

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

**Interim Financial Report**  
**30 June 2011**

**YTL E-SOLUTIONS BERHAD**  
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Incorporated in Malaysia

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**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 2011.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

|                                   | INDIVIDUAL QUARTER                           |  | CUMULATIVE QUARTER                                   |          |
|-----------------------------------|--|--|--|----------|
|                                   | Current Year Quarter<br>30.06.2011<br>RM'000 | Preceding Year Corresponding Quarter<br>30.06.2010<br>RM'000 | Year Ended<br>30.06.2011 30.06.2010<br>RM'000 RM'000 |          |
| <b>REVENUE</b>                    | 22,447                                       | 11,297   | 74,246   | 44,067   |
| <b>COST OF SALES</b>              | (2,001)                                      | (4,979)  | (11,388)   | (17,424) |
| <b>GROSS PROFIT</b>               | 20,446                                       | 6,318  | 62,858   | 26,643   |
| <b>OTHER OPERATING INCOME</b>     | 1,359  | 1,008  | 17,170   | 3,587    |
| <b>OTHER OPERATING EXPENSES</b>   | (5,568)                                      | (2,105)  | (15,178)   | (13,541) |
| <b>PROFIT FROM OPERATIONS</b>     | 16,237                                       | 5,221  | 64,850   | 16,689   |
| <b>FINANCE COSTS</b>              | -  | (2)  | (4)  | (13)     |
| <b>PROFIT BEFORE TAXATION</b>     | 16,237                                       | 5,219  | 64,846   | 16,676   |
| <b>TAXATION</b>                   | (4,513)                                      | (841)  | (14,310)   | (3,816)  |
| <b>PROFIT FOR THE PERIOD/YEAR</b> | 11,724                                       | 4,378  | 50,536   | 12,860   |
| <b>PROFIT ATTRIBUTABLE TO:</b>    |  |  |  |          |
| Owners of the Parent              | 6,894  | 2,928  | 35,709   | 8,831    |
| Non-Controlling Interests         | 4,830  | 1,450  | 14,827   | 4,029    |
|                                   | 11,724                                       | 4,378  | 50,536   | 12,860   |
| <b>EARNINGS PER 10 SEN SHARE</b>  |  |  |  |          |
| Basic (sen)                       | 0.51   | 0.22   | 2.65   | 0.66     |

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.

