

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

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the third quarter ended 31 March, 2004.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER PRECEDING YEAR		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.3.2004 RM'000	CORRESPONDING QUARTER 31.3.2003 RM'000	9 MONTHS ENDED 31.3.2004 RM'000	31.3.2003 RM'000
REVENUE	1,098,758	963,953	3,296,252	2,949,660
OPERATING EXPENSES	(716,117)	(636,614)	(2,078,921)	(1,891,156)
OTHER OPERATING INCOME	42,220	35,332	180,326	77,549
PROFIT FROM OPERATIONS	424,861	362,671	1,397,657	1,136,053
FINANCE COSTS	(180,454)	(155,461)	(515,752)	(459,779)
GAIN ON DISPOSAL OF				
- SUBSIDIARIES	-	22,929	-	22,929
- ASSOCIATED COMPANY	-	21,125	-	21,125
SHARE OF PROFITS/(LOSSES) OF ASSOCIATED COMPANIES	876	(2,159)	16,495	1,465
PROFIT BEFORE TAXATION	245,283	249,105	898,400	721,793
TAXATION	61,481	(43,652)	(77,186)	(163,444)
PROFIT AFTER TAXATION	306,764	205,453	821,214	558,349
MINORITY INTERESTS	(75,640)	(58,683)	(228,888)	(191,153)
NET PROFIT FOR THE PERIOD	231,124	146,770	592,326	367,196
EARNINGS PER SHARE				
Basic (Sen)	16.02	10.12	41.01	25.31
Diluted (Sen)	15.58	10.00	39.90	24.96

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2003

YTL CORPORATION BERHAD (Company No. 92647-H)
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CONDENSED CONSOLIDATED BALANCE SHEETS

	UNAUDITED AS AT 31.3.2004 RM'000	AUDITED AS AT 30.6.2003 RM'000
PROPERTY, PLANT & EQUIPMENT	15,089,034	13,136,147
INVESTMENT PROPERTIES	535,388	531,250
INVESTMENT IN SUBSIDIARIES	196,870	196,870
INVESTMENT IN ASSOCIATED COMPANIES	324,650	303,415
QUOTED INVESTMENTS	12,572	20,474
UNQUOTED INVESTMENTS	433,639	243,601
DEVELOPMENT EXPENDITURE	582,321	566,965
CAPITAL WORK-IN-PROGRESS	4,960	4,960
GOODWILL ON CONSOLIDATION	635,908	533,694
CURRENT ASSETS		
Inventories	233,245	200,120
Property development projects	191,733	163,691
Trade & other receivables	2,229,930	2,068,255
Tax recoverable	65,035	59,166
Inter-company balances	28,037	29,003
Short term investments	100,335	108,976
Fixed deposits	6,321,823	5,481,348
Cash & bank balances	65,160	96,090
	9,235,298	8,206,649

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2003

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CONDENSED CONSOLIDATED BALANCE SHEETS – continued

	UNAUDITED	AUDITED
	AS AT	AS AT
	31.3.2004	30.6.2003
	RM'000	RM'000
LESS : CURRENT LIABILITIES		
Trade & other payables	1,107,620	923,172
Inter-Company balances	256	28,082
Short term borrowings	1,944,991	2,173,943
Provision for taxation	111,632	65,101
Provision for liabilities & charges	27,313	24,613
	-----	-----
	3,191,812	3,214,911
	-----	-----
NET CURRENT ASSETS	6,043,486	4,991,738
	-----	-----
	<u>23,858,828</u>	<u>20,529,114</u>
	=====	=====

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2003

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CONDENSED CONSOLIDATED BALANCE SHEETS - continued

