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

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the year ended 30 June 2007.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Year Ended	
	30.06.2007	30.06.2006	30.06.2007	30.06.2006
	RM'000	RM'000	RM'000	RM'000
REVENUE	7,102	6,734	25,531	30,678
COST OF SALES	(3,977)	(4,381)	(14,677)	(16,405)
GROSS PROFIT	3,125	2,353	10,854	14,273
OTHER OPERATING INCOME	3,094	1,630	7,777	5,276
OTHER OPERATING EXPENSES	(5,020)	(2,888)	(12,427)	(10,614)
PROFIT FROM OPERATIONS	1,199	1,095	6,204	8,935
FINANCE COST	(30)	(12)	(61)	(24)
PROFIT BEFORE TAXATION	1,169	1,083	6,143	8,911
TAXATION	(154)	659	(1,886)	(2,235)
PROFIT FOR THE PERIOD	1,015	1,742	4,257	6,676
ATTRIBUTABLE TO:				
Shareholders	2,060	1,475	4,759	5,764
Minority interests	(1,045)	267	(502)	912
PROFIT FOR THE PERIOD	1,015	1,742	4,257	6,676
EARNINGS PER 10 SEN SHARE				
Basic (Sen)	0.15	0.11	0.35	0.43

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2006 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED BALANCE SHEETS

	Unaudited As at 30.06.2007 RM'000	Audited As at 30.06.2006 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	3,744	3,383
Unquoted investment	-	331
Development expenditure	37	1,024
Goodwill on consolidation	1,030	811
Intangible assets	958	-
	5,769	5,549
Current Assets		
Inventories	276	121
Trade receivables	3,786	4,035
Other receivables, deposits & prepayments	1,691	782
Amount due from ultimate holding company	1	-
Amount due from holding company	524	569
Amount due from related companies	2,652	2,211
Tax recoverable	518	-
Fixed deposits	177,289	164,836
Cash & bank balances	1,222	681
	187,959	173,235
TOTAL ASSETS	193,728	178,784
EQUITY		
Share capital	135,000	135,000
Share premium	1,475	1,475
Exchange difference reserve	29	(513)
Capital reserve	234	234
Unappropriated profits	30,300	27,512
Total Equity Attributable to Shareholders of the Company	167,038	163,708
Minority interests	18,691	8,534
TOTAL EQUITY	185,729	172,242

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED BALANCE SHEETS - continued

	Unaudited As at 30.06.2007 RM'000	Audited As at 30.06.2006 RM'000
LIABILITIES		
Non-current Liabilities		
Hire purchase creditors	214	487
Deferred taxation	343	316
	557	803
Current Liabilities		
Trade payables	2,051	2,033
Other payables & accruals	4,527	2,987
Short term borrowings	378	-
Finance lease liabilities	8	62
Hire purchase creditors	273	275
Amount due to related companies	77	73
Post-employment defined contribution obligations	128	108
Provision for taxation	-	201
	7,442	5,739
TOTAL LIABILITIES	7,999	6,542
TOTAL EQUITY AND LIABILITIES	193,728	178,784
Net assets per 10 sen share attributable to shareholders of the Company (RM)	0.12	0.12

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2006 and the accompanying explanatory notes attached to the interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2006

	Attributable to Shareholders of the Company							
	Non-distributable				*Distributable*			
	Share Capital RM'000	Share Premium RM'000	Exchange Difference Reserve RM'000	Capital Reserve RM'000	Unappropriated Profits RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
Balance as at 1 July, 2005	135,000	1,475	(122)	-	23,926	160,279	7,623	167,902
Foreign exchange differences, representing net expense recognised directly in equity	-	-	(391)	-	-	(391)	(1)	(392)
Net profit for the period	-	-	-	-	5,764	5,764	912	6,676
Total recognised (expense)/ income for the period	-	-	(391)	-	5,764	5,373	911	6,284
Bonus shares issued by subsidiaries	-	-	-	234	(234)	-	-	-
Dividend paid	-	-	-	-	(1,944)	(1,944)	-	(1,944)
Balance as at 30 June, 2006	135,000	1,475	(513)	234	27,512	163,708	8,534	172,242

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2006 and the accompanying explanatory notes attached to the interim financial statements.

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

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

	Attributable to Shareholders of the Company							
		Non-distributable			*Distributable*			
	Share Capital RM'000	Share Premium RM'000	Exchange Difference Reserve RM'000	Capital Reserve RM'000	Unappropriated Profits RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
Balance as at 1 July, 2006	135,000	1,475	(513)	234	27,512	163,708	8,534	172,242
Foreign exchange differences, representing net income recognised directly in equity	-	-	542	-	-	542	1	543
Net profit for the period	-	-	-	-	4,759	4,759	(502)	4,257
Total recognised income for the period	-	-	542	-	4,759	5,301	(501)	4,800
Net increase arising on business combinations	-	-	-	-	-	-	10,658	10,658
Dividend paid	-	-	-	-	(1,971)	(1,971)	-	(1,971)
Balance as at 30 June, 2007	135,000	1,475	29	234	30,300	167,038	18,691	185,729

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2006 and the accompanying explanatory notes attached to the interim financial statements.

