

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

**INTERIM FINANCIAL REPORT**

Interim financial report on consolidated results for the period ended 30 June 2008.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.6.2008 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.6.2007 (Restated) RM'000	12 MONTHS ENDED	
			30.6.2008 RM'000	30.6.2007 (Restated) RM'000
<b>REVENUE</b>	1,888,381	1,729,576	6,620,076	6,015,309
COST OF SALES	(946,668)	(796,530)	(3,756,826)	(3,167,435)
GROSS PROFIT	941,713	933,046	2,863,250	2,847,874
OTHER OPERATING EXPENSES	(296,541)	(411,419)	(611,267)	(904,932)
OTHER OPERATING INCOME	65,986	176,624	381,802	324,431
<b>PROFIT FROM OPERATIONS</b>	711,158	698,251	2,633,785	2,267,373
FINANCE COSTS	(249,146)	(251,752)	(934,874)	(867,594)
SHARE OF (LOSSES)/PROFITS OF ASSOCIATED COMPANIES	61,129	17,835	227,688	155,965
<b>PROFIT BEFORE TAXATION</b>	523,141	464,334	1,926,599	1,555,744
TAXATION	(132,186)	186,753	(460,815)	(90,869)
<b>PROFIT FOR THE PERIOD</b>	390,955	651,087	1,465,784	1,464,875
<b>ATTRIBUTABLE TO:</b>				
SHAREHOLDERS	231,516	359,453	847,978	762,444
MINORITY INTERESTS	159,439	291,634	617,806	702,431
<b>PROFIT FOR THE PERIOD</b>	390,955	651,087	1,465,784	1,464,875
<b>EARNINGS PER 50 SEN SHARE</b>				
Basic (Sen)	15.48	24.45	56.70	51.87
Diluted (Sen)	14.24	22.21	52.12	48.25

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

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

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>AS AT</b>
	<b>30.6.2008</b>	<b>30.6.2007</b>
		<b>(restated)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant & Equipment	17,374,659	16,902,393
Investment Properties	1,530,356	1,379,366
Prepaid Lease Payment	61,003	50,549
Investment In Subsidiaries	304,634	181,704
Investment In Associated Companies	1,422,932	1,328,826
Quoted Investments	22,766	15,979
Unquoted Investments	775,168	595,379
Development Expenditure	1,129,041	1,041,533
Fixed deposits	424	424
Intangible assets	3,942	953
Goodwill on Consolidation	1,146,334	941,330
	<u>23,771,259</u>	<u>22,438,436</u>
<b>Current Assets</b>		
Inventories	375,231	354,049
Property development costs	187,502	138,122
Trade & other receivables	2,102,029	1,880,878
Tax recoverable	100,964	54,342
Inter-company balances	74,457	13,627
Short term investments	45,872	175,283
Fixed deposits	11,790,603	8,753,951
Cash & bank balances	147,268	103,832
	<u>14,823,926</u>	<u>11,474,084</u>
<b>TOTAL ASSETS</b>	<u>38,595,185</u>	<u>33,912,520</u>

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

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

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED BALANCE SHEETS – continued**

	<b>UNAUDITED AS AT 30.6.2008 RM'000</b>	<b>AUDITED AS AT 30.6.2007 (restated) RM'000</b>
<b>EQUITY</b>		
Share capital	816,101	825,611
Share premium	513,721	652,522
Capital reserve	286,614	102,439
Statutory reserve	41,331	41,331
Exchange differences reserve	(40,205)	(31,836)
Other reserves	168,215	83,879
Retained profits	7,137,299	6,550,050
Less : Treasury shares, at cost	(889,671)	(922,643)
<b>Total Equity Attributable to Shareholders of the Company</b>	<b>8,033,405</b>	<b>7,301,353</b>
<b>Minority Interests</b>	<b>3,822,236</b>	<b>3,615,151</b>
<b>TOTAL EQUITY</b>	<b>11,855,641</b>	<b>10,916,504</b>
<b>LIABILITIES</b>		
<b>Non-current Liabilities</b>		
Long Term Borrowings	16,424,420	14,802,865
Other Long Term Liabilities	423,947	493,477
Deferred Income	133,917	147,363
Deferred Tax	2,281,553	2,343,748
	<b>19,263,837</b>	<b>17,787,453</b>
<b>Current Liabilities</b>		
Trade & other payables	1,599,410	1,349,877
Inter-company balances	48,512	2,934
Short term borrowings	5,574,892	3,687,464
Provision for taxation	249,109	120,951
Provision for liabilities & charges	3,784	47,337
	<b>7,475,707</b>	<b>5,208,563</b>
<b>TOTAL LIABILITIES</b>	<b>26,739,544</b>	<b>22,996,016</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>38,595,185</b>	<b>33,912,520</b>
Net Assets per 50 sen share (Sen)	<b>537.28</b>	<b>485.09</b>

