

**YTL CORPORATION BERHAD**

Company No. 92647-H  
Incorporated in Malaysia

**Interim Financial Report**  
**30 June 2009**

**YTL CORPORATION BERHAD**

Company No. 92647-H

Incorporated in Malaysia

**Interim Financial Report**

**30 June 2009**

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

**INTERIM FINANCIAL REPORT**

Interim financial report on consolidated results for the financial quarter ended 30 June 2009.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

|  | INDIVIDUAL QUARTER                      |   | CUMULATIVE QUARTER |             |
|--|---|---|--------------------|-------------|
|  | CURRENT<br>YEAR<br>QUARTER<br>30.6.2009 | PRECEDING YEAR<br>CORRESPONDING<br>QUARTER<br>30.6.2008 | 12 MONTHS ENDED    |             |
|  | RM'000                                  | RM'000  | RM'000             | RM'000      |
| <b>REVENUE</b>                                       | 3,597,378                               | 1,818,165   | 8,946,352          | 6,549,860   |
| COST OF SALES  | (2,566,716)                             | (803,628)   | (5,919,919)        | (3,516,536) |
| GROSS PROFIT   | 1,030,662                               | 1,014,537   | 3,026,433          | 3,033,324   |
| OTHER OPERATING EXPENSES                             | (150,295)                               | (444,985)   | (669,163)          | (856,961)   |
| OTHER OPERATING INCOME                               | 87,673                                  | 48,020  | 469,837            | 363,836     |
| <b>PROFIT FROM OPERATIONS</b>                        | 968,040                                 | 617,572   | 2,827,107          | 2,540,199   |
| FINANCE COSTS  | (264,609)                               | (239,920)   | (1,058,148)        | (925,648)   |
| SHARE OF (LOSSES)/PROFITS OF<br>ASSOCIATED COMPANIES | (1,323)                                 | 48,732  | 537,588            | 215,291     |
| <b>PROFIT BEFORE TAXATION</b>                        | 702,108                                 | 426,384   | 2,306,547          | 1,829,842   |
| TAXATION   | (560,366)                               | (124,726)   | (877,522)          | (453,355)   |
| <b>PROFIT FOR THE PERIOD/YEAR</b>                    | 141,742                                 | 301,658   | 1,429,025          | 1,376,487   |
| <b>ATTRIBUTABLE TO:</b>                              |   |   |                    |             |
| SHAREHOLDERS   | 75,973                                  | 153,324   | 863,123            | 769,786     |
| MINORITY INTERESTS                                   | 65,769                                  | 148,334   | 565,902            | 606,701     |
| <b>PROFIT FOR THE PERIOD/YEAR</b>                    | 141,742                                 | 301,658   | 1,429,025          | 1,376,487   |
| <b>EARNINGS PER 50 SEN SHARE</b>                     |   |   |                    |             |
| Basic (Sen)  | 4.67                                    | 10.25   | 55.69              | 51.54       |
| Diluted (Sen)  | 4.63                                    | 9.43  | 55.23              | 47.42       |

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements.

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

|                                    | <b>UNAUDITED</b>         | <b>AUDITED</b>           |
|------------------------------------|--------------------------|--------------------------|
|                                    | <b>AS AT</b>             | <b>AS AT</b>             |
|                                    | <b>30.6.2009</b>         | <b>30.6.2008</b>         |
|                                    | <b>RM'000</b>            | <b>RM'000</b>            |
| <b>ASSETS</b>                      |                          |                          |
| <b>Non-current Assets</b>          |                          |                          |
| Property, Plant & Equipment        | 19,468,898               | 17,294,939               |
| Investment Properties              | 1,876,593                | 1,612,168                |
| Prepaid Lease Payment              | 251,414                  | 76,424                   |
| Investment In Subsidiaries         | 181,714                  | 181,704                  |
| Investment In Associated Companies | 2,426,912                | 1,378,352                |
| Quoted Investments                 | 22,342                   | 22,994                   |
| Unquoted Investments               | 711,414                  | 775,168                  |
| Development Expenditure            | 2,410,579                | 1,124,296                |
| Fixed deposits                     | 437                      | 437                      |
| Intangible assets                  | 1,090                    | 789                      |
| Goodwill on Consolidation          | 3,645,499                | 1,130,024                |
|                                    | <u>30,996,892</u>        | <u>23,597,295</u>        |
| <b>Current Assets</b>              |                          |                          |
| Inventories                        | 1,092,980                | 374,817                  |
| Property development costs         | 84,767                   | 175,553                  |
| Trade & other receivables          | 3,694,819                | 2,208,060                |
| Tax recoverable                    | 73,945                   | 64,399                   |
| Inter-company balances             | 83,075                   | 29,280                   |
| Short term investments             | 47,201                   | 281,800                  |
| Fixed deposits                     | 8,865,244                | 11,416,085               |
| Cash & bank balances               | 430,336                  | 311,272                  |
|                                    | <u>14,372,367</u>        | <u>14,861,266</u>        |
| <b>TOTAL ASSETS</b>                | <u><u>45,369,259</u></u> | <u><u>38,458,561</u></u> |

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements.

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

**CONDENSED CONSOLIDATED BALANCE SHEETS – continued**

|   | <b>UNAUDITED<br/>AS AT<br/>30.6.2009</b> | <b>AUDITED<br/>AS AT<br/>30.6.2008</b> |
|---|--|--|
|   | <b>RM'000</b>                            | <b>RM'000</b>                          |
| <b>EQUITY</b>   |  |  |
| Share capital   | 948,496                                  | 816,101                                |
| Share premium   | 1,502,433                                | 513,721                                |
| Capital reserve   | 103,920                                  | 102,345                                |
| Statutory reserve   | 48,945                                   | 48,945                                 |
| Exchange differences reserve  | (557,557)                                | (115,268)                              |
| Other reserves  | 180,544                                  | 166,093                                |
| Retained profits  | 8,009,302                                | 7,072,154                              |
| Less : Treasury shares, at cost                                     | (892,549)                                | (889,671)                              |
| <b>Total Equity Attributable to Shareholders<br/>of the Company</b> | <b>9,343,534</b>                         | <b>7,714,420</b>                       |
| <b>Minority Interests</b>   | <b>1,015,519</b>                         | <b>3,931,417</b>                       |
| <b>TOTAL EQUITY</b>   | <b>10,359,053</b>                        | <b>11,645,837</b>                      |
| <b>LIABILITIES</b>  |  |  |
| <b>Non-current Liabilities</b>                                      |  |  |
| Long Term Borrowings  | 23,651,822                               | 15,638,687                             |
| Other Long Term Liabilities   | 364,137                                  | 424,350                                |
| Deferred Income   | 198,257                                  | 133,917                                |
| Deferred Tax  | 2,885,990                                | 2,280,857                              |
|   | <b>27,100,206</b>                        | <b>18,477,811</b>                      |
| <b>Current Liabilities</b>  |  |  |
| Trade & other payables  | 2,712,681                                | 1,810,117                              |
| Inter-company balances  | 61,612                                   | 4,696                                  |
| Short term borrowings   | 4,829,032                                | 6,277,679                              |
| Provision for taxation  | 257,475                                  | 207,983                                |
| Provision for liabilities & charges                                 | 49,200                                   | 34,438                                 |
|   | <b>7,910,000</b>                         | <b>8,334,913</b>                       |
| <b>TOTAL LIABILITIES</b>  | <b>35,010,206</b>                        | <b>26,812,724</b>                      |
| <b>TOTAL EQUITY &amp; LIABILITIES</b>                               | <b>45,369,259</b>                        | <b>38,458,561</b>                      |
| Net Assets per 50 sen share (Sen)                                   | <b>531.02</b>                            | <b>515.95</b>                          |

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements.

