

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

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the fourth quarter ended 30 June, 2004.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER PRECEDING YEAR		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.6.2004 RM'000	CORRESPONDING QUARTER 30.6.2003 RM'000	12 MONTHS ENDED 30.6.2004 RM'000	30.6.2003 RM'000
REVENUE	1,098,273	1,097,842	4,394,525	4,026,837
OPERATING EXPENSES	(658,497)	(655,915)	(2,737,418)	(2,627,188)
OTHER OPERATING INCOME	3,769	8,508	184,095	66,534
PROFIT FROM OPERATIONS	443,545	450,435	1,841,202	1,466,183
FINANCE COSTS	(180,564)	(165,188)	(696,316)	(675,299)
GAIN ON DISPOSAL OF				
- SUBSIDIARIES	-	-	-	22,929
- ASSOCIATED COMPANY	-	-	-	21,125
SHARE OF (LOSSES)/PROFITS OF ASSOCIATED COMPANIES	(2,766)	2,597	13,729	4,730
PROFIT BEFORE TAXATION	260,215	287,844	1,158,615	839,668
TAXATION	(63,459)	(94,429)	(140,645)	(209,386)
PROFIT AFTER TAXATION	196,756	193,415	1,017,970	630,282
MINORITY INTERESTS	(75,831)	(84,819)	(304,719)	(275,720)
NET PROFIT FOR THE PERIOD	120,925	108,596	713,251	354,562
EARNINGS PER SHARE				
Basic (Sen)	8.49	7.49	49.69	24.44
Diluted (Sen)	8.23	7.39	48.29	24.07

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)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED BALANCE SHEETS

	UNAUDITED AS AT 30.6.2004 RM'000	AUDITED AS AT 30.6.2003 RM'000
PROPERTY, PLANT & EQUIPMENT	15,056,716	13,136,147
INVESTMENT PROPERTIES	535,346	531,250
INVESTMENT IN SUBSIDIARIES	196,870	196,870
INVESTMENT IN ASSOCIATED COMPANIES	320,680	303,415
QUOTED INVESTMENTS	12,569	20,474
UNQUOTED INVESTMENTS	433,601	243,601
DEVELOPMENT EXPENDITURE	610,029	566,965
CAPITAL WORK-IN-PROGRESS	4,960	4,960
GOODWILL ON CONSOLIDATION	652,441	533,694
CURRENT ASSETS		
Inventories	235,632	200,120
Property development projects	214,066	163,691
Trade & other receivables	2,187,497	2,068,255
Tax recoverable	79,911	59,166
Inter-company balances	28,925	29,003
Short term investments	40,837	108,976
Fixed deposits	5,852,002	5,481,348
Cash & bank balances	54,995	96,090
	8,693,865	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

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED BALANCE SHEETS – continued

	UNAUDITED	AUDITED
	AS AT	AS AT
	30.6.2004	30.6.2003
	RM'000	RM'000
LESS : CURRENT LIABILITIES		
Trade & other payables	1,167,337	923,172
Inter-Company balances	53	28,082
Short term borrowings	1,598,603	2,173,943
Provision for taxation	92,540	65,101
Provision for liabilities & charges	27,845	24,613
	-----	-----
	2,886,378	3,214,911
	-----	-----
NET CURRENT ASSETS	5,807,487	4,991,738
	-----	-----
	<u>23,630,699</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

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED BALANCE SHEETS - continued

	UNAUDITED AS AT 30.6.2004 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	110,541	55,458
Retained profits	4,184,139	3,549,017
Less : Treasury shares, at cost	(308,637)	(116,016)
SHAREHOLDERS' FUNDS	----- 5,333,714	----- 4,836,130
MINORITY INTERESTS	2,138,166	1,972,069
LONG TERM BORROWINGS	13,137,715	10,947,634
OTHER LONG TERM LIABILITIES	97,991	93,499
PROVISION FOR LIABILITIES	275,152	237,516
DEFERRED INCOME	145,318	137,890
DEFERRED TAXATION	2,502,643	2,304,376
	----- 23,630,699 =====	----- 20,529,114 =====
Net Tangible Assets Per 50 sen share (Sen)	----- 332.50 =====	----- 296.50 =====

