

**YTL CORPORATION BERHAD (Company No. 92647-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

Interim financial report on consolidated results for the third quarter ended 31 March 2006.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	INDIVIDUAL QUARTER PRECEDING YEAR		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.3.2006 RM'000	CORRESPONDING QUARTER 31.3.2005 RM'000	9 MONTHS ENDED 31.3.2006 RM'000	31.3.2005 RM'000
REVENUE	1,309,554	1,225,364	3,952,895	3,646,594
OPERATING EXPENSES	(889,919)	(782,669)	(2,578,705)	(2,265,060)
OTHER OPERATING INCOME	51,486	5,883	838,146	53,560
PROFIT FROM OPERATIONS	471,121	448,578	2,212,336	1,435,094
FINANCE COSTS	(184,500)	(209,071)	(591,541)	(580,845)
SHARE OF PROFITS OF ASSOCIATED COMPANIES	81,498	78,445	213,247	96,052
PROFIT BEFORE TAXATION	368,119	317,952	1,834,042	950,301
TAXATION	(99,542)	(92,693)	(311,752)	(234,512)
PROFIT AFTER TAXATION	268,577	225,259	1,522,290	715,789
MINORITY INTERESTS	(115,979)	(79,990)	(327,148)	(270,666)
NET PROFIT FOR THE PERIOD	152,598	145,269	1,195,142	445,123
<b>EARNINGS PER SHARE</b>				
Basic (Sen)	10.59	10.52	82.89	32.53
Diluted (Sen)	9.89	10.13	76.96	31.43

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2005

**YTL CORPORATION BERHAD (Company No. 92647-H)**  
(Incorporated in Malaysia)

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**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b>UNAUDITED AS AT 31.3.2006 RM'000</b>	<b>AUDITED AS AT 30.6.2005 RM'000</b>
PROPERTY, PLANT & EQUIPMENT	15,801,235	16,544,289
INVESTMENT PROPERTIES	111,295	556,998
INVESTMENT IN SUBSIDIARIES	181,474	181,704
INVESTMENT IN ASSOCIATED COMPANIES	1,264,232	1,122,421
QUOTED INVESTMENTS	599,382	14,324
UNQUOTED INVESTMENTS	587,190	580,357
DEVELOPMENT EXPENDITURE	725,397	719,339
DEFERRED TAX ASSETS	8,381	-
GOODWILL ON CONSOLIDATION	760,758	733,090
<b>CURRENT ASSETS</b>		
Inventories	333,499	284,072
Property development projects	236,266	219,245
Trade & other receivables	2,121,424	2,111,003
Tax recoverable	165,367	73,744
Inter-company balances	57,805	18,882
Short term investments	42,825	68,665
Fixed deposits	6,147,619	5,642,945
Cash & bank balances	60,397	75,483
	9,165,202	8,494,039

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2005

**YTL CORPORATION BERHAD (Company No. 92647-H)**  
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**CONDENSED CONSOLIDATED BALANCE SHEETS – continued**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>AS AT</b>
	<b>31.3.2006</b>	<b>30.6.2005</b>
	<b>RM'000</b>	<b>RM'000</b>
LESS : CURRENT LIABILITIES		
Trade & other payables	1,126,395	1,283,159
Inter-company balances	1,445	1,090
Short term borrowings	1,898,533	3,377,772
Provision for taxation	189,901	144,553
Provision for liabilities & charges	40,621	31,341
	-----	-----
	3,256,895	4,837,915
	-----	-----
NET CURRENT ASSETS	5,908,307	3,656,124
	-----	-----
	25,947,651	24,108,646
	=====	=====

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2005

**YTL CORPORATION BERHAD (Company No. 92647-H)**  
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**CONDENSED CONSOLIDATED BALANCE SHEETS - continued**

