

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

**INTERIM FINANCIAL REPORT**

Interim financial report on consolidated results for the period ended 31 March 2007.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.3.2007 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.3.2006 (Restated) RM'000	9 MONTHS ENDED	
			31.3.2007 RM'000	31.3.2006 (Restated) RM'000
<b>REVENUE</b>	1,477,645	1,318,844	4,285,733	3,963,730
COST OF SALES	(891,902)	(711,523)	(2,506,676)	(2,195,106)
<b>GROSS PROFIT</b>	585,743	607,321	1,779,057	1,768,624
OTHER OPERATING EXPENSES	(129,522)	(169,506)	(357,742)	(373,803)
OTHER OPERATING INCOME	84,563	52,007	147,807	195,246
<b>PROFIT FROM OPERATIONS</b>	540,784	489,822	1,569,122	1,590,067
FINANCE COSTS	(224,363)	(186,631)	(615,842)	(594,050)
SHARE OF (LOSSES)/PROFITS OF ASSOCIATED COMPANIES	50,354	65,306	138,130	150,117
<b>PROFIT BEFORE TAXATION</b>	366,775	368,497	1,091,410	1,146,134
TAXATION	(106,660)	(74,445)	(277,622)	(248,622)
<b>PROFIT FOR THE PERIOD</b>	260,115	294,052	813,788	897,512
<b>ATTRIBUTABLE TO:</b>				
SHAREHOLDERS	95,883	169,193	402,991	561,484
MINORITY INTERESTS	164,232	124,859	410,797	336,028
<b>PROFIT FOR THE PERIOD</b>	260,115	294,052	813,788	897,512
<b>EARNINGS PER 50 SEN SHARE</b>				
Basic (Sen)	6.38	11.74	27.00	38.94
Diluted (Sen)	5.82	10.97	25.33	36.16

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2006.

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

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>AS AT</b>
	<b>31.3.2007</b>	<b>30.6.2006</b>
		<b>(Restated)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant & Equipment	16,603,394	16,321,373
Investment Properties	1,475,537	1,358,565
Investment In Subsidiaries	181,704	181,704
Investment In Associated Companies	1,303,735	1,291,228
Quoted Investments	15,269	16,919
Unquoted Investments	585,585	588,211
Development Expenditure	757,492	653,699
Goodwill on Consolidation	830,401	848,159
	<u>21,753,117</u>	<u>21,259,858</u>
<b>Current Assets</b>		
Inventories	345,858	333,558
Property development projects	181,477	223,105
Trade & other receivables	1,941,106	2,214,165
Tax recoverable	160,773	70,924
Inter-company balances	26,234	20,803
Short term investments	44,158	70,585
Fixed deposits	8,474,221	6,125,084
Cash & bank balances	97,758	70,103
	<u>11,271,585</u>	<u>9,128,327</u>
<b>TOTAL ASSETS</b>	<u>33,024,702</u>	<u>30,388,185</u>

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2006

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

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**CONDENSED CONSOLIDATED BALANCE SHEETS - continued**

	<b>UNAUDITED AS AT 31.3.2007 RM'000</b>	<b>AUDITED AS AT 30.6.2006 (Restated) RM'000</b>
<b>EQUITY</b>		
Share Capital	817,070	782,355
Share premium	572,969	389,756
Capital reserve	104,201	102,529
Statutory reserve	22,078	26,009
Exchange differences reserve	(103,687)	9,041
Other reserves	77,040	60,253
Retained profits	6,170,373	5,857,463
Less : Treasury shares, at cost	(814,752)	(668,269)
<b>Total Equity Attributable to Shareholders of the Company</b>	<b>6,845,292</b>	<b>6,559,137</b>
<b>Minority Interests</b>	<b>3,607,347</b>	<b>3,666,565</b>
<b>TOTAL EQUITY</b>	<b>10,452,639</b>	<b>10,225,702</b>
<b>LIABILITIES</b>		
<b>Non-current Liabilities</b>		
Long Term Borrowings	15,272,394	13,168,236
Other Long Term Liabilities	463,257	494,592
Deferred Income	146,078	147,203
Deferred Taxation	2,549,574	2,450,333
	<b>18,431,303</b>	<b>16,260,364</b>
<b>Current Liabilities</b>		
Trade & other payables	1,462,859	1,284,115
Inter-company balances	5,188	5,832
Short term borrowings	2,454,390	2,415,813
Provision for taxation	187,963	146,931
Provision for liabilities & charges	30,360	49,428
	<b>4,140,760</b>	<b>3,902,119</b>
<b>TOTAL LIABILITIES</b>	<b>22,572,063</b>	<b>20,162,483</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>33,024,702</b>	<b>30,388,185</b>
Net Assets per 50 sen share (Sen)	<b>456.84</b>	<b>462.40</b>