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

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

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2008**

Group	Attributable to Shareholders of the Company								Total	Minority interests	Total equity
	Share capital	Share premium	Capital reserve	Statutory reserve	Translation reserve	Retained profits	Treasury shares	Other reserves			
	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 years adjustments	-	-	-	-	-	7,382	-	(508)	6,874	23,172	30,046
- as restated	825,611	652,522	102,439	41,331	(31,836)	6,550,050	(922,643)	83,879	7,301,353	3,615,151	10,916,504
Currency translation differences	-	-	174,179	-	(8,369)	-	-	-	165,810	(115,043)	50,767
Acquisition of subsidiary	-	-	-	-	-	130	-	-	130	168	298
Equity component of Ex. Bonds	-	-	-	-	-	-	-	89,953	89,953	-	89,953
Adjustment on negative goodwill	-	-	-	-	-	-	-	-	-	-	-
Loss recognized on deemed dilution of interest in subsidiaries	-	-	-	-	-	60,808	-	-	60,808	-	60,808
Income and expenses recognised directly in equity	-	-	174,179	-	(8,369)	60,938	-	89,953	316,701	(114,875)	201,826
Net profit for the period	-	-	-	-	-	847,978	-	-	847,978	617,806	1,465,784
Total recognised income and expenses for the period	-	-	174,179	-	(8,369)	908,916	-	89,953	1,164,679	502,931	1,667,610
Reserve on consolidation	-	-	-	-	-	-	-	8,824	8,824	-	8,824
Cancellation of treasury shares	(15,000)	(178,410)	-	-	-	-	193,410	-	-	-	-
Share-based payment	-	-	-	-	-	-	-	(14,441)	(14,441)	(692)	(15,133)
Dividend paid	-	-	-	-	-	(276,866)	-	-	(276,866)	(343,109)	(619,975)
Transfer to capital reserve	-	-	9,996	-	-	(9,996)	-	-	-	-	-
Disposal of treasury shares	-	-	-	-	-	-	6,480	-	6,480	-	6,480
Treasury shares - repurchase	-	-	-	-	-	-	(166,918)	-	(166,918)	(7,136)	(174,054)
Loss on ROS	-	-	-	-	-	(34,805)	-	-	(34,805)	-	(34,805)
Issue of share capital	5,490	39,609	-	-	-	-	-	-	45,099	-	45,099
Changes in composition of the Group	-	-	-	-	-	-	-	-	-	55,091	55,091
Balance at 30.6.2008	816,101	513,721	286,614	41,331	(40,205)	7,137,299	(889,671)	168,215	8,033,405	3,822,236	11,855,641

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

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

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2007**

Group	Attributable to Shareholders of the Company								Total	Minority interests	Total equity
	Share capital	Share premium	Capital reserve	Statutory reserve	Translation reserve	Retained profits	Treasury shares	Other reserves			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.7.2006											
- as previously reported	782,355	389,756	102,529	26,009	9,041	6,113,825	(668,269)	1,386,248	8,141,494	2,945,802	11,087,296
- prior years adjustments	-	-	-	-	-	(680,798)	-	(646,018)	(1,326,816)	468,708	(858,108)
- as restated	782,355	389,756	102,529	26,009	9,041	5,433,027	(668,269)	740,230	6,814,678	3,414,510	10,229,188
Currency translation differences	-	-	(90)	-	(40,877)	(2,628)	-	(508)	(44,103)	45,676	1,573
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	16,351	16,351
Transfer from revaluation reserve	-	-	-	-	-	646,018	-	(638,548)	7,470	-	7,470
Adjustment on negative goodwill	-	-	-	-	-	47,199	-	(34,454)	12,745	6,664	19,409
Income and expenses recognised directly in equity	-	-	(90)	-	(40,877)	690,589	-	(673,510)	(23,888)	68,691	44,803
Net profit for the period	-	-	-	-	-	762,444	-	-	762,444	702,431	1,464,875
Total recognised income and expenses for the period	-	-	(90)	-	(40,877)	1,453,033	-	(673,510)	738,556	771,122	1,509,678
Treasury shares	(16,500)	(162,413)	-	-	-	-	(254,374)	-	(433,287)	-	(433,287)
Share-based payment	-	-	-	-	-	-	-	18,300	18,300	-	18,300
Dividend paid	-	-	-	-	-	(328,775)	-	-	(328,775)	(394,924)	(723,699)
Transfer to statutory reserve	-	-	-	15,322	-	(15,322)	-	-	-	-	-
Issue of share capital	59,756	425,179	-	-	-	-	-	(1,141)	483,794	28,047	511,841
Changes in composition of the Group	-	-	-	-	-	8,087	-	-	8,087	-	8,087
Balance at 30.6.2007	825,611	652,522	102,439	41,331	(31,836)	6,550,050	(922,643)	83,879	7,301,353	3,615,151	10,916,504

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

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

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 30 JUNE 2008**

	<b>FOR THE 12 MONTHS ENDED</b>	
	<b>30.6.2008</b>	<b>30.6.2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash generated from operating activities	1,424,027	2,404,675
Net cash used in investing activities	(993,046)	(544,568)
Net cash generated from financing activities	2,642,821	850,102
Net changes in cash and cash equivalents	3,073,802	2,710,209
Cash and cash equivalents brought forward	8,837,787	6,127,578
Cash and cash equivalents carried forward	<u>11,911,589</u>	<u>8,837,787</u>

Cash and cash equivalents comprise:

	<b>RM'000</b>	<b>RM'000</b>
Fixed deposits	11,791,027	8,754,375
Cash and bank balances	147,268	103,832
Bank overdraft	(26,706)	(20,420)
	<u>11,911,589</u>	<u>8,837,787</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007 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 2007.

**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 2007 except for the adoption of the following new/revised FRSs, which are relevant to its operations, effective the financial period beginning 1 July 2007:

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 117	Leases
FRS 118	Revenue
FRS 124	Related Party Disclosure
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above FRSs does not have significant impact on the Group other than the effects of the following FRSs:

**(i) FRS 117: Leases**

Prior to the adoption of the revised FRS 117, leasehold land was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. With the revised FRS 117, the unamortized carrying amounts of leasehold land are now classified as prepaid lease payment and amortised over the period of its remaining lease term. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and the comparatives in the balance sheet have been restated.

The effects on the comparatives to the Group on adoption of FRS 117 are as follows:

	<b>As previously reported RM'000</b>	<b>Effect of Changes RM'000</b>	<b>As restated RM'000</b>
<b>30 June 2007</b>			
Property, plant and equipment	16,952,942	(50,549)	16,902,393
Prepaid lease payment	-	50,549	50,549
	=====	=====	=====

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**(ii) FRS 112: Income Tax**

During the previous financial year ended 30 June 2007, a subsidiary company incorporated in the United Kingdom adjusted its deferred taxation liability following amendments introduced in the United Kingdom (“UK”) Finance Act 2007 relating to Industrial Building allowance incentives. Following clarity received during the current financial year ended 30 June 2008 on the application of these changes, it has been concluded that the deferred taxation provision is required under FRS.

The Group has also recognized the deferred tax assets arising from reinvestment allowances and investment tax allowances which resulted in the increase of the retained earnings and decrease the deferred taxation liability.

