

YNH PROPERTY BHD
(Incorporated in Malaysia)

Condensed Consolidated Income Statements
For the Nine Months Period Ended 30 September 2008

	Note	3 months ended		9 months ended	
		30.09.2008 RM	30.09.2007 RM	30.09.2008 RM	30.09.2007 RM
Revenue		80,064,491	55,418,503	315,656,984	181,593,017
Cost of sales		(39,448,481)	(19,418,103)	(186,439,368)	(80,162,943)
Gross profit		40,616,010	36,000,400	129,217,616	101,430,074
Other operating income		59,002	712,247	896,591	1,987,482
Gain on compulsory acquisition		-	-	-	3,693,747
Administrative and general expenses		(7,022,588)	(5,609,852)	(19,963,109)	(15,833,294)
Profit from operations		33,652,424	31,102,795	110,151,098	91,278,009
Finance costs	19	(3,032,803)	(966,098)	(6,734,042)	(3,319,383)
Profit before taxation	19	30,619,621	30,136,697	103,417,056	87,958,626
Taxation	20	(8,436,218)	(7,216,760)	(27,774,700)	(21,691,903)
Profit for the period		22,183,403	22,919,937	75,642,356	66,266,723
Earnings per share (sen)					
Basic	26 (a)	6.04	5.83	20.00	17.87
Diluted	26 (b)	5.91	5.61	19.65	17.13

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
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Condensed Consolidated Balance Sheet
As at 30 September 2008

	Note	As at 30.09.2008 RM	As at 31.12.2007 RM
NON-CURRENT ASSETS			
Property, plant and equipment	9	71,631,130	80,860,621
Prepaid lease rental		600,848	606,608
Deferred tax assets		9,295,704	7,812,289
Goodwill on consolidation		17,621,512	17,621,512
Land held for future development		492,486,355	224,903,063
		<u>591,635,549</u>	<u>331,804,093</u>
CURRENT ASSETS			
Property development costs		135,522,873	165,163,522
Amount due from customer for contract work		24,076,854	7,848,282
Inventories		19,951,205	29,469,603
Trade receivables		107,115,305	114,767,396
Other receivables and deposits	10	252,588,753	249,248,794
Tax recoverable		4,424,099	38,839
Fixed deposits with licensed banks		242,532	33,242,531
Cash and bank balances		18,107,777	6,436,978
		<u>562,029,398</u>	<u>606,215,945</u>
TOTAL ASSETS		<u>1,153,664,947</u>	<u>938,020,038</u>

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

	Note	As at 30.09.2008 RM	As at 31.12.2007 RM
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		397,393,729	395,217,729
Share premium account		101,289,076	101,095,356
Treasury shares		(67,341,546)	(243,708)
Share option reserve		1,371,331	726,946
Reserves		220,467,741	166,854,069
		<u>653,180,331</u>	<u>663,650,392</u>
Minority interest			-
Total equity		<u>653,180,331</u>	<u>663,650,392</u>
Non-Current Liabilities			
Deferred tax liabilities		47,654,429	21,920,020
Long term borrowings	22	8,729,227	16,267,076
		<u>56,383,656</u>	<u>38,187,096</u>
CURRENT LIABILITIES			
Trade payables		108,873,681	28,508,208
Other payables and accruals		116,378,599	71,339,336
Provision for rectification works		2,120,500	2,259,637
Short term borrowings	22	201,217,081	124,391,119
Taxation		15,511,099	9,684,250
		<u>444,100,960</u>	<u>236,182,550</u>
TOTAL LIABILITIES		<u>500,484,616</u>	<u>274,369,646</u>
TOTAL EQUITY AND LIABILITIES		<u>1,153,664,947</u>	<u>938,020,038</u>
		-	-
NTA per share (RM)		<u>1.60</u>	<u>1.63</u>
Net asset per share (RM)		<u>1.64</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.

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Condensed Statement of Changes in Equity
For the Nine Months Period Ended 30 September 2008

		Attributable to Equity Holders of the Company								
		Non-distributable				Distributable				
		Share capital RM	Share Option Reserve RM	Reserve on Consolidation RM	Share Premium RM	Capital Reserve RM	Capital Reserve RM	Treasury Shares RM	Retained profits RM	Total 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		4,766,600	-	-	-	-	-	-	-	4,766,600
Issue of ordinary shares pursuant to private placement		35,668,939	-	-	82,038,560	-	-	-	-	117,707,499
Purchase of treasury shares	Note 6 '(b)	-	-	-	-	-	-	(243,708)	-	(243,708)
Share option granted under ESOS		-	284,924	-	589,485	-	-	-	-	874,409
Profit for the period		-	-	-	-	-	-	-	66,266,723	66,266,723
Dividends	Note 25	-	-	-	-	-	-	-	(28,723,652)	(28,723,652)
As at 30 September 2007		394,445,729	631,990	-	100,929,015	-	26,578,054	(243,708)	125,755,279	648,096,359
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)	2,176,000	-	-	193,720	-	-	-	-	2,369,720
Purchase of treasury shares	Note 6 '(b)	-	-	-	-	-	-	(67,097,838)	-	(67,097,838)
Share option granted under ESOS		-	644,385	-	-	-	-	-	-	644,385
Acquisition of shares in a subsidiary company		-	-	-	-	-	-	-	-	-
Profit for the period		-	-	-	-	-	-	-	75,642,356	75,642,356
Dividends	Note 25	-	-	-	-	-	-	-	(22,028,684)	(22,028,684)
As at 30 September 2008		397,393,729	1,371,331	-	101,289,076	-	26,578,054	(67,341,546)	193,889,687	653,180,331