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2006

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 31 MARCH 2007**

Group	Attributable to Shareholders of the Company								Total RM'000	Minority interests RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Statutory reserve RM'000	Translation reserve RM'000	Retained profits RM'000	Treasury shares RM'000	Other reserves RM'000			
Balance at 1.7.2006											
- as previously reported	782,355	389,756	102,529	26,009	9,041	6,113,825	(668,269)	94,211	6,849,457	2,945,802	9,795,259
- prior years adjustments	-	-	-	-	-	(256,361)	-	(33,958)	(290,319)	720,763	430,444
- as restated	782,355	389,756	102,529	26,009	9,041	5,857,464	(668,269)	60,253	6,559,138	3,666,565	10,225,703
Currency translation differences	-	-	1,672	(3,931)	(112,728)	-	-	-	(114,987)	66,730	(48,257)
Loss recognised on deemed dilution of interest in subsidiaries	-	-	-	-	-	(32,698)	-	-	(32,698)	-	(32,698)
Acquisition of subsidiary	-	-	-	-	-	40	-	-	40	-	40
Income and expenses recognised directly in equity	-	-	1,672	(3,931)	(112,728)	(32,658)	-	-	(147,645)	66,730	(80,915)
Net profit for the period	-	-	-	-	-	402,991	-	-	402,991	410,797	813,788
Total recognised income and expenses for the period	-	-	1,672	(3,931)	(112,728)	370,333	-	-	255,346	477,527	732,873
Reserve on consolidation	-	-	-	-	-	-	-	(710)	(710)	-	(710)
Treasury shares	(16,500)	-	-	-	-	-	(146,483)	-	(162,983)	-	(162,983)
Share-based payment	-	-	-	-	-	-	-	17,497	17,497	-	17,497
Issue of share capital	51,215	183,213	-	-	-	-	-	-	234,428	-	234,428
Dividend paid	-	-	-	-	-	(164,006)	-	-	(164,006)	-	(164,006)
Realisation of post-acquisition profits	-	-	-	-	-	106,582	-	-	106,582	-	106,582
Changes in composition of the Group	-	-	-	-	-	-	-	-	-	(536,745)	(536,745)
Balance at 31.3.2007	817,070	572,969	104,201	22,078	(103,687)	6,170,373	(814,752)	77,040	6,845,292	3,607,347	10,452,639

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2006

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 31 MARCH 2006**

Group	Attributable to Shareholders of the Company								Total RM'000	Minority interests RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Statutory reserve RM'000	Translation reserve RM'000	Retained profits RM'000	Treasury shares RM'000	Other reserves RM'000			
Balance at 1.7.2005											
- as previously reported	762,966	290,759	102,295	10,246	55,762	4,834,603	(542,103)	69,842	5,584,370	2,575,720	8,160,090
- prior years adjustments	-	-	-	-	-	(21,983)	-	-	(21,983)	(18,556)	(40,539)
- as restated	762,966	290,759	102,295	10,246	55,762	4,812,620	(542,103)	69,842	5,562,387	2,557,164	8,119,551
Currency translation differences	-	-	-	-	(81,248)	-	-	-	(81,248)	(31,109)	(112,357)
Gains recognized on deemed dilution of interest in subsidiaries	-	-	-	-	-	72,042	-	-	72,042	-	72,042
Income and expenses recognised directly in equity	-	-	-	-	(81,248)	72,042	-	-	(9,206)	(31,109)	(40,315)
Net profit for the period	-	-	-	-	-	561,484	-	-	561,484	336,028	897,512
Total recognised income and expenses for the period	-	-	-	-	(81,248)	633,526	-	-	552,278	304,919	857,197
Reserve on consolidation	-	-	-	-	-	-	-	44,832	44,832	-	44,832
Treasury shares	-	-	-	-	-	-	(107,013)	-	(107,013)	-	(107,013)
Bonus issue	-	-	-	-	-	(331)	-	-	(331)	-	-
Dividend paid	-	-	-	-	-	(77,921)	-	-	(77,921)	-	-
Issue of share capital	19,370	98,898	-	-	-	-	-	-	118,268	-	118,268
Changes in composition of the Group	-	-	-	-	-	-	-	-	-	42,899	42,899
Balance at 31.3.2006	782,336	389,657	102,295	10,246	(25,486)	5,367,894	(649,116)	114,674	6,092,500	2,904,982	9,075,734

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2005

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

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 31 MARCH 2007**

	<b>FOR THE 9 MONTHS ENDED</b>	
	<b>31.3.2007</b>	<b>31.3.2006</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash from operating activities	530,281	625,004
Net cash (used in) from investing activities	231,671	762,902
Net cash (used in) from financing activities	1,775,507	(746,239)
Net changes in cash and cash equivalents	2,537,459	641,667
Cash and cash equivalents brought forward	6,029,586	5,641,793
Cash and cash equivalents carried forward	<u>8,567,045</u>	<u>6,283,460</u>

Cash and cash equivalents comprise:

	<b>RM'000</b>	<b>RM'000</b>
Fixed deposits	8,474,221	6,147,619
Cash and bank balances	97,758	139,445
Bank overdraft	(4,934)	(3,604)
	<u>8,567,045</u>	<u>6,283,460</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2006

## **INTERIM FINANCIAL REPORT**

### **Notes:-**

#### **Disclosure requirements per FRS 134 (formerly known as MASB 26) – paragraph 16**

The Condensed Financial Statements should be read in conjunction with the audited annual financial statements of the Group for the year ended 30 June 2006.

