

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

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the period ended 30 September, 2002

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR	PRECEDING YEAR	3 MONTHS ENDED	3 MONTHS ENDED
	QUARTER	CORRESPONDING	30.09.2002	30.09.2001
	30.09.2002	QUARTER	30.09.2002	30.09.2001
	RM'000	30.09.2001	RM'000	RM'000
		RM'000	RM'000	RM'000
REVENUE	978,084	622,118	978,084	622,118
OPERATING EXPENSES	(612,283)	(412,862)	(612,283)	(412,862)
OTHER OPERATING INCOME	12,509	14,150	12,509	14,150
PROFIT FROM OPERATIONS	378,310	223,406	378,310	223,406
FINANCE COSTS	(143,456)	(40,951)	(143,456)	(40,951)
SHARE OF (LOSSES)/PROFITS OF ASSOCIATED COMPANIES	(1,829)	4,305	(1,829)	4,305
PROFIT BEFORE TAXATION	233,025	186,760	233,025	186,760
TAXATION	(62,063)	(53,728)	(62,063)	(53,728)
PROFIT AFTER TAXATION	170,962	133,032	170,962	133,032
MINORITY INTERESTS	(67,304)	(51,218)	(67,304)	(51,218)
NET PROFIT FOR THE PERIOD	103,658	81,814	103,658	81,814
EARNINGS PER SHARE				
Basic (Sen)	7.14	5.76	7.14	5.76
Diluted (Sen)	7.00	5.66	7.00	5.66

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

	AS AT 30.9.2002 RM'000	AS AT 30.6.2002 RM'000
PROPERTY, PLANT & EQUIPMENT	12,148,813	11,814,860
INVESTMENT PROPERTIES	433,184	430,962
INVESTMENT IN SUBSIDIARIES	196,870	196,870
INVESTMENT IN ASSOCIATED COMPANIES	304,676	307,207
QUOTED INVESTMENTS	20,479	20,322
UNQUOTED INVESTMENTS	142,126	142,126
DEVELOPMENT EXPENDITURE	261,405	256,030
CAPITAL WORK-IN-PROGRESS	5,234	4,960
GOODWILL ON CONSOLIDATION	261,896	260,660
CURRENT ASSETS		
Inventories	124,960	128,284
Property development projects	164,233	170,854
Trade & other debtors	2,165,544	2,178,062
Inter-company balances	49,248	43,630
Short term investments	143,858	29,196
Fixed deposits	4,641,345	4,461,372
Cash & bank balances	87,876	89,365
	7,377,064	7,100,763

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

	AS AT 30.9.2002 RM'000	AS AT 30.6.2002 RM'000
LESS : CURRENT LIABILITIES		
Trade & other creditors	972,681	939,464
Inter-company balances	15,877	22,905
Short term borrowings	3,063,620	2,881,081
Provision for taxation	121,229	79,634
Dividends payable	26	26
Provision for liabilities & charges	52,927	38,863
	-----	-----
	4,226,360	3,961,973
	-----	-----
NET CURRENT ASSETS	3,150,704	3,138,790
	-----	-----
	<u>16,925,387</u>	<u>16,572,787</u>

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

	AS AT 30.9.2002 RM'000	AS AT 30.6.2002 RM'000
FINANCED BY :-		
SHARE CAPITAL	737,293	737,293
RESERVES		
Share premium	549,073	549,073
Capital reserve	24,577	24,577
Reserve on consolidation	129,442	129,442
Exchange differences reserve	45,938	29,836
Unappropriated profits	3,355,934	3,252,276
Less : Treasury shares, at cost	(113,395)	(113,395)
	-----	-----
SHAREHOLDERS' FUNDS	4,728,862	4,609,102
MINORITY INTERESTS	2,107,792	2,033,033
LONG TERM BORROWINGS	8,453,108	8,332,838
OTHER LONG TERM LIABILITIES	90,372	89,916
PROVISION FOR LIABILITIES	33,214	32,380
DEFERRED INCOME	132,791	131,832
DEFERRED TAXATION	1,379,248	1,343,686
	-----	-----
	16,925,387	16,572,787
	=====	=====
Net Tangible Assets Per 50 sen share (Sen)	307.7	299.6
	=====	=====

