

YTL CORPORATION BERHAD

Company No. 92647-H
Incorporated in Malaysia

Interim Financial Report
31 March 2010

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	Page No.
Condensed Consolidated Income Statements	1
Condensed Consolidated Balance Sheets	2 - 3
Condensed Consolidated Statement of Changes in Equity	4 - 5
Condensed Consolidated Cash Flow Statement	6
Notes to the Interim Financial Report	7 - 25

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

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the financial period ended 31 March 2010.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.03.2010	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2009	9 MONTHS ENDED	
	RM'000	RM'000	RM'000	RM'000
REVENUE	3,929,145	1,985,145	11,786,495	5,348,974
COST OF SALES	(2,833,536)	(1,293,609)	(9,112,065)	(3,353,203)
GROSS PROFIT	1,095,609	691,536	2,674,430	1,995,771
OTHER OPERATING EXPENSES	(289,495)	(165,101)	(624,736)	(518,868)
OTHER OPERATING INCOME	83,756	18,876	223,485	382,164
PROFIT FROM OPERATIONS	889,870	545,311	2,273,179	1,859,067
FINANCE COSTS	(256,597)	(257,887)	(760,298)	(793,539)
SHARE OF PROFITS OF ASSOCIATED COMPANIES	64,760	462,580	203,021	538,911
PROFIT BEFORE TAXATION	698,033	750,004	1,715,902	1,604,439
TAXATION	(176,561)	(124,095)	(440,417)	(317,156)
PROFIT FOR THE PERIOD	521,472	625,909	1,275,485	1,287,283
ATTRIBUTABLE TO:				
SHAREHOLDERS	330,592	484,361	754,330	787,150
MINORITY INTERESTS	190,880	141,548	521,155	500,133
PROFIT FOR THE PERIOD	521,472	625,909	1,275,485	1,287,283
EARNINGS PER 50 SEN SHARE				
Basic (Sen)	18.41	31.80	41.99	51.72
Diluted (Sen)	18.25	29.68	41.65	48.66

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2009 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED BALANCE SHEETS

	UNAUDITED	AUDITED
	AS AT	AS AT
	31.03.2010	30.6.2009
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, plant & equipment	17,660,429	19,518,609
Investment properties	2,983,370	2,986,901
Prepaid lease payment	141,675	141,106
Investment in subsidiaries	-	181,704
Investment in associated companies	2,504,583	2,329,829
Investments	803,789	673,371
Development expenditure	843,846	849,190
Fixed deposits	-	449
Intangible assets	4,000,546	4,016,726
Other receivables	62,039	57,813
	<u>29,000,277</u>	<u>30,755,698</u>
Current Assets		
Inventories	910,024	1,056,110
Property development costs	428,813	533,153
Trade & other receivables	3,544,508	3,648,648
Income tax assets	90,306	105,115
Amount due from related parties	84,057	29,906
Short term investments	585,053	208,239
Fixed deposits	10,534,853	8,667,515
Cash & bank balances	594,495	409,448
	<u>16,772,109</u>	<u>14,658,134</u>
TOTAL ASSETS	<u><u>45,772,386</u></u>	<u><u>45,413,832</u></u>

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2009 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED BALANCE SHEETS – continued

	UNAUDITED AS AT 31.03.2010	AUDITED AS AT 30.6.2009
	RM'000	RM'000
EQUITY		
Share capital	949,902	948,496
Share premium	1,286,864	1,503,558
Other reserves	(418,834)	(109,774)
Retained profits	9,005,059	7,997,434
Less : Treasury shares, at cost	(682,560)	(892,549)
Total Equity Attributable to Shareholders of the Company	<u>10,140,431</u>	<u>9,447,165</u>
Minority Interests	<u>1,065,280</u>	<u>953,219</u>
TOTAL EQUITY	<u>11,205,711</u>	<u>10,400,384</u>
LIABILITIES		
Non-current Liabilities		
Long term payables	88,675	103,579
Bonds & borrowings	23,455,169	24,104,776
Deferred income	190,837	198,257
Deferred tax liabilities	2,700,510	2,916,707
Post employment benefit obligations	197,471	253,145
	<u>26,632,662</u>	<u>27,576,464</u>
Current Liabilities		
Trade & other payables	2,660,313	2,818,311
Amount due to related parties	9,720	6,572
Bonds & borrowings	4,963,482	4,339,794
Current tax liabilities	256,509	222,555
Provision for liabilities & charges	43,989	49,752
	<u>7,934,013</u>	<u>7,436,984</u>
TOTAL LIABILITIES	<u>34,566,675</u>	<u>35,013,448</u>
TOTAL EQUITY & LIABILITIES	<u>45,772,386</u>	<u>45,413,832</u>
 Net Assets per 50 sen share (RM)	 <u>5.64</u>	 <u>5.37</u>

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2009 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2010**

