

YNH PROPERTY BHD
(Incorporated in Malaysia)

Condensed Consolidated Balance Sheet
As at 31 March 2008

| | Note | As at 31.03.2008 RM | As at 31.12.2007 RM |
|--|------|---------------------------|---------------------------|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 9 | 72,131,858 | 80,860,621 |
| Prepaid lease rental | | 606,608 | 606,608 |
| Deferred tax assets | | 7,824,589 | 7,812,289 |
| Goodwill on consolidation | | 17,621,512 | 17,621,512 |
| Land held for future development | | 211,916,391 | 224,903,063 |
| | | <u>310,100,958</u> | <u>331,804,093</u> |
| CURRENT ASSETS | | | |
| Property development costs | | 152,214,783 | 165,163,522 |
| Amount due from customer for contract work | | 23,202,512 | 7,848,282 |
| Inventories | | 23,631,610 | 29,469,603 |
| Trade receivables | | 110,757,689 | 114,767,396 |
| Other receivables and deposits | 10 | 263,081,546 | 249,248,794 |
| Tax recoverable | | 44,986 | 38,839 |
| Fixed deposits with licensed banks | | 238,192 | 33,242,531 |
| Cash and bank balances | | 6,244,039 | 6,436,978 |
| | | <u>579,415,357</u> | <u>606,215,945</u> |
| TOTAL ASSETS | | <u>889,516,315</u> | <u>938,020,038</u> |

YNH PROPERTY BHD
(Incorporated in Malaysia)

Condensed Consolidated Balance Sheet as at 31 March 2008 (Contd.)

| | Note | As at 31.03.2008 RM | As at 31.12.2007 RM |
|---|------|---------------------------|---------------------------|
| EQUITY AND LIABILITIES | | | |
| Equity attributable to equity holders of the Company | | | |
| Share capital | | 395,677,729 | 395,217,729 |
| Share premium account | | 101,151,966 | 101,095,356 |
| Treasury shares | | (22,977,376) | (243,708) |
| Share option reserve | | 929,090 | 726,946 |
| Reserves | | 193,542,890 | 166,854,069 |
| Total equity | | <u>668,324,299</u> | <u>663,650,392</u> |
| Non-Current Liabilities | | | |
| Deferred tax liabilities | | 19,227,578 | 21,920,020 |
| Long term borrowings | 23 | 13,955,992 | 16,267,076 |
| | | <u>33,183,570</u> | <u>38,187,096</u> |
| CURRENT LIABILITIES | | | |
| Trade payables | | 9,458,639 | 28,508,208 |
| Other payables and accruals | | 29,899,349 | 71,339,336 |
| Provision for rectification works | | 2,201,000 | 2,259,637 |
| Short term borrowings | 22 | 129,979,904 | 124,391,119 |
| Taxation | | 16,469,554 | 9,684,250 |
| | | <u>188,008,446</u> | <u>236,182,550</u> |
| TOTAL LIABILITIES | | <u>221,192,016</u> | <u>274,369,646</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>889,516,315</u> | <u>938,020,038</u> |
| | | - | - |
| NTA per share (RM) | | <u>1.64</u> | <u>1.63</u> |
| Net asset per share (RM) | | <u>1.69</u> | <u>1.68</u> |

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the financial statements.

YNH PROPERTY BHD
(Incorporated in Malaysia)

Condensed Consolidated Income Statements
For the Three Months Period Ended 31 March 2008