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 STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2002**

Group	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Reserve on consolidation RM'000	Translation reserve RM'000	Unappropriated profits RM'000	Treasury shares RM'000	Total RM'000
Balance at 1.7.2002	737,293	549,073	24,577	129,442	29,836	3,252,276	(113,395)	4,609,102
<i>Currency translation differences</i>	-	-	-	-	16,102	-	-	16,102
Net gains not recognised in the income statement	-	-	-	-	16,102	-	-	16,102
Net profit for the period	-	-	-	-	-	103,658	-	103,658
Balance at 30.9.2002	737,293	549,073	24,577	129,442	45,938	3,355,934	(113,395)	4,728,862

Note :

There are no comparative figures as this is the first interim financial report prepared in accordance with MASB 26 - Interim Financial Report.

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

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2002**

	RM'000
Net cash from operating activities	416,158

Net cash used in investing activities	(373,127)

Net cash from financing activities	155,382

Net changes in cash and cash equivalents	198,413
Cash and cash equivalents brought forward	4,496,126

Cash and cash equivalents carried forward	4,694,539
	=====
Cash and cash equivalents comprise :	
	RM'000
Fixed deposits	4,641,345
Cash & bank balances	87,876
Bank overdrafts	(34,682)

	4,694,539
	=====

Note :

There are no comparative figures as this is the first interim financial report prepared in accordance with MASB 26 - Interim Financial Report.

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

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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 estimate of amount reported in prior interim periods and prior financial years.

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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 except for the repayment of the debt securities amounting to RM 62.5 million in the current financial quarter.

The outstanding debts is as disclosed in note B9 and the ordinary share capital as at 30 September, 2002 is RM737.3 million.

A7. Dividend paid

No dividend has been paid during the current financial quarter.

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A8. Segment Reporting

The Group's segmental report for the current financial quarter is as follows :-

	Construction	Information technology & e-commerce related business	Manufacturing & trading	Property investment & development	Management services & others	Power generation & transmission	Hotels	Water & sewerage	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	37,688	4,686	105,580	24,877	30,220	322,601	27,850	424,582	978,084
Results									
Profit from Operations	4,889	3,416	25,491	15,649	15,702	199,115	1,638	112,410	378,310
Finance Costs									(143,456)
Share of Profit of Associated Companies									(1,829)
Profit Before Taxation									233,025
Taxation									(62,063)
Profit After Taxation									170,962
Minority Interests									(67,304)
Net Profit for the Period									103,658

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A9. Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment have been brought forward without any amendments from the previous annual audited financial statements.

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 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 except for the acquisition of the following subsidiaries :-

- (i) On 3 September, 2002, YTL Land & Development Berhad., a subsidiary of the Company subscribed for 999,998 ordinary shares of RM1 each representing 99.99% equity interest in Amanresorts Sdn. Bhd. for a cash consideration of RM999,998; and
- (ii) On 17 September, 2002, YTL E-Solutions Berhad, a subsidiary of the Company acquired 100% equity interest in YTL Infoscreen Sdn. Bhd.

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A12. Changes in Contingent Liabilities or Contingent Assets

Since the last annual balance sheet as at 30 June, 2002, there were no changes in the contingent liabilities of the Group except for the reduction of letter of credit amounting to RM15.0 million and bank guarantees amounting to RM49.9 million for Syarikat Pembinaan Yeoh Tiong Lay Sdn. Bhd., a subsidiary of the Company.

