

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

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the second quarter ended 31 December, 2005.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER PRECEDING YEAR		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2005 RM'000	CORRESPONDING QUARTER 31.12.2004 RM'000	6 MONTHS ENDED 31.12.2005 31.12.2004 RM'000 RM'000	
REVENUE	1,285,702	1,243,174	2,643,340	2,421,230
OPERATING EXPENSES	(816,846)	(776,808)	(1,688,786)	(1,482,391)
OTHER OPERATING INCOME	741,200	25,626	786,660	47,677
PROFIT FROM OPERATIONS	1,210,056	491,992	1,741,214	986,516
FINANCE COSTS	(203,894)	(190,658)	(407,041)	(371,774)
SHARE OF (LOSSES)/PROFITS OF ASSOCIATED COMPANIES	80,819	18,216	131,749	17,607
PROFIT BEFORE TAXATION	1,086,981	319,550	1,465,922	632,349
TAXATION	(117,317)	(76,770)	(212,210)	(141,819)
PROFIT AFTER TAXATION	969,664	242,780	1,253,712	490,530
MINORITY INTERESTS	(110,853)	(104,261)	(211,169)	(190,676)
NET PROFIT FOR THE PERIOD	858,811	138,519	1,042,543	299,854
EARNINGS PER SHARE				
Basic (Sen)	60.12	10.08	73.31	21.70
Diluted (Sen)	55.74	9.74	67.95	21.03

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

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED BALANCE SHEETS

	UNAUDITED AS AT 31.12.2005 RM'000	AUDITED AS AT 30.6.2005 RM'000
PROPERTY, PLANT & EQUIPMENT	15,935,285	16,544,289
INVESTMENT PROPERTIES	112,789	556,998
INVESTMENT IN SUBSIDIARIES	181,474	181,704
INVESTMENT IN ASSOCIATED COMPANIES	1,268,799	1,122,421
QUOTED INVESTMENTS	580,792	14,324
UNQUOTED INVESTMENTS	587,823	580,357
DEVELOPMENT EXPENDITURE	715,974	719,339
DEFERRED TAX ASSETS	7,225	-
GOODWILL ON CONSOLIDATION	733,198	733,090
CURRENT ASSETS		
Inventories	341,046	284,072
Property development projects	201,728	219,245
Trade & other receivables	2,154,213	2,111,003
Tax recoverable	85,805	73,744
Inter-company balances	51,413	18,882
Short term investments	42,534	68,665
Fixed deposits	6,223,103	5,642,945
Cash & bank balances	63,444	75,483
	9,163,286	8,494,039

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

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED BALANCE SHEETS – continued

	UNAUDITED	AUDITED
	AS AT	AS AT
	31.12.2005	30.6.2005
	RM'000	RM'000
LESS : CURRENT LIABILITIES		
Trade & other payables	1,191,735	1,283,159
Inter-company balances	1,478	1,090
Short term borrowings	2,391,781	3,377,772
Provision for taxation	198,169	144,553
Provision for liabilities & charges	39,828	31,341
	-----	-----
	3,822,991	4,837,915
	-----	-----
NET CURRENT ASSETS	5,340,295	3,656,124
	-----	-----
	<u>25,463,654</u>	<u>24,108,646</u>

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED BALANCE SHEETS - continued

	UNAUDITED AS AT 31.12.2005 RM'000	AUDITED AS AT 30.6.2005 RM'000
FINANCED BY : -		
SHARE CAPITAL	782,312	762,966
RESERVES		
Share premium	389,543	290,759
Capital reserve	102,295	102,295
Statutory reserve	10,246	10,246
Exchange differences reserve	34,476	55,762
Other reserves	80,232	35,389
Retained profits	5,911,129	4,834,603
Less : Treasury shares, at cost	(646,378)	(542,103)
SHAREHOLDERS' FUNDS	----- 6,663,855	----- 5,549,917
MINORITY INTERESTS	2,752,777	2,575,720
LONG TERM BORROWINGS	13,033,357	12,853,968
OTHER LONG TERM LIABILITIES	103,436	91,480
PROVISION FOR LIABILITIES	376,368	427,786
DEFERRED INCOME	139,120	149,213
DEFERRED TAXATION	2,394,741	2,460,562
	----- 25,463,654 =====	----- 24,108,646 =====
Net Assets Per 50 sen share (Sen)	601.85 =====	532.50 =====