#### **A1. Accounting Policies and methods of computation**

The interim financial report is unaudited and has been prepared in accordance with FRS134<sub>2004</sub> “Interim Financial Reporting” (formerly known as MASB 26) and Chapter 9, part K of the Listing Requirements of Bursa Malaysia Securities Berhad, except for the adoption of the following new/revised Financial Reporting Standards (FRS) effective 1 July 2006 as disclosed below:-

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events After the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of FRS 5, 102, 108, 110, 116, 121, 127, 128, 131, 132, 133, 136, and 140 does not have significant financial impact on the Group.

- (i) The principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRSs are discussed below:-

#### **a) FRS 2: Share-based Payment**

This FRS requires the entity to recognise share-based payment transactions in its financial statements, including transactions with employees or other parties to be settled in cash, other assets, or equity instruments of the entity or entity’s parent or another entity in the Group as the entity.

The Group operates share-based compensation plan for eligible employees, its subsidiaries and certain of its associates, namely employees’ share option scheme (ESOS) in relation to the shares of YTL Corporation Berhad (YTL Corp), YTL Cement Berhad (YTL Cement) and YTL Power International Berhad (YTL Power).

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A1. Accounting Policies and methods of computation - continued**

Prior to 1 January 2006, no compensation expense was recognised in profit or loss for share options granted. With the adoption of FRS 2, the compensation expense relating to share options is recognised in profit or loss over the vesting period of the grants with a corresponding increase in equity.

For the current period under review, the application of FRS 2 has resulted in a charge of approximately RM17.497 million to the income statement of the Group arising from the ESOS granted to employees of the Group.

**b) FRS 3: Business Combinations**

The adoption of the revised FRS 3 will result in excess of the Group's interest in the net fair value of acquirees' identifiable assets, liabilities and contingent liabilities over cost of acquisitions (previously referred to as "negative goodwill arising from acquisition"), after reassessment, being recognised immediately in profit/loss.

In accordance with the transitional provisions of FRS 3, the negative goodwill from acquisition of RM33.96 million as at 1 July 2006, which was previously set off against goodwill or recognised as reserves on consolidation by the Group, has been transferred to the retained earnings.

**c) FRS 101: Presentation of Financial Statements**

The adoption of the revised FRS 101 has affected the presentation of minority interests, share of net after-tax results of associates and other disclosures in the consolidated income statement.

In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, the total income and expenses for the period, showing separately the amounts attributable to the equity holders of the parent and to minority interest.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform to the current period's presentation.

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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A1. Accounting Policies and methods of computation – continued**

**d) FRS 140: Investment Property**

The adoption of this new FRS has resulted in a change in accounting policy for investment properties. Investment properties are now stated at fair value, representing open-market value. Gains or losses arising from changes in the fair values of investment properties are recognised in profit/loss in the period in which they arise. Prior to 1 July 2006, investment properties were stated at cost less allowance for any diminution in value other than temporary. Investment properties are not subject to depreciation.

- (ii) The summary of the financial effects of changes in accounting policies as a result of the adoption of the new/revised FRSs to the previous period/year's comparatives are as follows:-

**a) Condensed Consolidated Balance Sheet as at 30 June 2006**

<b>RM'000</b>	<b>As previously stated</b>	<b>Adjustments</b>		<b>As restated</b>
		<b>FRS 3</b>	<b>FRS 140</b>	
PPE	16,321,373	-	-	16,321,373
Investment properties	208,565	1,150,000	-	1,358,565
Investment In Associated Companies	1,300,133	(8,905)	-	1,291,228
Quoted investments	626,164	(609,245)	-	16,919
Goodwill on Consolidation	837,515	10,644	-	848,159
Trade & other receivables	2,212,189	1,976	-	2,214,165
Fixed deposits	6,027,167	97,917	-	6,125,084
Cash & bank balances	70,029	74	-	70,103
Other assets	2,142,589	-	-	2,142,589
<b>Total Assets</b>	<b>29,745,724</b>	<b>642,461</b>	<b>-</b>	<b>30,388,185</b>
Share capital and reserves	641,421	-	-	641,421
Other reserves	94,211	(33,958)	-	60,253
Retained profits	6,113,825	(256,362)	-	5,857,463
<b>Shareholders' Equity</b>	<b>6,849,457</b>	<b>(290,320)</b>	<b>-</b>	<b>6,559,137</b>
Minority Interests	2,945,802	720,763	-	3,666,565
Long Term Borrowings	12,988,236	180,000	-	13,168,236
Trade & other payables	1,258,005	26,110	-	1,284,115
Provision for taxation	141,023	5,908	-	146,931
Other liabilities	5,563,201	-	-	5,563,201
<b>Total Equity &amp; Liabilities</b>	<b>29,745,724</b>	<b>642,461</b>	<b>-</b>	<b>30,388,185</b>
Net Assets per 50 sen share (Sen)	482.87			462.40

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A2. Audit Report of the preceding financial year ended 30 June 2006**

The Auditors' Report on the financial statements of the preceding financial year was not subject to any qualification.