**YTL E-SOLUTIONS BERHAD (Company No. 236137-K)**  
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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|   | <b>INDIVIDUAL QUARTER</b>   |   | <b>CUMULATIVE QUARTER</b> |                   |
|---|-----------------------------|---|---------------------------|-------------------|
|   | <b>Current Year Quarter</b> | <b>Preceding Year Corresponding Quarter</b> | <b>Year Ended</b>         |                   |
|   | <b>30.06.2011</b>           | <b>30.06.2010</b>                           | <b>30.06.2011</b>         | <b>30.06.2010</b> |
|   | <b>RM'000</b>               | <b>RM'000</b>                               | <b>RM'000</b>             | <b>RM'000</b>     |
| <b>PROFIT FOR THE PERIOD/YEAR</b>                     | 11,724                      | 4,378                                       | 50,536                    | 12,860            |
| <b>OTHER COMPREHENSIVE LOSS:</b>                      |                             |   |                           |                   |
| Currency translation differences                      | (9)                         | (62)  | (103)                     | (2,425)           |
| Disposal of subsidiary                                | -                           | -   | (902)                     | -                 |
|   | -----                       | -----                                       | -----                     | -----             |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR</b> | 11,715                      | 4,316                                       | 49,531                    | 10,435            |
|   | =====                       | =====                                       | =====                     | =====             |
| <b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>    |                             |   |                           |                   |
| Owners of the Parent                                  | 6,885                       | 2,866                                       | 35,379                    | 6,412             |
| Non-Controlling Interests                             | 4,830                       | 1,450                                       | 14,152                    | 4,023             |
|   | -----                       | -----                                       | -----                     | -----             |
|   | 11,715                      | 4,316                                       | 49,531                    | 10,435            |
|   | =====                       | =====                                       | =====                     | =====             |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|  | <b>Unaudited<br/>As at<br/>30.06.2011<br/>RM'000</b> | <b>Audited<br/>As at<br/>30.06.2010<br/>RM'000</b> |
|--|--|--|
| <b>ASSETS</b>  |  |  |
| <b>Non-Current Assets</b>                                |  |  |
| Property, plant & equipment                              | 1,529  | 4,519  |
| Goodwill on consolidation                                | 2,490  | 2,821  |
| Other intangible asset                                   | 117  | 617  |
| Deferred tax assets                                      | 82   | 1,134  |
|  | -----  | -----  |
|  | 4,218  | 9,091  |
|  | -----  | -----  |
| <b>Current Assets</b>                                    |  |  |
| Inventories  | -  | 73   |
| Trade receivables  | 776  | 3,850  |
| Other receivables, deposits & prepayments                | 666  | 928  |
| Income tax assets  | 553  | 378  |
| Amount due from related parties                          | 13,798   | 17,605   |
| Fixed deposits   | 185,232  | 173,699  |
| Cash & bank balances                                     | 667  | 858  |
|  | -----  | -----  |
|  | 201,692  | 197,391  |
|  | -----  | -----  |
| <b>TOTAL ASSETS</b>                                      | <b>205,910</b>                                       | <b>206,482</b>                                     |
|  | =====  | =====  |
| <b>EQUITY &amp; LIABILITIES</b>                          |  |  |
| Share capital  | 135,000  | 135,000  |
| Share premium  | 1,475  | 1,475  |
| Other reserves   | (5,753)  | (5,423)  |
| Retained earnings  | 52,815   | 42,012   |
| Treasury shares, at cost                                 | (2,141)  | (2,141)  |
|  | -----  | -----  |
| <b>Total Equity Attributable to Owners of the Parent</b> | <b>181,396</b>                                       | <b>170,923</b>                                     |
| <b>Non-Controlling Interests</b>                         | <b>17,508</b>  | <b>21,513</b>                                      |
|  | -----  | -----  |
| <b>TOTAL EQUITY</b>                                      | <b>198,904</b>                                       | <b>192,436</b>                                     |
|  | -----  | -----  |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued**

|  | <b>Unaudited<br/>As at<br/>30.06.2011<br/>RM'000</b> | <b>Audited<br/>As at<br/>30.06.2010<br/>RM'000</b> |
|--|--|--|
| <b>LIABILITIES</b>                               |  |  |
| <b>Non-Current Liabilities</b>                   |  |  |
| Finance lease liabilities                        | -  | 21   |
|  | -----  | -----  |
|  | -  | 21   |
|  | -----  | -----  |
| <b>Current Liabilities</b>                       |  |  |
| Trade payables                                   | 974  | 2,053  |
| Other payables & accruals                        | 3,415  | 10,661   |
| Amount due to related parties                    | 4  | 28   |
| Finance lease liabilities                        | 21   | 100  |
| Post-employment defined contribution obligations | 118  | 150  |
| Income tax liabilities                           | 2,474  | 1,033  |
|  | -----  | -----  |
|  | 7,006  | 14,025   |
|  | -----  | -----  |
| <b>TOTAL LIABILITIES</b>                         | <b>7,006</b>   | <b>14,046</b>                                      |
|  | -----  | -----  |
| <b>TOTAL EQUITY AND LIABILITIES</b>              | <b>205,910</b>                                       | <b>206,482</b>                                     |
|  | =====  | =====  |
| <br>   |  |  |
| <b>Net assets per 10 sen share (RM)</b>          | <b>0.13</b>  | <b>0.13</b>  |
|  | =====  | =====  |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2011**