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

YTL CORPORATION BERHAD (Company No. 92647-H)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2005**

Group	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Statutory reserve RM'000	Translation reserve RM'000	Retained profits RM'000	Treasury shares RM'000	Other reserves RM'000	Total RM'000
Balance at 1.7.2005	762,966	290,759	102,295	10,246	55,762	4,834,603	(542,103)	35,389	5,549,917
<i>Currency translation differences</i>	-	-	-	-	(21,286)	-	-	-	(21,286)
Net gains not recognised in the income statement	-	-	-	-	(21,286)	-	-	-	(21,286)
Net profit for the period	-	-	-	-	-	1,042,543	-	-	1,042,543
Gains recognized on deemed dilution of interest in subsidiaries	-	-	-	-	-	33,983	-	-	33,983
Reserve on consolidation	-	-	-	-	-	-	-	44,843	44,843
Treasury shares	-	-	-	-	-	-	(104,275)	-	(104,275)
Issue of share capital	19,346	98,784	-	-	-	-	-	-	118,130
Balance at 31.12.2005	<u>782,312</u>	<u>389,543</u>	<u>102,295</u>	<u>10,246</u>	<u>34,476</u>	<u>5,911,129</u>	<u>(646,378)</u>	<u>80,232</u>	<u>6,663,855</u>

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

YTL CORPORATION BERHAD (Company No. 92647-H)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2005**

Group	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Reserve on consolidation RM'000	Translation reserve RM'000	Retained profits RM'000	Treasury shares RM'000	Total RM'000
Balance at 1.7.2004								
- as previously reported	737,293	549,075	60,959	346	83,907	4,258,148	(308,637)	5,381,091
- prior years adjustment	-	-	-	-	-	(8,546)	-	(8,546)
	-----	-----	-----	-----	-----	-----	-----	-----
- as restated	737,293	549,075	60,959	346	83,907	4,249,602	(308,637)	5,372,545
<i>Currency translation differences</i>	-	-	-	-	166,979	-	-	166,979
Net gains not recognised in the income statement	-	-	-	-	166,979	-	-	166,979
Net profit for the period	-	-	-	-	-	299,854	-	299,854
Treasury shares	-	-	-	-	-	-	(237,560)	(237,560)
Issue share capital	1,705	8,366	-	-	-	-	-	10,071
	-----	-----	-----	-----	-----	-----	-----	-----
Balance at 31.12.2004	738,998	557,441	60,959	346	250,886	4,549,456	(546,197)	5,611,889
	=====	=====	=====	=====	=====	=====	=====	=====

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

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

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2005**

	6 MONTHS ENDED	
	31.12.2005	31.12.2004
	RM'000	RM'000
Net cash from operating activities	367,820	(105,346)
	-----	-----
Net cash from (used in) investing activities	1,018,210	(1,035,663)
	-----	-----
Net cash from financing activities	(782,594)	869,232
	-----	-----
Net changes in cash and cash equivalents	603,436	(271,777)
Cash and cash equivalents brought forward	5,641,793	5,822,815
	-----	-----
Cash and cash equivalents carried forward	<u>6,245,229</u>	<u>5,551,038</u>

Cash and cash equivalents comprise :

	RM'000	RM'000
Fixed Deposits	6,223,103	5,480,742
Cash & bank balances	63,444	73,835
Bank overdrafts	(41,318)	(3,539)
	-----	-----
	<u>6,245,229</u>	<u>5,551,038</u>

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

INTERIM FINANCIAL REPORT

Notes :

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

A1. Accounting Policies and methods of computation

The interim financial report is unaudited and has been prepared in accordance with FRS134₂₀₀₄ “Interim Financial Reporting” (formerly known as MASB 26) and Chapter 9, part K of the Listing Requirements of Bursa Malaysia Securities Berhad.