	← Attributable to Shareholders of the Company →					Total	Minority interests	Total equity
	Share capital	Share premium	Retained profits	Treasury shares	Other reserves			
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.7.2009	948,496	1,503,558	7,997,434	(892,549)	(109,774)	9,447,165	953,219	10,400,384
Currency translation differences	-	-	-	-	(436,098)	(436,098)	(365,811)	(801,909)
Equity component of Ex. Bonds	-	-	-	-	125,357	125,357	-	125,357
Gain recognised on deemed dilution of interest in subsidiaries	-	-	354,356	-	-	354,356	(307,301)	47,055
Income and expenses recognised directly in equity	-	-	354,356	-	(310,741)	43,615	(673,112)	(629,497)
Net profit for the period	-	-	754,330	-	-	754,330	521,155	1,275,485
Total recognised income and expenses for the period	-	-	1,108,686	-	(310,741)	797,945	(151,957)	645,988
Share buyback	-	-	-	(18,760)	-	(18,760)	(88)	(18,848)
Dividend paid	-	-	(101,061)	-	-	(101,061)	-	(101,061)
Distribution of treasury shares	-	(228,749)	-	228,749	-	-	-	-
Issue of share capital	1,406	12,055	-	-	10,612	24,073	-	24,073
Share options granted	-	-	-	-	(8,931)	(8,931)	-	(8,931)
Changes in composition of the Group	-	-	-	-	-	-	264,106	264,106
Balance at 31.03.2010	949,902	1,286,864	9,005,059	(682,560)	(418,834)	10,140,431	1,065,280	11,205,711

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2009 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2009**

	← Attributable to Shareholders of the Company →					Total	Minority interests	Total equity
	Share capital	Share premium	Retained profits	Treasury shares	Other reserves			
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.7.2008	816,101	513,721	7,072,154	(889,671)	202,115	7,714,420	3,931,417	11,645,837
Currency translation differences	-	-	-	-	(716,810)	(716,810)	(536,561)	(1,253,371)
Equity component of Ex. Bonds	-	-	-	-	16,465	16,465	-	16,465
Gain recognised on deemed dilution of interest in subsidiaries	-	-	83,950	-	-	83,950	(83,327)	623
Income and expenses recognised directly in equity	-	-	83,950	-	(700,345)	(616,395)	(619,888)	(1,236,283)
Net profit for the period	-	-	787,150	-	-	787,150	500,133	1,287,283
Total recognised income and expenses for the period	-	-	871,100	-	(700,345)	170,755	(119,755)	51,000
Share buyback	-	-	-	(1,948)	-	(1,948)	(55,521)	(57,469)
Dividend paid	-	-	(28,521)	-	-	(28,521)	-	(28,521)
Issue of share capital	14,543	109,203	-	-	6,319	130,065	-	130,065
Changes in composition of the Group	-	-	-	-	-	-	315,829	315,829
Balance at 31.03.2009	830,644	622,924	7,914,733	(891,619)	(491,911)	7,984,771	4,071,970	12,056,741

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2009 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010**

	FOR THE 9 MONTHS ENDED	
	31.03.2010	31.03.2009
	RM'000	RM'000
Net cash from operating activities	1,170,961	113,710
Net cash used in investing activities	(1,246,180)	(4,833,065)
Net cash from financing activities	2,129,311	919,094
Net changes in cash and cash equivalents	2,054,092	(3,800,261)
Cash and cash equivalents brought forward	9,071,219	11,672,974
Cash and cash equivalents carried forward	<u>11,125,311</u>	<u>7,872,713</u>

Cash and cash equivalents comprise:

	RM'000	RM'000
Fixed deposits	10,534,853	7,692,158
Cash and bank balances	594,495	220,211
Bank overdraft	(4,037)	(39,656)
	<u>11,125,311</u>	<u>7,872,713</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 30 June 2009 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT

Notes:-

Disclosure requirements pursuant to FRS 134 – paragraph 16

The Condensed Financial Statements should be read in conjunction with the audited annual financial statements of the Group for the year ended 30 June 2009.

A1. Accounting Policies and Methods of Computation

The interim financial report is unaudited and has been prepared in accordance with the Financial Reporting Standard (“FRS”) 134, “Interim Financial Reporting” and Chapter 9, part K of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation adopted by the Group in the interim financial report are consistent with those adopted for the annual audited financial statements for the year ended 30 June 2009, except for the adoption of FRS 8, Operating Segments and early adoption of Amendments to FRS 8, Operating Segments effective from the financial period beginning 1 July 2009.

Comparative segment information has been re-presented. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no financial impact on the Group.

A2. Seasonality or Cyclicity of Operations

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

A3. Exceptional or Unusual Items

During the current financial quarter, there was no item of an exceptional or unusual nature that affects the assets, liabilities, equity, net income or cash flows of the Group.