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)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 30 JUNE 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								
- as previously reported	737,293	549,073	60,959	346	63,190	3,719,202	(116,016)	5,014,047
- prior year adjustment	-	-	-	-	(7,732)	(170,185)	-	(177,917)
- as restated	737,293	549,073	60,959	346	55,458	3,549,017	(116,016)	4,836,130
<i>Currency translation differences</i>	-	-	-	-	55,083	-	-	55,083
Net gains not recognised in the income statement	-	-	-	-	55,083	-	-	55,083
Net profit for the year	-	-	-	-	-	713,251	-	713,251
Treasury shares	-	-	-	-	-	-	(192,621)	(192,621)
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 30.6.2004	737,293	549,073	60,959	346	110,541	4,184,139	(308,637)	5,333,714

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

YTL CORPORATION BERHAD (Company No. 92647-H)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 30 JUNE 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	-	13,833	3,255,113	(113,395)	4,466,494
- prior year adjustment	-	-	-	-	-	(13,010)	-	(13,010)
- as restated	737,293	549,073	24,577	-	13,833	3,242,103	(113,395)	4,453,484
<i>Currency translation differences</i>	-	-	-	-	41,625	-	-	49,357
Net gains not recognised in the income statement	-	-	-	-	41,625	-	-	41,625
Net profit for the period	-	-	-	-	-	354,562	-	354,562
Gains recognised on deemed dilution of interest in subsidiary companies	-	-	-	-	-	31,898	-	31,898
Accretion arising from additional shares issued	-	-	35,172	-	-	-	-	35,172
Increase in reserve on consolidation	-	-	-	346	-	-	-	346
Transfer to capital reserve	-	-	1,210	-	-	(1,210)	-	-
Treasury shares	-	-	-	-	-	-	(2,621)	(2,621)
Dividend paid	-	-	-	-	-	(78,336)	-	(78,336)
Balance at 30.6.2003	737,293	549,073	60,959	346	55,458	3,549,017	(116,016)	4,836,130

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

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

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FOURTH QUARTER ENDED 30 JUNE 2004**

	12 MONTHS ENDED	
	30.6.2004	30.6.2003
	RM'000	RM'000
Net cash from operating activities	1,216,832	1,259,045
	-----	-----
Net cash used in investing activities	(2,648,319)	(1,336,886)
	-----	-----
Net cash from financing activities	1,835,690	1,072,581
	-----	-----
Net changes in cash and cash equivalents	404,203	994,740
Cash and cash equivalents brought forward	5,490,866	4,496,126
	-----	-----
Cash and cash equivalents carried forward	5,895,069	5,490,866
	=====	=====

Cash and cash equivalents comprise :

	RM'000	RM'000
Fixed Deposits	5,852,002	5,481,348
Cash & bank balances	54,995	96,090
Bank overdrafts	(11,928)	(86,572)
	-----	-----
	5,895,069	5,490,866
	=====	=====

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

INTERIM FINANCIAL REPORT

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 Bursa Malaysia Securities Berhad.

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 except for the adoption of the following new MASB Standard :-

i) MASB Standard No. 29 “Employee Benefits”

On first adoption of MASB 29 in the current financial period, the deficit arising in respect of post employment benefit obligations is recognised as a prior year adjustment in accordance with the transitional provisions of the standard. The effect of the change in this accounting basis on the Group financial statements are as follows:-

	As previously Reported RM'000	Effect of changes RM'000	As restated RM'000
30 June 2003			
Balance Sheet			
- Exchange difference reserve	63,190	(7,732)	55,458
- Retained profits	3,719,202	(170,185)	3,549,017
- Provision for liability and charges	59,599	177,917	237,516
30 June 2002			
Balance Sheet			
- Exchange difference reserve	13,833	-	13,833
- Retained profits	3,252,113	(13,010)	3,242,103
- Provision for liability and charges	38,862	13,010	51,872