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

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

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

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

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

A3. Seasonality or Cyclicity of Operations

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

A4 Exceptional or Unusual Items

During the current financial 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 except for the exceptional gains on disposal of investment properties by a subsidiary company and on the redemption of MRCPS in an associated company of RM643.6 million and RM77.7 million respectively.

A5. Changes in estimates of amounts reported

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

INTERIM FINANCIAL REPORT

Notes : - continued

A6. Changes in Debt and Equity Securities

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

- (i) Repurchased a total of 7,796,100 ordinary shares of its issued share capital from the open market for a total consideration of RM42.458 million at an average cost of RM5.58 per share during the current financial quarter. During the current financial year to date, a total of 18,873,300 ordinary shares were repurchased from the open market for a total consideration of RM104.275 million. The repurchased transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A (as amended) of the Companies Act, 1965.
- (ii) For the current financial quarter ended 31 December 2005, 315,700 and 2,908,751 ordinary shares were issued pursuant to the exercise of 1997/2007 and 1999/2009 warrants at an exercise price of RM2.75 and RM 4.23 per share respectively. During the current financial year to date a total of 723,500 and 7,089,051 ordinary shares were issued pursuant to the exercise of 1997/2007 and 1999/2009 warrants at an exercise price of RM2.75 and RM4.23 per share respectively.
- (iii) For the current financial quarter and year to date, 30,879,500 ordinary shares were issued pursuant to the exercise of employees' share option (ESOS) at an exercise price of RM2.79.
- (iv) On 21 June 2005, YTL Cement Berhad (YTL Cement) announced the proposal for a renounceable rights issue of up to RM490,325,922 nominal value of 10 years 4% stepping up to 6% irredeemable convertible unsecured loan stock (ICULS) at 100% of its nominal value on the basis of RM1.00 nominal value of ICULS for every one (1) existing ordinary share of RM0.50 each share held in YTL Cement as at an entitlement date to be determined later (Proposed Rights Issue of ICULS).

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

The outstanding debts are as disclosed in note B9.

A7. Dividend paid

There was no dividend paid during the financial quarter ended 31 December 2005.

YTL CORPORATION BERHAD (Company No. 92647-H)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT**Notes : - continued****A8. Segment Reporting**

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

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

	Construction RM'000	Information technology & e-commerce related business RM'000	Cement Manufacturing & trading RM'000	Property investment & development RM'000	Management services & others RM'000	Hotels RM'000	Utilities RM'000	Total RM'000
Revenue	90,686	12,197	518,789	103,542	106,920	59,539	1,751,667	2,643,340
Results								
Profit from Operations	9,893	6,321	115,980	44,447	38,131	6,539	764,155	985,466
Finance costs								(407,041)
Gain on disposal of quoted investments								34,416
Gain on disposal of investment properties								643,636
Gain on redemption of Mudharabah Redeemable Convertible Preference Shares (MRCPS)								77,696
Share of profits of associated companies								131,749
Profit before taxation								1,465,922
Taxation								(212,210)
Profit after taxation								1,253,712
Minority interests								(211,169)
Net profit for the period								1,042,543

YTL CORPORATION BERHAD (Company No. 92647-H)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT**Notes : - continued****A8. Segment Reporting**

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

The Group's segmental report for the second quarter ended 31 December 2004 is as follows:-

