

**YTL E-SOLUTIONS BERHAD**

Company No. 236137-K

Incorporated in Malaysia

**Interim Financial Report**

**30 September 2009**

**YTL E-SOLUTIONS BERHAD**

Company No. 236137-K

Incorporated in Malaysia

**Interim Financial Report**

**30 September 2009**

	<b>Page No.</b>
<b>Condensed Consolidated Income Statements</b>	<b>1</b>
<b>Condensed Consolidated Balance Sheets</b>	<b>2 - 3</b>
<b>Condensed Consolidated Statement of Changes in Equity</b>	<b>4 - 5</b>
<b>Condensed Consolidated Cash Flow Statement</b>	<b>6</b>
<b>Notes to the Interim Financial Report</b>	<b>7 - 15</b>

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

**INTERIM FINANCIAL REPORT**

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

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2009 RM'000	Preceding Year Corresponding Quarter 30.09.2008 RM'000	Three Months Ended 30.09.2009 30.09.2008 RM'000 RM'000	
<b>REVENUE</b>	12,490	9,457	12,490	9,457
<b>COST OF SALES</b>	(4,299)	(4,022)	(4,299)	(4,022)
<b>GROSS PROFIT</b>	8,191	5,435	8,191	5,435
OTHER OPERATING INCOME	777	1,512	777	1,512
OTHER OPERATING EXPENSES	(2,811)	(3,594)	(2,811)	(3,594)
<b>PROFIT FROM OPERATIONS</b>	6,157	3,353	6,157	3,353
FINANCE COST	(4)	(6)	(4)	(6)
<b>PROFIT BEFORE TAXATION</b>	6,153	3,347	6,153	3,347
TAXATION	(904)	(1,169)	(904)	(1,169)
<b>PROFIT FOR THE PERIOD</b>	5,249	2,178	5,249	2,178
<b>ATTRIBUTABLE TO:</b>				
Equity holders of the Company	3,661	2,193	3,661	2,193
Minority interests	1,588	(15)	1,588	(15)
<b>PROFIT FOR THE PERIOD</b>	5,249	2,178	5,249	2,178
<b>EARNINGS PER 10 SEN SHARE</b>				
Basic (Sen)	0.27	0.16	0.27	0.16

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2009 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**

	<b>Unaudited As at 30.09.2009 RM'000</b>	<b>Audited As at 30.06.2009 RM'000</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant & equipment	5,458	5,813
Goodwill on consolidation	2,821	2,821
Other intangible assets	1,061	1,090
Fixed deposits	451	449
	-----	-----
	9,791	10,173
	-----	-----
<b>Current Assets</b>		
Inventories	182	214
Trade receivables	3,314	3,411
Other receivables, deposits & prepayments	1,199	1,393
Income tax assets	67	13
Amount due from related companies	30,079	29,036
Fixed deposits	169,578	150,915
Cash & bank balances	643	1,125
	-----	-----
	205,062	186,107
	-----	-----
<b>TOTAL ASSETS</b>	<b>214,853</b>	<b>196,280</b>
	=====	=====
<b>EQUITY</b>		
Share capital	135,000	135,000
Share premium	1,475	1,475
Other reserves	(3,762)	(3,004)
Retained earnings	36,842	33,181
Treasury shares, at cost	(2,141)	(2,140)
	-----	-----
<b>Total Equity Attributable to Shareholders of the Company</b>	<b>167,414</b>	<b>164,512</b>
<b>Minority interests</b>	<b>21,853</b>	<b>20,267</b>
	-----	-----
<b>TOTAL EQUITY</b>	<b>189,267</b>	<b>184,779</b>
	-----	-----

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2009 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 - continued**

	<b>Unaudited As at 30.09.2009 RM'000</b>	<b>Audited As at 30.06.2009 RM'000</b>
<b>LIABILITIES</b>		
<b>Non-current Liabilities</b>		
Finance lease payables	96	121
Deferred tax liabilities	260	256
	-----	-----
	356	377
	-----	-----
<b>Current Liabilities</b>		
Trade payables	2,539	2,125
Other payables, accruals & deferred income	20,861	6,963
Amount due to related companies	258	442
Finance lease payables	100	98
Bank overdraft	39	61
Post-employment defined contribution obligations	79	220
Income tax liabilities	1,354	1,215
	-----	-----
	25,230	11,124
	-----	-----
<b>TOTAL LIABILITIES</b>	<b>25,586</b>	<b>11,501</b>
	-----	-----
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>214,853</b>	<b>196,280</b>
	=====	=====
 Net assets per 10 sen share attributable to equity holders 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 financial year ended 30 June 2009 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 STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 30 SEPTEMBER 2009**