INTERIM FINANCIAL REPORT

Notes : - continued

	Current Quarter 30.6.2004 RM'000	Preceding Quarter 30.6.2003 RM'000	Current Year To Date 30.6.2004 RM'000	Preceding Year ToDate 30.6.2003 RM'000
Effects on net profits for the period:				
-Net profit before changes in accounting policy	123,912	147,890	728,097	511,737
-Effects of adopting MASB 29	(2,973)	(39,294)	(14,832)	(157,175)
	-----	-----	-----	-----
-Net profit for the period	120,939	108,596	713,265	354,562
	=====	=====	=====	=====

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 in estimates of amounts reported in prior interim periods and prior financial years.

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 31,159,100 ordinary shares of its issued share capital from the open market for a total consideration of RM140.745 million at an average cost of RM4.517 per share during the current financial quarter. During the current financial year to date, a total of 42,702,400 ordinary shares were repurchased from the open market for a total consideration of RM192.621 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 (as amended) of the Companies Act, 1965.

INTERIM FINANCIAL REPORT

Notes : - continued

- (ii) During the current financial quarter, and for the year ended 30 June 2004, 400 ordinary shares were issued pursuant to the exercise of the 1999/2009 warrants at an exercise price of RM4.54 per share in the Company.
- (iii) Repayment of debts securities of RM62.5 million and RM1,025 million by YTL Power Generation Sdn Bhd (“YTLPG”), a wholly owned subsidiary of YTL Power International Berhad (“YTL Power”) for the current financial quarter and for the current financial year to date respectively.
- (iv) During the current financial year 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.
- (v) During the current financial quarter, and for the year ended 30 June 2004, YTL Power issued a total of 13,461,013 and 17,583,044 ordinary shares of RM1 each pursuant to the conversion of 2.5%. Exchangeable Guaranteed Unsecured Bonds respectively.

The outstanding debts are as disclosed in note B9.

A6. Dividend paid

No dividend was paid during the current financial quarter.

YTL CORPORATION BERHAD (Company No. 92647-H)

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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 fourth quarter ended 30 June 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	79,219	27,489	558,806	173,519	238,672	113,090	1,155,330	2,048,400	4,394,525
Results									
Profit from operations	9,872	12,604	99,927	88,564	252,950	5,591	489,645	770,033	1,729,186
Finance costs									(696,316)
Gain on disposal of quoted investments									112,016
Share of profits of associated companies									13,729
Profit before taxation									1,158,615
Taxation									(140,645)
Profit after taxation									1,017,970
Minority interests									(304,719)
Net profit for the year									713,251

YTL CORPORATION BERHAD (Company No. 92647-H)

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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 fourth quarter ended 30 June 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	126,157	20,436	465,654	116,966	190,527	107,569	1,264,392	1,735,136	4,026,837
Results									
Profit from operations	23,942	13,438	93,918	66,603	157,522	10,469	586,296	513,995	1,466,183
Finance costs									(675,299)
Gain on disposal of - subsidiaries									22,929
- associated company									21,125
Share of profits of associated companies									4,730
Profit before taxation									839,668
Taxation									(209,386)
Profit after taxation									630,282
Minority interests									(275,720)
Net profit for the year									354,562