	<b>UNAUDITED AS AT 31.3.2006 RM'000</b>	<b>AUDITED AS AT 30.6.2005 RM'000</b>
FINANCED BY :-		
SHARE CAPITAL	782,336	762,966
RESERVES		
Share premium	389,657	290,759
Capital reserve	102,295	102,295
Statutory reserve	10,246	10,246
Exchange differences reserve	(25,486)	55,762
Other reserves	80,221	35,389
Retained profits	6,023,535	4,834,603
Less : Treasury shares, at cost	(649,116)	(542,103)
SHAREHOLDERS' FUNDS	----- 6,713,688	----- 5,549,917
MINORITY INTERESTS	2,698,671	2,575,720
LONG TERM BORROWINGS	13,545,419	12,853,968
OTHER LONG TERM LIABILITIES	103,232	91,480
PROVISION FOR LIABILITIES	369,847	427,786
DEFERRED INCOME	140,291	149,213
DEFERRED TAXATION	2,376,503	2,460,562
	----- 25,947,651 =====	----- 24,108,646 =====
Net Assets Per 50 sen share (Sen)	----- 465.73 =====	----- 390.23 =====

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2005

**YTL CORPORATION BERHAD (Company No. 92647-H)**

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 31 MARCH 2006**

<b>Group</b>	<b>Share capital RM'000</b>	<b>Share premium RM'000</b>	<b>Capital reserve RM'000</b>	<b>Statutory reserve RM'000</b>	<b>Translation reserve RM'000</b>	<b>Retained profits RM'000</b>	<b>Treasury shares RM'000</b>	<b>Other reserves RM'000</b>	<b>Total RM'000</b>
Balance at 1.7.2005	762,966	290,759	102,295	10,246	55,762	4,834,603	(542,103)	35,389	5,549,917
<i>Currency translation differences</i>	-	-	-	-	(81,248)	-	-	-	(81,248)
Net gains not recognised in the income statement	-	-	-	-	(81,248)	-	-	-	(81,248)
Net profit for the period	-	-	-	-	-	1,195,142	-	-	1,195,142
Gains recognized on deemed dilution of interest in subsidiaries	-	-	-	-	-	72,042	-	-	72,042
Bonus issue	-	-	-	-	-	(331)	-	-	(331)
Dividend paid	-	-	-	-	-	(77,921)	-	-	(77,921)
Reserve on consolidation	-	-	-	-	-	-	-	44,832	44,832
Treasury shares	-	-	-	-	-	-	(107,013)	-	(107,013)
Issue of share capital	19,370	98,898	-	-	-	-	-	-	118,268
Balance at 31.3.2006	<u>782,336</u>	<u>389,657</u>	<u>102,295</u>	<u>10,246</u>	<u>(25,486)</u>	<u>6,023,535</u>	<u>(649,116)</u>	<u>80,221</u>	<u>6,713,688</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2005

**YTL CORPORATION BERHAD (Company No. 92647-H)**  
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**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 31 MARCH 2005**

<b>Group</b>	<b>Share capital RM'000</b>	<b>Share premium RM'000</b>	<b>Capital reserve RM'000</b>	<b>Reserve on consolidation RM'000</b>	<b>Translation reserve RM'000</b>	<b>Retained profits RM'000</b>	<b>Treasury shares RM'000</b>	<b>Total RM'000</b>
Balance at 1.7.2004								
- as previously reported	737,293	549,075	60,959	346	83,907	4,258,148	(308,637)	5,381,091
- prior years adjustment	-	-	-	-	-	(8,546)	-	(8,546)
- as restated	737,293	549,075	60,959	346	83,907	4,249,602	(308,637)	5,372,545
<i>Currency translation differences</i>	-	-	-	-	64,992	-	-	64,992
Net gains not recognised in the income statement	-	-	-	-	64,992	-	-	64,992
Net profit for the period	-	-	-	-	-	445,123	-	445,123
Treasury shares	-	-	-	-	-	-	(534,345)	(534,345)
Share dividend	-	(436,258)	-	-	-	-	436,258	-
Dividend paid	-	-	-	-	-	(73,779)	-	(73,779)
Issue of share capital	13,671	89,502	-	-	-	-	-	103,173
Balance at 31.3.2005	750,964	202,319	60,959	346	148,899	4,620,946	(406,724)	5,377,709