	← Attributable to Shareholders of the Company →					Total RM'000	Minority Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Earnings RM'000	Treasury Shares RM'000			
Balance as at 1 July, 2009	135,000	1,475	(3,004)	33,181	(2,140)	164,512	20,267	184,779
Currency translation differences	-	-	(758)	-	-	(758)	(2)	(760)
Expense recognised directly in equity	-	-	(758)	-	-	(758)	(2)	(760)
Profit for the financial period	-	-	-	3,661	-	3,661	1,588	5,249
Total recognised (expense)/ income for the financial period	-	-	(758)	3,661	-	2,903	1,586	4,489
Treasury shares	-	-	-	-	(1)	(1)	-	(1)
Balance as at 30 September, 2009	135,000	1,475	(3,762)	36,842	(2,141)	167,414	21,853	189,267

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2009 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 STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

	← Attributable to Shareholders of the Company →					Total RM'000	Minority Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Earnings RM'000	Treasury Shares RM'000			
Balance as at 1 July, 2008	135,000	1,475	(954)	31,761	(1,732)	165,550	20,627	186,177
Currency translation differences	-	-	(873)	-	-	(873)	(2)	(875)
Expense recognised directly in equity	-	-	(873)	-	-	(873)	(2)	(875)
Profit for the financial period	-	-	-	2,193	-	2,193	(15)	2,178
Total recognised (expense)/ income for the financial period	-	-	(873)	2,193	-	1,320	(17)	1,303
Treasury shares	-	-	-	-	(407)	(407)	-	(407)
Balance as at 30 September, 2008	135,000	1,475	(1,827)	33,954	(2,139)	166,463	20,610	187,073

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2009 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 CASH FLOW STATEMENT  
FOR THE QUARTER ENDED 30 SEPTEMBER 2009**

	<b>3 MONTHS ENDED</b>	
	<b>30.09.2009</b>	<b>30.09.2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash from operating activities	19,268	4,098
	-----	-----
Net cash used in investing activities	(142)	(2,235)
	-----	-----
Net cash used in financing activities	(24)	(480)
	-----	-----
Net changes in cash and cash equivalents	19,102	1,383
Effects of exchange rate changes	(897)	(892)
Cash and cash equivalents brought forward	152,428	170,586
	-----	-----
	<u>170,633</u>	<u>171,077</u>
	=====	=====
Cash and cash equivalents comprise:		
Fixed deposits*	170,029	170,454
Cash & bank balances	643	749
Bank overdrafts	(39)	(126)
(Included within short term borrowings in [Note B9])		
	-----	-----
	<u>170,633</u>	<u>171,077</u>
	=====	=====
*Fixed deposits pledged as security for borrowings	451	437
	=====	=====

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2009 and the accompanying explanatory notes attached to the interim financial statements.

## **INTERIM FINANCIAL REPORT**

### **Notes:-**

#### **Disclosure requirements pursuant to FRS134**

##### **A1. Accounting Policies and Methods of Computation**

The interim financial report is unaudited and has been prepared in accordance with FRS134 “Interim Financial Reporting” and Chapter 9, Part K Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market.

The Condensed Financial Statements should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 30 June 2009.

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 2009, except for the adoption of FRS 8, Operating Segments and early adoption of Amendments to FRS 8, Operating Segments effective from the financial period beginning 1 July 2009.

Since the change in accounting policy only impacts presentation and disclosure aspects, there is no financial impact on the Group.

##### **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**

There were no items of 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 to estimates of amounts reported in prior interim periods and prior financial years.

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

The Company repurchased a total 1,100 ordinary shares of its issued share capital from the open market at an average cost of RM0.56 per share during the current financial period-to-date. The total consideration paid for the shares repurchased during the financial period-to-date, including transaction costs was RM659. The repurchase transactions 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.

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

**INTERIM FINANCIAL REPORT**

**Notes:- continued**

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

Apart from the above, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter or financial year-to-date.

**A6. Dividend paid**

There was no dividend paid during the financial quarter ended 30 September 2009.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

**INTERIM FINANCIAL REPORT**

**Notes:- continued**

**A7. Segment Reporting**

The Group's segmental report for the period ended 30 September 2009 is as follows:-

	<b>Information technology and e-commerce RM'000</b>	<b>Communications technology RM'000</b>	<b>Content and digital media RM'000</b>	<b>Adjustments/ eliminations RM'000</b>	<b>Total RM'000</b>
External revenue	1,899	9,645	946	-	12,490
Inter-segment revenue	20	25	-	(45)	-
<b>Total revenue</b>	----- 1,919 =====	----- 9,670 =====	----- 946 =====	----- (45) =====	----- 12,490 =====
<b>Results</b>					
Consolidated profit before taxation	----- 370 =====	----- 5,769 =====	----- 14 =====	----- - =====	----- 6,153 =====

