

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

**INTERIM FINANCIAL REPORT**

Interim financial report on consolidated results for the first quarter ended 30 September, 2004.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	INDIVIDUAL QUARTER PRECEDING YEAR		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.9.2004 RM'000	CORRESPONDING QUARTER 30.9.2003 RM'000	3 MONTHS ENDED 30.9.2004 RM'000	30.9.2003 RM'000
REVENUE	1,178,056	1,082,465	1,178,056	1,082,465
OPERATING EXPENSES	(705,583)	(676,666)	(705,583)	(676,666)
OTHER OPERATING INCOME	22,051	122,631	22,051	122,631
PROFIT FROM OPERATIONS	494,524	528,430	494,524	528,430
FINANCE COSTS	(181,116)	(162,258)	(181,116)	(162,258)
SHARE OF (LOSSES)/PROFITS OF ASSOCIATED COMPANIES	(609)	8,066	(609)	8,066
PROFIT BEFORE TAXATION	312,799	374,238	312,799	374,238
TAXATION	(65,049)	(65,916)	(65,049)	(65,916)
PROFIT AFTER TAXATION	247,750	308,322	247,750	308,322
MINORITY INTERESTS	(86,415)	(71,927)	(86,415)	(71,927)
NET PROFIT FOR THE PERIOD	161,335	236,395	161,335	236,395
<b>EARNINGS PER SHARE</b>				
Basic (Sen)	11.55	16.30	11.55	16.30
Diluted (Sen)	11.21	15.87	11.21	15.87

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2004

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

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**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b>UNAUDITED AS AT 30.9.2004 RM'000</b>	<b>AUDITED AS AT 30.6.2004 RM'000</b>
PROPERTY, PLANT & EQUIPMENT	15,099,947	15,051,570
INVESTMENT PROPERTIES	537,529	535,112
INVESTMENT IN SUBSIDIARIES	196,870	196,870
INVESTMENT IN ASSOCIATED COMPANIES	320,100	321,180
QUOTED INVESTMENTS	12,555	12,523
UNQUOTED INVESTMENTS	433,601	433,601
DEVELOPMENT EXPENDITURE	638,556	617,862
CAPITAL WORK-IN-PROGRESS	4,960	4,960
GOODWILL ON CONSOLIDATION	664,069	685,500
<b>CURRENT ASSETS</b>		
Inventories	211,489	235,380
Property development projects	208,862	206,000
Trade & other receivables	2,245,758	2,194,514
Tax recoverable	81,642	72,198
Inter-company balances	27,565	29,488
Short term investments	46,079	66,805
Fixed deposits	5,633,817	5,828,241
Cash & bank balances	31,416	54,205
	8,486,628	8,686,831

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2004

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

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>AS AT</b>
	<b>30.9.2004</b>	<b>30.6.2004</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>LESS : CURRENT LIABILITIES</b>		
Trade & other payables	1,171,401	1,164,268
Inter-company balances	139	738
Short term borrowings	1,008,974	1,252,414
Provision for taxation	166,799	157,656
Provision for liabilities & charges	34,549	28,708
	-----	-----
	2,381,862	2,603,784
	-----	-----
NET CURRENT ASSETS	6,104,766	6,083,047
	-----	-----
	<u>24,012,953</u>	<u>23,942,225</u>
	=====	=====

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2004

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

	<b>UNAUDITED AS AT 30.9.2004 RM'000</b>	<b>AUDITED AS AT 30.6.2004 RM'000</b>
FINANCED BY : -		
SHARE CAPITAL	737,293	737,293
RESERVES		
Share premium	549,075	549,075
Capital reserve	60,959	60,959
Reserve on consolidation	346	346
Exchange differences reserve	121,026	83,907
Retained profits	4,419,483	4,258,148
Less : Treasury shares, at cost	(393,890)	(308,637)
SHAREHOLDERS' FUNDS	----- 5,494,292	----- 5,381,091
MINORITY INTERESTS	2,136,229	2,037,863
LONG TERM BORROWINGS	13,350,250	13,483,908
OTHER LONG TERM LIABILITIES	97,250	97,403
PROVISION FOR LIABILITIES	396,211	393,073
DEFERRED INCOME	142,744	145,320
DEFERRED TAXATION	2,395,977	2,403,567
	----- 24,012,953 =====	----- 23,942,225 =====
Net Tangible Assets Per 50 sen share (Sen)	----- 347.65 =====	----- 333.60 =====