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

- (a) Share subdivision by YTL Land & Development Berhad (“YTL L&D”), a subsidiary of the Company as follows:-
 - (i) subdivision of each existing ordinary share of RM1.00 each into two (2) new ordinary shares of RM0.50 each;
 - (ii) subdivision of each irredeemable convertible preference shares ("ICPS-A") of RM1.00 par value into two (2) ICPS-A of RM0.50 each;
 - (iii) subdivision of each ICPS-B of RM1.00 par value into two (2) ICPS-B of RM0.50 each; and
 - (iv) amendment to the Memorandum of Association
- (b) Share subdivision by YTL Power into two (2) ordinary shares of RM0.50 each for every one (1) existing ordinary share of RM1.00 each and amendment to the Memorandum of Association in relation thereto was effective on 1 July 2004.
- (c) Share subdivision by YTL E-Solutions Berhad (“YTL E-Solutions”), a subsidiary of the Company into 1,350,000,000 ordinary shares of RM0.10 each for every one (1) existing ordinary share of RM1.00 each and was completed with the listing and quotation of the new shares on the MESDAQ exchange.
- (d) Share subdivision by YTL Cement Berhad (“YTL Cement”), a subsidiary of the Company into two (2) ordinary shares of RM0.50 each for every one (1) existing ordinary shares of RM1.00 each and amendment to the Memorandum of Association relation thereon was effective 1 July 2004.

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

INTERIM FINANCIAL REPORT

Notes : - continued

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 year to date, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations except for the following :-

- (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, a subsidiary of the Company acquired 100% equity interest in Sentul Park Management Sdn.Bhd. for a cash consideration of RM2 ;
- (iii) On 17 July 2003, 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, for purchase consideration of S\$2.00;
- (v) On 4 June 2004 the Company acquired two (2) ordinary shares of RM1 each in Trends Rocks Sdn Bhd via its subsidiary, Batu Tiga Quarry Sdn Bhd, for a cash consideration of RM2.00. This acquisition resulted in Trends Rocks Sdn Bhd becoming a subsidiary of the Group;
- (vi) During the current financial year to date, YTL Cement repurchased a total of 4,661,000 shares from the open market for a total consideration of RM23,421,411 at an average cost of RM5.025. The repurchase of shares were financed by internally generated funds.
- (vii) During the current financial quarter, YTL Power repurchased a total of 34,345,200 ordinary shares of its issued share capital from the open market value for a total consideration of RM123,440,087 at an average cost of RM3.594 per share. During the current financial year to date, a total of 53,586,600 shares were repurchased from the open market for a total consideration of RM187,036,705. The repurchase of shares were financed by internally generated funds.
- (viii) During the current financial quarter, YTL L&D repurchased a total of 100 ordinary shares of its issued share capital from the open market value for a total consideration of RM238 at an average cost of RM2.381 per share. During the current financial year to date, a total of 109,200 shares were repurchased from the open market value for a total consideration of RM260,819. The repurchase of shares were financed by internally generated funds.

INTERIM FINANCIAL REPORT

Notes : - continued

- (ix) During the current financial year 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 year, The Company disposed 120,000,000 ordinary shares in YTL Power for a total consideration of RM348,000,000.
- (x) During the current financial quarter and for the year ended 30 June 2004, YTL Power issued a total of 13,461,013 and 17,583,044 ordinary shares of RM1 each pursuant to the conversion of 2.5%. Exchangeable Guaranteed Unsecured Bonds respectively.
- (xi) During the current financial year to date, 20 ordinary shares were issued pursuant to the exercise of warrants at an exercise price of RM2.91 per share in YTL Power.
- (xii) During the current financial quarter and for the year ended 30 June 2004, YTL Cement issued a total of 1,258,096 and 7,842,702 ordinary shares of RM1 each pursuant to the exercise of 1,258,096 and 7,842,702 1994/2004 warrants respectively.
- (xiii) During the current financial year to date, YTL Cement issued 36,800,000 new ordinary shares of RM1 to Perbadanan Setiausaha Kerajaan Pahang and Pasdec Corporation Sdn.Bhd. , 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.
- (xiv) During the current financial year to date, the share capital of YTL L&D has increased from RM155,247,445 to RM169,132,369 as a result of conversions of:-
 - (1) 54,014,750 Irredeemable Convertible Preference Shares (“ICPS-A”) of RM1 each issued at RM1 each into 13,849,924 new ordinary shares of RM1.00 each based on a conversion ratio of one (1) ordinary share of RM1 each for every RM3.90 of ICPS-A held; and
 - (2) 46,900 Irredeemable Convertible Preference Shares (“ICPS-B”) of RM1 each issued at RM1.00 each into 35,000 new ordinary shares of RM1 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 year 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 30 June 2004 was 167,672,698. There was no issuance of ICPS-B during the current financial year to date and total number of ICPS-B outstanding as at 30 June 2004 was 280,431,451.

