). The repurchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares in accordance with Section 67A of the Companies Act 1965.

As at 30 June 2009, the Company held a total of 4,671,200 (2008: 3,728,600) treasury shares out of its 1,350,000,000 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM2,140,000 (2008: RM1,732,000).

21. OTHER RESERVES

	Group	
	2009 RM'000	2008 RM'000
Exchange difference reserve	(3,238)	(1,188)
Capital reserve	234	234
	(3,004)	(954)

22. FINANCE LEASE LIABILITIES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Minimum lease payments:-				
Repayable not later than 1 year	109	247	85	151
Repayable later than 1 year and not later than 2 years	104	24	85	-
Repayable later than 2 years and not later than 5 years	21	20	21	-
	234	291	191	151
Less : Financing charges	(15)	(10)	(13)	(3)
Present value of minimum lease payments	219	281	178	148
Present value of minimum lease payments:-				
Repayable not later than 1 year	98	239	76	148
Repayable later than 1 year and not later than 2 years	100	23	81	-
Repayable later than 2 years and not later than 5 years	21	19	21	-
	219	281	178	148
Represented by:-				
Current	98	239	76	148
Non-current	121	42	102	-
	219	281	178	148

The finance lease liabilities of the Group and of the Company carried interest rates at the balance sheet date ranging from 2.53% to 3.41% (2008: 2.53% to 3.9%) and 3.41% (2008: 2.6% to 3.9%) respectively per annum.

23. DEFERRED TAX LIABILITIES

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At beginning of the financial year	300	303	219	219
Acquisition through business combination	-	(3)	-	-
Credited to Income Statement (Note 7)	(44)	-	-	-
At end of the financial year	256	300	219	219

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off income tax assets against income 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	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Deferred tax liabilities				
Property, plant & equipment				
– Capital allowances in excess of depreciation	422	251	97	112
Interest receivables	8	30	8	26
Others	95	99	114	81
	525	380	219	219
Deferred tax assets				
Deferred revenue	(63)	(77)	–	–
Unabsorbed tax losses	(13)	–	–	–
Unutilised capital allowances	(193)	–	–	–
Others	–	(3)	–	–
	(269)	(80)	–	–
At end of the financial year (after offsetting)	256	300	219	219

The estimated potential tax benefits of temporary differences not dealt with in the financial statements are as follows:-

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Property, plant & equipment				
– Capital allowances in excess of depreciation	(2,196)	(2,150)	–	–
Unabsorbed tax losses	5,773	2,503	–	–
Unutilised capital allowances	5,234	4,243	451	623
Others	349	2	–	–
	9,160	4,598	451	623
Potential tax benefits calculated at a tax rate of 25% (2008: 20% and 26%)	2,290	1,143	113	162

24. TRADE PAYABLES

The normal credit terms of trade payables granted to the Group and the Company vary from 30 days to 60 days (2008: 30 days to 60 days).

25. OTHER PAYABLES & ACCRUALS

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Other payables	3,921	3,947	334	246
Accruals	2,441	1,851	192	185
Deferred revenue	461	472	–	–
Deferred credit	140	199	–	–
	6,963	6,469	526	431

26. EMPLOYEE BENEFITS**(a) Post-employment defined contribution obligations**

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Defined contribution plan	220	198	58	70

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) Employees' Share Option Scheme

The Company's holding company, YTL Corporation Berhad ("YTL Corp"), operates an equity-settled, share-based compensation plan (namely the Employees' Share Option Scheme ("ESOS") in relation to YTL Corp shares) for employees of the YTL Corp Group. As the Company is subsidiary of YTL Corp, the eligible employees of the Group and the Company participate in the ESOS.

The main features of the ESOS are as follows:-

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

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

As allowed by the transitional provisions of FRS 2, the Company has applied the provisions of FRS 2 to all equity instruments granted after 31 December 2004 but not fully vested as at 1 July 2006, the effective date the Company adopted this FRS.

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

Grant date	Expiry date	Exercise price RM/share	Number of share options				At end of financial year
			At beginning of financial year	Granted	Exercised	Lapsed	
Financial year ended 30 June 2009							
1.7.2005	29.11.2011	4.81	492,000	–	(82,000)	–	410,000
7.8.2006	29.11.2011	4.41	75,000	–	–	–	75,000
16.1.2008	29.11.2011	6.93	124,000	–	–	(12,000)	112,000
			691,000	–	(82,000)	(12,000)	597,000

Grant date	Expiry date	Exercise price RM/share	Number of share options				At end of financial year
			At beginning of financial year	Granted	Exercised	Lapsed	
Financial year ended 30 June 2008							
1.7.2005	29.11.2011	4.81	513,000	–	–	(21,000)	492,000
7.8.2006	29.11.2011	4.41	75,000	–	–	–	75,000
16.1.2008	29.11.2011	6.93	–	149,000	–	(25,000)	124,000
			588,000	149,000	–	(46,000)	691,000

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

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

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

For the current financial year under review, the application of FRS 2 has resulted in a charge arising from ESOS granted to employees of approximately RM80,000 and RM16,000 (2008: RM219,000 and RM127,000) to the Income Statements of the Group and the Company respectively. The same amounts were offset against amount due from holding company.