**YTL CORPORATION BERHAD (Company No. 92647-H)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2009**

| Group  | Attributable to Shareholders of the Company |               |                 |                   |                              |                  |                 |                |           | Minority interests | Total equity |
|--|---|---------------|-----------------|-------------------|------------------------------|------------------|-----------------|----------------|-----------|--------------------|--------------|
|  | Share capital                               | Share premium | Capital reserve | Statutory reserve | Exchange differences reserve | Retained profits | Treasury shares | Other reserves | Total     |                    |              |
|  | RM'000                                      | RM'000        | RM'000          | 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       | 102,345         | 48,945            | (115,268)                    | 7,072,154        | (889,671)       | 166,093        | 7,714,420 | 3,931,417          | 11,645,837   |
| Currency translation differences                               | -   | -             | -               | -                 | (442,289)                    | -                | -               | -              | (442,289) | (274,293)          | (716,582)    |
| Equity component of Ex. Bonds                                  | -   | -             | -               | -                 | -                            | -                | -               | 14,451         | 14,451    | -                  | 14,451       |
| Gain recognised on deemed dilution of interest in subsidiaries | -   | -             | -               | -                 | -                            | 102,250          | -               | -              | 102,250   | (101,817)          | 433          |
| Income and expenses recognised directly in equity              | -   | -             | -               | -                 | (442,289)                    | 102,250          | -               | 14,451         | (325,588) | (376,110)          | (701,698)    |
| Net profit for the year  | -   | -             | -               | -                 | -                            | 863,123          | -               | -              | 863,123   | 565,902            | 1,429,025    |
| Total recognised income and expenses for the year              | -   | -             | -               | -                 | (442,289)                    | 965,373          | -               | 14,451         | 537,535   | 189,792            | 727,327      |
| Reserve on consolidation                                       | -   | -             | -               | -                 | -                            | -                | -               | -              | -         | -                  | -            |
| Treasury shares  | -   | -             | -               | -                 | -                            | -                | (2,878)         | -              | (2,878)   | (55,521)           | (58,399)     |
| Dividend paid  | -   | -             | -               | -                 | -                            | (28,521)         | -               | -              | (28,521)  | -                  | (28,521)     |
| Transfer to capital reserve                                    | -   | -             | 1,575           | -                 | -                            | -                | -               | -              | 1,575     | -                  | 1,575        |
| Issue of share capital   | 132,395                                     | 988,712       | -               | -                 | -                            | -                | -               | -              | 1,121,107 | -                  | 1,121,107    |
| Effect of issue of shares by a subsidiary to minority interest | -   | -             | -               | -                 | -                            | 296              | -               | -              | 296       | -                  | 296          |
| Hedging reserve  | -   | -             | -               | -                 | -                            | -                | -               | -              | -         | -                  | -            |
| Share of goodwill arising from acquisition of subsidiaries     | -   | -             | -               | -                 | -                            | -                | -               | -              | -         | (3,400,000)        | (3,400,000)  |
| Changes in composition of the Group                            | -   | -             | -               | -                 | -                            | -                | -               | -              | -         | 349,831            | 349,831      |
| Balance at 30.6.2009   | 948,496                                     | 1,502,433     | 103,920         | 48,945            | (557,557)                    | 8,009,302        | (892,549)       | 180,544        | 9,343,534 | 1,015,519          | 10,359,053   |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements.

**YTL CORPORATION BERHAD (Company No. 92647-H)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2008**

| Group   | Attributable to Shareholders of the Company |               |                 |                   |                              |                  |                 |                | Minority interests | Total equity |            |
|---|---|---------------|-----------------|-------------------|------------------------------|------------------|-----------------|----------------|--------------------|--------------|------------|
|   | Share capital                               | Share premium | Capital reserve | Statutory reserve | Exchange differences reserve | Retained profits | Treasury shares | Other reserves |                    |              | Total      |
|   | RM'000                                      | RM'000        | RM'000          | RM'000            | RM'000                       | RM'000           | RM'000          | RM'000         | RM'000             | RM'000       | RM'000     |
| Balance at 1.7.2007                               |   |               |                 |                   |                              |                  |                 |                |                    |              |            |
| - as previously reported                          | 825,611                                     | 652,522       | 102,439         | 41,331            | (31,836)                     | 6,542,668        | (922,643)       | 84,387         | 7,294,479          | 3,591,979    | 10,886,458 |
| - prior year adjustments                          | -   | -             | -               | -                 | -                            | 15,258           | -               | 87,094         | 102,352            | 15,393       | 117,745    |
| - as restated                                     | 825,611                                     | 652,522       | 102,439         | 41,331            | (31,836)                     | 6,557,926        | (922,643)       | 171,481        | 7,396,831          | 3,607,372    | 11,004,203 |
| Currency translation differences                  | -   | -             | -               | -                 | (89,048)                     | -                | -               | -              | (89,048)           | (56,455)     | (145,503)  |
| Transfer from revaluation reserve                 | -   | -             | -               | -                 | (7,627)                      | 7,627            | -               | -              | -                  | -            | -          |
| Conversion of Ex. Bonds 2010                      | -   | -             | -               | -                 | -                            | -                | -               | (11,967)       | (11,967)           | 11,967       | -          |
| Income and expenses recognised directly in equity | -   | -             | -               | -                 | (96,675)                     | 7,627            | -               | (11,967)       | (101,015)          | (44,488)     | (145,503)  |
| Net profit for the year                           | -   | -             | -               | -                 | -                            | 769,786          | -               | -              | 769,786            | 606,701      | 1,376,487  |
| Total recognised income and expenses for the year | -   | -             | -               | -                 | (96,675)                     | 777,413          | -               | (11,967)       | 668,771            | 562,213      | 1,230,984  |
| Treasury shares                                   | -   | -             | -               | -                 | -                            | -                | (160,438)       | -              | (160,438)          | -            | (160,438)  |
| Cancellation of treasury shares                   | (15,000)                                    | (177,352)     | -               | -                 | -                            | -                | 193,410         | -              | 1,058              | -            | 1,058      |
| Dividend paid                                     | -   | -             | -               | -                 | -                            | (276,865)        | -               | -              | (276,865)          | (327,836)    | (604,701)  |
| Acquisition of new subsidiaries                   | -   | -             | -               | -                 | -                            | -                | -               | -              | -                  | 3,681        | 3,681      |
| Share-based payment                               | -   | -             | -               | -                 | -                            | -                | -               | 17,346         | 17,346             | -            | 17,346     |
| Issue of share capital                            | 5,490                                       | 38,551        | -               | -                 | -                            | -                | -               | -              | 44,041             | 315,679      | 359,720    |
| Transfer to statutory reserve                     | -   | -             | (94)            | 7,614             | 13,243                       | (9,996)          | -               | (10,767)       | -                  | -            | -          |
| Changes in composition of the Group               | -   | -             | -               | -                 | -                            | 23,676           | -               | -              | 23,676             | (229,692)    | (206,016)  |
| Balance at 30.6.2008                              | 816,101                                     | 513,721       | 102,345         | 48,945            | (115,268)                    | 7,072,154        | (889,671)       | 166,093        | 7,714,420          | 3,931,417    | 11,645,837 |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2009**