The adoption of FRS 112 has been applied retrospectively and the net effects on the comparatives to the Group are as follows:

	<b>As previously reported RM'000</b>	<b>Effect of Changes RM'000</b>	<b>As restated RM'000</b>
<b>30 June 2007</b>			
Balance Sheet			
- Provision for deferred tax	2,373,794	(30,046)	2,343,748
- Retained earnings	6,542,668	7,382	6,550,050
- Other reserves	84,879	(508)	83,879
- Minority interests	3,591,979	23,172	3,615,151
	=====	=====	=====
Income Statement			
- Taxation	(121,423)	30,554	(90,869)
- Net profit after taxation	1,434,321	30,554	1,464,875
- Basic earning per share (sen)	51.37	0.50	51.87
- Diluted earning per share (sen)	47.79	0.46	48.25
	=====	=====	=====

**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.



**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A5. Changes in Debt and Equity Securities**

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

- (i) Repurchased a total of 2,509,900 and 21,947,400 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 RM7.29 per share. The total consideration paid for the share buy-back, including transaction costs during the current financial quarter and financial year to date amounted to RM18.29 million and RM166.92 million 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.

During the current financial quarter and year to date, 1,000,000 treasury shares with a value of RM6.479 million were sold and 30,000,000 treasury valued at RM193.41 million were cancelled. As at 30 June 2008, the number of treasury shares held is 137,010,505 ordinary shares.

- (ii) For the current financial quarter ended 30 June 2008, 1,300,224 ordinary shares were issued pursuant to the exercise of 1999/2009 warrants at an exercise price of RM4.23 per share. During the current financial year to date a total of 1,599,627 and 9,356,967 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. The 1997/2007 warrants had expired on 21 September 2007.
- (iii) During the current financial quarter and year to date a total of 20,000 and 22,000 ordinary shares were issued pursuant to the exercise of employees' share option scheme (ESOS) at an exercise price of RM2.79.

**A6. Dividend paid**

A final dividend of 5% gross less Malaysian Income Tax of 27% amounting to RM27,432,198 in respect of financial year ended 30 June 2007 was paid on 31 December 2007.

A first interim dividend of 15% gross less Malaysian Income Tax of 26% amounting to RM83,225,075 in respect of financial year ended 30 June 2008 was paid on 31 January 2008.

A second interim dividend of 15% gross less Malaysian Income Tax of 26% amounting to RM83,125,192 in respect of financial year ended 30 June 2008 was paid on 24 March 2008.

A third interim dividend of 15% gross less Malaysian Income Tax of 26% amounting to RM83,083,096 in respect of financial year ended 30 June 2008 was paid on 24 June 2008.

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

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A7. Segment Reporting**

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

The Group's segmental report for the year ended 30 June 2008 is as follows:-

	Construction	Information technology & e-commerce related business	Cement Manufacturing & trading	Property investment & development	Management services & others	Hotels	Utilities	Total
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>	121,994	29,543	1,595,233	287,389	499,018	149,755	3,937,144	6,620,076
<b>Results</b>								
Operating profit	18,185	6,713	362,904	95,498	252,909	10,020	1,887,556	2,633,785
Finance costs								(934,874)
Share of profit of associated companies								227,688
Profit before taxation								1,926,599
Taxation								(460,815)
Profit for the year								1,465,784
<b>Attributable to:</b>								
Shareholders								847,978
Minority interests								617,806
Profit for the year								1,465,784

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(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A7. Segment Reporting - continued**

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

The Group's segmental report for the year ended 30 June 2007 is as follows:-

	Construction	Information technology & e-commerce related business	Cement Manufacturing & trading	Property investment & development	Management services & others	Hotels	Utilities	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	159,135	21,903	1,186,865	278,810	433,416	130,638	3,804,542	6,015,309
<b>Results</b>								
Operating profit	35,702	6,300	301,995	98,447	156,555	8,758	1,659,616	2,267,373
Finance costs								(867,594)
Share of profit of associated companies								155,965
Profit before taxation								1,555,744
Taxation								(90,869)
Profit for the year								1,464,875
<b>Attributable to:</b>								
Shareholders								762,444
Minority interests								702,431
Profit for the year								1,464,875

**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 period ended 30 June 2008, 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 and year to date, YTL Power International Berhad (“YTL Power”) repurchased a total of 63,559,400 and 169,267,200 ordinary shares of its issued share capital from the open market value for a total consideration of RM139,981,543 and RM402,832,804 at an average cost of RM2.20 and RM2.38 per share respectively. The repurchase of shares was financed by internally generated funds.

During the financial year to date, there was a distribution of 204,916,239 treasury shares valued at RM445,446,920. The distribution was on the basis of 1 treasury share for every 25 existing ordinary shares held. As at 30 June 2008, the number of treasury shares held was 154,405,836.

- (ii) During the current financial quarter and for the financial year to date, 7,831,853 and 35,125,183 ordinary shares were issued by YTL Power pursuant to the exercise of 2000/2010 Warrants at a weighted average exercise price of RM1.31 per share and RM1.36 per share respectively.

For the current financial quarter and financial year to date, 8,481,646 ordinary shares were issued by YTL Power pursuant to the exercise of 2008/2018 Warrants at the exercise price of RM1.25 per share.

- (iii) For the current financial quarter and year to date, 535,000 and 4,077,750 ordinary shares were issued by YTL Power pursuant to the exercise of ESOS at a weighted average exercise price of RM1.36 per share.

- (iv) During the current financial quarter and year to date, 47,072,379 and 98,640,226 ordinary shares were issued by YTL Power pursuant to the exchange of US\$28,100,000 and US\$59,000,000 of YTL Power Finance (Cayman) Limited’s 5-year zero coupon guaranteed exchangeable bonds due 2010 respectively at the exchange prices of RM2.277 per share and RM2.010 per share.