	Construction RM'000	Information technology & e-commerce related business RM'000	Cement Manufacturing & trading RM'000	Property investment & development RM'000	Management services & others RM'000	Hotels RM'000	Utilities RM'000	Total RM'000
Revenue	88,246	12,512	289,245	119,373	142,680	58,823	1,710,351	2,421,230
Results								
Profit from Operations	16,878	5,628	71,303	41,152	129,465	2,041	718,580	985,047
Finance costs								(371,774)
Gain on disposal of quoted investments								1,469
Share of profits of associated companies								17,607
Profit before taxation								632,349
Taxation								(141,819)
Profit after taxation								490,530
Minority interests								(190,676)
Net profit for the period								299,854

INTERIM FINANCIAL REPORT

Notes : - continued

A9. Valuation of Property, Plant and Equipment

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

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

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

A11. Changes in the Composition of the Group

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

- (i) During the current financial quarter, YTL Power International Berhad (YTL Power) repurchased a total of 33,483,200 ordinary shares of its issued share capital from the open market value for a total consideration of RM73,836,119 at an average cost of RM2.21 per share. During the current financial year to date, a total of 54,352,200 shares were repurchased from the open market for a total consideration of RM117,755,165. The repurchase of shares were financed by internally generated funds. As at 31 December 2005, the number of shares held is 214,809,256 ordinary shares.
- (ii) During the current financial quarter and for the 6 months period ended 31 December 2005, 83,073,056 and 90,987,056 ordinary shares were issued respectively pursuant to the exercise of warrants at an exercise price of RM1.41 per share in YTL Power.
- (iii) For the current financial quarter and year to date, 41,466,000 and 2,360,000 ordinary shares were issued pursuant to the exercise of employees' share scheme (ESOS) at an exercise price of RM1.14 and RM1.32 respectively in YTL Power.
- (iv) For the current financial quarter and the 6 months period ended 31 December 2005, a total of 2,301,000 and 2,417,000 ordinary shares of RM0.50 each were issued respectively pursuant to the exercise of employees' share scheme (ESOS) in YTL Cement.
- (v) During the current financial quarter and for the 6 months period ended 31 December 2005, YTL Cement purchased a total of 789,900 and 835,700 ordinary shares from the open market at an average price of RM2.31 per share for a total consideration of RM1,831,017 and RM1,935,878 respectively. The share buy-back were financed by internally generated funds. The shares purchased are held as treasury shares.

YTL CORPORATION BERHAD (Company No. 92647-H)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Notes : - continued

- (vi) For the current financial quarter and year to date, a total of 166,463 ordinary shares of RM0.50 each were issued pursuant to the conversion of 452,780 nominal value of 100% Irredeemable Convertible Unsecured Loan Stocks 2005/2015 in YTL Cement.
- (vii) During the current financial quarter, the share capital of YTL Land & Development Berhad (YTL L&D) has increased from RM172,425,029 to RM177,614,036 as a result of conversions of 40,474,260 Irredeemable Convertible Preference Shares (“ICPS-A”) of RM0.50 each into 10,378,015 new ordinary shares of RM0.50 each based on a conversion ratio of one (1) ordinary share of RM0.50 each for every RM3.90 of ICPS-A held, and the total number of ICPS-A and Irredeemable Convertible Preference Shares (“ICPS-B”) outstanding as at 31 December 2005 was 274,360,378 and 560,849,502 respectively.
- (viii) On 2 September, 2005, a wholly-owned subsidiary of YTL Cement, YTL Cement Singapore Pte Ltd has entered into separate share purchase agreements with Kindo Pte Ltd and Andree Halim @ Liem Sien Tjong @ Liem Sien Tjong to acquire 6,186,000 and 3,093,300 ordinary shares of S\$1 each representing 13.96% and 6.98% equity interest respectively in Jurong Cement Limited for a total cash consideration of S\$5,876,700 and S\$2,938,350 respectively. These acquisitions were completed in the same month.