|   | <b>FOR THE 12 MONTHS ENDED</b> |                   |
|---|--------------------------------|-------------------|
|   | <b>30.6.2009</b>               | <b>30.6.2008</b>  |
|   | <b>RM'000</b>                  | <b>RM'000</b>     |
| Net cash from operating activities        | 1,005,125                      | 1,849,920         |
| Net cash used in investing activities     | (9,665,211)                    | (2,273,877)       |
| Net cash from financing activities        | 6,243,473                      | 3,259,144         |
| Net changes in cash and cash equivalents  | (2,416,613)                    | 2,835,187         |
| Cash and cash equivalents brought forward | 11,672,974                     | 8,837,787         |
| Cash and cash equivalents carried forward | <u>9,256,361</u>               | <u>11,672,974</u> |

Cash and cash equivalents comprise:

|                        | <b>RM'000</b>    | <b>RM'000</b>     |
|------------------------|------------------|-------------------|
| Fixed deposits         | 8,865,681        | 11,416,522        |
| Cash and bank balances | 430,336          | 311,272           |
| Bank overdraft         | (39,656)         | (54,820)          |
|                        | <u>9,256,361</u> | <u>11,672,974</u> |

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2008 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 2008.

#### **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 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 2008.

#### **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.

#### **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) Repurchased a total of 130,800 and 436,100 ordinary shares of its issued share capital from the open market during the current financial quarter and current financial year to date, at an average cost of RM7.11 and RM6.60 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 RM930,288 and RM2,877,924 respectively and were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- (ii) For the current financial quarter ended 30 June 2009, 235,120,794 and 582,000 ordinary shares of 50 sen each were issued pursuant to the exercise of 1999/2009 warrants and employees' share option scheme (ESOS) at an exercise price of RM4.23 and RM4.81 per share respectively. During the current financial year to date, a total of 262,986,949 and 1,803,000 ordinary shares were issued pursuant to the exercise of 1999/2009 warrants and ESOS at an exercise price of RM4.23 and RM4.81 per share respectively.

**A6. Dividend paid**

A final dividend of 5% gross less Malaysian Income Tax of 25% amounting to RM28,521,065 in respect of financial year ended 30 June 2008 was paid on 26 December 2008.

No dividend was paid during the current financial year to date.

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**YTL CORPORATION BERHAD (Company No. 92647-H)**  
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**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 year ended 30 June 2009 is as follows:-

|  | Construction | Information<br>technology<br>& e-commerce<br>related business | Cement<br>Manufacturing<br>& trading | Property<br>investment &<br>development | Management<br>services &<br>others | Hotels  | Utilities | Total       |
|--|--------------|---|--------------------------------------|---|------------------------------------|---------|-----------|-------------|
|  | RM'000       | RM'000  | RM'000                               | RM'000                                  | RM'000                             | RM'000  | RM'000    | RM'000      |
| <b>Revenue</b>                           | 288,297      | 32,969  | 2,102,241                            | 121,577                                 | 326,165                            | 152,773 | 5,922,330 | 8,946,352   |
| <b>Results</b>                           |              |   |                                      |   |                                    |         |           |             |
| Operating profit                         | 14,839       | 7,125   | 449,790                              | 87,289                                  | 140,409                            | 5,958   | 1,847,337 | 2,552,747   |
| Fair value gain on investment properties |              |   |                                      |   |                                    |         |           | 274,360     |
| Finance costs                            |              |   |                                      |   |                                    |         |           | 2,827,107   |
| Share of profit of associated companies  |              |   |                                      |   |                                    |         |           | (1,058,148) |
| Profit before taxation                   |              |   |                                      |   |                                    |         |           | 537,588     |
| Taxation                                 |              |   |                                      |   |                                    |         |           | 2,306,547   |
| Profit for the period                    |              |   |                                      |   |                                    |         |           | (877,522)   |
| <b>Attributable to:</b>                  |              |   |                                      |   |                                    |         |           | 1,429,025   |
| Shareholders                             |              |   |                                      |   |                                    |         |           | 863,123     |
| Minority interests                       |              |   |                                      |   |                                    |         |           | 565,902     |
| Profit for the period                    |              |   |                                      |   |                                    |         |           | 1,429,025   |

**YTL CORPORATION BERHAD (Company No. 92647-H)**  
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**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 year ended 30 June 2008 is as follows:-

|   | Construction | Information<br>technology<br>& e-commerce<br>related business | Cement<br>Manufacturing<br>& trading | Property<br>investment &<br>development | Management<br>services &<br>others | Hotels  | Utilities | Total     |
|---|--------------|---|--------------------------------------|---|------------------------------------|---------|-----------|-----------|
|   | RM'000       | RM'000  | RM'000                               | RM'000                                  | RM'000                             | RM'000  | RM'000    | RM'000    |
| <b>Revenue</b>                          | 223,368      | 25,113  | 1,586,544                            | 222,281                                 | 382,309                            | 173,102 | 3,937,143 | 6,549,860 |
| <b>Results</b>                          |              |   |                                      |   |                                    |         |           |           |
| Operating profit                        | 26,138       | 7,455   | 361,696                              | 84,659                                  | 139,297                            | 9,854   | 1,911,100 | 2,540,199 |
| Finance costs                           |              |   |                                      |   |                                    |         |           | (925,648) |
| Share of profit of associated companies |              |   |                                      |   |                                    |         |           | 215,291   |
| Profit before taxation                  |              |   |                                      |   |                                    |         |           | 1,829,842 |
| Taxation                                |              |   |                                      |   |                                    |         |           | (453,355) |
| Profit for the period                   |              |   |                                      |   |                                    |         |           | 1,376,487 |
| <b>Attributable to:</b>                 |              |   |                                      |   |                                    |         |           |           |
| Shareholders                            |              |   |                                      |   |                                    |         |           | 769,786   |
| Minority interests                      |              |   |                                      |   |                                    |         |           | 606,701   |
| Profit for the period                   |              |   |                                      |   |                                    |         |           | 1,376,487 |

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A8. Changes in the Composition of the Group**

There were no changes in the composition of the Group for the financial year ended 30 June 2009, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations except for the following :-

- (i) For the current financial year to date, YTL Power International Berhad (“YTL Power”) repurchased a total of 40,065,300 ordinary shares of RM0.50 each of its issued share capital from the open market for a total consideration including transaction costs of RM71,505,166, at an average cost of RM1.78. The repurchase of shares was financed by internally generated funds.