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2004

**YTL CORPORATION BERHAD (Company No. 92647-H)**

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2004**

<b>Group</b>	<b>Share capital RM'000</b>	<b>Share premium RM'000</b>	<b>Capital reserve RM'000</b>	<b>Reserve on consolidation RM'000</b>	<b>Translation reserve RM'000</b>	<b>Retained profits RM'000</b>	<b>Treasury shares RM'000</b>	<b>Total RM'000</b>
Balance at 1.7.2004	737,293	549,075	60,959	346	83,907	4,258,148	(308,637)	5,381,091
<i>Currency translation differences</i>	-	-	-	-	37,119	-	-	37,119
Net gains not recognised in the income statement	-	-	-	-	37,119	-	-	37,119
Net profit for the period	-	-	-	-	-	161,335	-	161,335
Treasury shares	-	-	-	-	-	-	(85,253)	(85,253)
Balance at 30.9.2004	<u>737,293</u>	<u>549,075</u>	<u>60,959</u>	<u>346</u>	<u>121,026</u>	<u>4,419,483</u>	<u>(393,890)</u>	<u>5,494,292</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, 2004

**YTL CORPORATION BERHAD (Company No. 92647-H)**

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2004**

<b>Group</b>	<b>Share capital RM'000</b>	<b>Share premium RM'000</b>	<b>Capital reserve RM'000</b>	<b>Reserve on consolidation RM'000</b>	<b>Translation reserve RM'000</b>	<b>Retained profits RM'000</b>	<b>Treasury shares RM'000</b>	<b>Total RM'000</b>
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>	-	-	-	-	31,935	-	-	31,935
Net gains not recognised in the income statement	-	-	-	-	31,935	-	-	31,935
Net profit for the period	-	-	-	-	-	236,395	-	236,395
Excess of consideration for shares subscribed in a new subsidiary over net tangible asset required	-	-	-	-	-	(34)	-	(34)
Transfer to capital reserve	-	-	347	-	-	-	-	347
Treasury shares	-	-	-	-	-	-	(1,783)	(1,783)
Balance at 30.9.2003	<u>737,293</u>	<u>549,073</u>	<u>61,306</u>	<u>346</u>	<u>95,125</u>	<u>3,955,563</u>	<u>(117,799)</u>	<u>5,280,907</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, 2004

**YTL CORPORATION BERHAD (Company No. 92647-H)**  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2004**

	<b>3 MONTHS ENDED</b>	
	<b>30.9.2004</b>	<b>30.9.2003</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash from operating activities	727,676	252,857
	-----	-----
Net cash from (used in) investing activities	(2,180,165)	36,302
	-----	-----
Net cash from financing activities	1,280,684	478,247
	-----	-----
Net changes in cash and cash equivalents	(171,805)	767,406
Cash and cash equivalents brought forward	5,822,815	5,490,866
	-----	-----
Cash and cash equivalents carried forward	5,651,010	6,258,272
	=====	=====

Cash and cash equivalents comprise :

	<b>RM'000</b>	<b>RM'000</b>
Fixed Deposits	5,633,817	6,268,026
Cash & bank balances	31,416	40,648
Bank overdrafts	(14,223)	(50,402)
	-----	-----
	5,651,010	6,258,272
	=====	=====

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2004

**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, 2004.

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 2004.

**A2. Audit Report of the preceding financial year ended 30 June 2004**

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 18,564,400 ordinary shares of its issued share capital from the open market for a total consideration of RM85.253 million at an average cost of RM4.592 per share during the current financial quarter. 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, YTL Power International Berhad (“YTL Power”) issued a total of 78,937,513 ordinary shares of RM0.50 each pursuant to the conversion of 2.5%. Exchangeable Guaranteed Unsecured Bonds respectively.
- ( iii ) Repayment of RM400 million Medium Term Loan (MTN”) on 16 July 2004 and re-issued RM100 million MTN on 23 August 2004 with a maturity date falling on 24 August 2005 by YTL Power Generation Sdn. Bhd. (“YTLPG”), a wholly owned subsidiary of YTL Power during the current financial quarter.