A4. Changes in estimates of amounts reported

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

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INTERIM FINANCIAL REPORT

Notes: - continued

A5. 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) For the current financial quarter, 252,000 ordinary shares of RM0.50 each were issued pursuant to the exercise of employees' share options granted under the Company's Employees Share Option Scheme ("ESOS") at a weighted average exercise price of RM4.70 per share. During the current financial year to date, a total of 2,813,000 ordinary shares of RM0.50 each were issued pursuant to the exercise of employees' share options granted under the Company's ESOS at a weighted average exercise price of RM4.79 per share.
- (ii) For the current financial quarter and financial year to date, the Company repurchased 1,775,000 and 2,519,700 ordinary shares of RM0.50 each of its issued share capital from the open market, at an average cost of RM7.47 and RM7.45 per share respectively. The total consideration paid for the share buy-back, including transaction costs during the current financial quarter and financial year to date amounted to RM13,262,888 and RM18,759,558 respectively and were financed by internally generated funds. The repurchase of shares are held as treasury shares in accordance with the requirements of Section 6A of the Companies Act, 1965.
- (iii) During the financial year to date, a total of 35,219,196 treasury shares were distributed as share dividend on 18 September 2009 to the shareholders on the basis of one (1) treasury share for every fifty (50) ordinary shares held on 9 September 2009. As at 31 March 2010, the total number of treasury shares held was 104,747,109 ordinary shares.

A6. Dividend paid

No dividends were paid during the current financial quarter under review.

Todate, a first & final dividend of 15% gross less Malaysian Income Tax of 25% amounting to RM101,061,085 in respect of financial year ended 30 June 2009 was paid on 24 December 2009.

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

INTERIM FINANCIAL REPORT

Notes: - continued

A7. Segment Reporting - continued

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

The Group's segmental report for the period ended 31 March 2010 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	Elimination RM'000	Total RM'000
External revenue	110,066	12,624	1,413,698	356,876	174,701	110,547	9,607,983	-	11,786,495
Inter-segment revenue	160,391	20,353	138,300	63,524	276,108	3,011	-	(661,687)	-
Total revenue	<u>270,457</u>	<u>32,977</u>	<u>1,551,998</u>	<u>420,400</u>	<u>450,809</u>	<u>113,558</u>	<u>9,607,983</u>	<u>(661,687)</u>	<u>11,786,495</u>
Segment results									
Profit from operations	24,578	(755)	344,999	122,607	241,833	9,126	1,530,791	-	2,273,179
Finance costs									(760,298)
									<u>1,512,881</u>
Share of profit of associated companies									203,021
Profit before taxation									<u><u>1,715,902</u></u>

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

INTERIM FINANCIAL REPORT

Notes: - continued

A7. Segment Reporting

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

The Group's segmental report for the period ended 31 March 2009 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	Elimination RM'000	Total RM'000
External revenue	212,609	23,880	1,552,707	109,911	242,187	110,099	3,097,581	-	5,348,974
Inter-segment revenue	65,626	2,436	132,160	45,016	114,777	3,959	-	(363,974)	-
Total revenue	<u>278,235</u>	<u>26,316</u>	<u>1,684,867</u>	<u>154,927</u>	<u>356,964</u>	<u>114,058</u>	<u>3,097,581</u>	<u>(363,974)</u>	<u>5,348,974</u>
Segment results									
Profit from operations	2,357	5,721	319,131	58,970	(8,784)	4,546	1,222,766	-	1,604,707
Finance costs									(793,539)
									<u>811,168</u>
Fair value gain on investment properties									254,360
Share of profit of associated companies									538,911
Profit before taxation									<u><u>1,604,439</u></u>

INTERIM FINANCIAL REPORT

Notes: - continued

A8. Changes in the Composition of the Group

There were no significant changes in the composition of the Group for the current financial period ended 31 March 2010, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations except for the following:-

- (i) On 14 September 2009, YTL Power International Berhad (“YTL Power”) incorporated a wholly-owned subsidiary in Singapore known as YTL DCS Pte Ltd (“YTL DCS”) with an issued and paid-up share capital of S\$1.00 comprising 1 ordinary share. YTL DCS is intended to be principally involved in investment holding.
- (ii) On 5 October 2009, YTL Hotels & Properties Sdn Bhd (“YTLHP”), a wholly-owned subsidiary of the Company, completed its acquisition of 80,000 ordinary shares of RM1.00 each representing 80% of the issued and paid-up share capital of Borneo Island Villas Sdn Bhd (“BIV”). As a result, BIV has become an indirect subsidiary of the Company.
- (iii) On 7 October 2009, YTL Cement (Hong Kong) Limited, a wholly-owned subsidiary of YTL Cement acquired 1 ordinary share of the par value US\$1.00 representing the entire issued and paid-up share capital of Industrial Procurement Limited (“Industrial Procurement”) for US\$1.00. As a result, Industrial Procurement became an indirect subsidiary of the Company.

Industrial Procurement was incorporated in the Cayman Islands with an authorised share capital of US\$50,000 comprising 50,000 shares of US\$1.00 each. Industrial Procurement will be principally involved in procurement of machinery and industrial equipment, and investment holding.

- (iv) On 12 October 2009, YTL Cement announced that its wholly-owned subsidiary, Buildcon Concrete Enterprise Sdn Bhd (“BCE”) has given its consent to the application by Specialist Cement Sdn Bhd (“Specialist Cement”), an 85%-owned subsidiary of BCE, for strike-off of Specialist Cement’s name from the companies register under Section 308 of the Malaysian Companies Act, 1965.

Specialist Cement was previously involved in the manufacture and sale of dry concrete products and has remained inactive since ceasing business in 2004.

- (v) On 27 October 2009, the Company acquired 2 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Cornerstone Crest Sdn Bhd (“Cornerstone Crest”) for a cash consideration of RM2.00. As a result, Cornerstone Crest has become a wholly-owned subsidiary of the Company.