On 22 September 2008, YTL Power distributed 137,819,391 treasury shares as share dividend to the shareholders on the basis of one (1) treasury shares for every forty (40) ordinary shares held on 11 September 2008. As at 30 June 2009, the number of treasury shares held was 56,651,745 ordinary shares of RM0.50 each.

- (ii) During the current financial quarter and year to date, 3,705,739 and 11,625,012 ordinary shares of RM0.50 each were issued by YTL Power pursuant to the exercise of warrants 2000/2010 at a weighted average exercise price of RM1.19 and RM1.18 per share respectively.

During the current financial quarter and year to date, 23,000,278 and 455,406,622 ordinary shares of RM0.50 each were issued by YTL Power pursuant to the exercise of warrants 2008/2018 at a weighted average exercise price of RM1.21 and RM1.23 per share respectively.

- (iii) For the current financial quarter and year to date, 120,000 and 608,500 ordinary shares of RM0.50 each respectively were issued by YTL Power pursuant to the exercise of ESOS at a weighted average exercise price of RM1.38 and RM1.71 per share respectively.

- (iv) For the current quarter and financial year to date, a total of 65,000 and 207,000 ordinary shares of RM0.50 each was issued by YTL Cement Berhad (“YTL Cement”) pursuant to the exercise of ESOS at an average exercise price of RM2.08 and RM1.99 respectively.

- (v) During the current financial year to date, YTL Cement repurchased a total of 274,800 ordinary shares of RM0.50 each from the open market for a total consideration including transaction costs of RM774,960 at an average cost of RM2.82. The share buy-back was financed by internally generated funds. As at 30 June 2009, the number of treasury shares held was 21,208,964 ordinary shares.

- (vi) For the current quarter and financial year to date, a total of 7,757 ordinary shares of RM0.50 each were issued by YTL Cement pursuant to the conversion of RM21,100 Nominal value of 100% Irredeemable Convertible Unsecured Loan Stocks 2005/2015.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- (vii) During the financial quarter, the share capital of YTL Land and Development Berhad (“YTL L&D”) increased from RM398,687,263 to RM398,779,863 as a result of the conversion of 722,280 Irredeemable Convertible Preference Shares (“ICPS”) of RM0.50 each into 185,200 new ordinary shares of RM0.50 each based on a conversion ratio of one (1) new ordinary share of RM0.50 each for every 3.90 of ICPS of RM0.50 each.

During the current financial year to date, a total of 1,000,551 new ordinary shares of RM0.50 each were issued as a result of the conversion of 3,902,158 ICPS. The total number of ICPS outstanding as at 30 June 2009 was 181,589,952 of RM0.50 each.

- (viii) For the current financial year to date, YTL e-Solutions Berhad (“YTLE”) repurchased a total of 942,600 ordinary shares of RM0.10 each from the open market for a total consideration of RM407,775 at an average price of RM0.43 respectively.
- (ix) On 4 July 2008, YTL Cement (Hong Kong) Limited (“YTLC HK”), a wholly-owned subsidiary of YTL Cement, acquired 1 ordinary share of par value US\$1.00 representing the entire issued and paid-up share capital of Industrial Resources Limited (“Industrial Resources”) for US\$1.00 in cash. As a result, Industrial Resources became a wholly-owned subsidiary of YTLC HK and an indirect subsidiary of YTL Cement and of the Company.

Industrial Resources was incorporated in the Cayman Islands on 4 July 2008 with an authorised share capital of US\$50,000 comprising 50,000 shares of US\$1.00 each. Industrial Resources will be principally involved in investment holding and procurement.

- (x) On 10 June 2008, Buildcon Concrete Enterprise Sdn Bhd (“BCE”), a wholly-owned subsidiary of YTL Cement, entered into a Share Sale Agreement with Ensidesa Mix Sdn Bhd for the acquisition of 303,800 ordinary shares of RM1.00 each representing 49% of the issued & paid-up share capital of Buildcon-Ensidesa Sdn Bhd (“Buildcon-Ensidesa”) for a purchase consideration of RM411,420.28. The acquisition was completed on 10 July 2008 and Buildcon-Ensidesa became a wholly-owned subsidiary of BCE and an indirect subsidiary of the Company.

Buildcon-Ensidesa subsequently changed its name to Buildcon Desa Sdn Bhd on 25 September 2008.

- (xi) On 23 July 2008, YTL Construction (S) Pte Ltd (which changed its name to YTL Singapore Pte Ltd on 11 November 2008) (“YTL Singapore”), a 99.9994% subsidiary of Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd (“SPYTL”) which is in turn a wholly-owned subsidiary of the Company, acquired 510,001 ordinary shares of S\$1.00 each representing 51% of the issued and paid-up share capital of Ideal Worlds Pte Ltd (“Ideal Worlds”) for a consideration of S\$510,001. As a result, Ideal Worlds became an indirect subsidiary of the Company.

Concurrently with the acquisition of Ideal Worlds, Genesis-Alliance Retail Pte Ltd and Prestige Lifestyles & Living Sdn Bhd which are wholly-owned by Ideal Worlds, became indirect subsidiaries of the Company.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

Ideal Worlds was incorporated on 18 May 2006 and has an issued and paid-up share capital of S\$1,000,001 divided into 1,000,001 ordinary shares of S\$1.00 each. Ideal Worlds is principally involved in general wholesale trade which includes general import and export.

- (xii) YTL Cement subscribed for 4,990 ordinary shares of par value US\$100 each representing 99.8% of the issued and paid-up share capital of P.T. YTL Simen Indonesia (“YTL Simen Indo”) for a cash consideration of US\$499,000 whilst YTL Cement Singapore Pte Ltd, a wholly-owned subsidiary of YTL Cement, subscribed for the remaining 0.2% of the issued and paid-up share capital or 10 ordinary shares for a cash consideration of US\$1,000. As a result, YTL Simen Indo became a subsidiary of YTL Cement on 29 July 2008.

YTL Simen Indo is a limited liability company and has an authorised share capital of US\$500,000 comprising 5,000 shares of US\$100 each, all of which have been issued and paid-up. YTL Simen Indo will be principally involved in the distribution and sale of cement and clinker.

- (xiii) YTL Power had on 25 August 2008 acquired 1 ordinary share representing the entire issued and paid-up share capital of Sceptre Holdings Pte Ltd (“Sceptre Holdings”) for S\$1.00 in cash. As a result, Sceptre Holdings became a wholly-owned subsidiary of YTL Power and an indirect subsidiary of the Company

Sceptre Holdings was incorporated in the Republic of Singapore on 15 August 2008 and is principally involved in investment holding.