- (v) During the current financial year to date, YTL Cement Berhad (“YTL Cement”) repurchased a total of 1,552,400 ordinary shares of its issued share capital from the open market at an average cost of RM4.94 per share. During the quarter ended 30 June 2008, a total of 25,900 shares were purchased from the open market at an average cost of RM4.79 per share. The total consideration paid for the share buy-back during the financial year to date and financial quarter ended 30 June 2008, including transaction costs, was RM7,661,480 and RM124,132 respectively, and was financed by internally generated funds. As at 30 June 2008, the total shares bought back, all of which are held as treasury shares, amounted to 20,934,164 ordinary shares.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- (vi) During the financial year to date, 1,241 ordinary shares of RM0.50 each were issued by YTL Cement pursuant to the conversion RM3,380 Nominal value of 100% Irredeemable Convertible Unsecured Loan Stocks 2005/2015.
- (vii) For the current financial year to date, a total of 17,000 ordinary shares were issued by YTL Cement at an exercise price of RM1.21 pursuant to the exercise of employees' share option granted under the YTL Cement's ESOS.
- (viii) During the current financial quarter, the share capital of YTL Land & Development Berhad ("YTL L&D") increased from RM397,931,739 to RM398,279,587 as a result of the conversion of 2,713,220 Irredeemable Convertible Preference Shares ("ICPS-A") of RM0.50 each into 695,696 new ordinary shares of RM0.50 each based on a conversion ratio of one (1) new ordinary share of RM0.50 each for every 390 of ICPS-A of RM0.50 each held.

During the financial year to date, a total of 405,616,662 new ordinary shares of RM0.50 each were issued as a result of the conversion of 29,790,726 ICPS-A and the mandatory conversion of 533,290,580 ICPS-B. The total number of ICPS-A outstanding as at 30 June 2008 were 185,492,110 of RM0.50 each and no outstanding for ICPS-B as at 30 June 2008.

- (ix) During the financial, YTL L&D purchased 2,657,600 ordinary shares. The total consideration paid, including transaction costs for the share buy-back RM5,403,647 and was financed by internally generated funds. The shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.
- (x) The proposal by the Company to undertake a renounceable restricted offer for sale of ordinary shares of RM0.50 each in YTL Power on the basis of 1 YTL Power share for every 15 ordinary shares of RM0.50 each in YTL Corp at offer price of RM1.00 per YTL Power share held on 14 December 2007 was completed on 18 January 2008 with the crediting of 99,929,116 YTL Power shares into respective CDS accounts of the entitled shareholders.
- (xi) During the current financial quarter and year to date, YTL e-Solutions Berhad ("YTLE") repurchased a total of 3,557,500 and 3,728,600 ordinary shares respectively of its issued share capital from the open market at an average cost of RM0.46 and RM0.46 per share for a total consideration of RM1,637,754 and RM1,732,409. The share buy-back was financed by internally generated funds. The shares purchased are held as treasury shares.

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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

(xii) On 31 July 2007, Batu Tiga Quarry Sdn Bhd (“BTQ”), a wholly-owned subsidiary of YTL Industries Berhad which in turn is a wholly-owned subsidiary of the Company, completed the acquisition of the following:-

- 873,834 ordinary shares of RM1.00 each, representing 100% of the issued and paid-up share capital of C.I. Quarrying & Marketing Sdn Bhd (“CIQM”) for a cash consideration of RM2.0 million;
- 75,100 ordinary shares of RM1.00 each, representing 100% of the issued and paid-up share capital of Mutual Prospect Sdn Bhd (“MPSB”) for a cash consideration of RM4.0 million.

As a result, CIQM and MPSB became wholly-owned subsidiaries of BTQ and indirect subsidiaries of the Company.

(xiii) On 17 August 2007, YTL Cement acquired 1 ordinary share of HKD1.00 representing the entire issued and paid-up capital of Leadmax Limited (now known as YTL Cement (Hong Kong) Limited) (“YTLC HK”) for a cash consideration of HKD1.00. As a result, YTLC HK became a wholly-owned subsidiary of YTL Cement and an indirect subsidiary of the Company.

(xiv) On 28 August, 2007, YTLC HK entered into a transfer of equity interests contract (“Contract”) with the various parties set out therein for the purchase of the entire equity interests in Zhejiang Lin’an Jin Yuan Cement Co. Ltd. (“Jin Yuan”), a company incorporated in the People’s Republic of China, for a total cash consideration of Renminbi (RMB) 150,000,000 or its foreign currency equivalent, subject to downward adjustments (if any) in accordance with the terms and conditions of the Contract. Jin Yuan became an indirect subsidiary of YTL Cement and the Company following completion of the Contract on 15 November 2007.

Jin Yuan owns a cement plant with a cement production capacity of 1.5 million tonne per year and a clinker production capacity of 1.55 million tonne per year.

(xv) On 29 August 2007, the Company announced that YTL Hotels & Properties Sdn Bhd (“YTLHP”), a wholly-owned subsidiary of the Company, acquired 1 ordinary share of par value US\$1.00 representing the entire issued and paid-up capital of YTL Hotels (Cayman) Limited (“YTL Hotels Cayman”) for US\$1.00 in cash. As a result, YTL Hotels Cayman has become a wholly-owned subsidiary of YTLHP and an indirect subsidiary of the Company.

YTL Hotels Cayman was incorporated in the Cayman Islands on 27 August 2007 and has an authorized share capital of US\$50,000 comprising 50,000 shares of US\$1.00 each. YTL Hotels Cayman is principally involved in investment holdings.

(xvi) On 14 September 2007, the Company announced that YTLHP has completed the acquisition of 90,000 ordinary shares of RM1.00 each representing 90% of the issued and paid-up share capital of Magna Boundary Sdn Bhd (“Magna Boundary”). As a result, Magna Boundary became a subsidiary of YTLHP and an indirect subsidiary of the Company.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

(xvii) On 20 September 2007, the Company announced that:-

- YTLHP has completed the acquisition of 45,000 ordinary shares of RM1.00 each representing 90% of the issued and paid-up share capital of Borneo Cosmeceutical Sdn Bhd (“Borneo Cosmeceutical”). As a result Borneo Cosmeceutical Sdn Bhd became a subsidiary of YTLHP and an indirect subsidiary of the Company; and
- it has acquired 2 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Divine View Sdn Bhd (“Divine View”) for RM2.00 in cash. As a result, Divine View has become a wholly-owned subsidiary of the Company.

