

**YTL E-SOLUTIONS BERHAD (Company No. 236137-K)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

Interim financial report on consolidated results for the second quarter ended 31 December, 2002.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	INDIVIDUAL QUARTER PRECEDING YEAR		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2002 RM'000	CORRESPONDING QUARTER 31.12.2001 RM'000	6 MONTHS ENDED 31.12.2002 RM'000	31.12.2001 RM'000
REVENUE	6,478	3,306	12,039	5,996
OPERATING EXPENSES	(4,193)	(2,974)	(7,331)	(5,300)
OTHER OPERATING INCOME	855	734	1,935	1,497
PROFIT FROM OPERATIONS	3,140	1,066	6,643	2,193
TAXATION	(1,018)	(334)	(2,067)	(725)
PROFIT AFTER TAXATION	2,122	732	4,576	1,468
MINORITY INTERESTS	(429)	(188)	(928)	(272)
NET PROFIT FOR THE PERIOD	1,693	544	3,648	1,196
<b>EARNINGS PER SHARE</b>				
Basic (Sen)	1.25	0.54	2.70	1.20

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2002

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**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b>UNAUDITED AS AT 31.12.2002 RM'000</b>	<b>AUDITED AS AT 30.6.2002 RM'000</b>
PROPERTY, PLANT & EQUIPMENT	2,195	2,178
	-----	-----
UNQUOTED INVESTMENT	331	331
	-----	-----
DEVELOPMENT EXPENDITURE	2,062	1,987
	-----	-----
GOODWILL ON CONSOLIDATION	8	8
	-----	-----
<b>CURRENT ASSETS</b>		
Trade receivables	3,244	2,952
Other receivables, deposits & prepayments	443	890
Amount due from ultimate holding company	3	-
Amount due from holding company	201	1,122
Amount due from related companies	1,555	3,175
Fixed deposits	150,826	141,676
Cash & bank balances	723	123
	-----	-----
	156,995	149,938
	-----	-----
<b>LESS : CURRENT LIABILITIES</b>		
Trade payables	5,441	4,096
Other payables & accruals	3,493	1,727
Amount due to related companies	100	72
Provision for taxation	2,693	1,234
	-----	-----
	11,727	7,129
	-----	-----
<b>NET CURRENT ASSETS</b>	145,268	142,809
	-----	-----
	149,864	147,313
	=====	=====

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2002

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**CONDENSED CONSOLIDATED BALANCE SHEETS - continued**

	<b>UNAUDITED AS AT 31.12.2002 RM'000</b>	<b>AUDITED AS AT 30.6.2002 RM'000</b>
SHARE CAPITAL	135,000	135,000
SHARE PREMIUM	1,475	3,500
RETAINED PROFITS	10,179	6,531
SHAREHOLDERS' FUNDS	----- 146,654	----- 145,031
MINORITY INTERESTS	2,894	1,966
LONG TERM LIABILITY		
Deferred taxation	316	316
	----- 149,864 =====	----- 147,313 =====
Net tangible assets per share (RM)	----- 1.07 =====	----- 1.06 =====

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2002

**YTL E-SOLUTIONS BERHAD (Company No. 236137-K)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2002**

	<b>Share Capital RM'000</b>	<b>Share Premium RM'000</b>	<b>Retained Profits RM'000</b>	<b>Total RM'000</b>
As at 1 July, 2002	135,000	3,500	6,531	145,031
Listing expenses	-	(2,025)	-	(2,025)
Net profit for the period	-	-	3,648	3,648
As at 31 December, 2002	<u>135,000</u>	<u>1,475</u>	<u>10,179</u>	<u>146,654</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, 2002

**YTL E-SOLUTIONS BERHAD (Company No. 236137-K)**  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2002**

	<b>RM'000</b>
Cash flows from operating activities	
Profit before taxation	6,643
Adjustments for :-	
Non-cash items	476
Non-operating items	(1,935)
	-----
Operating profit before working capital changes	5,184
Net changes in current assets	2,693
Net changes in current liabilities	3,139
Interest received	1,935
Taxation paid	(608)
	-----
Net cash from operating activities	12,343
	-----
Cash flows from investing activities	
Proceeds from disposal of property, plant & equipment	1
Purchase of property, plant & equipment	(381)
Development expenditure paid	(188)
	-----
Net cash used in investing activities	(568)
	-----
Cash flows from financing activities	
Listing expenses	(2,025)
	-----
Net cash used in financing activities	(2,025)
	-----

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2002

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE SECOND QUARTER ENDED 31 DECEMBER 2002 - continued**

	<b>RM'000</b>
Net changes in cash and cash equivalents	9,750
Cash and cash equivalents brought forward	141,799
	-----
Cash and cash equivalents carried forward	151,549
	=====
 Cash and cash equivalents comprise :-	
Fixed deposits	150,826
Cash & bank balances	723
	-----
	151,549
	=====

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2002

**YTL E-SOLUTIONS BERHAD (Company No. 236137-K)**  
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## **INTERIM FINANCIAL REPORT**

**Notes :-**

### **Disclosure requirements per MASB 26 - paragraph 16**

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

The interim financial report is unaudited and has been prepared in accordance with MASB 26 “Interim Financial Reporting” and Chapter 9, part K of the Listing Requirements of the Kuala Lumpur Stock Exchange.