27. BANK OVERDRAFT

The bank overdraft, bearing interest ranging from 1% to 1.5% per annum (2008: 1.0% to 1.5% per annum) above the base lending rate of the banks are secured by way of a pledge of subsidiary's fixed deposit, which amounting to RM449,000 (2008: RM437,000).

28. DEVELOPMENT EXPENDITURE

Included in the Balance Sheets of the Group and of the Company are development expenditure amounting to RM2,133,000 (2008: RM2,133,000) and RM1,125,000 (2008: RM1,125,000) respectively incurred for the development of internet portal, which have been fully amortised/impaired in prior financial years.

29. UNQUOTED INVESTMENT

Included in the Balance Sheets of the Group and of the Company is unquoted investment amounting to RM331,000 (2008: RM331,000) for which full allowance for diminution in value has been recognised in previous financial years.

30. 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.

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
(i) Significant transactions with holding company				
– Sale of services rendered*	5,574	3,480	915	1,174
– Sale of computer equipment*	116	333	116	333
(ii) Significant transactions with subsidiaries of holding company or ultimate holding company				
Sale of services rendered*				
– Autodome Sdn. Bhd.	408	255	222	214
– East-West Ventures Sdn. Bhd.	285	306	–	–
– Star Hill Hotel Sdn. Bhd.	483	562	–	–
– Syarikat Pembinaan Yeoh Tiong Lay Sdn. Bhd.	234	234	–	–
– YTL Land Sdn. Bhd.	3,207	1,996	652	634
Sale of computer equipment*				
– Syarikat Pembinaan Yeoh Tiong Lay Sdn. Bhd.	447	485	405	442
– YTL Power Generation Sdn. Bhd.	140	230	140	230
Rental of premises charged[#]				
– Starhill Real Estate Investment Trust	1,198	1,089	981	868
– Oriental Place Sdn. Bhd.	890	–	–	–
Hotel & accommodation[@]				
– Star Hill Hotel Sdn. Bhd.	706	–	251	–
Travelling fares & motor vehicle maintenance⁺				
– Suri Travel & Tours Sdn. Bhd.	395	–	17	–

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
(iii) Significant transactions with other related party – Express Rail Link Sdn. Bhd. (associate company of holding company)				
– Sale of services rendered*	2,207	2,205	924	908
– Sale of computer equipment*	1,571	1,471	1,571	1,471
– Charges for media rights by related party^	1,283	1,250	–	–

* Sale of computer equipment and sale of services rendered by the YTL e-Solutions Berhad Group.

Rental of premises charged to the YTL e-Solutions Berhad Group.

^ Charges for media rights charged to YTL e-Solutions Berhad Group.

@ Hotel & accommodation expenses charged to YTL e-Solutions Berhad Group.

+ Travelling fares & motor vehicles maintenance expenses charged to YTL e-Solutions Berhad Group.

(b) Related party outstanding balances

The significant outstanding balances with related parties not separately disclosed elsewhere in the financial statements as at 30 June 2009 were as follows:-

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
(i) Amount payable to a Director	546	607	–	–
(ii) Amount receivable from other related party – Express Rail Link Sdn. Bhd.	263	681	263	634

(c) 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 to the Financial Statements.

31. LEASE COMMITMENTS

The Group and the Company have lease commitments in respect of rental of equipment and premises, all of which are classified as operating leases. A summary of the non-cancellable long term lease commitments is as follows:-

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Future minimum rentals payable:-				
Not later than 1 year	1,809	1,787	823	824
Later than 1 year and not later than 5 years	472	2,264	364	1,187
	2,281	4,051	1,187	2,011

Apart from the above, the Group and the Company also lease premises under cancellable lease agreements.