**A3. Seasonality or Cyclicity of Operations**

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

**A4 Exceptional or Unusual Items**

During the current financial quarter, there was no item of an exceptional or unusual nature that affects the assets, liabilities, equity, net income or cash flows of the Group.

**A5. Changes in estimates of amounts reported**

There was no change in estimates of amounts reported in prior interim periods and prior financial years.

**A6. 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 47,114,000 ordinary shares of its issued share capital from the open market for a total consideration of RM346.224 million at an average cost of RM7.35 per share during the current financial quarter. During the current financial year to date, a total of 91,824,700 ordinary shares were repurchased from the open market for a total consideration of RM604.626 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.

On 12 December 2006, 13,000,000 treasury shares valued at RM69.554 million were cancelled. Subsequently on 9 January 2007 and 16 January 2007, a total of 20,000,000 treasury shares with a total value of RM109.359 million were cancelled. On 22 January 2007, 50,000,000 treasury shares valued at RM279.230 million were sold and as at 31 March 2007, the number of treasury shares held is 135,747,505 ordinary shares.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- (ii) For the current financial quarter ended 31 March 2007, 1,041,965 and 7,104,658 ordinary shares were issued pursuant to the exercise of 1997/2007 and 1999/2009 warrants at an exercise price of RM2.75 and RM4.23 per share respectively. During the current financial year to date a total of 73,355,905 and 29,010,180 ordinary shares were issued pursuant to the exercise of 1997/2007 and 1999/2009 warrants at an exercise price of RM2.75 and RM4.23 per share respectively.
- (iii) During the current financial year to date a total of 64,500 ordinary shares were issued pursuant to the exercise of employees' share option scheme (ESOS) at an exercise price of RM2.79.

**A7. Dividend paid**

A First and Final dividend of 15% gross less Malaysian Income Tax of 27% amounting to RM81,836,270.10 for the financial year ended 30 June 2006 was paid during the financial quarter under review.

A second interim dividend of 15% gross less Malaysian Income Tax of 27% amounting to RM82,037,038.30 was recommended for the financial year ending 30 June 2007. The Book Closure and Payment Dates for the aforesaid dividend were 29 March 2007 and 18 April 2007 respectively.

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

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A8. Segment Reporting**

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

The Group's segmental report for the third quarter ended 31 March 2007 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>	196,289	16,261	848,115	165,609	217,773	102,920	2,738,766	4,285,733
<b>Results</b>								
Operating profit	25,344	5,000	207,544	71,571	41,802	9,163	1,208,698	1,569,122
Finance costs								(615,842)
Share of profit of associated companies								138,130
Profit before taxation								1,091,410
Taxation								(277,622)
Profit for the period								813,788
<b>Attributable to:</b>								
Shareholders								402,991
Minority interests								410,797
Profit for the period								813,788

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

**Notes: - continued**

**A8. Segment Reporting - continued**

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

The Group's segmental report for the third quarter ended 31 March 2006 (restated) is as follows:-

	Information technology & e-commerce related business <b>RM'000</b>	Cement Manufacturing & trading <b>RM'000</b>	Property investment & development <b>RM'000</b>	Management services & others <b>RM'000</b>	Hotels <b>RM'000</b>	Utilities <b>RM'000</b>	Total <b>RM'000</b>
<b>Revenue</b>	134,161	20,330	786,029	141,009	190,276	86,958	3,963,730
<b>Results</b>							
Operating profit	20,009	7,838	165,450	82,428	52,791	9,465	1,475,235
Finance costs							(594,050)
Gain on disposal of quoted investments							37,136
Gain on redemption of Mudharabah Redeemable Convertible Preference Shares (MRCPS)							77,696
Share of profit of associated companies							150,117
Profit before taxation							1,146,134
Taxation							(248,622)
Profit for the period							897,512
<b>Attributable to:</b>							
Shareholders							561,484
Minority interests							336,028
Profit for the period							897,512

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A9. Valuation of Property, Plant and Equipment**

Property, plant & equipment are stated at cost less accumulated depreciation.

**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) During the current financial quarter and year to date, YTL Power International Berhad (“YTL Power”) repurchased a total of 75,835,300 and 142,235,200 ordinary shares of its issued share capital from the open market value for a total consideration of RM173,993,409 and RM316,408,523 at an average cost of RM2.29 and RM2.22 per share respectively. The repurchase of shares was financed by internally generated funds.