	UNAUDITED AS AT 31.3.2004 RM'000	AUDITED AS AT 30.6.2003 RM'000
FINANCED BY : -		
SHARE CAPITAL	737,293	737,293
RESERVES		
Share premium	549,073	549,073
Capital reserve	60,959	60,959
Reserve on consolidation	346	346
Exchange differences reserve	180,956	63,190
Retained profits	4,233,399	3,719,202
Less : Treasury shares, at cost	(167,892)	(116,016)
SHAREHOLDERS' FUNDS	----- 5,594,134	----- 5,014,047
MINORITY INTERESTS	2,116,907	1,972,069
LONG TERM BORROWINGS	13,306,373	10,947,634
OTHER LONG TERM LIABILITIES	98,495	93,499
PROVISION FOR LIABILITIES	81,755	59,599
DEFERRED INCOME	148,438	137,890
DEFERRED TAXATION	2,512,726	2,304,376
	----- 23,858,828 =====	----- 20,529,114 =====
Net Tangible Assets Per 50 sen share (Sen)	----- 344.52 =====	----- 308.80 =====

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2003

YTL CORPORATION BERHAD (Company No. 92647-H)

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 MARCH 2004**

Group	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Reserve on consolidation RM'000	Translation reserve RM'000	Retained profits RM'000	Treasury shares RM'000	Total RM'000
Balance at 1.7.2003	737,293	549,073	60,959	346	63,190	3,719,202	(116,016)	5,014,047
<i>Currency translation differences</i>	-	-	-	-	117,766	-	-	117,766
Net gains not recognised in the income statement	-	-	-	-	117,766	-	-	117,766
Net profit for the period	-	-	-	-	-	592,326	-	592,326
Treasury shares	-	-	-	-	-	-	(51,876)	(51,876)
Excess of consideration for shares subscribed in a new subsidiary over net tangible assets required	-	-	-	-	-	(34)	-	(34)
Dividend paid	-	-	-	-	-	(78,095)	-	(78,095)
Balance at 31.3.2004	<u>737,293</u>	<u>549,073</u>	<u>60,959</u>	<u>346</u>	<u>180,956</u>	<u>4,233,399</u>	<u>(167,892)</u>	<u>5,594,134</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2003

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 MARCH 2004**

Group	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Reserve on consolidation RM'000	Translation reserve RM'000	Retained profits RM'000	Treasury shares RM'000	Total RM'000
Balance at 1.7.2002								
- as previously reported	737,293	549,073	24,577	129,442	29,836	3,252,276	(113,395)	4,609,102
- prior year adjustment	-	-	-	-	-	2,917	-	2,917
- as restated	737,293	549,073	24,577	129,442	29,836	3,255,193	(113,395)	4,612,019
<i>Currency translation differences</i>	-	-	-	-	28,439	-	-	28,439
Net gains not recognised in the income statement	-	-	-	-	28,439	-	-	28,439
Net profit for the period	-	-	-	-	-	367,196	-	367,196
Decrease in capital reserve	-	-	(1,500)	-	-	-	-	(1,500)
Accretion arising from additional shares issued	-	-	-	-	-	41,305	-	41,305
Increase in reserve on consolidation	-	-	-	346	-	-	-	346
Transfer to capital reserve	-	-	37,882	-	-	(1,210)	-	36,672
Treasury shares	-	-	-	-	-	-	(2,618)	(2,618)
Dividend paid	-	-	-	-	-	(78,336)	-	(78,336)
Balance at 31.3.2003	737,293	549,073	60,959	129,788	58,275	3,584,148	(116,013)	5,003,523

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2003

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE THIRD QUARTER ENDED 31 MARCH 2004**

	9 MONTHS ENDED	
	31.3.2004	31.3.2003
	RM'000	RM'000
Net cash from operating activities	834,325	1,151,337
	-----	-----
Net cash used in investing activities	(2,688,853)	(916,391)
	-----	-----
Net cash from financing activities	2,733,575	773,013
	-----	-----
Net changes in cash and cash equivalents	879,047	1,007,959
Cash and cash equivalents brought forward	5,490,866	4,496,126
	-----	-----
Cash and cash equivalents carried forward	<u>6,369,913</u>	<u>5,504,085</u>

Cash and cash equivalents comprise :

	RM'000	RM'000
Fixed Deposits	6,321,823	5,518,721
Cash & bank balances	65,160	43,183
Bank overdrafts	(17,070)	(57,819)
	-----	-----
	<u>6,369,913</u>	<u>5,504,085</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2003

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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, 2003.