As at 30 September, 2002, the Company has given corporate guarantees amounting to RM390.4 million (30.6.2002: RM455.3 million) to financial institutions for facilities granted by the financial institutions to its subsidiaries as follows :-

	Total Amount Guaranteed RM'00	Amount Utilised RM'000
Block discounting/hire purchase facility	23,900	350
Bank overdrafts	33,900	4,158
Letters of credit/trust receipts/bankers acceptances/shipping guarantees	149,800	22,846
Revolving loans/advances	105,000	90,000
Suppliers credit facility	500	317
Bankers' guarantees :- Advance payment bonds/performance bonds, pre-bid bonds and other related guarantees	77,300	61,212
	----- 390,400	----- 178,883
	=====	=====

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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 ended 30 September 2002 were recorded at RM978.1 million and RM233.0 million respectively. As compared to the Group's revenue and profit before taxation for the financial quarter ended 30 September 2001 of RM622.1 million and RM186.8 million respectively, the increases in both amounts were primarily attributable to the inclusion of sales of water and sewerage services from the recent acquisition of Wessex Water Limited.

B2. Comparison with Preceding Quarter

For the current financial quarter, the Group registered a profit before tax of RM233.0 million as compared with a profit before tax of RM229.0 million for the preceding quarter. The increase in consolidated profit before taxation in the current quarter was substantially due to the consolidation of a full quarter financial results of Wessex Water Group as compared to the consolidation of one month results in the preceding quarter, contra of a lower foreign exchange gains on translation of monetary item.

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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B5. Taxation

Taxation comprises the following :-

	Current Year Quarter 30.09.2002 RM'000	Current Year To Date 30.09.2002 RM'000
Taxation based on profit for the period	49,628	49,628
Over-provision of tax	(112)	(112)
Deferred taxation	12,495	12,495
Share of tax in associated companies	52	52
	-----	-----
	<u>62,063</u>	<u>62,063</u>

The provision for taxation of the Group for the current financial quarter reflects an effective tax rate lower than the statutory tax rate due mainly to the availability of reinvestment allowances in certain subsidiaries and income of certain foreign subsidiaries which is tax exempt.

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

(a) During the current financial quarter, there was no purchase or disposal of quoted securities except for the acquisition of quoted investments by YTL Power International Group amounting to RM0.04 million.

(b) Particulars of investment in quoted securities as at 30 September, 2002

	RM'000
- At cost	16,315
- At carrying value	13,427
- At market value	12,520
	=====

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B8. Corporate Development

- (a) There were no corporate proposals announced but not completed other than as mentioned below :-

The Company and its subsidiary, YTL Land & Development Berhad (“YTL L&D”) had on 2 October 2001 and 13 December 2001 announced the following proposals:-

- (i) Proposed acquisition by YTL L&D of 45% equity interest in Syarikat Kemajuan Perumahan Negara Sdn. Bhd. (“SKPN”) from Syarikat Pembinaan Yeoh Tiong Lay Sdn. Bhd. (“SPYTL”), a subsidiary of the Company;
- (ii) Proposed acquisition by YTL L&D of 5% equity interest in SKPN from Pemasaran Simen Negara Sdn. Bhd.;
- (iii) Proposed acquisition by YTL L&D of 100% equity interest in Bayumaju Development Sdn. Bhd. (“Bayumaju”) from the Company;
- (iv) Proposed acquisition by YTL L&D of 100% equity interest in Pakatan Perakbina Sdn. Bhd. (“Pakatan”) from SPYTL and Dato’ Hj. Mohd. Zainal Abidin Hj. Abdul Kadir;
- (v) Proposed acquisition by YTL L&D of 30% equity interest in Udapakat Bina Sdn. Bhd., a 70% owned subsidiary of Pakatan, from Uda Holdings Bhd.;
- (vi) Proposed acquisition by YTL L&D of 5% equity interest in PYP Sendirian Berhad which is 95% owned by Pakatan, from YM Dato’ Raja Wahid Bin Raja Kamaralzaman;
- (vii) Proposed issue of irredeemable convertible preference shares at an issue price of RM1 each by YTL L&D;
- (viii) Proposed increase in the authorised share capital of YTL L&D; and
- (ix) Proposed amendments to the Articles of Association of YTL L&D;

Items (i) to (vi) above are collectively referred to as the “Proposed Acquisition”.