Divine View was incorporated on 19 July 2007 with an authorised share capital of RM100,000 comprising 100,000 shares of RM1.00 each. Divine View is principally involved in investment holdings.

(xviii) On 28 September 2007, the Company announced that YTLHP subscribed for 18,000 shares with the nominal value EUR1 each representing the entire issued and paid-up share capital of YTL Hotels B.V. for EUR18,000 in cash. As a result, YTL Hotels B.V. has become a wholly-owned subsidiary of YTLHP and an indirect subsidiary of the Company.

YTL Hotels B.V. was incorporated in the Netherlands on 27 September 2007 and has an authorised share capital of EUR90,000 comprising 90,000 shares with a nominal value of EUR1 each. YTL Hotels B.V. is principally involved in investment holdings.

(xix) On 2 October 2007, YTLE announced the acquisition by Y-Max Networks Sdn Bhd (“Y-Max Networks”), a subsidiary of YTLE, of 2 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Bizsurf MSC Sdn Bhd (“Bizsurf MSC”) from Chia Kok Lai and Wong Kian Lon for a cash consideration of RM2.00.

Bizsurf MSC was incorporated on 28 April 2004 and is principally involved in the business of wireless network distribution equipment and services, broadband and internet services provisioning and other internet related services.

The acquisition of the said shares in Bizsurf MSC was completed on 17 March 2008.

(xx) On 4 October 2007, Y-Max Solutions Holdings Sdn Bhd (“Y-Max SH”), a subsidiary of YTLE, acquired 800 ordinary shares of RM1.00 each representing 80% of the issued and paid-up share capital of YMax Sdn Bhd (“YMax”) via the subscription of 798 ordinary shares at par value per share and acquisition of 2 ordinary shares for RM2.00. A total cash consideration of RM800 was paid for the subscription cum acquisition. The remaining 20% equity interest in YMax has been subscribed by Y-Max Networks. As a result, YMax has become a subsidiary of Y-Max SH and an indirect subsidiary of the Company.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

YMax was incorporated on 12 March 2007, and will be principally engaged in the business of providing broadband internet access and other value added services.

- (xxi) On 8 October 2007, YTLE announced that it has entered into a Shareholders' Agreement with Patrick Cruise O'Brien of 12 Simmonscourt, Simmonscourt Road, Dublin 4, Eire for the subscription by YTLE of 80 ordinary shares of £1 each representing 80% of the total shares to be issued, fully paid in the share capital of Wimax Capital Management Limited ("WCM"), for a total cash consideration of £80. On 17 November 2007, WCM became a subsidiary of YTLE and an indirect subsidiary of the Company.

WCM was incorporated in England on 17 April 2007 and presently has an authorized share capital of £100 divided into 100 ordinary shares of £1 each. WCM will be principally conduction business related to WiMAX technology, including without limitation the purchase and exploitation of WiMAX spectrum bandwith.

- (xxii) On 12 October 2007, the Company announced that BTQ entered into the following agreements:-

- Share Sale Agreements with Kenneison Quarries Sdn Bhd ("KQSB") for the acquisition of 2,000,000 ordinary shares of RM1.00 each representing 100% of the issued and paid-up share capital of Kenneison Construction Materials Sdn Bhd, and 1,201,000 ordinary shares of RM1.00 each representing 100% of the issued and paid-up share capital of Kenneison Northern Quarry Sdn Bhd for RM17,000,000 and RM500,000 respectively in cash ("Proposed Acquisitions");
- A Sale and Purchase Agreement with KQSB for the purchase of quarry equipment and other assets for a total consideration of RM6.5 million ("Proposed Assets Purchase");
- A Quarry Agreement with Kenneison Brothers Sdn Bhd ("KBSB") for the rights to carry out quarry operations on all that parcels of leasehold land measuring 625 acres held under Lot 6668, Pajakan Negeri 7957 and Lot 6669, Pajakan 7958, both in Mukim and District of Ulu Langat, State of Selangor Darul Ehsan ("the Quarry Lands") for a period of twelve (12) years with a minimum annual guaranteed payment of RM3.0 million commencing the calendar year 2008 and the proposed lease by KBSB of all immovable property or assets on the Quarry Lands for the duration of the term for a nominal consideration of RM10.00. ("Proposed Quarrying Rights")

The Proposed Acquisitions, Proposed Assets Purchase and Proposed Quarrying Rights were completed on 31 October 2007.



**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- (xxiii) On 12 October 2007, Marble Valley Sdn Bhd (“MVSB”), an 80%-owned subsidiary of YTLHP, subscribed for 1 ordinary share representing 50% of the issued and paid-up share capital of Marble Valley Two Sdn Bhd (“MVTSB”).

MVTSB was incorporated on 12 October 2007 with an authorised share capital of RM500,000.00 divided into 500,000 ordinary shares of RM1.00 each. MVTSB is principally engaged in the business of managing and operating a boutique hotel known as “Majestic Hotel Melaka”.

On 21 January 2008, MVSB subscribed for a further 199,998 ordinary shares of RM1.00 each in MVTSB. As a result of the further subscription of shares, MVTSB has become an 80%-owned subsidiary of MVSB and an indirect subsidiary of the Company.

- (xxiv) On 12 October 2007, YTL Hotels BV, a wholly-owned subsidiary of YTLHP, acquired 35,000,000 shares representing 50% of the entire issued share capital of Samui Hotel 2 Co. Ltd (“Samui Hotel”), a company incorporated under the laws of the Kingdom of Thailand.

Samui Hotel has an authorized share capital of THB 700,000,000 divided into 70,000,000 ordinary shares with a par value of THB 10 of which the entire 70,000,000 ordinary shares have been issued and paid-up to THB300,000,000.

- (xxv) On 25 October 2007, YTL Cayman Limited (“YTL Cayman”), a wholly owned subsidiary of the Company, subscribed for 9,980 shares of THB 100 each comprising 49.9% equity interests in YTL (Thailand) Limited (“YTL Thailand”).

YTL Thailand was incorporated on 25 October 2007 under the laws of the Kingdom of Thailand with a registered capital of THB 2,000,000.