|   | ←————— Attributable to Owners of the Parent —————→ |                            |                               |   |                                |                              | Total<br>RM'000 | Non-Controlling<br>Interests<br>RM'000 | Total<br>Equity<br>RM'000 |
|---|--|----------------------------|-------------------------------|---|--------------------------------|------------------------------|-----------------|--|---------------------------|
|   | Share<br>Capital<br>RM'000                         | Share<br>Premium<br>RM'000 | Capital<br>Reserves<br>RM'000 | Currency<br>Translation<br>Reserves<br>RM'000 | Retained<br>Earnings<br>RM'000 | Treasury<br>Shares<br>RM'000 |                 |  |                           |
| At 1 July 2010  | 135,000  | 1,475                      | 234                           | (5,657)                                       | 42,012                         | (2,141)                      | 170,923         | 21,513                                 | 192,436                   |
| Profit for the year   | -  | -                          | -                             | -   | 35,709                         | -                            | 35,709          | 14,827                                 | 50,536                    |
| Other comprehensive loss  | -  | -                          | (224)                         | (106)   | -                              | -                            | (330)           | (675)                                  | (1,005)                   |
| Total comprehensive income for the year                                 | -  | -                          | (224)                         | (106)   | 35,709                         | -                            | 35,379          | 14,152                                 | 49,531                    |
| Reduction arising from additional share acquired in existing subsidiary | -  | -                          | -                             | -   | (505)                          | -                            | (505)           | (4,495)                                | (5,000)                   |
| Dividend paid   | -  | -                          | -                             | -   | (24,401)                       | -                            | (24,401)        | -                                      | (24,401)                  |
| Dividend paid to non-controlling interest by subsidiary                 | -  | -                          | -                             | -   | -                              | -                            | -               | (13,662)                               | (13,662)                  |
| At 30 June 2011   | 135,000  | 1,475                      | 10                            | (5,763)                                       | 52,815                         | (2,141)                      | 181,396         | 17,508                                 | 198,904                   |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2010**

|   | ← Attributable to Owners of the Parent → |                            |                               |   |                                | Treasury<br>Shares<br>RM'000 | Total<br>RM'000 | Non-Controlling<br>Interests<br>RM'000 | Total<br>Equity<br>RM'000 |
|---|--|----------------------------|-------------------------------|---|--------------------------------|------------------------------|-----------------|--|---------------------------|
|   | Share<br>Capital<br>RM'000               | Share<br>Premium<br>RM'000 | Capital<br>Reserves<br>RM'000 | Currency<br>Translation<br>Reserves<br>RM'000 | Retained<br>Earnings<br>RM'000 |                              |                 |  |                           |
| At 1 July 2009  | 135,000                                  | 1,475                      | 234                           | (3,238)                                       | 33,181                         | (2,140)                      | 164,512         | 20,267                                 | 184,779                   |
| Profit for the year   | -  | -                          | -                             | -   | 8,831                          | -                            | 8,831           | 4,029                                  | 12,860                    |
| Other comprehensive loss  | -  | -                          | -                             | (2,419)                                       | -                              | -                            | (2,419)         | (6)                                    | (2,425)                   |
| Total comprehensive income for the year                                 | -  | -                          | -                             | (2,419)                                       | 8,831                          | -                            | 6,412           | 4,023                                  | 10,435                    |
| Reduction arising from additional share acquired in existing subsidiary | -  | -                          | -                             | -   | -                              | -                            | -               | (39)                                   | (39)                      |
| Treasury shares   | -  | -                          | -                             | -   | -                              | (1)                          | (1)             | -                                      | (1)                       |
| Dividend paid to non-controlling interest by subsidiary                 | -  | -                          | -                             | -   | -                              | -                            | -               | (2,738)                                | (2,738)                   |
| At 30 June 2010   | 135,000                                  | 1,475                      | 234                           | (5,657)                                       | 42,012                         | (2,141)                      | 170,923         | 21,513                                 | 192,436                   |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2011**

|  | <b>FOR THE 12 MONTHS ENDED</b> |                   |
|--|--------------------------------|-------------------|
|  | <b>30.06.2011</b>              | <b>30.06.2010</b> |
|  | <b>RM'000</b>                  | <b>RM'000</b>     |
| Net cash generated from operating activities           | 44,682                         | 28,552            |
|  | -----                          | -----             |
| Net cash generated from/(used in) investing activities | 4,940                          | (694)             |
|  | -----                          | -----             |
| Net cash used in financing activities                  | (38,155)                       | (2,837)           |
|  | -----                          | -----             |
| Net increase in cash and cash equivalents              | 11,467                         | 25,021            |
| Effects of exchange rate changes                       | (125)                          | (2,892)           |
| Cash and cash equivalents at beginning of year         | 174,557                        | 152,428           |
|  | -----                          | -----             |
| Cash and cash equivalents at end of year               | 185,899                        | 174,557           |
|  | =====                          | =====             |
| Cash and cash equivalents comprise:                    |                                |                   |
| Deposits with licensed banks                           | 185,232                        | 173,699           |
| Cash & bank balances                                   | 667                            | 858               |
|  | -----                          | -----             |
|  | 185,899                        | 174,557           |
|  | =====                          | =====             |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 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 consolidated interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the year ended 30 June 2010.