Cornerstone Crest was incorporated on 24 July 2009 and is principally involved in investment holding.

INTERIM FINANCIAL REPORT

Notes: - continued

- (vi) On 27 October 2009, Star Hill Living.Com Sdn Bhd (“Star Hill Living”), an indirect wholly-owned subsidiary of the Company, acquired 2 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Trendy Retailing Sdn Bhd (“Trendy Retailing”) for a cash consideration of RM2.00. As a result, Trendy Retailing became an indirect wholly-owned subsidiary of the Company.

Trendy Retailing was incorporated on 1 October 2009 and is principally involved in the retailing business.

- (vii) On 30 October 2009, YTL Hotels (Cayman) Limited, an indirect wholly-owned subsidiary of the Company subscribed for 510 ordinary shares representing 51% of the issued and paid-up share capital of M Hotel Management Pte Ltd (“M Hotel”) for a consideration of S\$510.00. As a result, M Hotel became an indirect subsidiary of the Company.

M Hotel was incorporated in Singapore on 30 October 2009 and has an issued and paid-up share capital of S\$1,000.00 comprising 1,000 ordinary shares. M Hotel will be principally involved in hotel management services.

- (viii) YTL Cement had on 6 May 2008 announced that it intended to strike off the name of Buildcon Vietnam Limited (“BVL”), a 70%-owned subsidiary of YTL Cement, from the Register of International Business Companies, British Virgin Islands. BVL was officially struck off with effect from 2 November 2009.

- (ix) On 26 November 2009, Star Hill Living acquired 2 ordinary shares of par value RM1.00 each representing the entire issued and paid-up share capital of Natural Adventure Sdn Bhd (“Natural Adventure”) for a cash consideration of RM2.00. As a result, Natural Adventure has become a wholly-owned subsidiary of Star Hill Living and an indirect wholly-owned subsidiary of the Company.

Natural Adventure was incorporated on 29 October 2009 and is principally involved in the retailing business.

- (x) On 1 December 2009, YTL Cement (Hong Kong) Limited, a wholly-owned subsidiary of YTL Cement, incorporated a wholly-owned subsidiary in the People’s Republic of China known as Linan Lu Hong Transport Co. Ltd. (“LLHT”) with a registered capital of RMB10 million. LLHT was set up to undertake the business of road transport of goods, storage and associated services.

- (xi) On 22 December 2009, YTL Hotels B.V., a wholly-owned subsidiary of YTLHP, acquired 35,000,000 shares of par value THB10 each representing the remaining 50% equity stake in Samui Hotel 2 Co. Ltd (“Samui Hotel”) not held by it, for US\$420,000 in cash. As a result, Samui Hotel has become an indirect wholly-owned subsidiary of the Company.

Samui Hotel is a company incorporated under the laws of the Kingdom of Thailand and presently has a registered share capital of THB700,000,000 divided into 70,000,000 ordinary shares of THB10 each, and paid-up share capital of THB299,999,000. Samui Hotel is principally engaged in the hotel business.

INTERIM FINANCIAL REPORT

Notes: - continued

- (xii) On 5 January 2010, Island Air Sdn Bhd (“Island Air”), an 80%-owned subsidiary of the Company, acquired 800,000 ordinary shares of RM1.00 each in Nusantara Sakti Sdn Bhd (“Nusantara”), representing 100% of the issued and paid-up share capital in Nusantara, from Cekul Teguh Sdn Bhd, for a total consideration of RM4,500,000.00. As a result, Nusantara has become a wholly-owned subsidiary of Island Air and an indirect wholly-owned subsidiary of the Company
- (xiii) On 6 January 2010, Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd (“SPYTL”), a wholly-owned subsidiary of the Company, transferred its 2 ordinary shares of RM1.00 each in YTL Premix Sdn Bhd (“YTL Premix”), representing the entire issued and paid-up share capital of YTL Premix to Batu Tiga Quarry Sdn Bhd (“BTQ”), an indirect wholly-owned subsidiary of the Company, for a total consideration of RM586,348.00. As a result, YTL Premix became a direct wholly-owned subsidiary of BTQ and remains as an indirect subsidiary of the Company.
- (xiv) On 7 January 2010, YTL e-Solutions Berhad (“YTL e”) acquired 1,000,000 ordinary shares of RM1.00 each representing the remaining 40% equity stake not held by it in PropertyNetAsia (Malaysia) Sdn Bhd (“PropertyNetAsia”) from Grierson Pte Ltd for a total cash consideration of RM25,000. As a result, PropertyNetAsia became a wholly-owned subsidiary of YTL e and remains an indirect subsidiary of the Company.
- (xv) On 17 December 2009, YTLHP entered into a conditional sale and purchase agreement with YTL Land & Development Berhad (“YTL LD”), a subsidiary of the Company, for the disposal of 13,348,451 ordinary shares of RM1.00 each in PDC Heritage Hotel Sdn Bhd (“PDCHH”) which constitutes 50% of the total issued and paid up share capital of PDCHH for a total cash consideration of RM14,646,585. The disposal was completed on 19 January 2010.