The outstanding debts are as disclosed in note B9.

**A6. Dividend paid**

There was no dividend paid during the financial quarter ended 30 September 2004.

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**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 first quarter ended 30 September 2004 is as follows:-

	Construction RM'000	Information technology & e-commerce related business RM'000	Cement Manufacturing & trading RM'000	Property investment & development RM'000	Management services & others RM'000	Hotels RM'000	Utilities RM'000	Total RM'000
<b>Revenue</b>	18,613	6,248	168,003	54,233	50,591	32,356	848,012	1,178,056
<b>Results</b>								
Profit from Operations	4,941	3,077	44,166	20,874	86,980	2,027	332,459	494,524
Finance costs								(181,116)
Share of losses of associated companies								(609)
Profit before taxation								312,799
Taxation								(65,049)
Profit after taxation								247,750
Minority interests								(86,415)
Net profit for the period								161,335

**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 first quarter ended 30 September 2003 is as follows:-

	Construction RM'000	Information technology & e-commerce related business RM'000	Cement Manufacturing & trading RM'000	Property investment & development RM'000	Management services & others RM'000	Hotels RM'000	Utilities RM'000	Total RM'000
<b>Revenue</b>	42,230	6,903	141,119	34,176	50,886	28,409	778,742	1,082,465
<b>Results</b>								
Profit from Operations	2,703	3,419	23,047	15,908	47,851	1,280	322,206	416,414
Finance costs								(162,258)
Gain on disposal of quoted investments								112,016
Share of profits of associated companies								8,066
Profit before taxation								374,238
Taxation								(65,916)
Profit after taxation								308,322
Minority interests								(71,927)
Net profit for the period								236,395

**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 other material events subsequent to the end of the current financial quarter.

**A10. 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 following :-

- (i) Share subdivision by YTL Land & Development Berhad (“YTL L&D”), a subsidiary of the Company into the followings:-
  - (i) subdivision of 169,116,369 ordinary share of RM1.00 each into 338,232,738 ordinary shares of RM0.50 each;
  - (ii) subdivision of 167,672,698 irredeemable convertible preference shares ("ICPS-A") of RM1.00 each into 335,345,396 ICPS-A of RM0.50 each; and
  - (iii) subdivision of 280,431,451 ICPS-B of RM1.00 each into 560,862,902 ICPS-B of RM0.50 each effective on 1 July 2004 was completed with the listing of the new ordinary shares of RM0.50 each on the Main Board of Bursa Securities Malaysia Berhad on 12 July 2004.
- (ii) Share subdivision by YTL Power, a subsidiary of the Company from 2,306,254,911 ordinary shares of RM1 each into 4,612,509,822 ordinary shares of RM0.50 each which was effective 1 July 2004 was completed with the listing of the new ordinary shares of RM0.50 each on the Main Board of Bursa Securities Malaysia Berhad on 12 July 2004.

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**INTERIM FINANCIAL REPORT**

