

YNH PROPERTY BHD
(Incorporated in Malaysia)

Condensed Consolidated Income Statements
For the Six Months Period Ended 30 June 2008

	Note	3 months ended		6 months ended	
		30.06.2008 RM	30.06.2007 RM	30.06.2008 RM	30.06.2007 RM
Revenue		146,859,152	68,547,594	235,592,493	126,174,514
Cost of sales		(101,245,533)	(33,920,140)	(146,990,887)	(60,744,840)
Gross profit		45,613,619	34,627,454	88,601,606	65,429,674
Other operating income		575,096	818,775	837,589	1,275,235
Gain on compulsory acquisition		-	3,693,747	-	3,693,747
Administrative and general expenses		(7,054,530)	(7,732,103)	(12,940,521)	(10,223,442)
Profit from operations		39,134,185	31,407,873	76,498,674	60,175,214
Finance costs	19	(2,519,419)	(1,726,838)	(3,701,239)	(2,353,285)
Profit before taxation	19	36,614,766	29,681,035	72,797,435	57,821,929
Taxation	20	(9,844,634)	(7,192,671)	(19,338,482)	(14,475,143)
Profit for the period		26,770,132	22,488,364	53,458,953	43,346,786
Attributable to:					
Equity holder of the Company:		26,770,177	22,488,364	53,458,998	43,346,786
Minority interests		(45)	-	(45)	-
		26,770,132	22,488,364	53,458,953	43,346,786
Earnings per share (sen)					
Basic	26 (a)	7.12	6.17	13.92	12.06
Diluted	26 (b)	6.71	6.02	13.27	11.74

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 Consolidated Balance Sheet
As at 30 June 2008

	Note	As at 30.06.2008 RM	As at 31.12.2007 RM
NON-CURRENT ASSETS			
Property, plant and equipment	9	71,626,917	80,860,621
Prepaid lease rental		603,881	606,608
Deferred tax assets		7,884,980	7,812,289
Goodwill on consolidation		17,621,512	17,621,512
Land held for future development		338,794,037	224,903,063
		<u>436,531,327</u>	<u>331,804,093</u>
CURRENT ASSETS			
Property development costs		185,838,365	165,163,522
Amount due from customer for contract work		14,008,652	7,848,282
Inventories		19,527,991	29,469,603
Trade receivables		148,602,802	114,767,396
Other receivables and deposits	10	295,891,300	249,248,794
Tax recoverable		18,107	38,839
Fixed deposits with licensed banks		242,532	33,242,531
Cash and bank balances		11,346,058	6,436,978
		<u>675,475,807</u>	<u>606,215,945</u>
TOTAL ASSETS		<u>1,112,007,134</u>	<u>938,020,038</u>

YNH PROPERTY BHD
(Incorporated in Malaysia)

Condensed Consolidated Balance Sheet as at 30 June 2008 (Contd.)

	Note	As at 30.06.2008 RM	As at 31.12.2007 RM
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		395,811,729	395,217,729
Share premium account		101,194,156	101,095,356
Treasury shares		(59,373,099)	(243,708)
Share option reserve		1,156,536	726,946
Reserves		<u>196,564,318</u>	<u>166,854,069</u>
		635,353,640	663,650,392
Minority interest		<u>29,086,643</u>	<u>-</u>
Total equity		<u>664,440,283</u>	<u>663,650,392</u>
Non-Current Liabilities			
Deferred tax liabilities		31,941,724	21,920,020
Long term borrowings	23	<u>11,052,001</u>	<u>16,267,076</u>
		<u>42,993,725</u>	<u>38,187,096</u>
CURRENT LIABILITIES			
Trade payables		89,543,743	28,508,208
Other payables and accruals		50,803,750	71,339,336
Provision for rectification works		2,078,946	2,259,637
Dividend payable		23,748,704	-
Short term borrowings	22	213,315,562	124,391,119
Taxation		<u>25,082,421</u>	<u>9,684,250</u>
		<u>404,573,126</u>	<u>236,182,550</u>
TOTAL LIABILITIES		<u>447,566,851</u>	<u>274,369,646</u>
TOTAL EQUITY AND LIABILITIES		<u>1,112,007,134</u>	<u>938,020,038</u>
NTA per share (RM)		<u>1.56</u>	<u>1.63</u>
Net asset per share (RM)		<u>1.61</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 Statement of Changes in Equity
For the Six Months Period Ended 30 June 2008