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, 2003.

A2. Audit Report of the preceding financial year ended 30 June 2003

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. Changes in estimates of amounts reported

There was no change to estimates of amounts reported in prior interim periods and 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 debts and equity securities except for the following :-

- (i) Repurchased a total of 6,497,300 ordinary shares of its issued share capital from the open market for a total consideration of RM29.935 million at an average cost of RM4.607 per share during the current financial quarter. During the current financial period to date, a total of 11,543,300 ordinary shares were repurchased from the open market for a total consideration of RM51.876 million. The repurchased 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
- (ii) Repayment of debts securities of RM62.5 million by YTL Power Generation Sdn Bhd (“YTLPG”), a wholly-owned subsidiary of YTL Power for the current financial period to date.
- (iii) During the current financial period to date, YTLPG issued RM1.3 billion of Medium Term Notes (“MTNs”) under a Medium Term Loan Issuance Programme of up to 11 years. The proceeds from the MTNs were used to retire a Revolving Credit facility of RM900 million and loan due to its holding company. On 13 October 2003, a foreign subsidiary of YTL Power issued a £350 million Guaranteed Bonds due in year 2033 with 5.75% annual coupons. The net proceeds of the issue of the Bonds, amounting to approximately £344,711,500 were used to refinance its existing indebtedness.
- (iv) During the current financial period to date, 4,122,031 ordinary shares were issued pursuant to the conversion of 2.5%. Exchangeable Guaranteed Unsecured Bonds in YTL Power.

The outstanding debts are as disclosed in note B9.

A6. Dividend paid

Dividend amounting to RM78,094,988 was paid on 9 January 2004 in respect of the first & final dividend of 15% less 28% tax declared for year ended 30 June 2003.

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INTERIM FINANCIAL REPORT**Notes : - continued****A7. Segment Reporting**

Inter-segment pricing is determined based on a negotiated basis.

The Group's segmental report for the nine months period ended 31 March 2004 is as follows:-

	Construction RM'000	Information technology & e-commerce related business RM'000	Manufacturing & trading RM'000	Property investment & development RM'000	Management services & others RM'000	Hotels RM'000	Power generation & transmission RM'000	Water & sewerage RM'000	Total RM'000
Revenue	111,740	20,894	414,772	112,199	184,123	85,283	880,092	1,487,149	3,296,252
Results									
Profit from operations	7,533	9,742	67,245	57,096	185,326	5,437	386,452	566,810	1,285,641
Finance costs									(515,752)
Gain on disposal of quoted investments									112,016
Share of profits of associated companies									16,495
Profit before taxation									898,400
Taxation									(77,186)
Profit after taxation									821,214
Minority interests									(228,888)
Net profit for the period									592,326

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INTERIM FINANCIAL REPORT**Notes : - continued****A7. Segment Reporting**

Inter-segment pricing is determined based on a negotiated basis.

The Group's segmental report for the nine months period ended 31 March 2003 is as follows:-

	Construction RM'000	Information technology & e-commerce related business RM'000	Manufacturing & trading RM'000	Property investment & development RM'000	Management services & others RM'000	Hotels RM'000	Power generation & transmission RM'000	Water & sewerage RM'000	Total RM'000
Revenue	110,848	15,609	344,084	73,773	88,443	84,668	946,130	1,286,105	2,949,660
Results									
Profit from operations	12,452	9,703	75,892	44,485	73,299	4,187	435,506	480,529	1,136,053
Finance costs									(459,779)
Gain on disposal of - subsidiaries									22,929
- associated company									21,125
Share of profits of associated companies									1,465
Profit before taxation									721,793
Taxation									(163,444)
Profit after taxation									558,349
Minority interests									(191,153)
Net profit for the period									367,196

INTERIM FINANCIAL REPORT

Notes : - continued

A8. Valuation of Property, Plant and Equipment

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

A9. Material Events Subsequent to the end of the interim period

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

A10. Changes in the Composition of the Group

There was no changes in the composition of the Group for the current financial quarter and financial period to date, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations except for the followings :-