**Notes : - continued**

- ( iii ) Share subdivision by YTL E-Solutions Berhad (“YTL E-Solutions”), a subsidiary of the Company from 135,000,000 ordinary shares of RM1.00 each into 1,350,000,000 ordinary shares of RM0.10 each which was effective 1 July 2004 was completed with the listing and quotation of the new shares on the MESDAQ market.
- ( iv ) Share subdivision by YTL Cement Berhad (“YTL Cement”), a subsidiary of the Company from 191,634,148 ordinary shares of RM1.00 each into 383,268,296 ordinary shares of RM0.50 each which was effective 1 July 2004 was completed with the listing of the new ordinary shares of RM0.50 each on the Main Board of Bursa Securities Malaysia Berhad on 12 July 2004.
- ( v ) During the current financial quarter, YTL Power repurchased a total of 17,026,100 ordinary shares of its issued share capital from the open market value for a total consideration of RM29,985,781 at an average cost of RM1.761 per share. The repurchase of shares were financed by internally generated funds.
- ( vi ) During the current financial quarter, YTL Power issued a total of 78,937,513 ordinary shares of RM0.50 each pursuant to the conversion of 2.5% Exchangeable Guaranteed Unsecured Bonds respectively.
- ( vii ) During the current financial quarter, 48,858 ordinary shares were issued pursuant to the exercise of warrants at an exercise price of RM1.45 per share in YTL Power.
- ( viii ) During the current financial quarter, YTL Cement issued a total of 2,694,136 ordinary shares of RM0.50 each pursuant to the exercise of 2,694,136 1994/2004 warrants.
- ( ix ) During the current financial quarter, the share capital of YTL L&D has increased from RM169,116,369 to RM169,383,369 as a result of conversions of 2,082,600 Irredeemable Convertible Preference Shares (“ICPS-A”) of RM0.50 each into 534,000 new ordinary shares of RM0.50 each based on a conversion ratio of one (1) ordinary share of RM0.50 each for every RM3.90 of ICPS-A held, and the total number of ICPS-A and Irredeemable Convertible Preference Shares (“ICPS-B”) outstanding as at 30 September 2004 was 333,387,596 and 560,862,902 respectively.
- ( x ) On 30 August 2004, YTL Power, a subsidiary of the Company acquired 100% equity interest in Dockdale Investments Limited (now known as YTL Jawa Power Holdings Limited), Worplan Investments Limited (now known as YTL Jawa O&M Holdings Limited), YTL Jawa Power B.V., YTL Jawa Power Services B.V., YTL Jawa O & M Holdings B.V. for a cash consideration of CYP1,000, CYP1,000, EUR18,000, EUR18,000 and EUR18,000 respectively.

**INTERIM FINANCIAL REPORT**

**Notes : - continued**

- (xi) On 6 October 2004, the Company acquired 824,998 ordinary shares of RM1.00 each in Sentul Park Koi Centre Sdn. Bhd. (“SPKC”) via its subsidiary, Autodome Sdn. Bhd. for a cash consideration of RM824,998. This acquisition resulted in SPKC becoming a subsidiary of the Group.
- (xii) On 17 November 2004, YTL Power, a subsidiary of the Company acquired 100% equity interest in YTL Utilities Finance 2 Limited (Formerly known as YTL Jawa Power Holdings Ltd.) via its subsidiary, YTL Utilities Limited, for a purchase consideration of US\$50,000.

**A11. Changes in Contingent Liabilities or Contingent Assets**

Since the last annual balance sheet as at 30 June 2004, there were no changes in the contingent liabilities of the Group except for the reduction of trade facilities amounting to RM20 million, reduction of revolving credit facility amounting to RM60 million; and reduction of supplier credit facility of RM0.5 million for the subsidiaries of the Company.

As at 30 September 2004, the Company has given corporate guarantees amounting to RM826.35 million to financial institutions for facilities granted by the financial institutions to its subsidiaries as follows :-

	<b>Total Amount Guaranteed RM’000</b>	<b>Amount Utilised RM’000</b>
Block discounting / hire purchase facility	7,940	5,292
Bank overdrafts	32,400	12,920
Letters of credit/trust receipts/bankers acceptances/ shipping guarantees	149,900	53,066
Revolving loans/advances	64,413	49,413
Suppliers credit facility		
Bankers’ guarantees :-		
Advance payment bonds/performance bonds, pre-bid bonds and other related guarantees	71,700	57,322
Commercial papers/medium term notes	500,000	430,000
	-----	-----
	826,353	608,013
	=====	=====

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 RM1,178.0 million and RM312.8 million respectively, representing an increase of 8.8% and a decrease of 16.4% respectively when compared to the previous corresponding quarter ended 30 September, 2003. Included in the profit before taxation in the previous corresponding quarter ended 30 September 2003 was an exceptional gain on disposal of quoted investments of RM112.016 million.