| | Note | 3 months ended | | 3 months ended | |
|-------------------------------------|--------|----------------|--------------|----------------|--------------|
| | | 31.03.2008 | 31.03.2007 | 31.03.2008 | 31.03.2007 |
| | | RM | RM | RM | RM |
| Revenue | | 88,733,341 | 57,626,920 | 88,733,341 | 57,626,920 |
| Cost of sales | | (45,745,354) | (26,824,700) | (45,745,354) | (26,824,700) |
| Gross profit | | 42,987,987 | 30,802,220 | 42,987,987 | 30,802,220 |
| Other operating income | | 262,493 | 456,460 | 262,493 | 456,460 |
| Administrative and general expenses | | (5,885,991) | (2,491,339) | (5,885,991) | (2,491,339) |
| Profit from operations | | 37,364,489 | 28,767,341 | 37,364,489 | 28,767,341 |
| Finance costs | 19 | (1,181,820) | (626,447) | (1,181,820) | (626,447) |
| Profit before taxation | 19 | 36,182,669 | 28,140,894 | 36,182,669 | 28,140,894 |
| Taxation | 20 | (9,493,848) | (7,282,472) | (9,493,848) | (7,282,472) |
| Profit for the period | | 26,688,821 | 20,858,422 | 26,688,821 | 20,858,422 |
| Earnings per share (sen) | | | | | |
| Basic | 26 (a) | 6.81 | 5.88 | 6.81 | 5.88 |
| Diluted | 26 (b) | 6.68 | 5.74 | 6.68 | 5.74 |

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the financial statements.

YNH PROPERTY BHD
(Incorporated in Malaysia)

Condensed Statement of Changes in Equity
For the Three Months Period Ended 31 March 2008

| | Share capital RM | Non-distributable | | | Distributable | | | Total RM | | |
|--|---------------------|-------------------------------|-----------------------------------|------------------------|--------------------------|--------------------------|--------------------------|--------------------|---------------------------|--------------------|
| | | Share Option Reserve RM | Reserve on Consolidation RM | Share Premium RM | Capital Reserve RM | Capital Reserve RM | Treasury Shares RM | | Retained profits RM | |
| As at 1 January 2007 | 354,010,190 | 347,066.00 | - | 18,300,970 | - | 26,578,054 | - | 88,212,208 | ‡ | 487,448,488 |
| Share -based payment under ESOS | - | - | - | 291,280 | - | - | - | - | | 291,280 |
| Issue of ordinary shares pursuant to ESOS | 1,804,000 | - | - | - | - | - | - | - | | 1,804,000 |
| Profit for the period | - | - | - | - | - | - | - | 20,858,422 | | 20,858,422 |
| Dividends | Note 25 | - | - | - | - | - | - | - | | - |
| As at 31 March 2007 | 355,814,190 | 347,066 | - | 18,592,250 | - | 26,578,054 | - | 109,070,630 | | 510,402,190 |
| As at 1st January 2008 | 395,217,729 | 726,946 | - | 101,095,356 | - | 26,578,054 | (243,708) | 140,276,015 | ‡ | 663,650,392 |
| Issue of ordinary shares pursuant to ESOS | Note 6 (a) | 460,000 | - | 56,610 | - | - | - | - | | 516,610 |
| Purchase of treasury shares | Note 6 '(b) | - | - | - | - | - | (22,733,668) | - | | (22,733,668) |
| Share option granted under ESOS | | - | 202,144 | - | - | - | - | - | | 202,144 |
| Profit for the period | | - | - | - | - | - | - | 26,688,821 | | 26,688,821 |
| Dividends | Note 25 | - | - | - | - | - | - | - | | - |
| As at 31 March 2008 | 395,677,729 | 929,090 | - | 101,151,966 | - | 26,578,054 | (22,977,376) | 166,964,836 | | 668,324,299 |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the financial statements.

YNH PROPERTY BHD
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Condensed Consolidated Cash Flow Statement
For the Three Months Period Ended 31 March 2008

| | 3 months ended 31.03.2008 RM | 3 months ended 31.03.2007 RM |
|---|---|---|
| Profit before taxation | <u>36,182,669</u> | <u>28,140,894</u> |
| Net cash used in operating activities | (14,219,376) | (1,922,296) |
| Net cash used in investing activities | (38,545) | (1,733,197) |
| Net cash generated from / (used in) financing activities | <u>15,471,858</u> | <u>(3,898,519)</u> |
| Net increase / (decrease) in cash and cash equivalents | 1,213,937 | (7,554,012) |
| Cash and cash equivalents at beginning of financial period | 146,945 | 6,724,873 |
| Cash and cash equivalents at end of financial period | <u>1,360,882</u> | <u>(829,139)</u> |