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

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard (“FRS”) 134 Interim Financial Reporting and Chapter 9, Part K Rule 9.22 of the ACE Market Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”).

The accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the latest audited annual financial statements, except for the adoption of new and revised FRSs, amendments to FRSs and Interpretation Committee (“IC”) Interpretations which were effective for financial period beginning 1 July 2010.

The adoption of the new and revised FRSs, amendments to FRSs and IC Interpretations do not have significant financial impact on the Group other than the effects of the following FRSs:

##### FRS 101(revised) Presentation of Financial Statements

The revised FRS 101 requires all non-owner changes in equity to be presented either in a single statement of comprehensive income, or in two statements which comprise a separate income statement and statement of comprehensive income. The Group has elected to present the statement of comprehensive income in two statements if there is any comprehensive income being recognised in the year.

There is no impact on the financial position of the Group since these changes affect only the presentation of items of income and expenses. The Group has adopted the standard retrospectively.

##### FRS 7 Financial Instruments: Disclosures

FRS 7 requires extensive disclosure of qualitative and quantitative information about exposure to risks from financial instruments. Such information will be disclosed in the audited annual financial statements of the Group.

## **INTERIM FINANCIAL REPORT**

### **Notes:- continued**

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

##### FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments.

Financial instruments are recorded initially at fair value. Subsequent measurement of those instruments at the end of the reporting date reflects the designation of the financial instrument. The Group determines the classification at initial recognition and re-evaluates this designation at each year end except for those financial instruments measured at fair value through profit or loss.

##### **Financial assets**

Prior to 1 July 2010, loans and receivables were stated at gross proceeds receivables less allowance for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated income statement when the loans and receivables are derecognised, impaired or through the amortisation process.

##### **Financial liabilities**

Prior to 1 July 2010, borrowings were stated at the proceeds received less directly attributable transaction costs. Under FRS 139, borrowings are initially measured at fair value plus directly attributable transaction costs and subsequently at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated income statement when the liabilities are derecognised or through the amortisation process.

FRS 139 has been accounted for prospectively and comparative figures are not restated. However, the adoption of FRS 139 does not have an impact on the Group's opening balances.

#### **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 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 significant change to estimate of amount reported in prior interim periods or 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 debt and equity securities during the current financial quarter or financial year-to-date.

**A6. Dividend paid**

A first and final dividend of 1 sen per ordinary share of 10 sen each comprising 0.745 sen gross less Malaysian Income Tax and 0.255 sen single tier amounting to RM10,947,596.60 in respect of financial year ended 30 June 2010 was paid on 23 December 2010.

A first interim single tier dividend of 10% or 1 sen per ordinary share of 10 sen each amounting to RM13,453,277.00 in respect of financial year ended 30 June 2011 was paid on 31 March 2011.

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Notes:- continued

**A7. Segment Information**

The Group's segmental results for the year ended 30 June 2011 are as follows:-

|                           | <b>Information<br/>technology<br/>and e-commerce<br/>RM'000</b> | <b>Communications<br/>technology<br/>RM'000</b> | <b>Content<br/>and<br/>digital media<br/>RM'000</b> | <b>Adjustments/<br/>eliminations<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|---------------------------|---|---|---|---|-------------------------|
| External revenue          | 7,674   | 62,267  | 4,305   | -   | 74,246                  |
| Inter-segment revenue     | 87  | 88  | 5   | (180)   | -                       |
|                           | -----   | -----   | -----   | -----   | -----                   |
| <b>Total revenue</b>      | <b>7,761</b>  | <b>62,355</b>                                   | <b>4,310</b>  | <b>(180)</b>                                    | <b>74,246</b>           |
|                           | =====   | =====   | =====   | =====   | =====                   |
| Segment profit before tax | 10,480  | 53,942  | 424   | -   | 64,846                  |
|                           | =====   | =====   | =====   | =====   | =====                   |