During the current financial quarter, there was a distribution of 198,110,281 treasury shares valued at RM400,539,366. The distribution was on the basis of 1 treasury share for every 25 existing ordinary shares held. As at 31 March 2007, the number of treasury shares held was 182,746,575 ordinary shares.

- (ii) During the current financial quarter and for the financial year to date, 523,648 and 112,209,926 ordinary shares respectively were issued by YTL Power pursuant to the exercise of warrants at a weighted average exercise price of RM1.43 per share.
- (iii) For the current financial quarter and year to date, 1,926,000 and 5,285,000 ordinary shares respectively were issued by YTL Power pursuant to the exercise of employees’ share scheme (ESOS) at a weighted average exercise price of RM1.69 per share and RM1.47 per share respectively.
- (iv) During the current financial quarter, 166,886 ordinary shares were issued by YTL Power pursuant to the exchange of US\$100,000 YTL Power Finance (Cayman) Limited’s 5-year zero coupon guaranteed exchangeable bonds due 2010 into 166,886 ordinary shares at the exchange price of RM2.277 per share.
- (v) For the current financial quarter and for the financial year to date, a total of 8,000 and 448,000 ordinary shares of RM0.50 each respectively were issued by YTL Cement pursuant to the exercise of ESOS at an exercise price of RM1.21.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

During the current financial quarter ended 31 March 2007, YTL Cement repurchased a total of 3,638,100 ordinary shares from the open market at an average price of RM4.26 per share for a total consideration of RM15,502,375. During the financial year to date, YTL Cement repurchased 6,958,700 ordinary shares from the open market at an average price of RM3.84 for a total consideration of RM26,728,724. The share buy-back was financed by internally generated funds. The shares purchased are held as treasury shares. As at 31 March 2007, the number of treasury shares held was 12,231,364 ordinary shares.

- (vi) For the financial year to date, a total of 404 ordinary shares of RM0.50 each were issued by YTL Cement pursuant to the conversion of RM1,100 Nominal value of 100% Irredeemable Convertible Unsecured Loan Stocks 2005/2015.
- (vii) During the current financial quarter, the share capital of YTL Land & Development Berhad (YTL L&D) increased from RM177,836,297 to RM189,029,655 as a result of the conversion of 7,099,400 Irredeemable Convertible Preference Shares (“ICPS-A”) of RM0.50 each into 1,820,357 new ordinary shares of RM0.50 each based on a conversion ratio of one (1) new ordinary share of RM0.50 each for every 3.90 of ICPS-A of RM0.50 each held.

During the current financial quarter to date, there was also a conversion of 27,558,921 Irredeemable Convertible Preference Shares (“ICPS-B”) of RM0.50 each into 20,566,359 new ordinary share of RM0.50 each based on a conversion ratio of one (1) new ordinary share of RM0.50 each for every 1.34 of ICPS-B of RM0.50 each held. The total number of ICPS-A and ICPS-B outstanding as at 31 March 2007 were 265,527,346 and 533,290,580 of RM0.50 each respectively.

During the current financial quarter ended 31 March 2007, YTL L&D repurchased a total of 1,443,500 ordinary shares from the open market at an average price of RM0.9149 per share for a total consideration of RM1,320,650.79. During the financial year to date, YTL L&D repurchased 1,443,600 ordinary shares from the open market at an average price of RM0.9149 for a total consideration of RM1,320,732.32. The share buy-back was financed by internally generated funds. The shares purchased are held as treasury shares. As at 31 March 2007, the number of treasury shares held was 1,664,300 ordinary shares.

- (viii) The proposal announced by the Company on 24 August 2006 to undertake a renounceable restricted offer for sale (“ROS”) of ordinary shares of RM0.50 each in YTL Power on the basis of 1 YTL Power Share for every 10 ordinary shares of RM0.50 each in YTL Corp at an offer price of RM1.00 per YTL Power share held on 11 December 2006 was completed on 26 January 2007 with the crediting of 149,181,997 YTL Power shares into respective CDS accounts of the entitled shareholders.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- (ix) On 19 October 2006, YTL Power declared a distribution of One (1) treasury share for every Twenty Five (25) existing ordinary shares of RM0.50 each (“Share Dividend”) held on 5 February 2007. The distribution of the Share Dividend was completed on 9 February 2007 with the crediting of 198,110,281 treasury shares into the respective shareholders’ CDS accounts.
- (x) On 27 March 2007, YTLE announced that it had acquired an additional 1 ordinary share of RM0.10 representing the controlling share in the issued and paid-up share capital of Bizsurf (M) Sdn Bhd (“Bizsurf”) from Chia Kok Lai for a cash consideration of RM0.10 (“the Acquisition”). As a result of the Acquisition, Bizsurf has become a subsidiary of YTLE.
- (xi) On 26 January 2007, YTL Corp announced that its wholly-owned subsidiaries, YTL Hotels & Properties Sdn Bhd (YTLHP) and YTL (Guernsey) Limited have acquired 4,999 ordinary shares of US\$100 each and 1 ordinary share of US\$100 respectively in PT Jepun Bali, representing 100% of the issued and paid-up share capital of PT Jepun Bali for a total cash consideration of US Dollar One Million Seven Hundred and Fifty Thousand (US\$1,750,000) only . As a result of the acquisition, PT Jepun Bali has become a subsidiary of YTLHP and indirect subsidiary of the Company.