Attributable to Equity Holders of the Company										
	Share capital RM	Non-distributable			Distributable			Retained profits RM	Minority Interest RM	Total RM
		Share Option Reserve RM	Reserve on Consolidation RM	Share Premium RM	Capital Reserve RM	Capital Reserve RM	Treasury Shares 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	2,823,200	-	-	-	-	-	-	-	-	2,823,200
Issue of ordinary shares pursuant to private placement	35,668,939	-	-	82,038,560	-	-	-	-	-	117,707,499
Share option granted under ESOS	-	173,014	-	449,362	-	-	-	-	-	622,376
Profit for the period	-	-	-	-	-	-	-	43,346,786	-	43,346,786
Dividends	-	-	-	-	-	-	-	(28,652,670)	-	(28,652,670)
	Note 25									
As at 30 June 2007	392,502,329	520,080	-	100,788,892	-	26,578,054	-	102,906,324	-	623,295,679
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	594,000	-	-	98,800	-	-	-	-	-	692,800
Purchase of treasury shares	-	-	-	-	-	-	(59,129,391)	-	-	(59,129,391)
Share option granted under ESOS	-	429,590	-	-	-	-	-	-	-	429,590
Acquisition of shares in a subsidiary company	-	-	-	-	-	-	-	-	29,086,643	29,086,643
Profit for the period	-	-	-	-	-	-	-	53,458,953	-	53,458,953
Dividends	-	-	-	-	-	-	-	(23,748,704)	-	(23,748,704)
	Note 25									
As at 30 June 2008	395,811,729	1,156,536	-	101,194,156	-	26,578,054	(59,373,099)	169,986,264	29,086,643	664,440,283

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
(Incorporated in Malaysia)

**Condensed Consolidated Cash Flow Statement
For the Six Months Period Ended 30 June 2008**

	6 months ended 30.06.2008 RM	6 months ended 30.06.2007 RM
Profit before taxation	<u>72,797,435</u>	<u>57,821,929</u>
Net cash generated from / (used in) operating activities	15,220,104	(55,164,985)
Net cash used in investing activities	(68,584,211)	(3,177,666)
Net cash (used in) / generated from financing activities	<u>(3,696,290)</u>	<u>110,446,730</u>
Net (decrease) / increase in cash and cash equivalents	(57,060,397)	52,104,079
Cash and cash equivalents at beginning of financial period	142,606	6,673,166
Cash and cash equivalents at end of financial period	<u>(56,917,791)</u>	<u>58,777,245</u>

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

Fixed deposits	242,532	238,192
Less: pledged fixed deposits	(242,532)	(238,192)
	-	-
* Cash and bank balances	11,346,058	100,509,924
Bank overdraft (included within short term borrowing in Note 22)	<u>(68,263,849)</u>	<u>(41,732,679)</u>
	<u>(56,917,791)</u>	<u>58,777,245</u>

* Included in cash at banks of the Group are amounts of RM10,376,125 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
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 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 30 June 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 30 June 2008 and the date of this interim report except the followings:

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

During the financial period ended 30 June 2008, the Company issued 594,000 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.

YNH PROPERTY BHD
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 2008

6. DEBT AND EQUITY SECURITIES (Contd')

(b) Treasury Shares

During the current financial period ended 30 June 2008, the Company repurchased 26,358,000 of its issued ordinary shares from the open market at an average price of RM2.25 per share, representing 6.6% of the total paid up share capital of the company as at 30 June 2008. The total consideration paid for the repurchase including transaction costs was RM59,373,098.51 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 30 June 2008. Subsequent to the financial year end, the Company has further repurchased 3,669,000 of its ordinary shares from the open market at a price range between RM 1.48 to RM 1.73. The total consideration paid for the repurchasing subsequent to the financial quarter was RM 5,768,564.14.

On 26 August 2008, the Company announced to distribute treasury shares to the entitled shareholders at the ratio of one (1) treasury shares for every thirty (30) ordinary shares of RM 1 each held.. The actual treasury shares to be distributed will depend on the issued share capital on entitlement date. The entitlement date and distribution date on the treasury shares are on 28 October 2008 and 25 November 2008 respectively.

7. DIVIDENDS PAID

No dividend was paid out during the financial period ended 30 June 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 280,391,747.

11. SUBSEQUENT EVENTS

On 4 July 2008, the Company has through its wholly owned subsidiary company, Kar Sin Bhd, completed the purchase of 30% stake in D'Kiara Place Sdn Bhd ("DKP"). Due to the completion of the acquisition, DKP becomes a wholly owned subsidiary company of Kar Sin Bhd (a wholly owned subsidiary company of YNH Property Bhd).

12. CHANGES IN COMPOSITION OF THE GROUP

During the current quarter ended 30 June 2008, the Group has completed the purchase of 70% stake in D' Kiara Place Sdn Bhd. As such, D' Kiara Place Sdn Bhd is a subsidiary company of YNH Property Bhd's group as at 30 June 2008. As mentioned in Notes 11 to the condensed financial statement, subsequent to 30 June 2008, D'Kiara Place Sdn Bhd has become a wholly owned subsidiary company of Kar Sin Bhd (a wholly owned subsidiary company of YNH Property Bhd).

YNH PROPERTY BHD
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 2008

13. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets since the last annual balance sheet as at 30 June 2008.