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Notes:- continued

**A7. Segment Information - continued**

The Group's segmental results for the year ended 30 June 2010 are as follows:-

|                           | <b>Information<br/>technology<br/>and e-commerce<br/>RM'000</b> | <b>Communications<br/>technology<br/>RM'000</b> | <b>Content<br/>and<br/>digital media<br/>RM'000</b> | <b>Adjustments/<br/>eliminations<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|---------------------------|---|---|---|---|-------------------------|
| External revenue          | 8,357   | 31,563  | 4,147   | -   | 44,067                  |
| Inter-segment revenue     | 106   | 106   | -   | (212)   | -                       |
|                           | -----   | -----   | -----   | -----   | -----                   |
| <b>Total revenue</b>      | <b>8,463</b>  | <b>31,669</b>                                   | <b>4,147</b>  | <b>(212)</b>                                    | <b>44,067</b>           |
|                           | =====   | =====   | =====   | =====   | =====                   |
| Segment profit before tax | 832   | 15,667  | 177   | -   | 16,676                  |
|                           | =====   | =====   | =====   | =====   | =====                   |

**INTERIM FINANCIAL REPORT**

**Notes:- continued**

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

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

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

There were no changes in the composition of the Group for the year ended 30 June 2011 including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinuing of operations except for the following:

On 14 January 2011, the Company completed the disposal of 450,000 ordinary shares of RM1.00 each held in Extiva Communications Sdn Bhd (“Extiva”), representing its entire equity interest in Extiva, to YTL Communications Sdn Bhd, a related company, for a total cash consideration of RM18 million (“the Disposal”). As a result of the Disposal, Extiva ceased to be a subsidiary of the Company.

On 24 June 2011, the Company acquired 500,000 ordinary shares of RM1.00 each and 4,500,000 redeemable preference shares of RM1.00 each held in Y-Max Solutions Holdings Sdn Bhd (“Y-Max Solutions”), representing 10% equity interest in Y-Max Solutions from Double Ritz Sdn Bhd, for a total cash consideration of RM5 million. As a result, Y-Max Solutions became an 80% owned subsidiary of the Company.

**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 financial year ended 30 June 2010.

As at 30 June 2011, the Company had given corporate guarantees amounting to RM20.0 million to a financial institution for facilities granted by the financial institution to its subsidiary as follows:

|                | <b>Total Amount<br/>Guaranteed<br/>RM'000</b> | <b>Amount<br/>Utilised<br/>RM'000</b> |
|----------------|---|---------------------------------------|
| Bank guarantee | 20,000  | 7,700                                 |
|                | -----   | -----                                 |

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**INTERIM FINANCIAL REPORT**

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

**B1. Review of Performance**

*Year-to-date review*

For the year under review, Group revenue increased by 68.5% to RM74.246 million compared to RM44.067 million recorded in the corresponding year ended 30 June 2010. The increase was largely attributable to fee income derived from a spectrum sharing agreement in relation to the Group's 2.3GHz Worldwide Interoperability for Microwave Access ("WIMAX") spectrum.

Group profit before taxation for the year under review increased by 288.9% to RM64.845 million representing an increase of RM48.169 million compared to that recorded in the corresponding year ended 30 June 2010. The increase was in tandem with the higher revenue for the year under review and the gain on disposal of Extiva as set out under Note A9.

*Quarter review*

The Group recorded a revenue and profit before taxation for the current financial quarter of RM22.447 million and RM16.236 million representing an increase of 98.7% and 211.1%, respectively compared to the preceding year corresponding quarter ended 30 June 2010. The increase in profit before taxation was mainly due to higher fee income earned from its WIMAX spectrum.

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**Notes:- continued**

**B2. Comparison with Preceding Quarter**

|                        | <b>Current<br/>Quarter<br/>30.06.2011<br/>RM'000</b> | <b>Preceding<br/>Quarter<br/>31.03.2011<br/>RM'000</b> |
|------------------------|--|--|
| Revenue                | 22,447   | 21,922   |
| Profit before taxation | 16,236   | 29,735   |

For the current financial quarter, Group profit before taxation decreased by RM13.499 million to RM16.236 million, representing a decrease of 45.4%. The decrease was mainly due to the recording in the preceding quarter ended 31 March 2011 of the gain on disposal of Extiva as set out under Note A9.