- (i) On 7 July 2003, the Company acquired 2 ordinary shares of RM1 each in YTL Vacation Club Berhad for a cash consideration of RM2. Subsequently, on 9 July 2003 the Company subscribed additional 999,998 ordinary shares of RM1 each for a cash consideration of RM999,998 representing 100% shareholdings in YTL Vacation Club Berhad ;
- (ii) On 11 July, 2003, YTL L&D acquired 100% equity interest in Sentul Park Management Sdn.Bhd. for a cash consideration of RM2 ;
- (iii) On 17 July, 2003, YTL E-Solutions Berhad (“YTL E-Solutions”), a subsidiary of the Company acquired 70% equity interest in Hipmobile (M) Sdn. Bhd. at cash consideration of RM100,000 ;
- (iv) On 28 November, 2003, YTL E-Solutions acquired two (2) ordinary shares of S\$1.00 each in Hipmobile Singapore Pte Ltd via its subsidiary, Hipmobile (M) Sdn. Bhd, representing the entire equity interest for purchase consideration of S\$2.00.

INTERIM FINANCIAL REPORT

Notes : - continued

- (v) During the current financial quarter, YTL Cement repurchased a total of 3,539,100 ordinary shares of its issued share capital from the open market at an average price of RM5.04 per share. During the current financial period to date, a total of 4,661,000 shares were repurchased from the open market for a total consideration of RM23,421,411. The repurchase of shares were financed by internally generated funds.

- (vi) During the current financial quarter, YTL Power repurchased a total of 8,309,000 ordinary shares of its issued share capital from the open market value for a total consideration of RM28,256,220 at an average cost of RM3.40 per share. During the current financial period to date, a total of 19,241,400 shares were repurchased from the open market for a total consideration of RM63,596,618.

- (vii) During the current financial period to date, YTL L&D repurchased a total of 109,100 ordinary shares of its issued share capital from the open market value for a total consideration of RM260,581 at an average cost of RM2.39 per share. The repurchased of shares were financed by internally generated funds.

- (viii) During the current financial period to date, the Company had purchased an additional 116,721,932 ordinary shares of YTL Power for a total consideration of RM321,307,098. In the same period, the Company disposed 120,000,000 ordinary shares in YTL Power for a total consideration of RM348,000,000.

- (ix) During the current financial period to date, 4,122,031 ordinary shares were issued pursuant to the conversion of 2.5% Exchangeable Guaranteed Unsecured Bonds in YTL Power.

- (x) During the current financial quarter and for the 9 months period ended 31 March 2004, 20 ordinary shares were issued pursuant to the exercise of warrants at an exercise price of RM2.91 per share in YTL Power.

- (xi) During the current financial quarter and for the 9 months period ended 31 March 2004, YTL Cement issued a total of 3,088,356 and 6,584,606 ordinary shares of RM1 each pursuant to the exercise of 3,088,356 and 6,584,606 1994/2004 warrants respectively.

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Notes : - continued

- (xii) During the current financial quarter and for the 9 months period ended 31 March 2004, YTL Cement issued 36,800,000 new ordinary shares of RM1 to Perbadanan Setiausaha Kerajaan Pahang (PSKP) and Pasdec Corporation Sdn.Bhd. (PASDEC), to acquire 70,000,000 ordinary shares of RM1 each in Pahang Cement Sdn.Bhd. (PCSB) representing the remaining 50% equity interest in PCSB not already owned by YTL Cement for a purchase consideration of RM138,000,000.
- (xiii) During the current financial period to date, the share capital of YTL L&D has increased from RM155,247,445 to RM164,566,750 at the end of financial period ended 31 March 2004 as a result of the conversion of:-
- (1) 36,267,330 Irredeemable Convertible Preference Shares (“ICPS-A”) of RM1 each issued at RM1.00 each into 9,299,305 new ordinary shares of RM1.00 each based on a conversion ratio of one (1) new ordinary share of RM1 each for every RM3.90 of ICPS-A held; and
 - (2) 26,800 Irredeemable Convertible Preference Shares (“ICPS-B”) of RM1 each issued at RM1.00 each into 20,000 new ordinary shares of RM1.00 each based on a conversion ratio of one (1) new ordinary share of RM1 each for every RM1.34 of ICPS-B held.