Cash and cash equivalents at end of financial period comprise the following:

| | | |
|--|--------------------|---------------------|
| Fixed deposits | 238,192 | 234,007 |
| Less: pledged fixed deposits | (238,192) | (234,007) |
| | - | - |
| * Cash and bank balances | 6,244,039 | 19,239,175 |
| Bank overdraft (included within short term borrowing in Note 22) | <u>(4,883,157)</u> | <u>(20,068,314)</u> |
| | <u>1,360,882</u> | <u>(829,139)</u> |

* Included in cash at banks of the Group are amounts of RM5,477,701 held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and therefore restricted from use in other operations.

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the financial statements.

YNH PROPERTY BHD
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NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 MARCH 2008

1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with Financial Reporting Standard (FRS) 134 " Interim Financial Reporting" (formerly known as MASB 26) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2007.

Same accounting policies and methods of computation are followed in the interim financial statements as compared with the financial statements for the year ended 31 December 2007.

2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 December 2007 was not qualified.

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's performance is not materially affected by seasonal or cyclical factors.

4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items due to their nature, size or incidence affecting assets, liabilities, equity, net income or cash flows during the financial period ended 31 March 2008.

5. CHANGES IN ESTIMATES

The Group has not submitted any financial forecast or projections to any authority body during the current quarter and prior financial year ended 31 December 2007.

There were no changes in estimates that have had a material effect in the current quarter results.

6. DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period ended 31 March 2008 and the date of this interim report except the followings:

(a) Employee Share Option Scheme ("ESOS")

During the financial period ended 31 March 2008, the Company issued 460,000 ordinary shares of RM1 each for cash pursuant to the Company's ESOS at exercise prices of between RM1.06 and RM2.00 per ordinary share.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 MARCH 2008

6. DEBT AND EQUITY SECURITIES (Contd')

(b) Treasury Shares

During the current financial period ended 31 March 2008, the Company repurchased 9,993,000 of its issued ordinary shares from the open market at an average price of RM2.42 per share. The total consideration paid for the repurchase including transaction costs was RM24,179,897.99 and this was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965. None of the treasury shares held were resold or cancelled during the financial period ended 31 March 2008. Subsequent to the financial year end, the Company has repurchased 10,223,000 of its ordinary shares from the open market at a price range between RM2.03 to RM 2.41. The total consideration paid for the repurchasing was RM 22,274,401.

7. DIVIDENDS PAID

No dividend was paid out during the financial period ended 31 March 2008.

8. SEGMENTAL REPORTING

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

9. CARRYING AMOUNT OF REVALUED ASSETS

The valuation of property, plant and equipment and investment properties have been brought forward without amendment from the financial statements for the year ended 31 December 2007.

10. OTHER RECEIVABLES AND DEPOSITS

Included in other receivables and deposits are security deposits for various joint venture transactions amounting to RM 189,867,972 and an amount of RM 62,986,883, being part payment towards purchase of 70% stake in D'Kiara Place Sdn Bhd.

11. SUBSEQUENT EVENTS

On 12 May 2008, the Company has through its wholly owned subsidiary company, Kar Sin Bhd, completed the purchase of 70% stake in D'Kiara Place Sdn Bhd ("DKP"). Due to the completion of the acquisition, DKP becomes a subsidiary company of Kar Sin Bhd (a wholly owned subsidiary company of YNH Property Bhd).

12. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current quarter ended 31 March 2008 except as per mentioned in Notes 11 to the condensed financial statement where subsequent to 31 March 2008, D'Kiara Place Sdn Bhd has become a subsidiary company of Kar Sin Bhd (a wholly owned subsidiary company of YNH Property Bhd).

13. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets since the last annual balance sheet as at 31 March

2008.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 MARCH 2008

14. CAPITAL COMMITMENTS

There was no capital commitment for the interim financial statement ended 31 March 2008 and as at the date of this report except the following:

| | RM |
|---------------------------------|-------------------|
| Contracted but not provided for | <u>42,506,198</u> |

15. PERFORMANCE REVIEW

The Group's cumulative turnover for the current financial period ended 31 March 2008 has reached RM 88,733,341 (year 2007-RM 57,626,920) and cumulative profit before taxation is reported at RM 36,182,669 (year 2007-RM 28,140,894). The Group's profit before taxation had increased by RM8,041,775 or 28.5% as compared to previous year corresponding financial period. The Group's performance for this quarter mainly derived from the recognition of progressive sales of its development properties in Pusat Perniagaan Manjung Point and Manjung Point Township (Seri Manjung), Lot 163 Suites (Kuala Lumpur), Ceriaan Kiara (Mont Kiara, Kuala Lumpur), Lot 633 (Kuala Lumpur, near KL Sentral), and sales of completed inventories and development land.

16. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There was no off balance sheet financial instruments as at the date of this report.

17. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION

The Group recorded a profit before taxation of RM 36,182,669 for the current quarter, compared to RM 28,140,894 in the preceding financial quarter ended 31 March 2007. The increase is mainly due to overwhelming response from the sales of properties in Manjung Point Seksyen II and certain development land, the progressive profit recognition from Lot 163 Suites (Kuala Lumpur city centre), Ceriaan Kiara (Mont Kiara, Kuala Lumpur) and Lot 633 (Kuala Lumpur, near KL Sentral) during the current quarter of the financial year.

18. COMMENTARY ON PROSPECTS

The Board is optimistic of the Group's prospect for the subsequent financial period. Lot 163 Suites (Kuala Lumpur city centre), Ceriaan Kiara (Mont Kiara, Kuala Lumpur) , Lot 633 (Kuala Lumpur, near KL Sentral), Medan Bercham, Medan Sitiawan and Manjung Point Seksyen II will be the major profit contributor for the Group's income for the current and next financial period.

Since the soft launch of project in Jalan Perak, namely Lot 163 Suites we have received overwhelming response from purchasers. This project is located in Kuala Lumpur city centre and has a gross development value (GDV) of approximately RM322 million. The development will offer 217 units of service apartment, a retail arcade and a 14 storey office block. The Company has on 1 October 2007, via its wholly owned subsidiary company, Kar Sin Bhd, entered into a Memorandum of Understanding with Frasers Hospitality Pte Ltd for the provision of consultancy and other services in relation to Lot 163 Serviced Suites. This project has started to contribute to the Group's

earning and is expected to continue to contribute positively to the Group's earning for the next one year.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 MARCH 2008

18. COMMENTARY ON PROSPECTS (Contd')

Other development in the near future for the Group includes Ceriaan Kiara in Mont Kiara and Menara YNH , which is located besides Shangri-la Hotel, along Jalan Sultan Ismail, Kuala Lumpur. Ceriaan Kiara development consists of 238 units of high-end condominium on the prime land of Mont Kiara and has a gross development value of approximately RM200 million. The Company has via Kar Sin Bhd (a wholly owned subsidiary YNH Property Bhd) ("KSB"), accepted the offer by CMREF 1 Sdn Bhd to underwrite en-bloc 66 units of Ceriaan Kiara Project. (CMREF 1 is a private real estate fund which is managed by CIMB-Mapletree Management Sdn Bhd ("CIMB-Mapletree"). CIMB-Mapletree is a 60-40 joint venture between CIMB Real Estate Sdn Bhd, a wholly-owned subsidiary of CIMB Group Sdn Bhd of Malaysia ("CIMB Group") and Mapletree Capital Management Pte Ltd, a wholly-owned subsidiary of Mapletree Investments Pte Ltd ("Mapletree"). Terms and conditions of the purchase has been finalise and agreement signed on 12 December 2007. Ceriaan Kiara development has started to contribute to the Group's earnings and is expected to continue to contribute positively for the next two years.