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 Nine Months Period Ended 30 September 2008

	9 months ended 30.09.2008 RM	9 months ended 30.09.2007 RM
Profit before taxation	<u>103,417,056</u>	<u>87,958,626</u>
Net cash generated from / (used in) operating activities	99,112,380	(109,789,353)
Net cash used in investing activities	(102,972,891)	(3,243,628)
Net cash (used in) / generated from financing activities	<u>(24,280,727)</u>	<u>125,165,848</u>
Net (decrease) / increase in cash and cash equivalents	(28,141,238)	12,132,867
Cash and cash equivalents at beginning of financial period	142,606	6,673,166
Cash and cash equivalents at end of financial period	<u>(27,998,632)</u>	<u>18,806,033</u>

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

Fixed deposits	242,532	4,238,192
Less: pledged fixed deposits	(242,532)	(238,192)
	-	4,000,000
* Cash and bank balances	18,107,777	2,545,176
Bank overdraft (included within short term borrowing in Note 22)	<u>(46,106,409)</u>	<u>12,260,857</u>
	<u>(27,998,632)</u>	<u>18,806,033</u>

* Included in cash at banks of the Group are amounts of RM16,495,050 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.

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

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

During the financial period ended 30 September 2008, the Company issued 2,176,000 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 - 30 SEPTEMBER 2008

6. DEBT AND EQUITY SECURITIES (Contd')

(b) Treasury Shares

During the current financial period ended 30 September 2008, the Company has repurchased 5,133,000 of its issued ordinary shares from the open market at an average price of RM 1.62 per share. The total consideration paid for the repurchase including transaction costs was RM 8,313,604.83 and this was financed by internally generated funds. Total treasury shares repurchased as at 30 September 2008 is 31,491,000 ordinary shares of RM 1 each, representing a cumulative 7.9% of the total paid up share capital of the company as at 30 September 2008. 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 September 2008. Subsequent to the financial quarter ended 30 September 2008, the Company has further repurchased 1,361,000 of its ordinary shares from the open market at a price range between RM 0.93 to RM 1.44. The total consideration paid for the repurchasing subsequent to the financial quarter was RM 1,664,280.58.

On 26 August 2008, the Company announced to distribute treasury shares to the entitled shareholders at the ratio of one treasury shares for every 30 ordinary shares of RM 1 each held. Total treasury shares to be distributed to shareholders is 12,163,110 ordinary shares of RM 1 each. The entitlement date and distribution date on the treasury shares are on 28 October 2008 and 25 November 2008 respectively.

7. DIVIDENDS PAID

Dividend paid on 29 September 2008 were declared and approved in AGM on 27 June 2008, in respect of the financial year ended 31 December 2007, being single tier final dividend of 6% , on 367,144,729 ordinary

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 projects amounting to RM 246,249,272.68.

11. SUBSEQUENT EVENTS

There is no material subsequent event to the end of the current quarter and the date of the interim financial statements.

12. CHANGES IN COMPOSITION OF THE GROUP

During the current quarter ended 30 September 2008 , the Group has completed the purchase of the balance 30% stake in D' Kiara Place Sdn Bhd. As such, D' Kiara Place Sdn Bhd is a wholly owned subsidiary company of YNH Property Bhd as at 30 September 2008.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2008

12. CHANGES IN COMPOSITION OF THE GROUP (Contd.)

The acquired subsidiary company has contributed the following results to the Group:

	3 months ended 30.09.2008	9 months ended 30.09.2008
Revenue	-	-
Profit for the period	<u>(150.00)</u>	<u>(150.00)</u>

If the acquisition had occurred on 1 January 2008, the Group revenue and profit after tax for the period from 1 January 2008 to 30 September 2008 would have been 305,993,755 and 75,362,056 respectively.