During the current financial period to date, 235,563 ICPS-A were issued to scheme creditors pursuant to the Composite Scheme of Arrangement and the total number of ICPS –A outstanding as at 31 March 2004 was 185,420,118. There was no issuance of ICPS-B during the current financial period to date and total number of ICPS-B outstanding as at 31 March 2004 was 280,451,551

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Notes : - continued

A11. Changes in Contingent Liabilities or Contingent Assets

Since the last annual balance sheet as at 30 June, 2003, there were no changes in the contingent liabilities of the Group except for the increase of letter of credit amounting to RM11.5 million and reduction of hire purchase facility amounting to RM20.96 million; bank overdrafts of RM1.5 million and bank guarantees of RM2 million for the subsidiaries of the Company.

As at 31 March 2004, the Company has given corporate guarantees amounting to RM906.85 million to financial institutions for facilities granted by the financial institutions to its subsidiaries as follows :-

	Total Amount Guaranteed RM'000	Amount Utilised RM'000
Block discounting / hire purchase facility	7,940	5,745
Bank overdrafts	32,400	15,245
Letters of credit/trust receipts/bankers acceptances/ shipping guarantees	166,300	47,746
Revolving loans/advances	124,413	114,413
Suppliers credit facility	500	342
Bankers' guarantees :-		
Advance payment bonds/performance bonds, pre-bid bonds and other related guarantees	75,300	61,028
Commercial papers/medium term notes	500,000	430,000
	-----	-----
	906,853	674,519
	=====	=====

The Company has also entered into an option agreement with Dato' Hj. Mohd. Zainal Abidin Hj. Abdul Kadir ("Dato' Zainal") on 2 October 2001 wherein Dato' Zainal, in consideration of RM10 paid by the Company, agrees to grant the Company a call option to purchase 7,100,000 ordinary shares and 61,092,272 irredeemable convertible preference shares in YTL Land & Development Berhad received by Dato' Zainal pursuant to the acquisition by YTL Land & Development Berhad of 60% equity interest in Pakatan Perakbina Sdn. Bhd. from Dato' Zainal at an option price of RM1.00 per share.

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

B1. Review of Performance

The Group's recorded a revenue and profit before taxation for the current financial quarter of RM1,098.8 million and RM245.3 million respectively, representing an increase of 14.0% and a decrease of 1.5% when compared to the previous corresponding quarter ended 31 March, 2003.

The Group's revenue and profit before taxation for the 9 months period ended 31 March, 2004 were recorded at RM3,296.3 million and RM898.4 million respectively, representing an increase of 11.8% and 24.5% when compared to the previous corresponding period ended 31 March, 2003.

The increase in the Group's profit from operations for the current financial quarter was mainly due to better operating results of its subsidiaries. However, the Group's profit before taxation decrease for the current financial quarter mainly due to gain on disposal of subsidiaries and associated company taken up in the previous corresponding quarter ended 31 March 2003. The increase in the Group's profit before taxation for the period ended 31 March 2004 was due mainly to gain on disposal of quoted investments.

B2. Comparison with Preceding Quarter

For the current financial quarter, the Group registered a lower profit before taxation of RM245.3 million as compared to RM278.9 million for the preceding financial quarter. The decrease in the Group's profit before taxation in the current financial quarter was due mainly to the slow down which normally happens in the first quarter of a new calendar year.

B3. Prospects

The Group, after considering its current level of operations and the current market condition, is expected to achieve satisfactory performance for the financial year ending 30 June 2004.