Following this, YTLHP disposed off its remaining 1% equity stake in PDCHH to Penang Development Corporation on 2 February 2010.

Consequent thereto, PDCHH ceased to be a subsidiary but became an associate company of YTL LD and the Company.

- (xvi) On 13 January 2010, YTL Singapore Pte. Ltd., a wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary in the People’s Republic of China, known as Shanghai YTL Hotels Management Co., Ltd. (“SYTLHM”). SYTLHM is a limited liability company and has a registered capital of USD140,000.

SYTLHM is principally involved in the business of providing hotel management services, hotel development and design advisory services, and other related services.

- (xvii) On 15 January 2010, YTL Industries Berhad (“YTL Industries”), a wholly-owned subsidiary of the Company, entered into a conditional Sale and Purchase Agreement (“Agreement”) with YTL Cement for the disposal of 1,000,000 ordinary shares of RM1.00 each held by YTL Industries in BTQ, representing the entire equity interest in BTQ for a cash consideration of RM150,000,000. The disposal was completed on 26 March 2010. Consequent thereto, BTQ became a direct wholly-owned subsidiary of YTL Cement and remains as an indirect subsidiary of the Company.

INTERIM FINANCIAL REPORT

Notes: - continued

- (xviii) Following a voluntary unconditional cash offer made for and on behalf of Holcim Investments (Singapore) Pte Ltd (“Holcim Singapore”), the holding company of Jurong Cement Limited (“JCL”) to acquire all the shares in JCL other than those already owned, controlled or agreed to be acquired by Holcim Singapore, subject to the terms set out in the offer document dated 6 January 2010 and revision notification dated 28 January 2010 (“the Offer”), YTL Cement Singapore Pte Ltd, a wholly owned subsidiary of YTL Cement, had on 11 February 2010 accepted the Offer for the disposal of its entire 21.48% stake comprising 9,520,000 shares in JCL. As a result, JCL ceased to be an associated company of YTL Cement and the Company.
- (xix) On 18 February 2010, the following subsidiaries which were incorporated in the Cayman Islands on the same date, became indirect subsidiaries of the Company:-
- (a) YTL Utilities Finance 5 Limited (“YTLUF5”); and
 - (b) YTL Communications International Limited (“YTLCI”).

YTLUF5 and YTLCI were each incorporated with an authorised share capital of US\$50,000.00 comprising 50,000 shares of US\$1.00 each, and issued and paid-up share capital of US\$1.00 comprising 1 ordinary share of US\$1.00.

The entire issued and paid-up share capital of YTLUF5 was held by YTL Power upon incorporation. On 12 May 2010, YTL Power transferred its entire shareholding in YTLUF5 to YTL Utilities Limited (“YTLUL”), another indirect subsidiary of the Company at cost of US\$1.00. As a result, YTLUF5 became a direct subsidiary of YTLUL and remains an indirect subsidiary of the Company.

YTLCI is a wholly-owned subsidiary of YTL Communications Sdn Bhd, a 60% owned subsidiary of YTL Power.

YTLUF5 will be principally involved in the provision of financial services whilst YTLCI is intended to be involved in investment holding.

- (xx) On 8 March 2010, YTLHP entered into an Acquisition Agreement with (i) PC One Y.K. (“PC One”), a Japanese listed liability company; (ii) Citigroup Financial Products Inc (“CFPI”), A Delaware corporation, the holding company of PC One; and (iii) Kinki Investments Corporation Y.K. (“Kinki Investments”), a Japanese limited liability company, a wholly owned subsidiary of PC One, in respect of the following:-
- (i) acquisition of 496,184 shares, representing 100% of the equity interest in Niseko Village K.K. (“Niseko Village”) from PC One;
 - (ii) full repayment by Niseko Village of amounts owing to CFPI; and
 - (iii) purchase by Niseko Village of certain properties owned by Kinki Investments.

for a total amount of JPY6,000,000,000 subject to and upon the term and conditions set out therein (“the Proposed Acquisition”).

Niseko Village is a limited liability company incorporated under the laws of Japan with a total number of authorized shares of 1,000,000 of which 496,184 shares have been issued.

INTERIM FINANCIAL REPORT

Notes: - continued

On 18 March 2010, YTLHP incorporated a wholly-owned subsidiary in Singapore known as Niseko Village (S) Pte Ltd (“NVS”) with an issued and paid-up share capital of S\$1.00 comprising 1 ordinary share. NVS was incorporated to hold the investment in Niseko Village.

The Proposed Acquisition was completed on 1 April 2010. As a result, Niseko Village has become a direct wholly-owned subsidiary of NVS and an indirect subsidiary of YTLHP and the Company.

- (xxi) In relation to the Company’s proposed issue via an offshore wholly-owned subsidiary of up to US\$400 million nominal value seven-year guaranteed exchangeable bonds (“the 2015 Bonds”) which are exchangeable into new ordinary shares of RM0.50 each in the Company (“New Shares”) (“Proposed Bonds Issue”), Bursa Malaysia Securities Berhad (“Bursa Securities”) had via letter dated 13 January 2010 approved the listing of and quotation for such number of New Shares to be issued upon the exchange of the 2015 Bonds on the Main Market of Bursa Securities subject to compliance with the conditions set out in the said letter.