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

**INTERIM FINANCIAL REPORT**

Notes:- continued

**A7. Segment Reporting - continued**

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

	<b>Information technology and e-commerce RM'000</b>	<b>Communications technology RM'000</b>	<b>Content and digital media RM'000</b>	<b>Adjustments/ eliminations RM'000</b>	<b>Total RM'000</b>
External revenue	4,055	4,547	855	-	9,457
Inter-segment revenue	104	27	-	(131)	-
<b>Total revenue</b>	<u>4,159</u>	<u>4,574</u>	<u>855</u>	<u>(131)</u>	<u>9,457</u>
<b>Results</b>					
Consolidated profit before taxation	<u>3,059</u>	<u>72</u>	<u>227</u>	<u>(11)</u>	<u>3,347</u>

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

**Notes:- continued**

**A8. Material Events Subsequent to the End of the Interim Period**

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

**A9. Changes in the Composition of the Group**

There were no changes in the composition of the Group for the financial period ended 30 September 2009 including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinuing of operations.

**A10. 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 2009.

As at 30 September 2009, the Company had given corporate guarantees amounting to RM20.0 million to a financial institution for facilities granted by the financial institution to its subsidiaries as follows:

	<b>Total Amount Guaranteed RM'000</b>	<b>Amount Utilised RM'000</b>
Bank guarantee	20,000	9,170
	-----	-----

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

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

**B1. Review of Performance**

In the quarter under review, Group revenue increased by 32.1% to RM12.490 million compared to RM9.457 million recorded in the preceding year corresponding quarter. As a result, Group profit before taxation during the quarter grew by 83.8% to RM6.153 million, compared to RM3.347 million in the preceding year corresponding quarter. The improvement in both Group revenue and profit before taxation were largely attributable to maiden fee income derived from a spectrum sharing agreement in relation to the Group's 2.3GHz Worldwide Interoperability for Microwave Access ("WIMAX") spectrum.

**B2. Comparison with Preceding Quarter**

	<b>Current Quarter 30.09.2009 RM'000</b>	<b>Preceding Quarter 30.06.2009 RM'000</b>
Revenue	12,490	10,548
Profit before taxation	6,153	1,097
	-----	-----

For the current financial quarter, the increase in Group revenue from RM10.548 million to RM12.490 million was largely attributable to maiden fee income earned as stated above.

Group profit before taxation increased by RM5.056 million to RM6.153 million compared to the preceding quarter mainly due to the increase in revenue coupled with lower operating expenses incurred in current financial quarter.

**B3. Prospects**

Barring unforeseen circumstances, the Group expects to maintain a satisfactory performance for the financial year ending 30 June 2010.

**B4. Profit Forecast**

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

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

**Notes:- continued**

**B5. Taxation**

Taxation comprises the following:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2009 RM'000	Preceding Year Corresponding Quarter 30.09.2008 RM'000	Three Months Ended	
			30.09.2009 RM'000	30.09.2008 RM'000
Taxation based on the profit for the period	901	1,162	901	1,162
Under provision of taxation in prior year	-	7	-	7
Deferred taxation	3	-	3	-
	904	1,169	904	1,169
	904	1,169	904	1,169

The Group's provision for taxation for the financial period ended 30 September 2009 reflects an effective tax rate lower than the statutory income tax rate primarily due to the availability of unabsorbed tax losses and unutilised capital allowances brought forward by a subsidiary.

**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. Status of Corporate Proposals**

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

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

**Notes:- continued**

**B9. Group Borrowings and Debt Securities**

Particulars of the Group's borrowings as at 30 September 2009 are as follows:-

	<b>RM'000</b>
(i) Short term	
- Secured	139
- Unsecured	-
	-----
	139
	-----
(ii) Long term	
- Secured	96
- Unsecured	-
	-----
	96
	-----

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 2009, being the last annual balance sheet date, until the date of this report.

**B12. Dividend**

No dividend has been declared for the current financial quarter.

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

**Notes:- continued**

**B13. Earnings Per Share**

**i) Basic earnings per share**

The basic earnings per share of the Group has been computed by dividing the profit for the financial quarter attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial quarter.

	<b>Current Quarter 30.09.2009</b>	<b>Preceding Year Corresponding Quarter 30.09.2008</b>
Profit attributable to equity holders (RM'000)	3,661	2,193
	-----	-----
Weighted average number of ordinary shares in issue ('000)	1,345,328	1,348,906
	=====	=====
Basic earnings per share (sen)	0.27	0.16
	-----	-----

**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.

**B14. Audit Report of the Last Financial Year Ended 30 June 2009**

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

By Order of the Board  
HO SAY KENG  
Secretary

Kuala Lumpur  
Dated: 19 November 2009