In line with the increased revenue, the Group's operating profit improved from RM 416.4 million in the corresponding quarter ended 30 September 2003 to RM 494.5 million in the current financial quarter ended 30 September 2004 representing an increase of 18.8%. Net profit of RM161.335 million recorded in the current financial quarter as compared to the corresponding quarter ended 30 September 2003 of RM124.379 million (excluding the gain on disposal of quoted investments of RM112.016 million) improved by 29.7%.

**B2. Comparison with Preceding Quarter**

For the current financial quarter, the Group registered a higher profit before taxation of RM312.8 million as compared to RM260.2 million for the preceding financial quarter representing an increase of 20.2%.

The increase in the Group's profit before taxation in the current financial quarter was due mainly to better operating results of its manufacturing activities and other income. The utilities business has also contributed to the increase in the Group's profit before taxation.

**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: -

	<b>Current Year</b>	<b>Preceding Year</b>	<b>Current year</b>	<b>Preceding Year</b>
	<b>Quarter</b>	<b>Corresponding Quarter</b>	<b>To Date</b>	<b>Corresponding Period</b>
	<b>30.9.2004</b>	<b>30.9.2003</b>	<b>30.9.2004</b>	<b>30.9.2003</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Taxation based on profit for the period	63,600	52,447	63,600	52,447
Over provision in prior Year	(10,292)	-	(10,292)	-
Deferred taxation	11,652	13,315	11,652	13,315
Share of tax in associated companies:				
- taxation for the period	89	154	89	154
	-----	-----	-----	-----
	<u>65,049</u>	<u>65,916</u>	<u>65,049</u>	<u>65,916</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 and the availability of reinvestment allowances for some of its local subsidiaries. Tax losses brought forward and over provision for taxation in prior year have also reduced taxation of the Group for the current financial quarter.

**B6. Sales of Unquoted Investment and /or Properties**

There was no sale of unquoted investments or properties during current financial quarter.

**B7. Quoted Securities**

(a) There is no purchases or sales of quoted investment during the current financial quarter.

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

	RM'000
- At cost	12,555
- At carrying value	12,555
- At market value	28,336
	=====

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**Notes : - continued**

**B8. Corporate Developments**

( a ) As at the date of this announcement, there are no corporate proposals 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 ("SC") was received vide its letter dated 25 February 2004.

On 11<sup>th</sup> 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 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 ("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.

( iii ) On 16 July 2004, YTL Cement entered into a conditional sale and purchase agreement ("S&P Agreement") with Doosan Heavy Industries & Construction Co. Ltd ("Doosan") of Korea to acquire 107,500,000 ordinary shares of RM1.00 each representing a 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 Doosan Acquisition").

The Ministry of International Trade and Industry had vide its letters dated 16 September 2004 and 4 October 2004 approved the Proposed Doosan Acquisition. The Proposed acquisition is now pending approval of the shareholders of YTL Cement at an extraordinary general meeting to be convened.

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**Notes : - continued**

On 5 November 2004, YTL Cement has also entered into a sale and purchase agreement (“SPA”) with Danaharta Managers Sdn. Bhd., as security agent and trustee for and on behalf of Danaharta Managers (L) Ltd., to acquire 109,658,000 shares representing 32.74% of the issued and paid-up share capital of Perak-Hanjoong for a cash consideration of RM109,658,000 (“Proposed Danaharta Acquisition”).

The Proposed Danaharta Acquisition is still subject to the approval by Ministry of International Trade and Industry and the shareholders of YTL Cement at an extraordinary general meeting to be convened.

The Proposed Doosan Acquisition and Proposed Danaharta Acquisition (collectively referred to as “Proposed Acquisitions”) are not inter-conditional upon each other and are subject to the terms and conditions of the respective sale and purchase agreements

Upon completion of the Proposed Acquisitions, YTL Cement will hold a 64.84% equity interest in Perak-Hanjoong. Pursuant to Part II of the Code, YTL Cement will be obliged to undertake a mandatory take-over offer to acquire the remaining 117,742,000 shares (“Remaining Shares”) of in Perak-Hanjoong it does not already own. The Mandatory Offer will be unconditional.