- (xxvi) On 26 October 2007, the Company announced that YTL Cayman has acquired 1 ordinary share of par value US\$1.00 representing the entire issued and paid-up share capital of YTL Construction International (Cayman) Limited (“YTL Construction International”) for US\$1.00 in cash. As a result of the acquisition, YTL Construction International has become a wholly-owned subsidiary of YTL Cayman and an indirect subsidiary of the Company.

- (xxvii) On 2 November 2007, Y-Max SH completed its subscription of 1,400,000 ordinary shares of par value RM1.00 each and 5,600,000 redeemable convertible preference shares (“RCPS A”) of par value RM0.10 each at the issue price of RM1.00 per ordinary share and RM1.00 per RCPS A respectively, representing 70% of the issued and paid-up share capital of Airzed Broadband Sdn Bhd (“AZB”). As a result of this subscription, AZB became an indirect subsidiary of YTL and the Company.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- (xxviii) On 27 November 2007, the Company announced that YTL Construction (Thailand) Limited (“YTL Construction Thailand”) has become an indirect subsidiary of the Company via the subscription of shares by YTL Construction International and YTL Thailand. YTL Construction International, a wholly-owned subsidiary of YTL Cayman, subscribed for 9,980 ordinary shares with a par value of THB100 each representing 49.9% of the issued and paid-up share capital of YTL Construction Thailand, whilst YTL Thailand which is a 49.9% associate company of YTL Cayman, subscribed for 10,013 ordinary shares with a par value of THB100 each representing 50.065% of the issued and paid-up share capital of YTL Construction Thailand.

YTL Construction Thailand was incorporated as a limited company in the Kingdom of Thailand on 26 November 2007 and has a registered capital of THB2,000,000. YTL Construction Thailand will be principally involved in construction activities.

- (xxix) On 28 November 2007, YTL acquired two ordinary shares of RM1.00 each in All Century Systems Sdn Bhd (“ACS”) representing the entire issued and paid-up share capital of ACS. ACS was incorporated on 30 October 2007 and will be principally involved in the business of broadband internet access and other value added services.

YTL subscribed for a further 499,998 shares in the capital of ACS on 14 December 2007.

ACS changed its name to Y-Max Infra Sdn Bhd on 17 December 2007.

- (xxx) On 29 November 2007, the Company announced that YTL Construction (S) Pte Ltd (formerly known as Yeoh Tiong Lay Construction (Singapore) Pte Ltd) (“YTL Construction Spore”) a wholly-owned subsidiary of Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd, subscribed for one (1) ordinary share at SGD1.00 in cash in the capital of YTL Westwood Properties Pte Ltd (“YTL Westwood”) representing the entire issued and paid share capital of YTL Westwood. As a result, YTL Westwood became a wholly-owned subsidiary of YTL Construction Spore and an indirect subsidiary of the Company.

YTL Westwood was incorporated on 29 November 2007 with an issued and paid-up share capital of SGD1.00 comprising 1 ordinary share. YTL Westwood will be principally involved in real estate development.

On 21 January 2008, YTL Construction Spore, transferred its entire shareholding of one (1) ordinary share in YTL Westwood to the Company for SGD1.00 cash. As a result, YTL Westwood became a direct wholly-owned subsidiary of the Company.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- (xxxix) On 31 January 2008, YTL Cement Singapore Pte Ltd, a wholly-owned subsidiary of YTL Cement, subscribed for 1 ordinary share at SGD1.00 representing the entire issued and paid-up share capital of YTL Cement Marketing Singapore Pte Ltd.

YTL Cement Marketing Singapore Pte Ltd was incorporated on 31 January 2008 for the purpose of undertaking the business of sales and marketing of cement, cementitious products and other related construction products.

- (xxxix) On 13 February 2008, the Company announced the acquisition of the following subsidiaries incorporated in France vide the subscription of shares as follows:-

- (a) the subscription by the Company of 1 share of par value One EURO and the subscription by Divine View Sdn Bhd, a wholly-owned subsidiary of the Company of 999,999 shares of par value One EURO each representing 0.0001% and 99.9999% respectively of the registered capital of YTL Hotels Saint Tropez; and
- (b) subscription of 100,000 shares by the Company of par value Five EURO each representing the entire registered capital of YTL Hotel Management Saint Tropez.

YTL Hotels Saint Tropez was incorporated on 3 December 2007 as a *Societe Civile Immobiliere* ("SCI") or partnership company which will be principally involved in acquisition, management, renting and administration and/or resale of real estate.

YTL Hotel Management Saint Tropez was incorporated on 29 January 2008 as a *Societe a Responsabilite Limitee* ("SARL") or a private limited company with the intended principal activities of hotel operations and management services.

- (xxxix) On 19 February 2008, YTL Power Services Sdn. Bhd. ("YTLPS"), a wholly owned subsidiary of YTL Cayman acquired 1 ordinary share of par value US\$1.00 in cash, representing the entire issued and paid-up share capital of YTL Power Services (Cayman) Limited ("YTLPS Cayman"). As a result, YTLPS Cayman became a wholly-owned subsidiary of YTLPS and an indirect subsidiary of the Company.

- (xxxix) On 21 February 2008, the Company announced that it proposes to acquire 2 ordinary shares of par value RM1.00 each representing the entire issued and paid-up share capital of Pinnacle Trend Sdn. Bhd ("Pinnacle Trend").

Pinnacle Trend was incorporated on 20 November 2007 and will be principally engaged in the business of investment of properties.

The acquisition of shares in Pinnacle Trend was completed on 25 February 2008.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- (xxxv) On 5 March 2008, the Company acquired 2 ordinary shares of par value RM1.00 each representing the entire issued and paid-up share capital of Trend Acres Sdn. Bhd. (“Trend Acres”) for a cash consideration of RM2.00. As a result, Trend Acres has become a wholly-owned subsidiary of the Company.

Trend Acres was incorporated on 6 February 2008 and will be principally involved in investment in properties and property development.