The Proposed Bonds Issue was approved by the shareholders of the Company at the Extraordinary General Meeting held on 5 February 2010.

Labuan Financial Services Authority (formerly known as Labuan Offshore Financial Services Authority) had in its letter dated 4 March 2010 approved the Proposed Bonds Issue. The Proposed Bonds Issue was completed with the issuance of US\$350 million (with an upside option of up to US\$50 million) nominal value of the 2015 Bonds on 18 March 2010. US\$350 million of the 2015 Bonds were listed on the Singapore Exchange Securities Trading Limited on 19 March 2010.

On 16 April 2010, Credit Suisse AG and CIMB Investment Bank Berhad, the joint lead managers for the Proposed Bonds Issue, exercised the upside option of up to US\$50 million (“Option Bonds”) in full, bringing the total issue size of the 2015 Bonds to US\$400 million.

The issuance of Option Bonds was completed on 23 April 2010 and the Option Bonds were listed on the Singapore Exchange Securities Trading Limited on 26 April 2010. The 2015 Bonds were listed on the Labuan International Financial Exchange Inc on 27 April 2010.

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INTERIM FINANCIAL REPORT

Notes: - continued

A9. Changes in Contingent Liabilities or Contingent Assets

Since the last annual balance sheet as at 30 June 2009, there were no changes in the contingent liabilities of the Group except for the following:-

As at 31 March 2010, the Company had given corporate guarantees to financial institutions for facilities granted by the financial institutions to its subsidiaries as follows:-

	Total Amount Guaranteed RM'000	Amount Utilised RM'000
Bank overdrafts	18,200	1,830
Letters of credit/trust receipts/bankers acceptances/ shipping guarantees	165,400	61,682
Revolving credits/term loans	76,031	32,606
Bankers' guarantees	89,900	40,437
	<u>349,531</u>	<u>136,555</u>
	S\$'000	S\$'000
Term loans	633,157	606,348
Letters of credit/trust receipts/bankers acceptances/ shipping guarantees	12,708	-
Bankers' guarantees	292	292
	<u>646,157</u>	<u>606,640</u>
	US\$'000	US\$'000
Exchangeable Bonds due 2012	300,000	300,000
Exchangeable Bonds due 2015	400,000	350,000
	<u>700,000</u>	<u>650,000</u>
	JPY'000	JPY'000
Revolving credits/term loan	7,000,000	6,500,000

INTERIM FINANCIAL REPORT

Notes: - continued

A10. Subsequent Events

There was no item, transaction or event of a material or unusual in nature during the period from the end of the quarter under review to 26 May 2010 except for the following:-

- (i) On 19 April 2010, Starhill Global REIT Management Limited (“SGRM”), an indirect wholly-owned subsidiary of the Company, entered into an agreement with Pacific Star REIT Management Holdings Limited (the “Vendor”) (the “Agreement”), for the acquisition of 1,500,000 ordinary shares and two (2) Class “C” Redeemable Preference Shares in YTL Pacific Star REIT Management Holdings Pte Ltd (“YPSRMH”), representing the remaining 50% of the issued and paid-up share capital of YPSRMH (the “Sale Shares”), for a total consideration of S\$40,000,000.00 subject to the terms and conditions set out therein.

The Sale Shares are to be transferred and completed in two tranches as follows:-

- (a) 750,000 ordinary shares and 1 Class ‘C’ Redeemable Preference Share in the capital of YPSRMH will be transferred by the Vendor to SGRM upon settlement of a sum of S\$17.5 million, which shall be payable in cash by SGRM to the Vendor (the “First Tranche”). The transfer of the First Tranche of the Sale Shares would take place on the 3rd business day after obtaining the necessary approvals from the relevant regulatory authorities (the “First Tranche Completion”); and
- (b) 750,000 ordinary shares and 1 Class ‘C’ Redeemable Preference Share in the capital of YPSRMH will be transferred by the Vendor to SGRM upon settlement of a sum of S\$22.5 million on a date falling twenty-four (24) months from the date of the Agreement.

The First Tranche Completion was completed on 7 May 2010. As a result, YPSRMH became a 75%-owned subsidiary of SGRM and an indirect subsidiary of the Company.

YPSRMH has been renamed as YTL Starhill Global REIT Management Holdings Pte Ltd (“YSGRMH”) on 11 May 2010.

- (ii) GKM-SPYTL JV Sdn Bhd (“GKM-SPYTL”), a wholly-owned subsidiary of SPYTL had on 6 May 2010 received notification from the Companies Commission of Malaysia (“CCM”) that GKM-SPYTL has been struck-off the register of CCM pursuant to Section 308 of the Companies Act, 1965. Accordingly, GKM-SPYTL has ceased to be a subsidiary of SPYTL and the Company.

INTERIM FINANCIAL REPORT

Notes: - continued

Disclosure requirements per Part A of Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of Performance

The Group recorded a revenue for the current financial quarter of RM3,929.1 million representing an increase of 97.9%. The increase in revenue was mainly due to the consolidation of PowerSeraya Limited Group in Singapore by YTL Power.