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2005

**YTL CORPORATION BERHAD (Company No. 92647-H)**  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE THIRD QUARTER ENDED 31 MARCH 2006**

	<b>9 MONTHS ENDED</b>	
	<b>31.3.2006</b>	<b>31.3.2005</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash from operating activities	1,293,303	250,686
	-----	-----
Net cash (used in) investing activities	145,378	(2,088,730)
	-----	-----
Net cash from financing activities	(876,062)	2,040,542
	-----	-----
Net changes in cash and cash equivalents	562,619	202,498
Cash and cash equivalents brought forward	5,641,793	5,822,815
	-----	-----
Cash and cash equivalents carried forward	6,204,412	6,025,313
	=====	=====

Cash and cash equivalents comprise :

	<b>RM'000</b>	<b>RM'000</b>
Fixed Deposits	6,147,619	5,987,095
Cash & bank balances	60,397	79,536
Bank overdrafts	(3,604)	(41,318)
	-----	-----
	6,204,412	6,025,313
	=====	=====

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2005

**INTERIM FINANCIAL REPORT**

**Notes:-**

**Disclosure requirements per FRS 134 (formerly known as MASB 26) – paragraph 16**

**A1. Accounting Policies and methods of computation**

The interim financial report is unaudited and has been prepared in accordance with FRS134<sub>2004</sub> “Interim Financial Reporting” (formerly known as MASB 26) and Chapter 9, part K of the Listing Requirements of Bursa Malaysia Securities Berhad.

The Condensed Financial Statements should be read in conjunction with the audited annual financial statements of the Group for the year ended 30 June, 2005.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the latest audited annual financial statements for the financial year ended 30 June 2005.

The following notes explain the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2005.

**A2. Audit Report of the preceding financial year ended 30 June 2005**

The Auditors’ Report on the financial statements of the preceding financial year was not subject to any qualification.

**A3. Seasonality or Cyclicity of Operations**

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

**A4. Exceptional or Unusual Items**

During the current financial year to date, there was no item of an exceptional or unusual nature that affects the assets, liabilities, equity, net income or cash flows of the Group except for the exceptional gains on disposal of investment properties by a subsidiary company and on the redemption of MRCPS in an associated company of RM643.6 million and RM77.7 million respectively.

**A5. Changes in estimates of amounts reported**

There was no change in estimates of amounts reported in prior interim periods and prior financial years.



**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A6. Changes in Debt and Equity Securities**

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities except for the following :-

- (i) Repurchased a total of 523,000 ordinary shares of its issued share capital from the open market for a total consideration of RM2.739 million at an average cost of RM5.24 per share during the current financial quarter. During the current financial year to date, a total of 19,396,300 ordinary shares were repurchased from the open market for a total consideration of RM107.013 million. The repurchased transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A (as amended) of the Companies Act, 1965.
- (ii) For the current financial quarter ended 31 March 2006, 29,208 and 5,000 ordinary shares were issued pursuant to the exercise of 1997/2007 and 1999/2009 warrants at an exercise price of RM2.75 and RM4.23 per share respectively. During the current financial year to date, a total of 752,708 and 7,094,051 ordinary shares were issued pursuant to the exercise of 1997/2007 and 1999/2009 warrants at an exercise price of RM2.75 and RM4.23 per share respectively.
- (iii) For the current financial quarter and year to date, 13,000 and 30,892,500 ordinary shares were issued pursuant to the exercise of employees' share option (ESOS) at an exercise price of RM2.79 respectively.
- (iv) On 21 June 2005, YTL Cement Berhad (YTL Cement) announced the proposal for a renounceable rights issue of up to RM490,325,922 nominal value of 10 years 4% stepping up to 6% irredeemable convertible unsecured loan stock (ICULS) at 100% of its nominal value on the basis of RM1.00 nominal value of ICULS for every one (1) existing ordinary share of RM0.50 each share held in YTL Cement as at an entitlement date to be determined later (Proposed Rights Issue of ICULS).