PT Jepun Bali is a limited liability company incorporated in Indonesia on 23 June 1999. It has an authorized share capital of US\$825,000 comprising 8,250 shares of US\$100 each. PT Jepun Bali is principally involved in the operation of hotel.

- (xii) On 12 March 2007, YTL Corp announced that Yeoh Tiong Lay Construction (S) Pte Ltd, a 99.9994% subsidiary of the Company’s wholly-owned subsidiary, Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd, has subscribed for 70 ordinary shares representing 70% of the issued and paid-up share capital of Sandy Island Pte Ltd at S\$1.00 per share.

Sandy Island Pte Ltd was incorporated in the Republic of Singapore on 8 March 2007 with an issued and paid-up share capital of S\$100.00. Sandy Island Pte Ltd is principally involved in property development.

- (xiii) On 14 March 2007, the Company announced that it acquired RM185,000,000 Nominal Value of Irredeemable Convertible Unsecured Loan Stocks (“ICULS”) in YTL Cement from YTL Power, for a cash consideration of RM275,650,000.00, representing RM1.49 for each RM1.00 nominal value of ICULS. The consideration was derived at based on the weighted average market price for the 5 preceding market days prior to 13 March 2007.
- (xiv) On 27 March 2007, YTLE announced that it has disposed of its entire equity interests of 70,000 ordinary shares of RM1.00 each representing 70% of the issued and paid-up capital of Hipmobile (M) Sdn Bhd (“Hipmobile”) to Mr. Fred Chong Kyan Vui, a director and shareholder of Hipmobile, for a total cash consideration of RM27,000.00. As a result of the shares disposal, Hipmobile and its 100% owned subsidiary, Hipmobile Singapore Pte Ltd ceased to be subsidiaries of YTLE.



**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- (xv) On 30 March 2007, YTL Power announced that its wholly-owned subsidiary, YTL Utilities Limited (“YTLUL”), a company incorporated in the Cayman Islands, has acquired 1 share of USD1.00 in Wessex Water International Limited (“WWIL”), representing 100% of total issued and paid-up share capital of WWIL. As a result of the acquisition, WWIL became a wholly-owned subsidiary of YTLUL and an indirect wholly-owned subsidiary of YTL Power. WWIL is principally involved in investment holdings.

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

Since the last annual balance sheet as at 30 June 2006, there were no changes in the contingent liabilities of the Group.

As at 31 March 2007, the Company has given corporate guarantees amounting to RM436.975 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	17,000	2,380
Bank overdrafts	20,200	1,555
Letters of credit/trust receipts/bankers acceptances/ shipping guarantees	184,300	33,143
Revolving loans/advances	173,675	140,910
Bankers' guarantees:-		
Advance payment bonds/performance bonds, pre-bid bonds and other related guarantees	41,800	32,843
	<u>436,975</u>	<u>210,831</u>

**A12. Subsequent Events**

There was no item, transaction or event of a material or unusual nature during the period from the end of the quarter under review to 23 May 2007, except as disclosed below.

- (i) On 5 April 2007, YTL Corp announced that its wholly-owned subsidiary, YTL Hotels & Properties Sdn Bhd (“YTLHP”) has entered into Sale and Purchase Agreements (“SPA”) with Voon Sui Liong @ Paul Voon and Melinda Voon to acquire 90,000 ordinary shares of RM1.00 each, representing 90% of the issued and paid-up share capital of Magna Boundary Sdn Bhd; and with Vun Vui Heung @ Michael and Ho Kui Fatt to acquire 45,000 ordinary shares of RM1.00 each, representing 90% of the issued and paid-up share capital of Borneo Cosmeceutical Sdn Bhd.

Magna Boundary Sdn Bhd is a private limited company incorporated on 15 July 2005 with an authorized share capital of RM100,000.00 divided into 100,000 ordinary shares of RM1.00 each. All the ordinary shares have been issued and fully paid.

**INTERIM FINANCIAL REPORT**

**Notes:- continued**

**A12. Subsequent Events - continued**

Borneo Cosmeceutical is a private limited company incorporated on 27 May 2005 with an authorized share capital of RM100,000.00 divided into 100,000 ordinary shares of RM1.00 each, of which 50,000 ordinary shares of RM1.00 each have been issued and fully paid.