On January 2008, YNH Land Sdn Bhd ("YNH Land"), a wholly-owned subsidiary company of Kar Sin Bhd, which in turn is a wholly owned subsidiary of YNH Property Bhd ("YNH"), has accepted an offer from Kuwait Finance House (Malaysia) Berhad ("KFH") to purchase an en-bloc interest equal to 50% of a proposed 45 stories single iconic office tower with two wings ("Tower Block") on a premier and luxury retail platform/podium ("Retail Podium") (the Tower Block and the Retail Podium are currently referred as the "Menara YNH"). The total sales consideration is approximately RM 920 million for the purchase of the 50% interest in the Tower Block by KFH. The final conditions will be concluded in a sales and purchase agreement to be formalised by both parties.

Menara YNH, is located on one of the most exclusive addresses in Kuala Lumpur city centre, The Jalan Sultan Ismail Road, which is located in the Golden Triangle area where most prestigious 5 star hotels and upmarket office spaces are located. The commercial development sits on a 130,826 sq ft (approximately 3 acres) of land with a wide frontage of 320 feet along Jalan Sultan Ismail. The location of Menara YNH also offers easy accessibility and close proximity to efficient public transport facilities such as the Putra Light Rail Transport and the K.L Monorail station. It is also located within walking distance to all major hotels and shopping centres.

The Group has also entered into a series of joint venture for the development of a few pieces of land strategically located near Mount' Kiara, Hartamas and Kuala Lumpur town centre. These developments are at planning stage and have an estimated gross development value of RM1.2 billion and are expected to contribute to the Group's earnings commencing year 2009.

On 12 May 2008, Kar Sin Bhd ("KSB"), a wholly owned subsidiary of the Company, has completed the acquisition of 70% stake in D'Kiara Place Sdn Bhd ("DKP"). DKP is the registered and beneficial owner of the 6 acres freehold development properties located in Mont' Kiara, Kuala Lumpur, besides McDonald outlet at Plaza

Mount' Kiara and opposite One Mount' Kiara. The approved development order is for the proposed commercial development comprises:

- i) 2 Blocks of 42 storey of Service Apartment (584 units), 6 storey of multi-storey car park, 4 storey of basement car park and 1 storey of basic facilities
- ii) 1 Office block of 23 storey
- iii) 1 block of 7 storey podium comprises 3 storey of retail centre and 4 storey of auditorium.

The Company has in the current quarter, entered into a share purchase agreement to acquire 4,230,000 ordinary shares of RM 1 each in D'Kiara Place Sdn Bhd ("DKP") representing the remaining 30% equity interest of DKP from DKLS Industries Sdn Bhd by the Company, for a total cash consideration of RM 33,895,775.83 and an indebtedness to DKLS by DKP amounting to RM 2,189,191.54.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 MARCH 2008

19. PROFIT BEFORE TAXATION

| | |
|------------------------------------|-----------------------|
| | 3 months ended |
| | 31.03.2008 |
| | RM |
| This is arrived at after charging: | |
| Fixed loan interest | 566,141 |
| Overdraft interest | 615,679 |
| | <u>1,181,820</u> |
| and crediting: | |
| Interest income | <u>21,829</u> |

20. TAXATION

| | 3 months ended | 3 months ended | 3 months ended | 3 months ended |
|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 31.03.08 | 31.03.07 | 31.03.08 | 31.03.07 |
| | RM | RM | RM | RM |
| Tax expense for the period: | | | | |
| Malaysian income tax | 12,134,215 | 7,102,000 | 12,134,215 | 7,102,000 |
| Deferred tax liabilities | (2,640,367) | 180,472 | (2,640,367) | 180,472 |
| | <u>9,493,848</u> | <u>7,282,472</u> | <u>9,493,848</u> | <u>7,282,472</u> |

21. SALES OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no sales of unquoted investments and no other sales of properties for the quarter ended 31 March 2008 except for the sales of development properties in the ordinary course of business.

22. BORROWING AND DEBT SECURITIES

| | As at | As at |
|-----------------------|-------------------|-------------------|
| | 31.03.2008 | 31.12.2007 |
| | RM | RM |
| Short term borrowing: | | |
| Secured | 129,979,904 | 124,391,119 |

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| | | |
|----------------------|-------------------|-------------------|
| Long term borrowing: | 13,955,992 | 16,267,076 |
| Secured | | |
| | <u>13,955,992</u> | <u>16,267,076</u> |

All of the above borrowings are denominated in Ringgit Malaysia.