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

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	YEAR ENDED	
	30.06.2007	**30.06.2006**
	RM'000	**RM'000**
Net cash from operating activities	7,029	6,625
Net cash from / (used in) investing activities	7,352	(492)
Net cash used in financing activities	(2,312)	(2,260)
Net changes in cash and cash equivalents	12,069	3,873
Effects of exchange rate changes	547	(393)
Cash and cash equivalents brought forward	165,517	162,037
	178,133	165,517
Cash and cash equivalents comprise:		
Fixed deposits	177,289	164,836
Cash & bank balances	1,222	681
Bank overdrafts (Included within short term borrowings in [Note B9])	(378)	-
	178,133	165,517

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The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2006 and the accompanying explanatory notes attached to the interim financial statements.

Notes:-

Disclosure requirements pursuant to $\mathbf{FRS134_{2004}}$

A1. Accounting Policies and Methods of Computation

The interim financial report is unaudited and has been prepared in accordance with $FRS134_{2004}$ "Interim Financial Reporting" and Chapter 9, Part K Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the MESDAQ Market.

The Condensed Financial Statements should be read in conjunction with the audited annual financial statements of the Group for the year ended 30 June 2006.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 June 2006 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for the financial period beginning 1 July 2006.

FRS 2 Share-based Payment
FRS 3 Business Combinations
FRS 5 Non-current Assets Held for Sale and Discontinued Operations
FRS 101 Presentation of Financial Statements
FRS 102 Inventories
FRS 108 Accounting Policies, Changes in Estimates and Errors
FRS 110 Events after the Balance Sheet Date
FRS 116 Property, Plant and Equipment
FRS 121 The Effects of Changes in Foreign Exchange Rates
FRS 127 Consolidated and Separate Financial Statements
FRS 133 Earnings Per Share
FRS 136 Impairment of Assets
FRS 138 Intangible Assets

The adoption of the above FRSs, except for FRS 2 and FRS 101 does not have significant financial impact on the Group.

The principal effects of the changes in accounting policies resulting from the adoption of the new/revised FRSs are discussed below:-

(a) FRS 2: Share-based Payment

This FRS requires an entity to recognise share-based payment transactions in its financial statements, including transactions with employees or other parties to be settled in cash, other assets, or equity instruments of the entity.

A1. Accounting Policies and Methods of Computation - continued

(a) FRS 2: Share-based Payment - continued

The Company's holding company, YTL Corporation Berhad ("YTL Corp"), operates an equity-settled, share-based compensation plan (namely the Employee Share Option Scheme ("ESOS") in relation to YTL Corp shares) for employees of the YTL Corp Group. As the Company is a subsidiary of YTL Corp, the eligible employees of the Company and its subsidiaries participate in the ESOS. Prior to 1 July 2006, no compensation expense was recognised in profit or loss for share options granted. With the adoption of FRS 2, the proportionate compensation expense relating to share options is recognised in profit or loss over the vesting periods of the grants with a corresponding reduction in amount due from holding company. The total amount to be recognised as compensation expense is determined by reference to the fair value of the share options at the date of the grant and the number of share options to be vested by vesting date. The fair value of the share option is computed using a trinomial model. At every balance sheet date, the Group revises its estimates of the number of share options that are expected to vest by the vesting date. Any revision of this estimate is included in profit or loss and a corresponding adjustment to amount due from holding company over the remaining vesting period.

The financial impact to the Group arising from the retrospective application of FRS 2 is not material and hence, no restatement of retained earnings is performed.

For the current period under review, the application of FRS 2 has resulted in a charge of approximately RM257,000 to the income statement of the Group arising from the ESOS granted to employees of the Group.

(b) FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interests and other disclosures in the consolidated income statement.

In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, the total income and expenses for the period, showing separately the amounts attributable to the equity holders of the parent and to minority interest.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

A2. Audit Report of the Last Financial Year Ended 30 June 2006

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

A3. Seasonality or Cyclicality of Operations

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

A4. Exceptional or Unusual Items

On 25 June 2007, the Company acquired an additional 100,000 ordinary shares of RM1.00 each representing 20% of the issued and paid-up share capital of Extiva Communications Sdn Bhd ("Extiva") for a total cash consideration of RM4,000,000. With this acquisition, the Group's equity stake in Extiva increased from 70% to 90%. The fair value of net assets acquired through this transaction exceeded the purchase consideration by RM1.424 million ("negative goodwill"). In accordance with *FRS 3 Business Combinations*, the Group recognized the negative goodwill in its income statement.