Sceptre Holdings changed its name to Sabre Energy Resources Pte Ltd on 24 November 2008. On 2 January 2009 its name was further changed to YTL Utilities Holdings (S) Pte Limited (“YTL Utilities Holdings”).

- (xiv) On 1 September 2008, Sceptre Holdings acquired 1 ordinary share representing the entire issued and paid-up share capital of Sceptre Resources Pte Ltd (“Sceptre Resources”) for S\$1.00 in cash. As a result, Sceptre Resources became a wholly-owned subsidiary of Sceptre Holdings and an indirect subsidiary of the Company.

Concurrently, Sceptre Industries Pte Ltd (“Sceptre Industries”) which is a wholly-owned subsidiary of Sceptre Resources, became an indirect subsidiary of YTL Power and the Company.

Sceptre Resources and Sceptre Industries are private limited companies incorporated in the Republic of Singapore on 19 August 2008 and 15 August 2008 respectively and are principally involved in investment holding.

Sceptre Resources and Sceptre Industries changed their names to Sabre Energy Holdings Pte Ltd (“Sabre Energy Holdings”) and Sabre Energy Industries Pte Ltd (“Sabre Energy Industries”) respectively on 24 November 2008.

Sabre Energy Holdings subsequently changed its name to YTL Utilities (S) Pte Limited on 2 January 2009.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- (xv) On 12 September 2008, YTL HK incorporated a wholly-owned subsidiary in the People's Republic of China known as Zhejiang YTL Cement Marketing Co Ltd ("ZYTLCM"). Zhejiang Cement Marketing was incorporated on 12 September 2008 with a registered capital of Renminbi 5.0 million. ZYTLCM was set up for the purpose of undertaking the business of sales and marketing of cement and cementitious products.
- (xvi) On 15 September 2008, BCE entered into a Share Sale Agreement with Seri Meraga Consolidated Sdn Bhd for the acquisition of 100,000 ordinary shares of RM1.00 each representing 50% of the issued & paid-up share capital of SMC Mix Sdn Bhd ("SMC Mix"), for a total cash consideration of RM332,199.28. SMC Mix became a wholly-owned subsidiary of BCE and an indirect subsidiary of the Company on 7 October 2008.

SMC Mix was incorporated on 10 September 1998 and has an authorised and issued paid-up share capital of RM500,000 and RM200,000 respectively. The principal activities of SMC Mix are manufacturing and sale of ready-mixed concrete.

- (xvii) On 8 October 2008, Wessex Water Enterprise Limited ("Wessex Water Enterprise"), an indirect wholly-owned subsidiary of YTL Power, subscribed for the following:-
- (a) 100 shares of £1.00 each representing the entire issued and paid-up share capital of Wessex Electricity Utilities Limited ("WEUL") for £100 in cash; and
- (b) 100 shares of £1.00 each representing the entire issued and paid-up share capital of Wessex Gas Utilities Limited ("WGUL") for £100 in cash.

As a result, WEUL and WGUL became indirect subsidiaries of YTL Power and the Company.

WEUL and WGUL are private limited companies incorporated in England and Wales, each with an authorised share capital of £1,000 comprising 1,000 shares of £1.00 each. The companies will be principally involved in the ownership and operation of electricity and gas infrastructure respectively.

- (xviii) On 13 November 2008, YTL Cayman Limited ("YTL Cayman"), a wholly-owned subsidiary of the Company, acquired 1 ordinary share of par value S\$1.00 in each of Starhill Global REIT Investments Limited ("Starhill Global Investments") and Starhill Global REIT Management Limited ("Starhill Global Management"). As a result, Starhill Global Investments and Starhill Global Management became wholly-owned subsidiaries of YTL Cayman and indirect subsidiaries of the Company.

Starhill Global Investments and Starhill Global Management were both incorporated in the Cayman Islands on 13 November 2008 and each has an authorised share capital of S\$100,000.00 comprising 100,000 shares of S\$1.00 each. Both companies are principally involved in investment holding.



**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- (xix) On 19 November 2008, Concrete Industries Pte Ltd (“Concrete Industries”) was incorporated as a wholly-owned subsidiary of YTL Concrete (S) Pte Ltd. YTL Concrete (S) Pte Ltd is an indirect wholly-owned subsidiary of YTL Cement and the Company.

Concrete Industries was incorporated for the purpose of undertaking the business of the manufacture and supply of ready-mixed concrete and related products.

- (xx) On 24 December 2008, YTLE disposed its 400,000 ordinary shares of RM1.00 each in Intellectual Learning Sdn Bhd (“ILSB”), representing the entire issued and paid-up share capital of ILSB, to Airzed Broadband Sdn Bhd (“AZB”) (a 70%-owned subsidiary of Y-Max Solutions Holdings Sdn Bhd which in turn is a 70%-owned subsidiary of YTLE) for a nominal cash consideration of RM2.00 (the “Shares Disposal”). As a result of the Shares Disposal, ILSB became a direct subsidiary of AZB and an indirect subsidiary of YTLE.

On 26 December 2008, ILSB issued 1,000,000 shares of RM1.00 each to AZB at a subscription price of RM1.00 per share.

On 31 December 2008, ILSB issued 350,000 shares of RM1.00 each to Airzed Networks Sdn Bhd (which changed its name to AU Networks Sdn Bhd on 20 January 2009) for a cash consideration of RM1,000,000. As a result of this issue of shares, ILSB became an 80%-owned subsidiary of AZB.

ILSB changed its name to Airzed Services Sdn Bhd on 27 February 2009.

- (xxi) On 28 October 2008, the Company entered into the following sale and purchase agreements (“SPA”):-
- (a) SPA with Macquarie Real Estate Singapore Pte Ltd (“MRES”) and Macquarie Bank Limited (“MBL”) (“MP REIT SPA”) for the acquisition of 247,101,000 Units in Macquarie Prime Real Estate Investment Trust (“MP REIT”) (formerly known as Macquarie MEAG Prime Real Estate Investment Trust) representing approximately 26% of the total issued Units from MRES for a cash consideration of S\$202,622,820 or S\$0.82 per Unit (“MP REIT Acquisition”); and
- (b) SPA with MBL for the acquisition from MBL (“PRMH SPA”) of the following for a cash consideration of S\$62,000,000:-
- (i) 1,500,000 ordinary shares in Prime REIT Management Holdings Pte Ltd (“PRMH”) representing 50% of the total PRMH shares in issue;
- (ii) 1 class A redeemable preference share in PRMH (“RPS A”) representing the entire RPS A in issue; and
- (iii) 1 class B redeemable preference share in PRMH (“RPS B”) representing the entire RPS B in issue

(“PRMH Acquisition”)

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

(The MP REIT Acquisition and PRMH Acquisition are collectively referred to as “the Acquisitions”)

All conditions precedent set out in the MP REIT SPA and PRMH SPA had been satisfied/waived on 24 December 2008 for the purpose of proceeding with the completion of the Acquisitions and accordingly, the MP REIT SPA and PRMH SPA became unconditional on the said date.