23. PROFIT FORECAST

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest and for the shortfall in profit guarantee are not applicable.

24. CHANGES IN MATERIAL LITIGATION

Save as disclosed below, as at the date of this report, the Group is not engaged whether as plaintiff or defendant in any legal action, proceeding, arbitration or prosecution for any criminal offence, which has a material effect on the financial position of the Group and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of YNH Property Bhd and its subsidiaries.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 MARCH 2008

24. CHANGES IN MATERIAL LITIGATION (Contd.)

A claim for specific performance by Lau Geok Swee & Co Sdn Bhd ("LGS") against Kar Sin Bhd ("KSB"), a subsidiary company of YNH Property Bhd (formerly known as Yu Neh Huat Bhd), vide Ipoh High Court, Civil Suit No. 22-240-02, with LGS claiming for specific performance of a sale and purchase agreement dated 28 October 1995 entered into between LGS as vendor and KSB as purchaser in respect of a piece of property held under Lot No. 2, Town of Lumut for a purchase price of RM4,496,698-80. A deposit and part payment of the purchase consideration amounting to RM674,504-85 had been paid by KSB pursuant to the said agreement.

The solicitors of KSB had confirmed that a statement of defence and a counter-claim had been filed on behalf of KSB. Pursuant to the counter claim, KSB is seeking a declaration that the said agreement has been rescinded and is seeking a refund of the deposit and part payment of RM674,504-85 made by KSB to LGS. The matter has been fixed for mention on 23 June 2008.

25. DIVIDEND PAYABLE

The Directors recommended a final dividend of 6% for the financial year ended 31 December 2007 (2006-5% less 27% taxation), to be approved by the shareholders at the forthcoming Annual General Meeting. Based on the issued capital of 395,677,729 ordinary shares as at year end, the dividend amounts to RM23,740,664 (6 sen per share). The actual net amount paid will depend on the issue capital on entitlement date. The interim financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2008.

26. EARNING PER SHARE**(a) Basic**

Basic earning per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

| | 3 months ended 31.03.2008 | 3 months ended 31.03.2007 | 3 months ended 31.03.2008 | 3 months ended 31.03.2007 |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| Net profit for the period | 26,688,821 | 20,858,422 | 26,688,821 | 20,858,422 |
| Weighted average number of ordinary shares in issue | 392,146,151 | 355,036,334 | 392,146,151 | 355,036,334 |
| Basic earnings per share (sen) | 6.81 | 5.88 | 6.81 | 5.88 |

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - 31 MARCH 2008**26. EARNING PER SHARE (Contd.)****(b) Diluted**

For the purpose of calculating diluted earning per share, the net profit for the period and the weighted average number of ordinary shares in issue during the period have been adjusted for the effect of dilutive potential ordinary shares from the exercise of share options granted to employees ("ESOS").

| | 3 months ended 31.03.2008 | 3 months ended 31.03.2007 | 3 months ended 31.03.2008 | 3 months ended 31.03.2007 |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| Adjusted net profit for the period | 26,688,821 | 20,858,422 | 26,688,821 | 20,858,422 |
| Weighted average number of ordinary shares in issue | 392,146,151 | 355,036,334 | 392,146,151 | 355,036,334 |
| Adjustment for assumed exercise of ESOS | 7,112,186 | 8,488,494 | 7,112,186 | 8,488,494 |
| Adjusted weighted number of ordinary shares in issue | 399,258,337 | 363,524,828 | 399,258,337 | 363,524,828 |
| Diluted earnings per share (sen) | 6.68 | 5.74 | 6.68 | 5.74 |

27. UPDATE ON MEMORANDUM OF UNDERSTANDING

The Company has on 1 October 2007, via its wholly owned subsidiary company, Kar Sin Bhd ("KSB"), entered into a Memorandum of Understanding with Frasers Hospitality Pte Ltd for the provision of consultancy and other services in relation to the property known as 163 Serviced Suites.

Formalisation of the agreement in respect of the proposal is in progress.

28. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 20 May 2008.