The assets and liabilities arising from the acquisition are as follows:

	<u>Fair Value</u> RM
Land held for future development	138,042,316.00
Other receivables	21,000.00
Tax recoverable	411.00
Cash in hand	2.00
Trade payables	(14,050.00)
Other payables	(7,468,591.00)
Revaluation reserve	<u>(115,265,917.00)</u>
Total net assets	15,315,171.00
Less: Goodwill arising on acquisition	-
Group's share of net assets	<u>15,315,171.00</u>

The cash outflow on acquisition is as follows:

	<u>9 months ended 30.09.2008</u> RM
Purchase consideration satisfied by cash	101,764,609.00
Less: cash and cash equivalent of subsidiary acquired	(2.00)
Net cash outflow of the Group	<u>101,764,607.00</u>

On 12 September 2008, Kar Sin Bhd, a wholly owned subsidiary company of YNH Property Bhd, transferred its entire ownership of 100% equity interest in D' Kiara Place Sdn Bhd to YNH Property Bhd at a total consideration of RM 101,764,608.83. The internal re-organisation is to streamline the Group structure of YNH Property Bhd. The internal re-organisation does not have any effect on earnings, net assets, gearing, share capital and shareholding of substantial shareholders of the Group.

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 September 2008.

14. CAPITAL COMMITMENTS

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

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

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2008

15. PERFORMANCE REVIEW

The Group's cumulative turnover for the current financial period ended 30 September 2008 has reached RM 315,656,984 (year 2007-RM181,593,017) and cumulative profit before taxation is reported at RM 103,417,056 (year 2007-RM 87,958,626). The Group's profit before taxation had increased by RM 15,458,430 or 17.5% 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 Lot 163 Suites (Kuala Lumpur), Ceriaan Kiaran (Mont Kiara, Kuala Lumpur), Lot 633 (Kuala Lumpur, near KL Sentral), Taman Manjung Baru (Seri Manjung) 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 103,417,056 for the cumulative nine months period , compared to RM 87,958,626 in the preceding financial period ended 30 September 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, during the current period of the financial year.

18. COMMENTARY ON PROSPECTS

The Board is optimistic of the Group's prospect for the subsequent financial period despite the recent material hike and global property market uncertainty. Lot 163 Suites (Kuala Lumpur city centre), Ceriaan Kiara (Mont Kiara, Kuala Lumpur) , 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.

The progress of the project in Jalan Perak, namely Lot 163 Suites is progressing well and 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 Fraser Hospitality Pte Ltd, the hospitality arm of Fraser Centerpoint Limited. Sales from 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 9 months.

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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 projects for the development of a few pieces of land strategically located near Mont' Kiara, Hartamas, Kuala Lumpur city centre, Ipoh city and Seri Manjung town. These developments are at planning stage and have an estimated gross development value of RM1.8 billion and are expected to contribute to the Group's earnings for the next 15 years.

In addition, the Group's township development in Seri Manjung of approximately 1,000 acres will continue to contribute to the Group's profit for the next twenty to thirty years.

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, besides 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.

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19. PROFIT BEFORE TAXATION

This is arrived at after charging:	9 months ended 30.09.2008 RM
Fixed loan interest	(4,401,372)
Overdraft interest	(2,332,670)
	<u>(6,734,042)</u>
and crediting:	
Interest income	<u>151,513</u>

20. TAXATION

	3 months ended 30.09.2008 RM	3 months ended 30.09.2007 RM	9 months ended 30.09.2008 RM	9 months ended 30.09.2007 RM
Tax expense for the period:				
Malaysian income tax	(10,200,997)	(4,524,850)	(32,063,126)	(25,106,590)
Deferred tax liabilities	1,764,779	(2,691,910)	4,288,426	3,414,687
	<u>(8,436,218)</u>	<u>(7,216,760)</u>	<u>(27,774,700)</u>	<u>(21,691,903)</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 September 2008 except for the sales of development properties in the ordinary course of business.

22. BORROWING AND DEBT SECURITIES

	As at 30.09.2008 RM	As at 31.12.2007 RM
Short term borrowing:		
Secured	201,217,081	124,391,119
Long term borrowing:		
Secured	8,729,227	16,267,076
	<u>209,946,308</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.

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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

No interim dividend has been declared for the financial period ended 30 September 2008 (2007: 5% less 27% taxation). The Board has, however, declared a share dividend to be distributed to the shareholders in the current quarter as mentioned in note 6(b) to the interim financial statement.

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 30.09.2008	3 months ended 30.09.2007	9 months ended 30.09.2008	9 months ended 30.09.2007
Net profit for the period	22,183,403	22,919,937	75,642,356	66,266,723
Weighted average number of ordinary shares in issue	367,146,251	393,415,946	378,287,996.00	370,780,352
Basic earnings per share (sen)	6.04	5.83	20.00	17.87

(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 30.09.2008	3 months ended 30.09.2007	9 months ended 30.09.2008	9 months ended 30.09.2007
Adjusted net profit for the period	22,183,403	22,919,937	75,642,356	66,266,723
Weighted average number of ordinary shares in issue	367,146,251	393,415,946	378,287,996	370,780,352
Adjustment for assumed exercise of ESOS	8,078,792	14,943,915	6,749,194	16,129,979
Adjusted weighted number of ordinary shares in issue	375,225,043	408,359,861	385,037,190	386,910,331
Diluted earnings per share (sen)	5.91	5.61	19.65	17.13

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NOTES TO THE INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2008

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 November 2008.