During the financial quarter, the Group had also recognized one-off impairment losses amounting to RM1.339 million in relation to development expenditure and an unquoted investment.

Save as disclosed above, there were no other items 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.

A6. Changes in Debt and Equity Securities

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

A7. Dividend paid

There was no dividend paid during the financial quarter ended 30 June 2007.

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

Infoscreen Networks Plc ("INP"), a subsidiary of the Company incorporated in England and Wales, had on 5 April, 2007 disposed its entire equity interest in The Luxury Channel Limited ("TLC") comprising 70,000 ordinary shares of 1 pence each, representing 70% of TLC's issued and paid-up capital , for a total cash consideration of Pounds Sterling Seven Hundred (£700). INP had originally acquired its equity interest in TLC for Pounds Sterling Seven Hundred (£700).

On 16 May 2007, the Company subscribed for 3,499,998 ordinary shares of RM1.00 each at par value per share, and 31,500,000 redeemable preference shares of RM0.10 each at RM1.00 per share for a total cash consideration of RM34,999,998 in the capital of Titan Awards Sdn Bhd (now known as Y-Max Solutions Holdings Sdn Bhd) ("YSHSB") ("the Subscription"). The shares subscription represents 70% of the issued and paid-up share capital of YSHSB. As a result of the Subscription, YSHSB has become a subsidiary of the Company. YSHSB will be principally involved in investment holding related to the business of providing broadband internet access and other value added services.

As mentioned in Section A4 above, on 25 June 2007, the Company acquired an additional 100,000 ordinary shares of RM1.00 each representing 20% of the issued and paid-up share capital of Extiva for a total cash consideration of RM4,000,000. With this acquisition, the Group's equity stake in Extiva increased from 70% to 90%.

Apart from the above, 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.

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 2006.

As at 30 June 2007, the Company has given corporate guarantees amounting to RM20.0 million to financial institutions for facilities granted by the financial institution to its subsidiaries as follows:

	Total Amount Guranteed RM'000	Amount Utilised RM'000
Bank guarantee	20,000	8,438
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INTERIM FINANCIAL REPORT

Disclosure requirements per Appendix 9B, Part K of Chapter 9 of the Listing Requirements of Bursa Securities for the MESDAQ Market

B1. Review of Performance

Quarter Review:

Group revenue increased by 5.5%, resulting in a 7.9% rise in profit before taxation for the quarter ended 30 June 2007, compared with the corresponding quarter in the preceding year. The increase in revenue was mainly attributable to the consolidation of the results of Y-Max Networks Sdn Bhd ("Y-Max") (formerly known as Bizsurf (M) Sdn Bhd). The increased profit before taxation was largely attributable to higher other operating income, including higher interest income earned on cash deposits and the recognition of negative goodwill mentioned in Section A4 above. However, this was partially offset by one-off impairment loss adjustments recognized during the quarter, and an increase in expenses relating to pre-start-up and planning costs attributable to the Group's WiMAX initiatives.

Year-to-date Review:

Group revenue recorded for the financial year ended 30 June 2007 declined 16.8% to RM25.531 million compared to the financial year ended 30 June 2006, mainly due to the recognition of one-off project income of RM3.564 million recorded in the previous financial year. Excluding this one-off item, revenue dropped by only 5.8%.

Group profit before taxation decreased by 31.1% to RM6.143 million, a decline of RM2.768 million compared to the financial year ended 30 June 2006. Stripping out the one-off project income of RM3.564 million highlighted above, the Group's profit before taxation grew by 14.9%, mainly due to higher other operating income, partially offset by one-off impairment loss adjustments mentioned above. These results also reflect increasing costs attributable to pre-start-up and planning costs attributable to the Group's WiMAX initiatives, which the Group expects will be a significant driver of revenues in the coming few years.

B2. Comparison with Preceding Quarter

	Current Quarter 30.06.2007 RM'000	Preceding Quarter 31.03.2007 RM'000
Revenue	7,102	6,245
Profit before taxation	1,169	1,213

The Group's revenue for the current financial quarter increased by 13.7% compared to the preceding quarter ended 31 March 2007. The increase in revenue was mainly due to the consolidation of Y-Max's results. The profit before taxation dropped marginally by 3.6% mainly due to certain one-off impairment loss adjustments as set out in Section B1 above.

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INTERIM FINANCIAL REPORT

Notes:- continued

B3. Prospects

Notwithstanding the very competitive conditions in the Alternative Voice Service Provider ("AVSP") industry, the Group through Extiva, continues to perform with its strong operational efficiencies. The intensity of competition in the AVSP industry and the overall growth of the "outdoor" advertising industry in Malaysia, are key factors that will dictate the Group's financial performance in the next financial year. While, the Group, through its investment in Y-Max, is likely to bear further pre-start-up and planning costs associated with the roll-out of its WiMAX network in Peninsular Malaysia.