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

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

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

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

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes : - continued

A12. Changes in Contingent Liabilities or Contingent Assets

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

As at 31 December 2005, the Company has given corporate guarantees amounting to RM290.95 million to financial institutions for facilities granted by the financial institutions to its subsidiaries as follows :-

	Total Amount Guaranteed RM'000	Amount Utilised RM'000
Block discounting / hire purchase facility	22,940	7,326
Bank overdrafts	31,900	10,874
Letters of credit/trust receipts/bankers acceptances/ shipping guarantees	134,900	59,254
Revolving loans/advances	59,413	31,089
Suppliers credit facility		
Bankers' guarantees :-		
Advance payment bonds/performance bonds, pre-bid bonds and other related guarantees	41,800	30,289
	-----	-----
	290,953	138,832
	=====	=====

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

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes : - continued

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

B1. Review of Performance

The Group's recorded a revenue and profit before taxation for the current financial quarter of RM1,285.7 million and RM1,087.0 million respectively, representing an increase of 3.4% and 240% respectively when compared to the previous corresponding quarter ended 31 December, 2004.

The Group's operating profit improved from RM492.0 million in the corresponding quarter ended 31 December 2004 to RM1,210.1 million in the current financial quarter ended 31 December 2005 representing an increase of 146%. Net profit of RM858.8 million recorded in the current financial quarter as compared to the corresponding quarter ended 31 December 2004 of RM138.5 million, representing an increase of 520%.

The increase in net profit to RM1,042.5 million for the 6 months up to 31 December 2005 from RM299.9 million in 31 December 2004, was mainly attributed to the cement manufacturing and utilities activities, and the gains on disposal of investment properties by a subsidiary company and on the redemption of MRCPS in an associated company of RM643.6 million and RM77.7 million respectively.

B2. Comparison with Preceding Quarter

For the current financial quarter, the Group registered a higher profit before taxation of RM1,087.0 million as compared to RM378.9 million for the preceding financial quarter representing an increase of 186.9%.

The increase in the Group's profit before taxation in the current financial quarter was attributable to the gains on disposal of investment properties by a subsidiary company and on redemption of redeemable convertible preference shares in an associated company of RM643.6 million and RM77.7 million respectively.

B3. Prospects

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

B4. Profit Forecast

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

INTERIM FINANCIAL REPORT

Notes : - continued

B5. Taxation

Taxation comprises the following: -

	Current Year	Preceding Year	Current year	Preceding Year
	Quarter	Corresponding	To Date	Corresponding
	31.12.2005	Quarter	31.12.2005	Period
	RM'000	31.12.2004	31.12.2005	31.12.2004
	RM'000	RM'000	RM'000	RM'000
Taxation based on profit for the period	78,629	63,232	147,506	126,832
In respect of prior years				
- income tax	-	-	(140)	-
Over provision in prior year	-	(5,008)	-	(15,300)
Deferred taxation	12,544	13,516	26,811	25,168
Share of tax in associated companies:				
- taxation for the period	26,144	5,030	38,033	5,119
	-----	-----	-----	-----
	117,317	76,770	212,210	141,819
	=====	=====	=====	=====

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 gains on disposal of investment properties and redemption of preference shares which are not taxable. The availability of reinvestment allowances and tax losses brought forward for some of its subsidiaries have also reduced the taxation of the Group for the current financial quarter and year to date.

B6. Sales of Unquoted Investment and /or Properties

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

B7. Quoted Securities

(a)	Current Year	Current year
	Quarter	To Date
	31.12.2005	31.12.2005
	RM'000	RM'000
Purchases	566,545	566,545
Sales	-	46,929
Gain on disposal	-	31,600
	=====	=====

INTERIM FINANCIAL REPORT

Notes : - continued

B7. Quoted Securities

(b) Particulars of investment in quoted securities as at 31 December, 2005 :

	RM'000
- At cost	580,792
- At carrying value	580,792
- At market value	589,338
	589,338

B8. Corporate Developments

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

(i) On 30 October 2003, YTL L&D announced the proposal for placement of up to 20,000,000 new ordinary shares of RM1.00 each in YTL L&D to Dato' Suleiman bin Abdul Manan, the Director of YTL L&D ("Proposed Placement"). Approval of the Securities Commission ("SC") was received vide its letter dated 25 February 2004.