On 24 December 2008, the MP REIT SPA was novated by the Company to Starhill Global Investments whilst the PRMH SPA was novated to Starhill Global Management.

Bursa Malaysia Securities Berhad had via its letter dated 6 November 2008 allowed the Company to complete the Acquisitions and seek shareholders’ ratification of the Acquisitions subject to conditions as stipulated in the said letter.

The Acquisitions were completed on 31 December 2008.

Following the completion of the Acquisitions, MP REIT and PRMH have been renamed Starhill Global Real Estate Investment Trust (“Starhill Global REIT”) and YTL Pacific Star REIT Management Holdings Pte Ltd (“YPSRMH”) with effect from 31 December 2008 and 1 January 2009 respectively.

The Acquisitions were duly ratified by the shareholders of the Company at the Extraordinary General Meeting held on 22 January 2009.

- (xxii) On 2 December 2008, YTL Power together with Sabre Energy Industries (which changed its name to YTL PowerSeraya Pte Limited on 7 April 2009), entered into a share purchase agreement with Temasek Holdings (Private) Limited to acquire 884,971,148 ordinary shares in PowerSeraya Limited (“PowerSeraya”), representing a 100% equity interest in PowerSeraya for a purchase consideration of S\$3,600 million (approximately RM8,568 million, based on the prevailing exchange rate of S\$1.00:RM2.38) (“PowerSeraya Acquisition”).

The PowerSeraya Acquisition was granted the necessary approvals by Bank Negara Malaysia via its letters dated 18 August 2008 and 15 September 2008. Shareholders of YTL Power approved the PowerSeraya Acquisition resolution at the Extraordinary General Meeting held on 26 February 2009.

The PowerSeraya Acquisition was completed on 6 March 2009. As a result, PowerSeraya has become an indirect subsidiary of YTL Power and the Company.

Concurrently with the completion of the PowerSeraya Acquisition, Seraya Energy Pte Ltd, Seraya Energy & Investment Pte Ltd and PetroSeraya Pte Ltd which are wholly-owned subsidiaries of PowerSeraya became wholly-owned subsidiaries of Sabre Energy Industries and indirect subsidiaries of YTL Power and the Company.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- (xxiii) On 16 January 2009, YTL Power acquired 1 ordinary share in YTL Seraya Limited (“YTL Seraya”) at the par value of S\$1.00. As a result, YTL Seraya became a wholly-owned subsidiary of YTL Power and an indirect subsidiary of the Company.

YTL Seraya was incorporated in the Cayman Islands on 16 January 2009 with an authorised share capital of S\$100,000 comprising 100,000 shares of S\$1.00 each. YTL Seraya is principally involved in investment holding.

- (xxiv) On 17 February 2009, YTL Power disposed 1 ordinary share of S\$1.00 in YTL Utilities Holdings, representing the entire issued and paid-up share capital of YTL Utilities Holdings, to YTL Seraya for a cash consideration of S\$1.00. .

- (xxv) On 27 February 2009, the Company acquired 500,000 ordinary shares, representing the entire issued and paid-up share capital of YTL Singapore from SPYTL, Tan Sri Dato’ Seri (Dr) Yeoh Tiong Lay and Tan Sri Dato’ (Dr) Francis Yeoh Sock Ping, for a total consideration of S\$3.00 only. As a result, YTL Singapore has become a direct wholly-owned subsidiary of the Company.

YTL Singapore was incorporated in the Republic of Singapore on 29 July 1981 and is principally involved in construction activities and real estate development.

- (xxvi) On 4 March 2009, SPYTL incorporated a wholly-owned subsidiary by the name of YTL Construction (S) Pte Ltd (“YTL Construction”) in Singapore with an issued and paid-up share capital of S\$1.00 comprising of 1 ordinary share. YTL Construction is to be principally involved in the business of construction activities and real estate development.

- (xxvii) On 10 March 2009, Wessex Water Enterprise subscribed for 100 shares of £1.00 each representing the entire issued and paid-up share capital of Geneco Limited (“Geneco”) for £100 in cash. As a result, Geneco has become an indirect subsidiary of YTL Power and the Company.

Geneco was incorporated as a private limited company in England and Wales with an authorised share capital of £1,000 comprising 1,000 shares of £1.00 each. Geneco will be principally involved in the business of converting waste to energy and production of renewable energy.

- (xxviii) On 11 June 2009, Autodome Sdn Bhd (“Autodome”), an indirect wholly-owned subsidiary of the Company, acquired 1 ordinary share of par value RM1.00 representing 50% of the issued and paid-up share capital of Happy Steamboat Sdn Bhd (“Happy Steamboat”).

Happy Steamboat was incorporated on 8 May 2009 and will be principally involved the operation of a restaurant.

On 16 July 2009, Autodome subscribed for and was issued an additional 399,999 ordinary shares pursuant to the increase in issued and paid-up share capital of Happy Steamboat to RM800,000.00 via the issue of 799,998 shares at RM1.00 per share.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- (xxix) On 15 June 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 Niche Retailing Sdn Bhd (“Niche Retailing”). As a result, Niche Retailing has become a wholly-owned subsidiary of Star Hill Living and an indirect wholly-owned subsidiary of the Company.

Niche Retailing was incorporated on 3 June 2009 with an issued and paid-up share capital of RM2.00 comprising 2 ordinary shares of RM1.00 each. Niche Retailing is principally involved in the business of retailing.

- (xxx) On 18 June 2009, YTL Power announced that it has resolved to acquire 300,000 ordinary shares of RM1.00 each representing 60% of the issued and paid-up share capital of YTL Communications Sdn Bhd (formerly known as Y-Max Infra Sdn Bhd) (“YTL Communications”) from YTL E at par value per share or a total consideration of RM300,000. On 22 June 2009, the acquisition of, YTL Communications was completed and YTL Communications became a subsidiary of YTL Power and an indirect subsidiary of the Company.

YTL Communications was incorporated on 30 October 2007 and presently has an authorised share capital of RM5,000,000.00 comprising 5,000,000 ordinary shares of RM1.00 each of which 500,000 ordinary shares have been issued and fully paid-up.

- (xxxi) On 23 June 2009, YTL Utilities Limited (“YTL Utilities”), a wholly-owned subsidiary of the YTL Power, acquired 1 ordinary share of par value of US\$1.00 in YTL Utilities Finance 4 Limited (“YTL Utilities Finance 4”) at par value. As a result, YTL Utilities Finance 4 has become a wholly-owned subsidiary of YTL Utilities and an indirect subsidiary of the Company.

YTL Utilities Finance 4 was incorporated in the Cayman Islands on 23 June 2009 with an authorised share capital of US\$50,000.00 comprising 50,000 shares of US\$1.00 each. YTL Utilities Finance 4 is principally involved in financial services.