The consideration for the mandatory take-over offer will be in the form of cash at the offer price of RM1.00 per Remaining Share. Based on the offer price of RM1.00 per share under the Proposed Danaharta Acquisition, the total consideration for the Remaining Shares pursuant to the Mandatory Offer will be RM117,742,000.

The offer price will be subject to the requirements of Section 20 of Part V of the Code which, *inter alia*, states that the offer price shall not be less than the highest price paid or agreed to be paid by YTL Cement for the shares of Perak-Hanjoong within six months prior to the beginning of the offer period and during the offer period.

- (iv) On 3 November 2004, YTL E-Solutions announced the proposal for restructuring and listing of YTL Info Screen Sdn. Bhd. (“YTLIS”), a wholly owned subsidiary, via a company to be incorporated in the United Kingdom (“Newco”) on the Alternative Investment Market (AIM) of the London Stock Exchange (“LSE”). The Proposed Restructuring and Listing will involve, amongst others, the incorporation of Newco in the UK to be owned by the Company. Newco proposes to acquire the entire equity interest of YTLIS from the Company through the issue of new ordinary shares in Newco to the Company at an issue price to be determined.

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**Notes : - continued**

Newco shall subsequently seek the admission of and the listing of and quotation for its entire issued and paid-up share capital on the AIM of the LSE. Newco will principally be engaged in the business of creating, providing and advertising content, media, web media, and up-to-date information via electronic media in the UK and Europe. Further details of the Proposed Restructuring and Listing will be announced at a later date.

( 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.

**B9. Group Borrowings and Debt Securities**

Particulars of the Group's borrowings and debts securities as at 30 September 2004 are as follows :-

Borrowings

	<b>RM'000</b>
( i ) Short term	
- Secured	829,395
- unsecured	179,579
	-----
	1,008,974
	-----
( ii ) Long term	
- Secured	4,063,435
- unsecured	9,286,815
	-----
	13,350,250
	-----

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**Notes : - continued**

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

In US Dollar ( '000 )	332,775
In Sterling Pound ( '000 )	1,204,266

**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”.

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 = RM6.8347)	4,994,799
Average fixed interest rate	5.62%
Average period to maturity of the fixed rate borrowing (years)	0.73

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

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**Notes : - continued**

**B11. Dividend paid**

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

**B12. Material litigation**

There are claims made by third parties against YTL L&D, a subsidiary of the Company via its subsidiary, Sentul Raya Sdn Bhd but the Directors of the Company are of the opinion that the claims will not materially affect the future position or business of the Group.

**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 :-

	<b>Current Quarter 30.9.2004</b>	<b>Preceding Year Corresponding Quarter 30.9.2003</b>
Net profit for the period / Profit attributable to shareholders ( RM'000)	161,335 =====	236,395 =====
<i>Weighted average number of ordinary shares ('000)</i>		
Issued at the beginning of the period	1,474,587	1,450,212
Shares repurchased	(78,141)	-
	----- 1,396,446 =====	----- 1,450,212 =====
Basic earnings per share (sen)	11.55 =====	16.30 =====

**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 :-

	<b>Current Quarter 30.9.2004</b>	<b>Preceding Year Corresponding Quarter 30.9.2003</b>
Net profit for the period / Profit attributable to shareholders (RM'000)	161,335 =====	236,395 =====
<i>Weighted average number of ordinary shares-diluted ('000)</i>		
Weighted average number of ordinary shares-basic	1,396,446	1,450,212
Effect of unexercised warrants	30,209	27,891
Effect of unexercised employees share option scheme	11,940 -----	11,336 -----
	1,438,595 =====	1,489,439 =====
*Diluted earnings per share (sen)	11.21 =====	15.87 =====

\* Total cash expected to be received in the event of an exercise of all outstanding warrants and ESOS options is RM2,005.652 million. Accordingly, the Net Tangible Asset (NTA) on a proforma basis will increase by RM2,005.652 million resulting in an increase in NTA per share of RM1.07. 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 November 2004