- (ii) On 6 April 2007, YTL eSolutions Berhad (“YTLE”) announced that the Directors of Infoscreen Networks Plc (“INP”), a subsidiary of the YTLE incorporated in England and Wales, have on 5 April 2007 agreed to the disposal of INP’s entire equity interest comprising 70,000 ordinary shares of 1 pence each, representing 70% of the issued and paid-up capital of The Luxury Channel Limited (“TLC”) to Fiona Alexandra Sanderson and James Ronald Manson who are the existing shareholders of TLC, for a total cash consideration of Pounds Sterling Seven Hundred (£700), which is the subscription price paid by INP on 6 September 2006 (“the Disposal”). As a result of the Disposal, TLC will cease to be a subsidiary of INP and an indirect subsidiary of YTLE.
- (iii) On 7 May 2007, the Company announced that it has agreed to acquire from Perwira Harta Malaysia 306,000 ordinary shares of RM1.00 each representing 51% of the issued and paid up share capital of Perwira YTL Corporation Sdn Bhd not held by the Company for a total cash consideration of RM360,520.20. Upon completion of the acquisition, Perwira YTL Corporation Sdn Bhd will become a wholly-owned subsidiary of the Company.
- (iv) On 16 May 2007, YTLE announced that it has subscribed for 3,499,998 ordinary shares of RM1.00 each at par value per share, and 31,500,000 redeemable preference shares of RM0.10 each at RM1.00 per share or a total cash consideration of RM34,999,998 in the capital of Titan Awards Sdn Bhd. As a result of the shares subscription, Titan Awards Sdn Bhd has become a subsidiary of YTLE. Titan Awards will be principally involved in investment holding related to the business of providing broadband internet access and other value added services.

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**INTERIM FINANCIAL REPORT**

**Disclosure requirements per Bursa Malaysia Securities Berhad's Listing Requirements  
Part A of Appendix 9B**

**B1. Review of Performance**

The Group recorded a revenue and profit before taxation for the current financial quarter of RM1,477.6 million and RM366.8 million respectively, representing an increase of 12.0% and a decrease of 0.5% respectively when compared to the previous corresponding quarter ended 31 March 2006.

The Group's operating profit improved from RM1,475.2 million in the corresponding nine month period to 31 March 2006 to RM1,569.1 million in the current financial nine month period ended 31 March 2007 representing an increase of 6.1%. Profit before taxation of RM1,091.4 million recorded in the current financial year to date takes into account an expense of RM17.49 million relating to share options granted, required under FRS2 – Share Based Payments. Profit before taxation for the nine months under review excluding this expense stood at RM1,108.9 million. This represents an increase of 7.52% over RM1,031.3 million in the previous corresponding period ended 31 March 2006, excluding the gains on redemption of MRCPS of RM77.696 million and the gain on disposal of quoted investments of RM37.136 million. The improvement was attributed to the better performance of its utilities and cement manufacturing and trading activities.

**B2. Comparison with Preceding Quarter**

	<b>Current Quarter 31.3.2007 RM'000</b>	<b>Preceding Quarter 31.12.2006 RM'000</b>
Revenue	1,477,645	1,415,267
Consolidated profit before taxation	366,775	360,495
Consolidated profit after taxation after minority interests	95,883	152,982

For the current financial quarter, the Group's revenue increased by 4.4% while the profit before taxation increased by 1.7% compared to the preceding quarter ended 31 December 2006.

**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 2007.

**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 Quarter 31.3.2007 RM'000</b>	<b>Preceding Year Corresponding Quarter 31.3.2006 RM'000</b>	<b>Current Year To Date 31.3.2007 RM'000</b>	<b>Preceding Year Corresponding Period 31.3.2006 RM'000</b>
Taxation based on profit for the period	67,279	69,232	208,854	216,738
In respect of prior years				
- Income tax	(2,796)	(993)	(17,287)	(1,133)
- Deferred tax	-	-	-	-
Deferred taxation	42,177	6,206	86,055	33,017
Others	-	-	-	-
	<b>106,660</b>	<b>74,445</b>	<b>277,622</b>	<b>248,622</b>

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 primarily to the availability of reinvestment allowances and tax losses brought forward for some of its subsidiaries and also due to the deferred taxation credit recognised by a foreign subsidiary.

**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)	<b>Quarter Ended 31.3.2007 RM'000</b>	<b>9 Months Ended 31.3.2007 RM'000</b>
Purchases	-	29,499
Sales	31,195	31,195
Gain on disposal	15,286	15,286
	=====	=====

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**B7. Quoted Securities - continued**

(b) Particulars of investment in quoted securities as at 31 March 2007:

	<b>RM'000</b>
- At cost	15,269
- At carrying value	15,269
- At market value	25,432