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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 2008, there were no changes in the contingent liabilities of the Group except for the following:-

As at 30 June 2009, the Company had given corporate guarantees to financial institutions for facilities granted by the financial institutions to its subsidiaries as follows:-

|  | <b>Total Amount<br/>Guaranteed<br/>RM'000</b> | <b>Amount<br/>Utilised<br/>RM'000</b> |
|--|---|---------------------------------------|
| Bank overdrafts  | 20,200  | 987                                   |
| Letters of credit/trust receipts/bankers acceptances/<br>shipping guarantees | 143,300                                       | 62,664                                |
| Revolving credits/term loans   | 101,031                                       | 61,627                                |
| Bankers' guarantees  | 86,000  | 39,661                                |
|  | <u>350,531</u>                                | <u>164,939</u>                        |
|  | <b>S\$'000</b>                                | <b>S\$'000</b>                        |
| Term loans   | 633,157                                       | 603,593                               |
| Bankers' guarantees  | 13,000  | 5,329                                 |
|  | <u>646,157</u>                                | <u>608,922</u>                        |
|  | <b>US\$'000</b>                               | <b>US\$'000</b>                       |
| Exchangeable Bonds due 2012  | 300,000                                       | 300,000                               |

**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 19 August 2009.

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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

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

**B1. Review of Performance**

The Group recorded a revenue and profit before taxation for the current financial quarter of RM3,597.4 million and RM702.1 million representing an increase of 97.9% and 64.7% respectively when compared to the preceding year corresponding quarter ended 30 June 2008.

The Group's profit from operations increased from RM2,540.2 million in the corresponding year ended 30 June 2008 to RM2,827.1 million in the current financial year ended 30 June 2009 representing an increase of 11.3%. The profit before taxation increased by 26.1% from RM1,829.8 million recorded in the preceding corresponding year ended 30 June 2008 to RM2,306.5 million recorded in the year ended 30 June 2009. The increase in profit was substantially due to the fair value gain on investment properties and the recognition of the excess of fair value of a newly acquired associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment.

**B2. Comparison with Preceding Quarter**

|  | <b>Current<br/>Quarter<br/>30.6.2009<br/>RM'000</b> | <b>Preceding<br/>Quarter<br/>31.3.2009<br/>RM'000</b> |
|--|---|---|
| Revenue  | 3,597,378   | 1,985,145   |
| Consolidated profit before taxation                                | 702,108   | 750,004   |
| Consolidated profit after taxation<br>attributable to shareholders | 75,973  | 484,361   |

For the current financial quarter, the Group's revenue increased by 81.2% whilst the profit before taxation decreased by 6.4% when compared to the preceding quarter ended 31 March 2009. The increase in revenue was substantially due to the consolidation of the newly acquired PowerSeraya Limited Group in Singapore by YTL Power. The profit before taxation in the preceding quarter ended 31 March 2009 recorded an excess of fair value of a newly acquired associate's identifiable assets, liabilities and contingent liabilities over the cost of investment. Hence, the decrease in the profit before taxation for the current quarter ended 30 June 2009 in comparison to that of the preceding quarter ended 31 March 2009.

The profit after taxation attributable to shareholders for the current financial quarter decreased by 84.3% was primarily due to the one-off deferred tax charge provided for in the utilities division as disclosed in Note B6.

**B3. Audit Report of the preceding financial year ended 30 June 2008**

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

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**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.

**B6. Taxation**

Taxation comprises the following:-

|   | <b>Current<br/>Year<br/>Quarter<br/>30.6.2009<br/>RM'000</b> | <b>Preceding<br/>Year<br/>Corresponding<br/>Quarter<br/>30.6.2008<br/>RM'000</b> | <b>Current<br/>Year<br/>To Date<br/>30.6.2009<br/>RM'000</b> | <b>Preceding<br/>Year<br/>Corresponding<br/>Period<br/>30.6.2008<br/>RM'000</b> |
|---|--|--|--|---|
| Taxation based on profit for the period | 125,246  | 75,728   | 439,051  | 404,671   |
| In respect of prior years               |  |  |  |   |
| - Income tax                            | (6,601)  | (1,682)  | (2,375)  | 172   |
| Deferred taxation                       | (747)  | 50,680   | (1,622)  | 48,512  |
| One-off deferred taxation               | 442,468  | -  | 442,468  | -   |
|   | <b>560,366</b>   | <b>124,726</b>   | <b>877,522</b>   | <b>453,355</b>  |

The UK Finance Act 2008 includes provisions which abolish industrial building allowances with effect from 1 April 2011. This means that the Group's UK subsidiary, Wessex Water Services Limited will not be able to claim industrial building allowances on affected assets after 2011. This change is being introduced by reducing the rate of allowance that may be claimed from 1 April 2008 to 31 March 2011 at which point the allowances will be removed. Applying Accounting Standard FRS 112 Income Taxes, the removal of these allowances has resulted in a one-off deferred tax charge of RM442.5 million. The said one-off deferred tax charge does not have an immediate cashflow impact on the Group.

Save and except for the one-off deferred tax charge mentioned above and prior year's tax adjustments, 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.

**B7. Sales of Unquoted Investment and /or Properties**

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

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**B8. Quoted Securities**

| (a)              | <b>Current Year<br/>Quarter<br/>30.6.2009<br/>RM'000</b> | <b>Current Year<br/>To Date<br/>30.6.2009<br/>RM'000</b> |
|------------------|--|--|
| Purchases        | 1,601  | 1,601  |
| Sales            | 1,984  | 2,054  |
| Gain on disposal | 144  | 174  |
|                  | <u>          </u>  | <u>          </u>  |

(b) Particulars of investment in quoted securities as at 30 June 2009:

|                     | <b>RM'000</b>     |
|---------------------|-------------------|
| - At cost           | 22,341            |
| - At carrying value | 22,341            |
| - At market value   | 18,528            |
|                     | <u>          </u> |

**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 USD200 million nominal value five (5) year guaranteed Exchangeable Bonds which are exchangeable into new ordinary shares of RM0.50 each in YTL Cement (“the Proposed Exchangeable Bonds Issue”), YTL Cement has until 4 October 2009 being the extended date approved by the Securities Commission, to complete the Proposed Exchangeable Bonds Issue.
- (ii) On 27 May 2009, YTL Hotels & Properties Sdn Bhd (“YTLHP”), a wholly-owned subsidiary of the Company, announced that it has entered into a Sale and Purchase Agreement (“SPA”) with Mr Vun Vui Heung @ Michael and Ms Melinda Voon Ching Mee for the acquisition of 80,000 ordinary shares of RM1.00 each in Borneo Island Villas Sdn Bhd (“Borneo Island”), representing 80% of the issued and paid-up share capital of Borneo Island, for a cash consideration of RM77,556.00, subject to the terms and conditions of the SPA (“the Proposed Acquisition”).

Upon completion of the Proposed Acquisition, Borneo Island will become an 80%-owned subsidiary of YTLHP and indirect subsidiary of the Company.