- (xxxvi) On 21 March 2008, the Company acquired 110,000 ordinary shares of par value RM1.00 each representing 52.38% of the issued and paid-up share capital of SV Carbon Sdn. Bhd. (“SVC”) for a cash consideration of RM300,000.00. As a result, SVC became a subsidiary of the Company.

SVC was incorporated on 8 June 2006 and is principally involved in providing consultancy services for developing Clean Development Mechanism projects and brokering the purchase and sale of Certified Emission Reduction and Verified Emission Reduction.

On 15 April 2008, SV Carbon Sdn Bhd changed its name to YTL-SV Carbon Sdn Bhd.

On 30 April 2008, the Company subscribed for a further 640,000 ordinary shares of RM1.00 each in YTL-SV Carbon Sdn Bhd. As a result, YTL-SV Carbon Sdn Bhd has become a 75% -owned subsidiary of the Company.

- (xxxvii) On 25 March 2008, YTLE acquired an additional 2,699,999 ordinary shares of RM1.00 each representing 10% of the issued and paid-up share capital of Y-Max Networks for a cash consideration of RM1,500,000. As a result, Y-Max Networks became a 60% -owned subsidiary of YTLE.

- (xxxviii) On 3 April 2008, YTLHP subscribed for 350,000 ordinary shares of par value RM1.00 each representing 70% of the entire issued and paid-up share capital of Kampung Tiong Development Sdn. Bhd. (“Kampung Tiong”) for a cash consideration of RM350,000. As a result, Kampung Tiong became a subsidiary of YTLHP and an indirect subsidiary of the Company.

Kampung Tiong was incorporated on 21 July 1987 and has authorised share capital of RM500,000 divided into 500,000 ordinary shares of RM1.00 each. Kampung Tiong will be principally involved in property investment and development.

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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- (xxxix) On 7 May 2008, the Company completed its acquisition of 2 ordinary shares of par value RM1.00 each representing the entire issued and paid-up share capital of Spectacular Corner Sdn. Bhd. (“Spectacular Corner”) for a cash consideration of RM2.00. As a result, Spectacular Corner became a subsidiary of the Company.

Spectacular Corner was incorporated on 6 November 2007 with an issued and paid-up share capital of RM2.00 comprising 2 ordinary shares of RM1.00 each. Spectacular Corner will be principally involved in investment in properties and property development.

- (xl) In relation to the Proposed Bonds with Warrants and Proposed Offer for Sale (“the Proposals”) announced by YTL Power on 16 November 2007, the Bonds were issued on 18 April 2008 with a fixed coupon of 3% per annum and 1,776,371,304 warrants (“Warrants”) were issued on 12 June 2008. The Proposals were completed with the listing of and quotation for the Warrants on Bursa Malaysia Securities Berhad on 18 June 2008.
- (xli) On 11 June 2008, Buildcon Concrete Enterprise Sdn Bhd (“Buildcon Concrete”), 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. As a result of the acquisition by Buildcon Concrete which was completed on 10 July 2008, Buildcon-Ensidesa became an indirect subsidiary of YTL Cement and the Company.
- (xlii) On 19 June 2008, Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd, a wholly-owned subsidiary of the Company, subscribed for the entire issued and paid-up capital of YTL Construction GmbH (“YTL CG”) for Euro25,000. As a result, YTL CG has become an indirect subsidiary of the Company.

YTL CG was incorporated in Germany on 19 June 2008 and it will be principally involved in planning and designing for power and waste projects (power plants and waste to energy plants) including project management.

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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 2007, there were no changes in the contingent liabilities of the Group.

As at 30 June 2008, the Company had given corporate guarantees amounting to RM710.536 million to financial institutions for facilities granted by the financial institutions to its subsidiaries as follows:-

	<b>Total Amount Guaranteed RM'000</b>	<b>Amount Utilised RM'000</b>
Block discounting / hire purchase facility	17,000	117
Bank overdrafts	20,200	888
Letters of credit/trust receipts/bankers acceptances/ shipping guarantees	143,300	37,144
Revolving loans/advances	444,036	412,527
Bankers' guarantees:-		
Advance payment bonds/performance bonds, pre-bid bonds and other related guarantees	86,000	42,983
	<u>710,536</u>	<u>493,659</u>
	=====	=====

**A10. Subsequent Events**

There was no item, transaction or event of a material or unusual nature during the period from the end of the quarter under review to the date of this report, except as disclosed below.

- (i) On 4 July 2008, YTLC HK 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 of acquisition, Industrial Resources has become a wholly-owned subsidiary of YTLC HK and an indirect subsidiary of the Company.

Industrial Resources was incorporated in the Cayman Islands on 4 July 2008 and will be principally involved in investment holding and procurement.

- (ii) On 23 July 2008, YTL Construction Spore acquired 510,001 ordinary shares of S\$1.00 each representing 51% of the issued and paid-up 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 YTL Corp.

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.

Ideal Worlds was incorporated on 18 May 2006 and presently has an issued and paid-up share capital of S\$1,000,001.00 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.

## **INTERIM FINANCIAL REPORT**

### **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 RM1,888.4 million and RM523.1 million respectively, representing an increase of 9.2% and 12.7% respectively when compared to the preceding year corresponding quarter ended 30 June 2007.

The Group's profit from operations improved from RM2,267.4 million in the corresponding year to 30 June 2007 to RM2,633.8 million in the current financial year ended 30 June 2008 representing an increase of 16.2%. The profit before taxation increased by 2.84% from RM1,555.7 million recorded in the previous corresponding year ended 30 June 2007 to RM1,926.6 million recorded in the year ended 30 June 2008. The improvement was attributed to the better performance of its utilities and cement businesses.

#### **B2. Comparison with Preceding Quarter**

	<b>Quarter 30.6.2008 RM'000</b>	<b>Quarter 31.3.2008 RM'000</b>
Revenue	1,888,381	1,633,666
Consolidated profit before taxation	523,141	484,513
Consolidated profit after taxation attributable to shareholders	231,516	202,527

For the current financial quarter, the Group's revenue increased by 15.6% while the profit before taxation increased by 8.0% compared to the preceding quarter ended 31 March 2008.