The Group's exposure to the wired and nascent wireless internet broadband industry will provide the Group with important new and growing revenue streams. Together with its existing business of Extiva and YTL Info Screen Sdn Bhd, the Group is expected to record a satisfactory performance for the financial year ahead.

B4. Profit Forecast

The Group has not issued any profit forecast in a public document.

B5. Taxation

Taxation comprises the following:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter	Preceding Year Corresponding Quarter	Year Ended	
	30.06.2007	30.06.2006	30.06.2007	30.06.2006
	RM'000	RM'000	RM'000	RM'000
Taxation based on the profit for the period	190	425	2,038	3,328
Overprovision of taxation in prior years	(36)	(866)	(152)	(875)
Deferred taxation	-	(218)	-	(218)
	154	(659)	1,886	2,235

The Group's provision for taxation for the quarter ended 30 June 2007 reflected a lower effective tax rate compared to the statutory tax rate. This was mainly due to the reversal of the overprovision of taxation in previous financial quarters.

The Group's provision for taxation for the financial year ended 30 June 2007 reflected a higher effective tax rate compared to the statutory tax rate. This was largely due to certain expenses that are not deductible for tax purposes, losses incurred by certain subsidiaries that cannot be utilised for group relief, and higher tax rate in other jurisdiction.

B6. Sale of Unquoted Investments and/or Properties

There was no sale of unquoted investments or properties by the Group during the current financial quarter and the financial year-to-date.

B7. Quoted Securities

There was no purchase or disposal of quoted securities during the current financial quarter and the financial year-to-date.

The Group did not have any quoted securities other than the quoted securities held in an existing subsidiary at the end of the current financial quarter.

B8. (a) Status of Corporate Proposals

On 6 August 2007, Y-Max Solutions Holdings Sdn Bhd ("YSHSB"), a subsidiary of the Company, entered into a Subscription cum Shareholders' Agreement with Webtransact Sdn Bhd ("WSB") and Airzed Broadband Sdn Bhd ("AZB") to set out the terms and conditions of YSHSB's subscription of 1,400,000 Ordinary Shares of par value RM1.00 each and 5,600,000 Redeemable Convertible Preference Shares of par value RM0.10 each in AZB ("Proposed Subscription"), and WSB and YSHSB's relationship with each other as shareholders inter se of AZB and certain aspects of the affairs of AZB. Upon completion of the Proposed Subscription, AZB will become an indirect subsidiary of the Company. The Proposed Subscription is still subject to the approval of the FIC and any other relevant government authorities (if required).

On 24 May 2007, the Board of the Company announced its proposal to seek approval from shareholders to authorize the Company to purchase up to 10% of its own shares. Shareholders approval for this proposal will be sought at an Extraordinary General Meeting to be held on 30 August 2007.

Save as disclosed above, there are no other corporate proposals announced by the Company which are not completed as at the date of this report.

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INTERIM FINANCIAL REPORT

Notes:- continued

B8. (b) Status of Utilisation of Proceeds Raised

All listing proceeds have been fully utilized as proposed for investments and incubation activities, capital expenditure, listing expenses and working capital.

B9. Group Borrowings and Debt Securities

Particulars of the Group's borrowings as at 30 June 2007 are as follows:-

	RM'000
(i) Short term	
- Secured	659
- Unsecured	-
	659
(ii) Long term	
- Secured	214
- Unsecured	-
	214

During the current financial quarter, there was no issuance, cancellation, repurchase, resale and repayment of debt securities. None of the Group's borrowings are denominated in foreign currency.

B10. Off Balance Sheet Financial Instruments

No off balance sheet financial instruments were utilised as at the date of this report.

B11. Material Litigation

There was no material litigation since 30 June 2006, being the last annual balance sheet date, until the date of this report.

B12. Dividend

The Board of Directors has recommended for the approval of the shareholders a First and Final dividend of 3% gross less Malaysian Income Tax of 27% for the financial year ended 30 June 2007. The Book Closure and Payment Dates in respect of the aforesaid dividend will be determined at a later date.

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

	Current Quarter 30.06.2007	**Preceding Year Corresponding Quarter 30.06.2006**
Profit attributable to shareholders (RM'000)	2,060	1,475
Weighted average number of ordinary shares ('000)	1,350,000	1,350,000
Basic earnings per share (sen)	0.15	0.11

ii) Diluted earnings per share

The Group does not have any convertible securities and accordingly, the disclosure of diluted earnings per share is not applicable.

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated: 23 August 2007