Profit before taxation for the current financial quarter increased to RM698.0 million representing an increase of 84.7% when compared to the preceding year corresponding quarter ended 31 March 2009 of RM378.0 million (after adjusting for the recognition of the excess of fair value of an acquired associate's identifiable assets, liabilities and contingent liabilities over the cost of investment amounting to RM372.0 million).

B2. Comparison with Preceding Quarter

	Current Quarter 31.03.2010 RM'000	Preceding Quarter 31.12.2009 RM'000
Revenue	3,929,145	3,927,270
Consolidated profit before taxation	698,033	514,718
Consolidated profit after taxation attributable to shareholders	330,592	216,224

For the current financial quarter, Group profit before taxation increased by 35.6% when compared to the preceding quarter ended 31 December 2009. The increase in profit before taxation was substantially due to better performance of the utilities and cement division.

B3. Audit Report of the preceding financial year ended 30 June 2009

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

B4. 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 2010.

B5. Profit Forecast

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

INTERIM FINANCIAL REPORT

Notes: - continued

B6. Taxation

Taxation comprises the following:-

	Current Year Quarter 31.03.2010 RM'000	Preceding Year Corresponding Quarter 31.03.2009 RM'000	Current Year To Date 31.03.2010 RM'000	Preceding Year Corresponding Period 31.03.2009 RM'000
Taxation based on profit for the period	178,667	120,288	445,081	313,805
In respect of prior years				
- Income tax	(22)	4,219	130	4,226
Deferred taxation	(2,084)	(412)	(4,794)	(875)
	<u>176,561</u>	<u>124,095</u>	<u>440,417</u>	<u>317,156</u>

The provision for taxation of the Group for the current financial quarter reflects an effective tax rate higher than the Statutory Income Tax Rate due primarily to the losses incurred by some group companies which are not available for group relief deduction.

B7. Sales of Unquoted Investment and /or Properties

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

B8. Quoted Securities

(a) Particulars of investment in quoted securities as at 31 March 2010:

	RM'000
- At cost	23,228
- At carrying value	23,228
- At market value	<u>25,933</u>

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INTERIM FINANCIAL REPORT

Notes: - continued

B9. Corporate Developments

(a) Corporate Proposals Announced and Pending Completion

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

- (i) In relation to the proposed issue by YTL Cement via a wholly-owned subsidiary to be incorporated in the Federal Territory of Labuan, of up to US\$200 million nominal value five-year guaranteed Exchangeable Bonds (“Exchangeable Bonds”) which are exchangeable into new ordinary shares of RM0.50 each in YTL Cement (“Proposed YTLC Exchangeable Bonds Issue”), the Securities Commission (“SC”) has via letter dated 13 April 2010 approved YTL Cement’s application for an extension of time up to 4 October 2010 to complete the Proposed YTLC Exchangeable Bonds Issue.

Shareholders of YTL Cement have at the Extraordinary General Meeting held on 2 March 2010 approved the renewal of the authority for the directors of YTL Cement to allot and issue such number of new ordinary shares of RM0.50 each in YTL Cement which are required to be issued upon exchange of the Exchangeable Bonds in accordance with the terms of exchange and/or upon any adjustments of the exchange price of the Exchangeable Bonds in accordance with the terms regarding adjustments of the exchange price.

- (ii) Pursuant to the Heads of Agreement dated 18 November 2009 (“Heads of Agreement”) in relation to the proposed disposal by Starhill Real Estate Investment Trust (“Starhill REIT”) pursuant to a proposed rationalisation exercise to reposition Starhill REIT as a global hospitality REIT, of Starhill Gallery and Lot 10 Properties (“the Properties”) to Starhill Global Real Estate Investment Trust (“SG REIT”) (“Proposed Disposal”), it was agreed in principle that the Proposed Disposal would be undertaken by way of a securitisation exercise (“Securitisation Exercise”) in Malaysia via a special purpose vehicle to act as the purchaser of the Properties. Ara Bintang Berhad (“ABB”) was incorporated as the special purpose vehicle for the purpose of the Securitisation Exercise.

The SC has via its letter dated 23 February 2010 approved the Securitisation Exercise.

Bursa Malaysia Securities Berhad (“Bursa Securities”) has via letter dated 15 December 2009 (“the Approval Letter”) approved Starhill REIT’s application for waiver of the requirements of Paragraph 8.04 and Practice Note 17 of Bursa Securities Main Market Listing Requirements relating to the required financial condition and level of operations of listed issuers subject to compliance with the conditions set out in the Approval Letter.

Bank Negara Malaysia has via its letter dated 23 February 2010 approved Starhill REIT’s investment in convertible preference units (“CPU”) in SG REIT as part of the sale consideration pursuant to the Proposed Disposal.

INTERIM FINANCIAL REPORT

Notes: - continued

The SC has via its letter dated 24 February 2010 approved the following subject to certain conditions set out therein:-

- (1) Offering of CPUs by SG REIT to Starhill REIT
- (2) Extension of time to comply with the authorized investment, spread and concentration limits prescribed under Clauses 8.08, 8.22(b), (c) and (d) of the SC's Guidelines on Real Estate Investment Trusts within six (6) months from the date of completion of the Proposed Disposal.