On 29 August, 2005, the shareholders of the YTL Cement had approved the Proposed Rights Issue of ICULS at the Extraordinary General Meeting held on even date. On 5 September, 2005, the Securities Commission had granted its approval for the Rights Issue. The Proposed Rights Issue of ICULS was completed on 16 November 2005 with the admission to the Official List of the Bursa Securities Malaysia Berhad and the listing of and quotation for 483,246,858 ICULS.

The outstanding debts are as disclosed in note B9.

**A7. Dividend paid**

A first and final gross dividend 15% less income tax of 28% amounting to RM77,921,114 in respect of the financial year ended 30 June 2005 was paid during the current financial quarter.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A8. Segment Reporting**

Inter-segment pricing is determined based on a negotiated basis.

The Group's segmental report for the third quarter ended 31 March 2006 is as follows:-

	Construction RM'000	Information technology & e-commerce related business RM'000	Cement Manufacturing & trading RM'000	Property investment & development RM'000	Management services & others RM'000	Hotels RM'000	Utilities RM'000	Total RM'000
<b>Revenue</b>	134,161	20,330	786,028	130,172	190,276	86,958	2,604,970	3,952,895
<hr/>								
<b>Results</b>								
Profit from Operations	20,009	7,838	165,450	61,061	52,791	9,465	1,137,254	1,453,868
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Finance costs								(591,541)
Gain on disposal of quoted investments								37,136
Gain on disposal of investment properties								643,636
Gain on redemption of Mudharabah Redeemable Convertible Preference Shares (MRCPS)								77,696
Share of profit of associated companies								213,247
<hr/>								
Profit before taxation								1,834,042
Taxation								(311,752)
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Profit after taxation								1,522,290
Minority interests								(327,148)
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Net profit for the period								1,195,142
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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A8. Segment Reporting - continued**

Inter-segment pricing is determined based on a negotiated basis.

The Group's segmental report for the third quarter ended 31 March 2005 is as follows:-

	Construction RM'000	Information technology & e-commerce related business RM'000	Cement Manufacturing & trading RM'000	Property investment & development RM'000	Management services & others RM'000	Hotels RM'000	Utilities RM'000	Total RM'000
<b>Revenue</b>	119,058	18,209	486,522	163,730	189,983	84,058	2,585,034	3,646,594
<b>Results</b>								
Profit from Operations	16,544	7,249	84,298	73,957	110,298	7,893	1,133,386	1,433,625
Finance costs								(580,845)
Gain on disposal of quoted investments								1,469
Share of profit of associated companies								96,052
Profit before taxation								950,301
Taxation								(234,512)
Profit after taxation								715,789
Minority interests								(270,666)
Net profit for the period								445,123

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A9. Valuation of Property, Plant and Equipment**

The valuation of property, plant & equipment have been brought forward without any amendments from the previous annual audited financial statements.

**A10. Material Events Subsequent to the end of the interim period**

There were no other material events subsequent to the end of the current financial quarter.

**A11. Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current financial quarter, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations except for the following :-