B4. Profit Forecast

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

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Notes : - continued

B5. Taxation

Taxation comprises the following: -

	Current Year	Preceding Year	Current year	Preceding Year
	Quarter	Corresponding	To Date	Corresponding
	31.3.2004	Quarter	31.3.2004	Period
	RM'000	31.3.2003	RM'000	31.3.2003
	RM'000	RM'000	RM'000	RM'000
Taxation based on profit for the period	56,531	44,151	178,283	162,428
Over provision of tax	(255)	(2,627)	(22)	(5,308)
Deferred taxation	12,606	1,952	29,164	5,888
Share of tax in associated companies:				
- taxation for the period	2,778	176	2,902	436
- deferred taxation	(133,141)	-	(133,141)	-
	<u>(61,481)</u>	<u>43,652</u>	<u>77,186</u>	<u>163,444</u>

The provision for taxation of the Group for the current financial quarter is higher due to higher operating profit. However, the recognition of deferred tax benefits by an associated company has resulted in a net credit balance of the Group's taxation charge for the current financial quarter. The provision for taxation of the Group for the current period to date reflects an effective tax rate lower than the statutory tax rate due mainly to capital gain on disposal of quoted investments and recognition of deferred tax benefits by an associated company.

B6. Sales of Unquoted Investment and /or Properties

There was no sale of unquoted investments or properties during the financial quarter and the nine months period ended 31 March, 2004 except for profit on sale of unquoted investments by YTL Power group amounted to RM0.442 million and RM1.000 million respectively.

B7. Quoted Securities

(a) Details of the purchase and sales of quoted securities are as follows :-

	Current Year	Current Year
	Quarter	To Date
	31.3.2004	31.3.2004
	RM'000	RM'000
Purchase	-	59
Sales	1,944	8,442
	<u>1,944</u>	<u>8,442</u>

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Notes : - continued

(b) Particulars of investment in quoted securities as at 31 March, 2004 :

	RM'000
- At cost	12,572
- At carrying value	12,572
- At market value	26,236
	<u> </u>

B8. Corporate Developments

(a) As at the date of this announcement, there are no corporate proposal announced and pending completion except for the following :-

- i) On 30 October 2003, YTL L&D announced the proposal for placement of up to 20,000,000 new ordinary shares of RM1.00 each in YTL L&D to Dato' Suleiman bin Abdul Manan, the Director of YTL L&D ("Proposed Placement").

Approval of the Securities Commission was received vide its letter dated 25 February 2004. The Proposed Placement is now conditional upon the approval of the shareholders of YTL L&D.

On 20 May 2004, YTL L&D announced the revision to the number of new ordinary shares to be placed under the Proposed Placement to 40,000,000 new ordinary shares of 50 sen each. Approvals from the Securities Commission and Ministry of International Trade & Industry for the aforesaid revision are pending.

ii) On 23 March 2004, the respective subsidiary companies announced the following:-

- 1) Proposed share subdivision by YTL Cement into Two (2) ordinary shares of RM0.50 each for every One (1) existing ordinary Share of RM1 each and Proposed Amendment to its Memorandum of Association;
- 2) Proposed share subdivision by YTL Power into Two (2) ordinary shares of RM0.50 each for every One (1) existing ordinary Share of RM1 each and Proposed Amendment to its Memorandum of Association;
- 3) Proposed share subdivision by YTL E-Solutions into Ten (10) ordinary shares of RM0.10 each for every One (1) existing ordinary Share of RM1 each and Proposed Amendment to its Memorandum of Association; and

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Notes : - continued

B8. Corporate Developments

- 4) Proposed share subdivision by YTL L&D into Two (2) ordinary shares of RM0.50 each for every one (1) existing ordinary share of RM1.00 each; Proposed subdivision by YTL L&D of the existing Class A Irredeemable Convertible Preference Shares ("ICPS-A") of RM1.00 each into two (2) ICPS-A of RM0.50 each; Proposed subdivision by YTL L&D of the existing Class B Irredeemable Convertible Preference Shares ("ICPS-B") of RM1.00 each into two (2) ICPS-B of RM0.50 each; and and Proposed Amendment to its Memorandum of Association

(collectively referred to as the "Proposed Subdivision")

As at the date of this report, the proposals is pending the approvals; by Securities Commission and Bursa Malaysia Securities Berhad for Proposed Subdivision and the listing of and quotation for the subdivided shares; and approval of the shareholders of the respective companies at extraordinary general meetings to be convened.