On 16 April 2010, in furtherance of the Heads of Agreement, Mayban Trustees Berhad, the trustee of Starhill REIT, entered into 2 separate conditional sale and purchase agreements with ABB, for the sale and purchase of the Properties for a sale consideration of RM629.0 million and RM401.0 million respectively.

Unitholders of Starhill REIT will consider the Proposed Disposal at a unitholders meeting to be held on 1 June 2010.

(b) Status of Utilisation of Proceeds

Of the net proceeds received from the issue of the US\$300 million Guaranteed Exchangeable Bonds due 2012 ("2012 Bonds"), approximately US\$209.0 million was utilised for the payment of the acquisition of SG REIT and YSGRMH and related expenses, as well as for the purchase of nil-paid rights in the open market and partial subscription of pro-rata rights entitlement pursuant to the rights issue undertaken by SG REIT.

The balance of the proceeds of the 2012 Bonds and part of the net proceeds received from the issue of the 2015 Bonds were utilised to repay a principal amount of US\$291.1 million of the 2012 Bonds pursuant to the exercise by bondholders of their right under the trust deed dated 15 May 2007 constituting the 2012 Bonds to require the Company to redeem all or some of the 2012 Bonds on 15 May 2010 at 108.70% of their principal amount, amounting to US\$316.4 million.

The balance of the proceeds of the 2015 Bonds is currently placed under fixed deposits pending investment.

B10. Group Borrowings and Debt Securities

Particulars of the Group's borrowings and debts securities as at 31 March 2010 are as follows:-

	RM'000
(i) Short term	
- Secured	1,096,555
- Unsecured	3,866,927
	<u>4,963,482</u>

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

INTERIM FINANCIAL REPORT

Notes: - continued

	RM'000
(ii) Long term	
- Secured	6,833,503
- Unsecured	16,621,666
	<u>23,455,169</u>

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

In Singapore Dollar ('000)	2,639,154
In US Dollar ('000)	560,595
In Sterling Pound ('000)	1,551,197
In Renminbi ('000)	20,000
In Japanese Yen ('000)	6,500,000

Save for the borrowings of RM96.118 million and S\$606.348 million by the subsidiary companies of which corporate guarantees are provided by the Company, all other borrowings of subsidiary companies are on a non-recourse basis to the Company.

B11. Derivatives Financial Instruments

As at 31 March 2010, the Group's outstanding derivatives are as follows: -

Type of Derivatives	Contract/Notional Value RM'000	Fair Value RM'000
<u>Fuel oil swaps</u>		
- Less than 1 year	1,248,775	1,314,935
- 1 year to 3 years	38,880	45,196
<u>Currency forwards</u>		
- Less than 1 year	1,269,998	1,260,565
- 1 year to 3 years	27,614	27,152
<u>Interest rate swaps</u>		
- Less than 1 year	2,218,630	2,209,619
- More than 3 years	583,850	564,054

INTERIM FINANCIAL REPORT

Notes: - continued

The Group entered into fuel oil swaps to hedge highly probable forecast physical fuel oil and natural gas purchases that are expected to occur at various dates in the future. The fuel oil swaps have maturity dates that match the expected occurrence of these transactions.

The Group entered into currency forwards to hedge highly probable forecast transactions denominated in foreign currency expected to occur in the future. The currency forwards have maturity dates that match the expected occurrence of these transactions.

Interest rate swaps are entered to hedge floating rate interest payments on bank borrowings which were obtained to finance acquisition of subsidiaries and for the construction of property, plant and equipment.

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

B12. Material litigation

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

B13. Dividend

The Board of Directors has not recommended any interim dividend for the current quarter or financial period to date.

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INTERIM FINANCIAL REPORT

Notes: - continued

B14. 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:-

	Current Quarter 31.3.2010	Preceding Year Corresponding Quarter 31.3.2009
Profit attributable to shareholders (RM'000)	330,592	484,361
<i>Weighted average number of ordinary shares ('000)</i>		
Issued at the beginning of the year	1,895,765	1,660,386
Shares repurchased	(99,632)	(137,309)
	1,796,133	1,523,077
Basic earnings per share (sen)	18.41	31.80

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INTERIM FINANCIAL REPORT

Notes: - continued

B14. 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:-

	Current Quarter 31.3.2010	Preceding Year Corresponding Quarter 31.3.2009
Profit attributable to shareholders (RM'000)	330,592	484,361
<i>Weighted average number of ordinary shares-diluted ('000)</i>		
Weighted average number of ordinary shares-basic	1,796,133	1,523,077
Effect of unexercised warrants	-	93,787
Effect of unexercised employees share option scheme	15,304	14,943
	<u>1,811,437</u>	<u>1,631,807</u>
* Diluted earnings per share (sen)	<u>18.25</u>	<u>29.68</u>

* Total cash expected to be received in the event of an exercise of all ESOS options is RM209.339 million. Accordingly, the Net Asset (NA) on a proforma basis will increase by RM209.339 million resulting in an increase in NA per share of RM0.11. In arriving at the Diluted earnings per share, NA and NA per share, no income has been accrued for the cash proceeds.

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated: 27 May 2010