- (i) During the current financial quarter, YTL Power International Berhad (YTL Power) repurchased a total of 12,350,100 ordinary shares of its issued share capital from the open market value for a total consideration of RM27,439,095 at an average cost of RM2.22 per share. During the current financial year to date, a total of 66,702,300 shares were repurchased from the open market for a total consideration of RM145,194,260. The repurchase of shares were financed by internally generated funds. As at 31 March 2006, the number of shares held is 227,159,356 ordinary shares.
- (ii) During the current financial quarter and for the financial year to date, 1,316,200 and 92,303,256 ordinary shares were issued respectively pursuant to the exercise of warrants at a weighted average exercise price of RM1.43 and RM1.41 per share respectively in YTL Power.
- (iii) For the current financial quarter and year to date, 29,595,000 and 73,421,000 ordinary shares respectively were issued pursuant to the exercise of employees' share scheme (ESOS) at a weighted average exercise price of RM1.39 and RM1.25 respectively in YTL Power.
- (iv) For the current financial quarter and the 9 months period ended 31 March 2006, a total of 250,000 and 2,667,000 ordinary shares of RM0.50 each were issued respectively pursuant to the exercise of ESOS at an exercise price of RM1.21 in YTL Cement.
- (v) During the current financial quarter and for the 9 months period ended 31 March 2006, YTL Cement purchased a total of 436,200 and 1,271,900 ordinary shares from the open market at an average price of RM2.32 per share for a total consideration of RM1,020,155 and RM2,956,033 respectively. The share buy-back were financed by internally generated funds. The shares purchased are held as treasury shares.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A11. Changes in the Composition of the Group - continued**

- (vi) For the current financial quarter and year to date, a total of 166,463 ordinary shares of RM0.50 each were issued pursuant to the conversion of 452,780 nominal value of 100% Irredeemable Convertible Unsecured Loan Stocks 2005/2015 in YTL Cement.
- (vii) During the current financial quarter, the share capital of YTL Land & Development Berhad (YTL L&D) has increased from RM177,614,036 to RM177,624,036 as a result of conversions of 78,000 Irredeemable Convertible Preference Shares ("ICPS-A") of RM0.50 each into 20,000 new ordinary shares of RM0.50 each based on a conversion ratio of one (1) ordinary share of RM0.50 each for every RM3.90 of ICPS-A held, and the total number of ICPS-A and Irredeemable Convertible Preference Shares ("ICPS-B") outstanding as at 31 March 2006 was 274,282,378 and 560,849,502 respectively.
- (viii) On 2 September, 2005, a wholly-owned subsidiary of YTL Cement, YTL Cement Singapore Pte Ltd has entered into separate share purchase agreements with Kindo Pte Ltd and Andree Halim @ Liem Sien Tjong @ Liem Sien Tjong to acquire 6,186,000 and 3,093,300 ordinary shares of S\$1 each representing 13.96% and 6.98% equity interest respectively in Jurong Cement Limited for a total cash consideration of S\$5,876,700 and S\$2,938,350 respectively. These acquisitions were completed in the same month.

The completion of the Proposed Acquisitions resulted in YTL Cement holding a 20.94% equity interest in Jurong Cement Limited.

- (ix) On 14 October 2005, a wholly-owned subsidiary of YTL Power, YTL Jawa Power Holdings Limited has acquired YTL Jawa Power Finance Limited (formerly known as YTL Investments Limited).

YTL Jawa Power Finance Limited, a company incorporated in the Cayman Islands on 27 June 2003, is an investment holding company with an authorised share capital of US\$50,000.00 comprising 50,000 ordinary shares of US\$1.00 each. The issued and paid-up share capital is US\$1.00 divided into 1 ordinary share of US\$1.00 each.

- (x) On 14 December 2005, SR Property Management Sdn Bhd, a wholly owned subsidiary of YTL L&D acquired the remaining 49% interest in Boom Time Strategies Sdn Bhd for a cash consideration of RM19,502.00 resulting in Boom Tim Strategies Sdn Bhd becoming a wholly owned subsidiary of the YTL L&D Group.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- (xi) On 20 February 2006, YTL Cement announced that its wholly-owned subsidiary, Buildcon Concrete Enterprise Sdn Bhd (“Building Concrete Enterprise”) has issued a total of 316,199 new ordinary shares of RM1.00 each in the share capital of Buildcon-Ensidesa Sdn Bhd (formerly known as Barisan Mekar Sdn Bhd) (“Buildcon-Ensidesa”) for a consideration comprising the supply and grant of license to use by Buildcon Concrete Enterprise to Buildcon-Ensidesa of three units of auto batch system (hardware and software) for the price of RM66,200 and cash of RM250,000.