#### **B3. Audit Report of the preceding financial year ended 30 June 2007**

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

#### **B4. Prospects**

The Group, after considering the Group's current level of operations and the current market condition, is expected to achieve satisfactory performance for the financial year ending 30 June 2009.

#### **B5. Profit Forecast**

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

**INTERIM FINANCIAL REPORT**

Notes: - continued

**B6. Taxation**

Taxation comprises the following:-

	<b>Current Year Quarter 30.6.2008 RM'000</b>	<b>Preceding Year Corresponding Quarter 30.6.2007 RM'000</b>	<b>Current Year To Date 30.6.2008 RM'000</b>	<b>Preceding Year Corresponding Period 30.6.2007 RM'000</b>
Taxation based on profit for the period/year	93,521	28,586	422,464	237,440
In respect of prior years				
- Income tax	2,522	25,524	4,376	8,237
- Deferred tax	-	(53,334)	-	(53,334)
Deferred taxation	36,143	(187,529)	33,975	(101,474)
	<u>132,186</u>	<u>(186,753)</u>	<u>460,815</u>	<u>90,869</u>

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 effect of the reduction in future corporate rate by 1% to 25% in Malaysia and tax losses brought forward for some of its subsidiaries and certain non-taxable income of foreign subsidiaries.

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

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

**B8. Quoted Securities**

(a)	<b>Current Year Quarter 30.6.2008 RM'000</b>	<b>Current year To Date 30.6.2008 RM'000</b>
Purchases	2,337	3,561
Sales	784	844
Gain on disposal	2,516	2,554
	=====	=====

(b) Particulars of investment in quoted securities as at 30 June 2008:

	<b>RM'000</b>
- At cost	22,766
- At carrying value	22,766
- At market value	20,018
	<u>=====</u>



**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**B9. Corporate Developments**

**(a) Corporate Proposal Announced and Pending Completion**

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

- (i) On 29 August, 2007, YTL Cement announced its proposal to issue via a wholly-owned subsidiary to be incorporated in the Federal Territory of Labuan, up to United States Dollar 200 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”).

On 4 October 2007, Bank Negara Malaysia granted its approval-in-principle for the Proposed Exchangeable Bonds Issue. The Proposed Exchangeable Bonds Issue has been approved by the Securities Commission (“SC”) and the equity compliance units of the SC (via the SC) on 4 October, 2007, subject to, inter-alia, the condition that YTL Cement is required to increase its Bumiputera equity by 3.06% (or 23,500,000 shares) of the new enlarged issued and paid-up share capital of YTL Cement within 2 years after the date of implementation of the Proposed Exchangeable Bonds Issue.

YTL Cement has also received approval from its shareholders for the Proposed Exchangeable Bonds Issue at the Extraordinary General Meeting held on 6 November 2007. Approvals from the Labuan Offshore Financial Services Authority and the Ministry of International Trade and Industry were obtained on 28 December 2007 and 28 January 2008 respectively.

YTL Cement has on 18 March 2008 made an application to the SC for an extension of time up to 4 October 2008 to complete the Proposed Exchangeable Bonds Issue (“Extension of Time”). The SC had vide its letter dated 2 April 2008 approved the Extension of Time.

The Proposed Exchangeable Bonds Issue is now pending implementation, subject to the prevailing market conditions.

**b) Status of Utilization of Proceeds**

**USD300 million Guaranteed Exchangeable Bonds Due 2012**

The net proceeds received from the issue of the USD300 million Guaranteed Exchangeable Bond due 2012 is currently placed under fixed deposits pending investments.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**B10. Group Borrowings and Debt Securities**

Particulars of the Group's borrowings and debts securities as at 30 June 2008 are as follows:-

	<b>RM'000</b>
(i) Short term	
- Secured	641,763
- Unsecured	4,933,129
	<hr/> 5,574,892 <hr/>
	<b>RM'000</b>
(ii) Long term	
- Secured	2,522,817
- Unsecured	13,901,603
	<hr/> 16,424,420 <hr/>

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

In Singapore Dollar ('000)	4,799
	<hr/> <hr/>
In US Dollar ('000)	677,084
	<hr/> <hr/>
In Sterling Pound ('000)	1,661,041
	<hr/> <hr/> <hr/> <hr/>

Save for the borrowings of RM450.676 million by the subsidiary companies of which corporate guarantees are provided by the Company, all other borrowings of subsidiary companies are on a non-recourse basis to the Company.

**B11. Off Balance Sheet Financial Instruments**

There were no off balance sheet instruments as at 30 June 2008.

**B12. Material litigation**

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

**B13. Dividend**

The Board of Directors recommended a final dividend of 5% gross less Malaysian Income Tax for the current financial year ended 30 June 2008 and that 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 Quarter 30.6.2008</b>	<b>Preceding Year Corresponding Quarter 30.6.2007 (restated)</b>
Profit attributable to shareholders (RM'000)	231,516	359,453
<hr/>		
<i>Weighted average number of ordinary shares ('000)</i>		
Issued at the beginning of the period	1,631,637	1,605,867
Shares repurchased	(135,638)	(135,970)
	<hr/> 1,495,999	<hr/> 1,469,897
	<hr/>	
Basic earnings per share (sen)	15.48	24.45
	<hr/>	

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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 Quarter 30.6.2008</b>	<b>Preceding Year Corresponding Quarter 30.6.2007 (restated)</b>
Profit attributable to shareholders (RM'000)	231,516	359,453
<i>Weighted average number of ordinary shares-diluted ('000)</i>		
Weighted average number of ordinary shares-basic	1,495,999	1,469,897
Effect of unexercised warrants	112,892	129,232
Effect of unexercised employees share option scheme	16,820	19,159
	<u>1,625,711</u>	<u>1,618,288</u>
* Diluted earnings per share (sen)	<u>14.24</u>	<u>22.21</u>

*\* Total cash expected to be received in the event of an exercise of all outstanding warrants and ESOS options is RM1,349.440 million. Accordingly, the Net Asset (NA) on a proforma basis will increase by RM1,349.440 million resulting in an increase in NA per share of RM0.75. 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: 19 August 2008