The Condensed Financial Statements should be read in conjunction with the audited annual financial statements of the Group for the year ended 30 June, 2002.

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.

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, 2002.

#### **A2. Audit Report of the preceding financial year ended 30 June 2002**

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 exceptional or unusual nature that affects the assets, liabilities, equity, net income or cash flows of the Group.

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

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

**YTL E-SOLUTIONS BERHAD (Company No. 236137-K)**  
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**Notes :- continued**

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

During the current financial quarter, there was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities.

**A7. Dividend paid**

No dividend has been paid during the current financial quarter.

**A8. Segment Reporting**

No segment information is prepared as the Group's activities are predominantly in one industry segment and occur predominantly in Malaysia.

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

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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

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

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

There was no change 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. During the 6 months period ended 31 December, 2002, the Group acquired YTL Info Screen Sdn. Bhd. on 17 September, 2002.

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

There were no changes in the contingent liabilities or the contingent assets of the Group since the last annual balance sheet as at 30 June, 2002.



**YTL E-SOLUTIONS BERHAD (Company No. 236137-K)**  
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**INTERIM FINANCIAL REPORT**

**Notes :- continued**

**Disclosure requirements per KLSE listing requirements Part A of Appendix 9B**

**B1. Review of Performance**

The Group's revenue and profit before taxation for the current financial quarter were recorded at RM6.478 million and RM3.140 million respectively, representing an increase of 96% and 195% when compared to the previous corresponding quarter ended 31 December, 2001.

The Group's revenue and profit before taxation for the 6 months period ended 31 December, 2002 were recorded at RM12.039 million and RM6.643 million respectively, representing an increase of 101% and 203% when compared to the previous corresponding period ended 31 December, 2001.

The increase in both the current and cumulative quarters was mainly contributed by the commercial roll-out of the YTL community portal, development and provision of integrated information systems and higher demand for the VoIP telephony services.

**B2. Comparison with Preceding Quarter**

For the current financial quarter, the Group registered a profit before taxation of RM3.140 million, representing a decrease of 10% when compared to RM3.503 million for the preceding quarter. The decrease was mainly due to increase in phone call charges resulting from the additional phone call facilities in the second quarter.

**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, 2003.

**B4. Profit Forecast**

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

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**Notes :- continued**

**B5. Taxation**

Taxation comprises the following :-

	<b>Current Year Quarter 31.12.2002 RM'000</b>	<b>Current Year To Date 31.12.2002 RM'000</b>
Taxation based on the profit for the period	1,018	2,067

The provision for taxation of the Group for the current financial quarter and current year to date reflects an effective tax rate higher than the statutory tax rate mainly due to certain non tax-deductible expenses.

**B6. Sale of Unquoted Investments and/or Properties**

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

**B7. Quoted Securities**

During the current financial quarter, there was no purchase or disposal of quoted securities. The Group does not have any quoted securities at the end of the current financial quarter.

**B8. Corporate Development**

There is no corporate proposal announced by the Company which is not completed as at the date of this report.

**B9. Group Borrowings and Debt Securities**

During the current financial quarter, there was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities.

**B10. Off Balance Sheet Financial Instruments**

No off balance sheet financial instruments were utilised for the current financial quarter.

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**Notes :- continued**

**B11. Material litigation**

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

**B12. Dividend**

No dividend has been declared for the current financial quarter.

**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 by the weighted average number of ordinary shares in issue during the financial quarter.

	<b>Current Quarter 31.12.2002</b>	<b>Preceding Year Corresponding Quarter 31.12.2001</b>
Net profit for the period (RM'000)	1,693 =====	544 =====
Weighted average number of ordinary shares ('000)	135,000 =====	100,000 =====
Basic earnings per share (sen)	1.25 =====	0.54 =====

**ii) Diluted earnings per share**

The Group has no dilution in its earnings per ordinary share. Therefore, no consideration for adjustment in the form of increase in the number of shares was used in calculating the potential dilution of its earnings per share.

By Order of the Board  
HO SAY KENG  
Secretary

Kuala Lumpur  
Dated : 27 February 2003