32. CONTINGENT LIABILITY – unsecured

The Company has given a corporate guarantee to a financial institution for facilities granted to subsidiaries as follows:-

	Total amount guaranteed		Amount utilised	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Bank guarantee	20,000	20,000	9,170	8,679

33. STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following new or revised Financial Reporting Standards (“FRS”), Amendments to FRSs and IC Interpretations (“IC Int”) have been issued but are not yet effective and have not been adopted by the Group and the Company:-

FRS, Amendments to FRSs and IC Int		Effective for financial periods beginning on or after
FRS 8	Operating Segments	1 July 2009
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 101	Presentation of Financial Statements (as revised in 2009)	1 January 2010
FRS 123	Borrowing Costs	1 January 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2	Share-based Payment - Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2010
Amendments to FRS 8	Operating Segments	1 January 2010
Amendments to FRS 107	Cash Flow Statements	1 January 2010
Amendments to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2010
Amendments to FRS 110	Events After the Balance Sheet Date	1 January 2010
Amendments to FRS 116	Property, Plant and Equipment	1 January 2010
Amendments to FRS 117	Leases	1 January 2010
Amendments to FRS 118	Revenue	1 January 2010
Amendments to FRS 119	Employee Benefits	1 January 2010
Amendments to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2010
Amendments to FRS 123	Borrowing Costs	1 January 2010
Amendments to FRS 127	Consolidated and Separate Financial Statements	1 January 2010
Amendments to FRS 128	Investments in Associates	1 January 2010
Amendments to FRS 129	Financial Reporting in Hyperinflationary Economies	1 January 2010
Amendments to FRS 131	Interests in Joint Ventures	1 January 2010
Amendments to FRS 132	Financial Instruments: Presentation	1 January 2010
Amendments to FRS 134	Interim Financial Reporting	1 January 2010
Amendments to FRS 136	Impairment of Assets	1 January 2010
Amendments to FRS 138	Intangible Assets	1 January 2010
Amendments to FRS 139	Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives	1 January 2010
Amendments to FRS 140	Investment Property	1 January 2010
IC Int 9	Reassessment of Embedded Derivatives	1 January 2010
IC Int 10	Interim Financial Reporting and Impairment	1 January 2010
IC Int 11	FRS 2 - Group and Treasury Share Transactions	1 January 2010
IC Int 13	Customer Loyalty Programmes	1 January 2010
IC Int 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction	1 January 2010

FRS 4, Amendments to FRS 5, Amendments to FRS 120, Amendments to FRS 128, Amendments to FRS 129, Amendments to FRS 131, Amendments to FRS 140, IC Int 9, IC Int 13 and IC Int 14 are not relevant to the Group's and the Company's operations.

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon initial application of FRS 7 and FRS 139.

Save for these, the new FRS, Amendments to FRSs and IC Int above are not expected to have significant impact on the financial statements of the Group and of the Company upon their initial application.

34. SEGMENTAL INFORMATION

No segmental information is prepared as the Group's activities are predominantly in one industry segment, namely the Information, Technology and Communications ("ICT") industry, and occur predominantly in Malaysia.

35. 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.

36. 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 15 October 2009.

Form of Proxy

YTL E-SOLUTIONS BERHAD

annual report 2009

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 e-Solutions 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 17th 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, 1 December 2009 at 12.00 noon and at any adjournment thereof.

My/Our proxy/proxies is/are to vote as indicated below:-

NO.	RESOLUTIONS	FOR	AGAINST
1.	Receipt of Reports and Audited Financial Statements		
2.	Re-election of Dato' Yeoh Seok Hong		
3.	Re-election of Dato' Sri Michael Yeoh Sock Siong		
4.	Re-election of Mohamad Zaid Bin Dato' Hj Mohd Zainal Abidin		
5.	Re-election of Yeoh Keong Yeow		
6.	Approval of the payment of Directors' fees		
7.	Re-appointment of Messrs HLB Ler Lum as Company Auditors		
8.	Authorisation for Directors to Allot and Issue Shares		
9.	Proposed Renewal of Share Buy-Back Authority		
10.	Proposed Renewal of Shareholder Mandate and New Shareholder Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Dated this _____ day of _____, 2009.

No. of shares held _____

Signature of shareholder

Notes:

1. A member entitled to attend and vote at the meeting may appoint a proxy to vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member other than an Authorised Nominee shall not be entitled to appoint more than one proxy to attend and vote at the same meeting and where such member appoints more than one proxy to attend and vote at the same meeting, such appointment shall be invalid.
2. This form of proxy and the Power of Attorney or other authority (if any) under which it is signed or notarily certified copy thereof must be lodged at the Registered Office, 11th Floor, Yeoh Tiong Lay Plaza, 55 Jalan Bukit Bintang, 55100 Kuala Lumpur not less than 48 hours before the time appointed for the Meeting.
3. In the case of a corporation, this form of proxy should be executed under its Common Seal or under the hand of some officer of the corporation duly authorised in writing on its behalf.
4. Unless voting instructions are indicated in the spaces provided above, the proxy may vote as he thinks fit.
5. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 59(ii) 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 23 November 2009. Only a depositor whose name appears on the General Meeting Record of Depositors as at 23 November 2009 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 E-SOLUTIONS BERHAD
11th Floor, Yeoh Tiong Lay Plaza
55 Jalan Bukit Bintang
55100 Kuala Lumpur
Malaysia

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