INTERIM FINANCIAL REPORT

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 trade facility amounting to RM1.5 million and reduction of block discounting 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 30 June 2004, the Company has given corporate guarantees amounting to RM906.85million 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	5,292
Bank overdrafts	32,400	6,753
Letters of credit/trust receipts/bankers acceptances/ shipping guarantees	159,900	43,798
Revolving loans/advances	124,413	59,413
Suppliers credit facility	500	110
Bankers' guarantees :-		
Advance payment bonds/performance bonds, pre-bid bonds and other related guarantees	71,700	57,420
Commercial papers/medium term notes	500,000	430,000
	-----	-----
	<u>896,853</u>	<u>602,786</u>

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.

INTERIM FINANCIAL REPORT

Disclosure requirements per Bursa Malaysia Securities Berhad 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 RM1,098.3 million and RM260.2 million respectively, representing an increase of 0.04% and a decrease of 9.6% when compared to the previous corresponding quarter ended 30 June, 2003.

The Group's revenue and profit before taxation for the year ended 30 June, 2004 were recorded at RM4,394.5 million and RM1,158.6 million respectively, representing an increase of 9.13% and 37.98% when compared to the previous corresponding year ended 30 June, 2003.

The decrease in the Group's profit before taxation for the current financial quarter was mainly due to reduction in contribution from power generation business and investment income. The increase in the Group's profit before taxation for the year ended 30 June 2004 is due to better operating results of its subsidiaries.

B2. Comparison with Preceding Quarter

For the current financial quarter, the Group registered a higher profit before taxation of RM260.2million as compared to RM245.3million for the preceding financial quarter. The increase in the Group's profit before taxation in the current financial quarter was due mainly to better operating results of its foreign subsidiaries.

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 2005.

B4. Profit Forecast

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

INTERIM FINANCIAL REPORT

Notes : - continued

B5. Taxation

Taxation comprises the following: -

	Current Year	Preceding Year	Current year	Preceding Year
	Quarter	Corresponding	To Date	Corresponding
	30.6.2004	Quarter	30.6.2004	Period
	RM'000	30.6.2003	RM'000	30.6.2003
	RM'000	RM'000	RM'000	RM'000
Taxation based on profit for the period	38,796	(10,734)	217,079	150,855
Under/(Over) provision of tax	262	(64,140)	240	(118,111)
Deferred taxation	24,505	169,012	53,669	175,939
Share of tax in associated companies:				
- taxation for the period	(104)	291	2,798	703
- deferred taxation	-	-	(133,141)	-
	-----	-----	-----	-----
	<u>63,459</u>	<u>94,429</u>	<u>140,645</u>	<u>209,386</u>
	=====	=====	=====	=====

The provision for taxation of the Group for the current financial quarter reflects an effective tax rate lower than the Statutory Income Tax Rate due to income of foreign subsidiaries which is tax exempt. The provision for taxation of the Group for the current year 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 year ended 30 June, 2004 except for profit on sale of unquoted investments by YTL Power group amounted to RM0.218 million and RM1.218 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
	30.6.2004	30.6.2004
	RM'000	RM'000
Purchase	-	59
Sales	17	8,459
	=====	=====

INTERIM FINANCIAL REPORT

Notes : - continued

(b) Particulars of investment in quoted securities as at 30 June, 2004 :

	RM'000
- At cost	12,569
- At carrying value	12,569
- At market value	26,204
	<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.

On 11th June 2004, the SC has vide its letter dated 8 June 2004, approved the revision to the terms of approval for the Proposed Placement of up to 40,000,000 new ordinary shares of RM0.50 each, as opposed to up to 20,000,000 new ordinary shares of RM1.00 each as approved earlier.