**INTERIM FINANCIAL REPORT**

**Notes: - continued**

b) **Status of Utilisation of Proceeds**

**USD300 million Guaranteed Exchangeable Bonds Due 2012**

Of the net proceeds received from the issue of the USD300 million Guaranteed Exchangeable Bond due 2012, approximately US\$209.38 million was utilised for the payment of the acquisition of Starhill Global REIT and YPSRMH and related expenses (as defined in Note A8(xxi)) 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 Starhill Global REIT. The balance is currently placed under fixed deposits pending investments.

**B10. Group Borrowings and Debt Securities**

Particulars of the Group's borrowings and debts securities as at 30 June 2009 are as follows:-

|                |                             |
|----------------|-----------------------------|
|                | <b>RM'000</b>               |
| (i) Short term |                             |
| - Secured      | 604,855                     |
| - Unsecured    | 4,224,177                   |
|                | <u>4,829,032</u>            |
|                | <u>                    </u> |
|                | <b>RM'000</b>               |
| (ii) Long term |                             |
| - Secured      | 2,995,097                   |
| - Unsecured    | 20,656,725                  |
|                | <u>23,651,822</u>           |
|                | <u>                    </u> |

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

|                            |                             |
|----------------------------|-----------------------------|
| In Singapore Dollar ('000) | 2,837,486                   |
|                            | <u>                    </u> |
| In US Dollar ('000)        | 614,156                     |
|                            | <u>                    </u> |
| In Sterling Pound ('000)   | 1,560,784                   |
|                            | <u>                    </u> |

Save for the borrowings of RM125.278 million and S\$603.593 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.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**B11. Off Balance Sheet Financial Instruments**

(a) Fuel oil swaps

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. Gains and losses arising from these contracts are deferred and included in the measurement of inventory of fuels upon acquisition. These are subsequently recognised in the income statement upon consumption of the underlying fuels.

As at 14 August 2009, the Group's outstanding fuel oil swaps are as follows:

| <b>Type of contract</b> | <b>Outstanding<br/>Quantity<br/>In Metric Ton</b> | <b>Notional<br/>Amount<br/>In RM'000</b> | <b>Maturity<br/>date</b>   |
|-------------------------|---|--|----------------------------|
| "Buy" fuel oil swaps    | 497,400   | 611,263                                  | 31 Aug 2009 – 30 Nov 2011  |
| "Sell" fuel oil swaps   | 84,038  | 113,871                                  | 31 Aug 2009 – 31 Sept 2009 |

(b) Currency forwards

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. Gains and losses arising from the contracts to hedge the purchase of fuels are deferred and included in the measurement of inventory of fuels upon acquisition. These are subsequently transferred to the income statement upon consumption of the underlying fuels. For those currency forwards used to hedge highly probable forecast foreign purchases of property, plant and equipment, the gains and losses are included in the cost of the assets and recognised in the income statement over their estimated useful lives as part of depreciation expense.

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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

As at 14 August 2009, the Group's outstanding currency forwards are as follows:

| <b>Nature of Forecast transactions</b> | <b>Foreign Currency</b> | <b>Foreign Currency Amount '000</b> | <b>Notional Amount In RM'000</b> | <b>Maturity date</b>       |
|--|-------------------------|-------------------------------------|----------------------------------|----------------------------|
| Fuel oil and natural gas               | Buy USD                 | 172,075                             | 614,703                          | 14 Aug 2009 - 14 Nov 2011  |
| Fuel oil and natural gas               | Sell USD                | 3,640                               | 12,859                           | 02 Sept 2009 - 14 Dec 2009 |
| Capital Projects                       | Buy USD                 | 27,273                              | 95,409                           | 01 Sept 2009 - 01 Jul 2010 |
| Capital Projects                       | Buy EURO                | 53,099                              | 256,047                          | 01 Sept 2009 - 01 Jul 2010 |
| Capital Projects                       | Buy JPY                 | 80,192                              | 2,980                            | 01 Sept 2009 - 02 Aug 2010 |

(c) Interest rate swaps

Interest rate swaps are entered to hedge floating semi-annual interest payments on borrowings with final repayment date 27 August 2014. Since the borrowings are obtained specifically for the construction of plant, property and equipment, the interest on these borrowings are capitalised. The gains and losses on the interest rate swaps are recognized to the cost of the plant, property and equipment and subsequently recognised in the income statement over their estimated useful lives as part of depreciation expense.

The interest rate swaps as at 14 August 2009 are as follows:

| <b>Interest Rate Swap</b> | <b>Notional Amount</b> | <b>Weighted Average Rate per annum</b> | <b>Effective Period</b>   |
|---------------------------|------------------------|--|---------------------------|
| Plain Vanilla             | SGD 250 million        | 2.89%                                  | 28 Feb 2008 - 28 Aug 2014 |

**B12. Material litigation**

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

**B13. Dividend**

The Board of Directors has recommended for the approval of the shareholders a first and final dividend of 15% gross less Malaysian Tax for the financial year ended 30 June 2009 and the book closure and payment dates in respect of the aforesaid dividend will be determined at a later date.

**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:-

|  | <b>Current<br/>Quarter<br/>30.6.2009</b> | <b>Preceding Year<br/>Corresponding<br/>Quarter<br/>30.6.2008</b> |
|--|--|---|
| Profit attributable to shareholders (RM'000)                 | 75,973                                   | 153,324   |
| <i>Weighted average number of<br/>ordinary shares ('000)</i> |  |   |
| Issued at the beginning of the year                          | 1,765,102                                | 1,631,637   |
| Shares repurchased   | (137,403)                                | (135,638)   |
|  | 1,627,699                                | 1,495,999   |
| Basic earnings per share (sen)                               | 4.67                                     | 10.25   |

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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:-

|  | <b>Current<br/>Quarter<br/>30.6.2009</b> | <b>Preceding Year<br/>Corresponding<br/>Quarter<br/>30.6.2008</b> |
|--|--|---|
| Profit attributable to shareholders (RM'000)                         | 75,973                                   | 153,324   |
| <hr/>  |  |   |
| <i>Weighted average number of<br/>ordinary shares-diluted ('000)</i> |  |   |
| Weighted average number of<br>ordinary shares-basic                  | 1,627,699                                | 1,495,999   |
| Effect of unexercised warrants                                       | -  | 112,892   |
| Effect of unexercised employees share<br>option scheme               | 14,645                                   | 16,820  |
|  | <hr/> 1,642,344                          | <hr/> 1,625,711   |
|  | <hr/>                                    |   |
| * Diluted earnings per share (sen)                                   | 4.63                                     | 9.43  |
|  | <hr/>                                    |   |

\* Total cash expected to be received in the event of an exercise of all outstanding warrants and ESOS options is RM224.236 million. Accordingly, the Net Asset (NA) on a proforma basis will increase by RM224.236 million resulting in an increase in NA per share of RM0.12. 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: 20 August 2009