**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) In relation to the proposed issue by wholly-owned subsidiary, YTL Corp Finance (Labuan) Limited of USD300 million nominal value 5-year guaranteed exchangeable bonds (“Bonds”) which are exchangeable into such number of new ordinary shares of RM0.50 each in YTL Corp (“Proposed Bonds Issue”), all required regulatory approvals for the Proposed Bonds Issue have now been obtained. The Bonds were issued on 15 May 2007 and listed on the Labuan International Financial Exchange Inc. and Singapore Exchange Securities Trading Limited on 16 May 2007.
- (ii) On 15 January 2007, YTL Power announced that the Securities Commission (“SC”) approved YTL Power’s Proposed RM1.0 Billion Commercial Paper / Medium Term Notes Programme (“Proposed CP/MTN Programme”). The Proposed CP/MTN Programme has a tenure of seven years from the date of first issuance under the programme. Subsequently on 7 May 2007, YTL Power announced its application to increase the proposed CP/MTN Programme to an issuance size of up to RM2.0 Billion has been approved by the SC. The proposed exercise is currently pending completion.

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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**B8. Corporate Developments - continued**

- (iii) On 12 December 2006, YTL Corp announced the proposed disposal by YTL Land Sdn Bhd (YTL Land), a wholly-owned subsidiary of YTL Corp, of sixty (60) serviced apartment units located on the fifth (5<sup>th</sup>) floor to the nineteenth (19<sup>th</sup>) floor of the block of serviced apartments, four (4) levels of commercial podium located from the ground floor to third (3<sup>rd</sup>) floor together with one (1) level of deck on the fourth (4<sup>th</sup>) floor and basement car park levels 2 and 3 of a three (3) storey basement car park (collectively “Property”), all within the building which is known as “The Residences at The Ritz-Carlton, Kuala Lumpur” located on the land held under Geran N0. 47693 Lot No. 1308 Seksyen 67, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan (“Land”) for a total consideration of RM125,000,000 to be satisfied by the issuance of 138,888,889 new units in Starhill Real Estate Investment Trust (“Starhill REIT”) at an issue price of RM0.90 per unit (“Proposed Disposal”). The Proposed Disposal received the regulatory approvals and unitholders approval and was completed on 16 May 2007 with the listing of and quotation for 138,888,889 new units on the Bursa Securities Malaysia Berhad.

**B9. Group Borrowings and Debt Securities**

Particulars of the Group’s borrowings and debts securities as at 31 March 2007 are as follows:-

	<b>RM’000</b>
(i) Short term	
- Secured	409,163
- Unsecured	2,045,227
	<hr/> 2,454,390
	<hr/> <b>RM’000</b>
(ii) Long term	
- Secured	1,661,318
- Unsecured	13,611,076
	<hr/> 15,272,394

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

In Singapore Dollar (’000)	114,262
	<hr/>
In US Dollar (’000)	420,000
	<hr/>
In Sterling Pound (’000)	1,443,689
	<hr/>

Save for the borrowings of RM177.988 million by the subsidiary companies of which corporate guarantees are provided by the Company, all other borrowings of subsidiary companies are on a non-recourse basis to the Company.

**INTERIM FINANCIAL REPORT**

**Notes:- continued**

**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 remains 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:-

	<b>Total £'000</b>
National Principal Amount (denotes in Sterling Pound)	10,800 =====
	<b>RM'000</b>
RM equivalent (exchange rate £1 = RM6.7867)	73,296
Average fixed interest rate	5.95%
Average period to maturity of the fixed rate borrowing (years)	2.71

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

**B11. Material litigation**

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

**B12. Dividend**

The Board of Directors has approved a third interim tax dividend of 15% gross less Malaysian Income Tax of 27% for the financial year ending 30 June 2007. The Book Closure and Payment Dates in respect of the aforesaid dividend are fixed on 12 June 2007 and 25 June 2007 respectively.

**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:-

	<b>Current Quarter 31.3.2007</b>	<b>Preceding Year Corresponding Quarter 31.3.2006 (Restated)</b>
Net profit for the period / Profit attributable to shareholders (RM'000)	95,883	169,193
<i>Weighted average number of ordinary shares ('000)</i>		
Issued at the beginning of the period	1,645,994	1,564,624
Shares repurchased	(142,355)	(122,961)
	1,503,639	1,441,663
Basic earnings per share (sen)	6.38	11.74

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**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>31.3.2007</b>	<b>31.3.2006 (Restated)</b>
Net profit for the period / Profit attributable to shareholders (RM'000)	95,883	169,193
<i>Weighted average number of ordinary shares-diluted ('000)</i>		
Weighted average number of ordinary shares-basic	1,503,639	1,441,663
Effect of unexercised warrants	126,851	96,882
Effect of unexercised employees share option scheme	17,193	3,975
	<u>1,647,683</u>	<u>1,542,520</u>
* Diluted earnings per share (sen)	<u>5.82</u>	<u>10.97</u>

*\* Total cash expected to be received in the event of an exercise of all outstanding warrants and ESOS options is RM1,461.211 million. Accordingly, the Net Tangible Asset (NTA) on a proforma basis will increase by RM1,461.211 million resulting in an increase in NTA per share of RM0.79. 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: 24 May 2007