Approval of shareholders was obtained on 8 June 2004. The Proposed Placement is now pending implementation.

(ii) On 24 May 2004, the Company had proposed a RM500million Commercial Paper Programme of up to seven years and a RM500million MTNs Programme of up to fifteen years from the date of first issuance ("Debt Programmes"). The proceeds from the Debt Programmes shall be utilized to refinance the Company's RM500million in nominal value 8.5% Five Year Redeemable Non-Guaranteed Unsecured Bonds and/or to part refinance the Company's other existing borrowings, to part finance capital expenditure and for working capital requirements.

(iii) On 31 May 2004, YTL Power announced that it entered into a Share Sale and Purchase Agreement with P.T. Bumipertiwi Tatapradipta ("PT Bumipertiwi") to acquire from PT Bumipertiwi a 35% equity and certain loan stock interests in P.T. Jawa Power , a company incorporated under the laws of the Republic of Indonesia, for a total purchase consideration of USD139.4 million (RM529.7 million, converted at the prevailing exchange rate of USD1.00 to RM3.80) ("Proposed Acquisition"). The Proposed Acquisition is currently pending completion of conditions precedent.

INTERIM FINANCIAL REPORT

Notes : - continued

- (iv) On 16 July 2004, YTL Cement entered into a conditional sale and purchase agreement (“S&P Agreement”) with Doosan Heavy Industries & Construction Co. Ltd of Korea to acquire 107,500,000 ordinary shares of RM1.00 each (Shares”) comprising 32.10 % stake in Perak-Hanjoong Simen Sdn. Bhd., a company incorporated under the laws of the Malaysia, for a total cash consideration of RM75,250,000 (“Proposed Acquisition”).

The Proposed Acquisition is conditional upon the receipt of approvals from:-

- Ministry of International Trade and Industry;
- shareholders of the Company for the purchase of the Sale Shares;
- the necessary approvals required by Doosan for the sale of the Sale Shares; and
- any other relevant authorities, if required

- (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 30 June 2004 are as follows :-

Borrowings

	RM'000
(i) Short term	
- Secured	1,327,237
- unsecured	271,366

	1,598,603

(ii) Long term	
- Secured	3,530,179
- unsecured	9,607,536

	13,137,715

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

In US Dollar ('000)	380,000
	=====
In Sterling Pound ('000)	1,194,769
	=====

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 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 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 = RM6.8719)	5,021,985
Average fixed interest rate	5.62%
Average period to maturity of the fixed rate borrowing (years)	0.98

All 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 of Directors is pleased to recommend for the approval of the shareholders a First and Final Dividend of 15% less 28 % tax for the year ended 30 June, 2004. The Book Closure and Payment Dates in respect of the aforesaid dividend will be determined by the Board at a later date.

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 30.6.2004	Preceding Year Corresponding Quarter 30.6.2003
Net profit for the period / Profit attributable to shareholders (RM'000)	120,925	108,596
<i>Weighted average number of ordinary shares ('000)</i>		
Issued at the beginning of the period	1,474,586	1,474,586
Shares repurchased	(49,463)	(24,373)
	1,425,123	1,450,213
Basic earnings per share (sen)	8.49	7.49

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 30.6.2004	Preceding Year Corresponding Quarter 30.6.2003
Net profit for the period / Profit attributable to shareholders (RM'000)	120,925	108,596
<i>Weighted average number of ordinary shares-diluted ('000)</i>		
Weighted average number of ordinary shares-basic	1,425,123	1,450,213
Effect of unexercised warrants	31,113	13,313
Effect of unexercised employees share option scheme	12,246	6,365
	=====	=====
	1,468,482	1,469,891
	=====	=====
*Diluted earnings per share (sen)	8.23	7.39
	=====	=====

** Total cash expected to be received in the event of an exercise of all outstanding warrants and ESOS options is RM2,006.652 million. Accordingly, the Net Tangible Asset (NTA) on a proforma basis will increase by RM2,006.652 million resulting in an increase in NTA per share of RM1.06. 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 : 26 August 2004