(b) Status of utilisation of proceeds

(i) 8.5% Redeemable Non-Guaranteed Unsecured Bonds

A sum of RM120.3 million of the remaining unutilised proceeds received by the Company from the issue of the RM500 million Bonds on 29 June, 1999 is placed under Fixed Deposits with licensed financial institutions pending completion of construction works for a particular phase under Sentul Raya Sdn Bhd and equity investments in Express Rail Link Sdn.Bhd., a 50% associate of the Company. The approval of the SC to extend for a period of 12 months from 31 December, 2003 to 31 December, 2004 to complete the utilisation of the above amount was received vide its letter dated 2 January, 2004.

(ii) 7 % Redeemable Non-Guaranteed Unsecured Bonds

The proceeds received by YTL Power from the issued of the RM750 million 7% Redeemable Non-Guaranteed Unsecured Bonds on 11 January, 2000 is placed under Fixed Deposits with licensed financial institutions pending investment in power generation assets.

INTERIM FINANCIAL REPORT

Notes : - continued

B9. Group Borrowings and Debt Securities

Particulars of the Group's borrowings and debts securities as at 31 March, 2004 are as follows :-

Borrowings

	RM'000
(i) Short term	
- Secured	1,696,223
- unsecured	248,768

	1,944,991

(ii) Long term	
- Secured	3,679,679
- unsecured	9,626,694

	13,306,373

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

In US Dollar ('000)	380,000
	=====
In Sterling Pound ('000)	1,180,705
	=====

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. “

INTERIM FINANCIAL REPORT

Notes : - continued

There has been no material change to the terms and condition 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, has several interest rate swap agreements which limit the Group's exposure to floating interest rate, details of which are as follows :-

	Total £'000
National Principal Amount (denotes in Sterling Pound)	730,800 =====
	RM'000
RM equivalent (exchange rate £1 = RM6.9667)	5,091,264
Average fixed interest rate	5.62%
Average period to maturity of the fixed rate borrowing (years)	1.23

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

B11. Dividend paid

The Board does not recommend any interim dividend for the current financial quarter.

B12. Material litigation

None.

YTL CORPORATION BERHAD (Company No. 92647-H)
(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 net profit for the financial quarter as set out below :-

	Current Quarter 31.3.2004	Preceding Year Corresponding Quarter 31.3.2003
Net profit for the period / Profit attributable to shareholders (RM'000)	231,124	146,770
<i>Weighted average number of ordinary shares ('000)</i>		
Issued at the beginning of the period	1,474,586	1,474,586
Shares repurchased	(32,010)	(23,730)
	-----	-----
	1,442,576	1,450,856
	=====	=====
Basic earnings per share (sen)	16.02	10.12
	=====	=====

INTERIM FINANCIAL REPORT

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 31.3.2004	Preceding Year Corresponding Quarter 31.3.2003
Net profit for the period / Profit attributable to shareholders (RM'000)	231,124 =====	146,770 =====
<i>Weighted average number of ordinary shares-diluted ('000)</i>		
Weighted average number of ordinary shares-basic	1,442,576	1,450,856
Effect of unexercised warrants	29,141	13,530
Effect of unexercised employees share option scheme	11,644 -----	4,317 -----
	1,483,361 =====	1,468,703 =====
*Diluted earnings per share (sen)	15.58 =====	10.00 =====

** Total cash expected to be received in the event of an exercise of all outstanding warrants and ESOS options is RM2,006.653 million. Accordingly, the Net Tangible Asset (NTA) on a proforma basis will increase by RM2,006.653 million resulting in an increase in NTA per share of RM1.04. In arriving at the Diluted earnings per share, NTA and NTA per share, no income has been accrued for the cash proceeds.*

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated : 27 May 2004