As a result, Buildcon-Ensidesa has become a 51% subsidiary of Buildcon Concrete Enterprise.

- (xii) On 3 April 2006, YTL Power announced that its wholly-owned subsidiary, YTL Utilities Limited has acquired a new wholly-owned subsidiary, YTL Utilities Holdings Limited.

YTL Utilities Holdings Limited (“YTLUH”) was incorporated in the Cayman Islands on 24 March 2006 with an authorised share capital of GBP250,000.00 comprising 250,000 shares of par value GBP1.00 each. Its present issued and paid up capital stands at GBP2.00 comprising 2 shares of GBP1.00 each. YTLUH is principally involved in investment holdings.

On 28 April 2006, YTL Power announced that its wholly-owned subsidiary, YTL Utilities Limited has acquired a new wholly-owned subsidiary, YTL Utilities Finance 3 Limited (formerly known as Concrete Investments Limited).

YTL Utilities Finance 3 Limited (“YTL Utilities Finance 3”) was incorporated in the Cayman Islands on 18 May 2004 with an authorised share capital of US\$50,000.00 comprising 50,000 shares of par value US\$1.00 each. Its present issued and paid-up share capital stands at US\$1.00 comprising 1 share of US\$1.00 each. YTL Utilities Finance 3 is principally involved in investment holdings.

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**YTL CORPORATION BERHAD (Company No. 92647-H)**  
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**Notes: - continued**

**A12. Changes in Contingent Liabilities or Contingent Assets**

Since the last annual balance sheet as at 30 June 2005, there were no changes in the contingent liabilities of the Group.

As at 31 March 2006, the Company has given corporate guarantees amounting to RM279.953 million to financial institutions for facilities granted by the financial institutions to its subsidiaries as follows :-

	<b>Total Amount Guaranteed RM'000</b>	<b>Amount Utilised RM'000</b>
Block discounting / hire purchase facility	22,940	3,470
Bank overdrafts	20,900	269
Letters of credit/trust receipts/bankers acceptances/ shipping guarantees	134,900	53,788
Revolving loans/advances	59,413	31,089
Bankers' guarantees :-		
Advance payment bonds/performance bonds, pre-bid bonds and other related guarantees	41,800	32,172
Commercial papers/medium term notes	-	-
	-----	-----
	<u>279,953</u>	<u>120,788</u>

The Company has also entered into an option agreement with Dato' Hj. Mohd. Zainal Abidin Hj. Abdul Kadir ("Dato' Zainal") on 2 October 2001 wherein Dato' Zainal, in consideration of RM10 paid by the Company, agrees to grant the Company a call option to purchase 7,100,000 ordinary shares and 61,092,272 irredeemable convertible preference shares in YTL Land & Development Berhad received by Dato' Zainal pursuant to the acquisition by YTL Land & Development Berhad of 60% equity interest in Pakatan Perakbina Sdn. Bhd. from Dato' Zainal at an option price of RM1.00 per share.

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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**Disclosure requirements per Bursa Malaysia Securities Berhad listing requirements Part A of Appendix 9B**

**B1. Review of Performance**

The Group recorded a revenue and profit before taxation for the current financial quarter of RM1,309.6 million and RM368.1 million respectively, representing an increase of 6.9% and 15.8% respectively when compared to the previous corresponding quarter ended 31 March 2005.

The Group's operating profit improved from RM448.6 million in the corresponding quarter ended 31 March 2005 to RM471.1 million in the current financial quarter ended 31 March 2006 representing an increase of 5%. Net profit of RM152.6 million recorded in the current financial quarter as compared to the corresponding quarter ended 31 March 2005 of RM145.3 million, representing an increase of 5%.