On 11 June 2004, the SC has vide its letter dated 8 June 2004, approved the revision to the terms of approval for the Proposed Placement of up to 40,000,000 new ordinary shares of RM0.50 each, as opposed to up to 20,000,000 new ordinary shares of RM1.00 each as approved earlier.

Approval of shareholders was obtained on 8 June 2004. SC has vide its letter dated 29 August 2005 (received on 30 August 2005), approved the application for extension of time until 23 February 2006 to complete the implementation of the Proposed Placement. To date steps have not been taken by Dato' Suleiman bin Abdul Manan to subscribe for the said shares. Accordingly, the approval by the SC will lapse on 23 February 2006 and the Proposed Placement cannot be implemented.

B9. Group Borrowings and Debt Securities

Particulars of the Group's borrowings and debts securities as at 31 December 2005 are as follows :-

	RM'000
(i) Short term	
- Secured	1,231,346
- unsecured	1,160,435
	2,391,781

INTERIM FINANCIAL REPORT

Notes : - continued

	RM'000
(ii) Long term	
- Secured	1,043,633
- unsecured	11,989,724

	13,033,357

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

In US Dollar ('000)	493,373
	=====
In Sterling Pound ('000)	1,293,236
	=====

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

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

B10. Off Balance Sheet Financial Instruments

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

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

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

	Total
	£'000
National Principal Amount (denotes in Sterling Pound)	10,800
	=====

INTERIM FINANCIAL REPORT

Notes : - continued

	RM'000
RM equivalent (exchange rate £1 = RM6.5226)	70,444
Average fixed interest rate	5.95%
Average period to maturity of the fixed rate borrowing (years)	3.96

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

B11. Dividend paid

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

B12. Material litigation

There are claims made by third parties against YTL L&D, a subsidiary of the Company via its subsidiary, Sentul Raya Sdn Bhd but the Directors of the Company are of the opinion that the claims will not materially affect the future position or business of the Group.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

INTERIM FINANCIAL REPORT

Notes : - continued

B13. Earnings Per Share

i) Basic earnings per share

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

	Current Quarter 31.12.2005	Preceding Year Corresponding Quarter 31.12.2004
Net profit for the period / Profit attributable to shareholders (RM'000)	858,811 =====	138,519 =====
<i>Weighted average number of ordinary shares ('000)</i>		
Issued at the beginning of the period	1,547,307	1,475,756
Shares repurchased	(118,931) -----	(101,443) -----
	1,428,376 =====	1,374,313 =====
Basic earnings per 50 sen share (sen)	60.12 =====	10.08 =====

INTERIM FINANCIAL REPORT

Notes : - continued

B13. Earnings Per Share - continued

ii) Diluted earnings per share

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

	Current Quarter 31.12.2005	Preceding Year Corresponding Quarter 31.12.2004
Net profit for the period / Profit attributable to shareholders (RM'000)	858,811 =====	138,519 =====
<i>Weighted average number of ordinary shares-diluted ('000)</i>		
Weighted average number of ordinary shares-basic	1,428,376	1,374,313
Effect of unexercised warrants	106,789	33,789
Effect of unexercised employees share option scheme	5,471 -----	13,504 -----
	1,540,636 =====	1,421,606 =====
*Diluted earnings per 50 sen share (sen)	55.74 =====	9.74 =====

* Total cash expected to be received in the event of an exercise of all outstanding warrants and ESOS options is RM 1,786.494 million. Accordingly, the Net Tangible Asset (NTA) on a proforma basis will increase by RM 1,786.494 million resulting in an increase in NTA per share of RM 0.95. In arriving at the Diluted earnings per share, NTA and NTA per share, no income has been accrued for the cash proceeds.

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated : 23 February 2006