**B3. Prospects**

The Group, after considering its current level of operations and current market conditions, is expected to achieve a satisfactory performance in the financial year ending 30 June 2012.

**B4. Profit Forecast**

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

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**INTERIM FINANCIAL REPORT**

**Notes:- continued**

**B5. Taxation**

Taxation comprises the following:-

|   | <b>Current<br/>Year<br/>Quarter<br/>30.06.2011<br/>RM'000</b> | <b>Financial<br/>Year-<br/>To-Date<br/>30.06.2011<br/>RM'000</b> |
|---|---|--|
| Taxation based on profit for the year     | 4,505   | 13,436   |
| Over provision of taxation in prior years | (30)  | (275)  |
| Deferred taxation                         | 38  | 1,149  |
|   | -----   | -----  |
|   | 4,513   | 14,310   |
|   | =====   | =====  |

The provision for taxation for the financial year-to-date reflects an effective rate lower than the statutory income tax rate as the gain on disposal of Extiva as set out under Note A9 is not subjected to tax.

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

Save for the gain arising from the disposal of Extiva of approximately RM12.131 million, there was no sale of unquoted investments and/or properties during the current financial quarter and 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.

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

**INTERIM FINANCIAL REPORT**

**Notes:- continued**

**B8. Status of Corporate Proposals**

As at the date of this report, there are no corporate proposals announced and pending completion.

**B9. Group Borrowings and Debt Securities**

Particulars of the Group's borrowings as at 30 June 2011 are as follows:-

|                                     | <b>Short term<br/>RM'000</b> |
|-------------------------------------|------------------------------|
| Finance Lease Liabilities (Secured) | 21<br>-----                  |

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.

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**INTERIM FINANCIAL REPORT**

**Notes:- continued**

**B10. Derivative Financial Instruments, Fair Value Changes of Financial Liabilities and Retained Earnings**

**i) Derivative Financial Instruments**

There are no outstanding derivatives as at 30 June 2011.

**ii) Fair Value Changes of Financial Liabilities**

As at 30 June 2011, the Group does not have any financial liabilities measured at fair value through profit or loss.

**iii) Retained Earnings**

|   | <b>As at<br/>30.06.2011<br/>RM'000</b> |
|---|--|
| Retained earnings of the Company<br>and its subsidiaries      |  |
| - Realised  | 39,977                                 |
| - Unrealised  | 82                                     |
|   | -----                                  |
|   | 40,059                                 |
| Add: consolidated adjustments                                 | 12,756                                 |
|   | -----                                  |
| Total Group retained earnings<br>as per consolidated accounts | 52,815                                 |
|   | =====                                  |

**B11. Material Litigation**

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

**B12. Dividend**

The Board of Directors is pleased to declare second interim single tier dividend of 1 sen per ordinary share of 10 sen each for the financial year ended 30 June 2011.

The book closure and payment dates in respect of the aforesaid dividend are 9 November 2011 and 24 November 2011, respectively.

The Board does not recommend a final dividend for the year ended 30 June 2011 (2010: a first and final dividend of 1 sen per ordinary share of 10 sen each comprising 0.745 sen gross less Malaysian Income Tax and 0.255 sen single tier amounting to RM10,947,596.60).

**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 attributable to owners of the parent for the financial quarter by the weighted average number of ordinary shares in issue during the financial quarter as set out below:

|   | <b>Current<br/>Year<br/>Quarter<br/>30.06.2011</b> | <b>Preceding<br/>Year<br/>Corresponding<br/>Quarter<br/>30.06.2010</b> |
|---|--|--|
| Profit attributable to Owners of the Parent (RM'000)          | 6,894  | 2,928  |
|   | -----  | -----  |
| Weighted average number of ordinary shares<br>in issue ('000) | 1,345,328  | 1,345,328  |
|   | -----  | -----  |
| Basic earnings per share (sen)                                | 0.51   | 0.22   |
|   | -----  | -----  |

**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 Preceding Financial Year Ended 30 June 2010**

The Auditors' Report on the financial statements of the financial year ended 30 June 2010 did not contain any qualification.

By Order of the Board  
HO SAY KENG  
Secretary

Kuala Lumpur  
Dated: 25 August 2011