The increase in net profit to RM1,195.1 million for the 9 months up to 31 March 2006 from RM445.1 million in 31 March 2005 representing an increase of 168%, was mainly attributed to the cement manufacturing and utilities activities, and the gains on disposal of investment properties by a subsidiary company and on the redemption of MRCPS in an associated company of RM643.6 million and RM77.7 million respectively.

**B2. Comparison with Preceding Quarter**

For the current financial quarter, the Group's operating profit improved from RM365.7 million (after deducting the exceptional gains on disposal of investment properties by a subsidiary company and on redemption of redeemable convertible preference shares in an associated company of RM643.6 million and RM77.7 million respectively) to RM368.1 million. This represents an increase of 0.7%.

**B3. Prospects**

The Group, after considering the Group's current level of operations and the current market condition, is expected to achieve satisfactory performance for the financial year ending 30 June 2006.

**B4. Profit Forecast**

The Group did not issue any profit forecast or profit guarantee during the current financial quarter.



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**Notes: - continued**

**B5. Taxation**

Taxation comprises the following: -

	<b>Current Year</b>	<b>Preceding Year</b>	<b>Current year</b>	<b>Preceding Year</b>
	<b>Quarter</b>	<b>Corresponding</b>	<b>To Date</b>	<b>Corresponding</b>
	<b>31.3.2006</b>	<b>Quarter</b>	<b>31.3.2006</b>	<b>Period</b>
	<b>RM'000</b>	<b>31.3.2005</b>	<b>RM'000</b>	<b>31.3.2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Taxation based on profit for the period	68,591	58,648	216,097	185,480
In respect of prior years				
- Income tax	(993)	(3,912)	(1,133)	(3,198)
- Deferred tax	-	(7,259)	-	(23,273)
Deferred taxation	6,206	18,553	33,017	43,721
Share of tax in associated companies:				
- taxation for the period	25,738	26,663	63,771	31,782
- deferred taxation	-	-	-	-
	-----	-----	-----	-----
	99,542	92,693	311,752	234,512
	=====	=====	=====	=====

The provision for taxation of the Group for the current financial quarter reflects an effective tax rate lower than the Statutory Income Tax Rate due primarily to the availability of reinvestment allowances and tax losses brought forward for some of its subsidiaries. The Group's taxation for the current financial year to date is also lower than the Statutory Income Tax Rate as the gains on disposal of investment properties and redemption of preference shares are not fully taxable.

**B6. Sales of Unquoted Investment and /or Properties**

There was no sale of unquoted investments or properties during current financial quarter.

**B7. Quoted Securities**

(a)	<b>Current Year</b>	<b>Current year</b>
	<b>Quarter</b>	<b>To Date</b>
	<b>31.3.2006</b>	<b>31.3.2006</b>
	<b>RM'000</b>	<b>RM'000</b>
Purchases	18,591	585,136
Sales	-	46,929
Gain on disposal	-	31,600
	=====	=====

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**B7. Quoted Securities - continued**

(b) Particulars of investment in quoted securities as at 31 March 2006 :

	RM'000
- At cost	599,382
- At carrying value	599,382
- At market value	578,891
	<u>578,891</u>

**B8. Corporate Developments**

Save for the following, as at the date of this announcement, there are no corporate proposals announced and pending completion:-

- (a) On 17 May 2006, the Company announced a proposed issue of up to USD300 million nominal value 5-year guaranteed exchangeable bonds to be issued by a subsidiary of the Company to be incorporated in the Cayman Islands.

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**Notes: - continued**

**B9. Group Borrowings and Debt Securities**

Particulars of the Group's borrowings and debts securities as at 31 March 2006 are as follows :-

	<b>RM'000</b>
(i) Short term	
- Secured	507,796
- unsecured	1,390,737
	-----
	1,898,533
	-----
	<b>RM'000</b>
(ii) Long term	
- Secured	1,987,103
- unsecured	11,558,316
	-----
	13,545,419
	-----

The above include borrowings denominated in foreign currencies as follows:-

In US Dollar ('000)	495,735
	=====
In Sterling Pound ('000)	1,295,206
	=====

All borrowings of subsidiary companies are on a non-recourse basis to the Company save and except for the followings which are guaranteed by the holding company of the subsidiary companies:

- a) Term loan facility of USD250 million and
- b) USD250 million Guaranteed Exchangeable Bonds due 2010.