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Approval from the Foreign Investment Committee for the Proposed Acquisition was received vide its letters dated 22 March, 2002 and 4 October, 2002. On 26 September, 2002, approval from Securities Commission for the Proposed Acquisition was obtained. The Proposed Acquisition is now pending approval from the shareholders of YTL L&D and of the Company at the respective Extraordinary General Meetings to be convened on 18 December, 2002.

(b) Status of utilisation of proceeds raised from corporate proposals.

There was no material change in the status of utilisation of proceeds raised from corporate proposals.

B9. Group Borrowings and Debt Securities

Particulars of the Group's borrowings and debts securities as at 30 September, 2002 are as follows :-

<u>Borrowings</u>	RM'000
(i) Short term	
- secured	1,030,025
- unsecured	2,033,595

	3,063,620

(ii) Long term	
- secured	3,621,417
- unsecured	4,831,691

	8,453,108

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

In US Dollar ('000)	150,000
In Sterling Pound ('000)	1,145,103
	=====

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B10. Off Balance Sheet Financial Instruments

The Group finances its activities through a combination of short-term borrowings, long-term loans and bonds. The Group uses derivative financial instruments to limit the Group's exposure to interest rate movements. These instruments are not recognised in the financial statements on inception. The accounting policy with regards to these financial instruments, which remain the same to that disclosed in the latest audited financial statements is as follows :

“Interest rate swap contracts protect the Group from movements in interest rates. Any differential to be paid or received on an interest rate swap contract is recognised as a component of interest income or expense over the period of the contract. Gains and losses on early termination of interest rate swaps or on repayment of the borrowings are taken to the income statement.”

There has been no material change to the terms and conditions of derivative financial instruments disclosed in the latest audited financial statements and the date of this announcement. In addition to the above, Wessex Water Limited, a newly acquired subsidiary company, has several interest rate swap agreements which limit the Group's exposure to floating interest rate, details of which are as follows :-

	Total £'000
Notional Principal Amount (denotes in Sterling Pound)	477,717
	=====
	RM'000
RM equivalent (exchange rate £1=RM5.93)	2,833,359
Average fixed interest rate	6.27%
Average period to maturity of the fixed rate borrowing (years)	2.907

All derivative financial instruments are executed with creditworthy counter parties with a view to limit the credit risk exposure of the Group.

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B11. Material litigation

There are claims made by the third parties against Sentul Raya Sdn. Bhd., a subsidiary of the Company. However, the Directors of the subsidiary are of the opinion that the claims will not materially affect the future position or business of the Group.

B12. Dividend

The Board does not recommend any interim dividend 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 as set out below :-

	Current Quarter 30.09.2002	Preceding Year Corresponding Quarter 30.09.2001
Net profit for the period/Profit attributable to shareholders (RM'000)	103,658 =====	81,814 =====
<i>Weighted average number of ordinary shares ('000)</i>		
Issued at the beginning of the period	1,474,586	1,473,059
Shares repurchased	(23,599)	(52,024)
	----- 1,450,987 =====	----- 1,421,035 =====
Basic earnings per share (sen)	7.14 =====	5.76 =====

Notes : - continued

B13. Earnings Per Share - continued

(ii) Diluted earnings per share

The diluted earnings per share of the Group has been computed by dividing the net profit for the financial quarter as set out below :-

	Current Quarter 30.09.2002	Preceding Year Corresponding Quarter 30.09.2001
Net profit for the period/Profit attributable to shareholders (RM'000)	103,658	81,814
<i>Weighted average number of ordinary shares-diluted ('000)</i>		
Weighted average number of ordinary shares-basic	1,450,987	1,421,035
Effect of exercised warrants	-	173
Effect of unexercised warrants	29,546	25,140
Effect of conversion of convertible loans	-	12
	----- 1,480,533	----- 1,446,360
Diluted earnings per share (sen)	7.00	5.66

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated : 28 November 2002