14. CAPITAL COMMITMENTS

There was no capital commitment for the interim financial statement ended 30 June 2008 and as at the date of this report except the following:

	RM
Contracted but not provided for	<u>12,000,000</u>

15. PERFORMANCE REVIEW

The Group's cumulative turnover for the current financial period ended 30 June 2008 has reached RM 235,592,493 (year 2007-RM126,174,514) and cumulative profit before taxation is reported at RM 72,797,435 (year 2007-RM 57,821,929). The Group's profit before taxation had increased by RM 14,975,506 or 26% 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 Lot 163 Suites (Kuala Lumpur), Ceriaan Kiara (Mont Kiara, Kuala Lumpur), Lot 633 (Kuala Lumpur, near KL Sentral), Taman Manjung Baru (Seri Manjung), Medan Bercham (Ipoh), Bandar Baru Teluk Intan (Teluk Intan) and sales of completed inventories and development land for hypermarket and petrol station.

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 RM72,797,435 for the current quarter, compared to RM 57,821,929 in the preceding financial quarter ended 30 June 2007. The increase is mainly due to the progressive profit recognition from Lot 163 Suites (Kuala Lumpur city centre), Ceriaan Kiara (Mont Kiara, Kuala Lumpur) , Lot 633 (Kuala Lumpur, near KL Sentral) and overwhelming response from the sales of properties in Taman Manjung Baru and certain development land for hypermarket and petrol station 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 Taman Manjung Baru 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. The Company has on 30 July 2008 formalised the arrangement for the management, technical and consultancy services with Frasers Hospitality Pte Ltd, the hospitality arm of Fraser Centerpoint Limited. 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.

YNH PROPERTY BHD

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 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 one and a half year.

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 Mont' 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 4 July 2008, Kar Sin Bhd ("KSB"), a wholly owned subsidiary of the Company, has completed the acquisition of 100% 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, which is beside McDonald outlet at Plaza Mont' Kiara and opposite One Mont' 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.

This project is expected to contribute positively to the Group's earning for the next two to three years.

YNH PROPERTY BHD
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 2008

19. PROFIT BEFORE TAXATION

	6 months ended 30.06.2008 RM
This is arrived at after charging:	
Fixed loan interest	2,611,103
Overdraft interest	1,090,136
	<u>3,701,239</u>
and crediting:	
Interest income	<u>52,483</u>

20. TAXATION

	3 months ended 30.06.2008 RM	3 months ended 30.06.2007 RM	6 months ended 30.06.2008 RM	6 months ended 30.06.2007 RM
Tax expense for the period:				
Malaysian income tax	(8,727,914)	(13,479,739)	(21,862,129)	(20,581,739)
Deferred tax liabilities	(1,116,720)	6,287,068	2,523,647	6,106,596
	<u>(9,844,634)</u>	<u>(7,192,671)</u>	<u>(19,338,482)</u>	<u>(14,475,143)</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 30 June 2008 except for the sales of development properties in the ordinary course of business.

22. BORROWING AND DEBT SECURITIES

	As at 30.06.2008 RM	As at 31.12.2007 RM
Short term borrowing:		
Secured	213,315,562	124,391,119
Long term borrowing:		
Secured	11,052,001	16,267,076
	<u>224,367,563</u>	<u>140,658,195</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.

YNH PROPERTY BHD
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 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 5 May 2010.

25. DIVIDEND PAYABLE

- (a) In respect of the financial year ended 31 December 2007, a single tier final dividend of 6% (2006-5% less 27% taxation) on issued capital of 395,811,729 ordinary shares of RM 1 each, amounting to RM 23,748,703.74 has been approved in the AGM held on 27 June 2008. The actual amount payable will depend on the issued share capital on entitlement date. The entitlement date and payment date of the final dividend are 29 August 2008 and 26 September 2008 respectively.
- (b) On 26 August 2008, the Company announced to distribute treasury shares to the entitled shareholders at the ratio of one (1) treasury shares for every thirty (30) ordinary shares of RM 1 each held. The actual treasury shares to be distributed will depend on the issued share capital on entitlement date. The entitlement date and distribution date on the treasury shares are on 28 October 2008 and 25 November 2008 respectively.

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 30.06.2008	3 months ended 30.06.2007	6 months ended 30.06.2008	6 months ended 30.06.2007
Net profit for the period	26,770,132	22,488,364	53,458,953	43,346,786
Weighted average number of ordinary shares in issue	375,839,685	364,330,319	383,947,872.65	359,573,310
Basic earnings per share (sen)	7.12	6.17	13.92	12.06

YNH PROPERTY BHD
(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 JUNE 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	26,770,132	22,488,364	53,458,953	43,346,786
Weighted average number of ordinary shares in issue	375,839,685	364,330,319	383,947,873	359,573,310
Adjustment for assumed exercise of ESOS	22,894,257	9,192,407	18,809,168	9,686,560
Adjusted weighted number of ordinary shares in issue	398,733,942	373,522,726	402,757,041	369,259,870
Diluted earnings per share (sen)	6.71	6.02	13.27	11.74

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.

The Company has on 30 July 2008 formalised the arrangement for the management, technical and consultancy services with Fraser Hospitality Pte Ltd, the hospitality arm of Fraser Centerpoint Limited

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 26 August 2008.