**B10. Off Balance Sheet Financial Instruments**

The Group finances its activities through a combination of short-term borrowings, long-term loans and bonds. The Group uses financial instruments to limit the Group's exposure to interest rate movements. These instruments are not recognised in the financial statements on inception. The accounting policy with regards to these financial instruments, which remain the same to that disclosed in the latest audited financial statements is as follows :-

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**Notes: - continued**

**B10. Off Balance Sheet Financial Instruments - continued**

“Interest rate swap contracts protect the Group from movements in interest rates. Any differential to be paid or received on an interest rate swap contract is recognised as a component of interest income or expense over the period of the contract. Gains and losses on early termination of interest rate swaps or on repayment of the borrowings are taken to the income statement”.

There has been no material change to the terms and condition of financial instruments disclosed in the latest audited financial statements and the date of this announcement. In addition to the above, Wessex Water Limited, has several interest rate swap agreements which limit the Group’s exposure to floating interest rate, details of which are as follows:

	<b>Total £’000</b>
National Principal Amount (denotes in Sterling Pound)	10,800 =====
	<b>RM’000</b>
RM equivalent (exchange rate £1 = RM6.4337)	69,484
Average fixed interest rate	5.95%
Average period to maturity of the fixed rate borrowing (years)	3.71

All financial instruments are executed with creditworthy counter parties with a view to limit the credit risk exposure of the Group.

**B11. Dividend paid**

The Board does not recommend any interim dividend for the current financial quarter.

**B12. Material litigation**

There are no material litigation pending as at the date of this report.

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**Notes: - continued**

**B13. Earnings Per Share**

**i) Basic earnings per share**

The basic earnings per share of the Group has been computed by dividing the net profit for the financial quarter as set out below:-

	<b>Current Quarter 31.3.2006</b>	<b>Preceding Year Corresponding Quarter 31.3.2005</b>
Net profit for the period / Profit attributable to shareholders (RM'000)	152,598	145,269
<i>Weighted average number of ordinary shares ('000)</i>		
Issued at the beginning of the period	1,564,653	1,490,810
Shares repurchased	(122,990)	(110,453)
	-----	-----
	1,441,663	1,380,357
	=====	=====
Basic earnings per share (sen)	10.59	10.52
	=====	=====

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**Notes: - continued**

**B13. Earnings Per Share - continued**

**ii) Diluted earnings per share**

The diluted earnings per share of the Group has been computed by dividing the net profit for the financial quarter as set out below:-

	<b>Current Quarter 31.3.2006</b>	<b>Preceding Year Corresponding Quarter 31.3.2005</b>
Net profit for the period / Profit attributable to shareholders (RM'000)	152,598 =====	145,269 =====
<i>Weighted average number of ordinary shares-diluted ('000)</i>		
Weighted average number of ordinary shares-basic	1,441,663	1,380,358
Effect of unexercised warrants	96,882	38,261
Effect of unexercised employees share option scheme	3,975	15,277
	----- 1,542,520 =====	----- 1,433,896 =====
*Diluted earnings per share (sen)	9.89 =====	10.13 =====

\* Total cash expected to be received in the event of an exercise of all outstanding warrants and ESOS options is RM1,785.163 million. Accordingly, the Net Tangible Asset (NTA) on a proforma basis will increase by RM1,785.163 million resulting in an increase in NTA per share of RM0.95. In arriving at the Diluted earnings per share, NTA and NTA per share, no income has been accrued for the cash proceeds.

By Order of the Board  
HO SAY KENG  
Secretary

Kuala Lumpur  
Dated : 18 May 2006