

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

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the period ended 30 September 2007.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.9.2007	PRECEDING YEAR CORRESPONDING QUARTER 30.9.2006	3 MONTHS ENDED	
	RM'000	RM'000	RM'000	RM'000
REVENUE	1,582,869	1,392,821	1,582,869	1,392,821
COST OF SALES	(921,637)	(765,878)	(921,637)	(765,878)
GROSS PROFIT	661,232	626,943	661,232	626,943
OTHER OPERATING EXPENSES	(96,532)	(125,508)	(96,532)	(125,508)
OTHER OPERATING INCOME	89,127	26,980	89,127	26,980
PROFIT FROM OPERATIONS	653,827	528,415	653,827	528,415
FINANCE COSTS	(230,677)	(202,734)	(230,677)	(202,734)
SHARE OF (LOSSES)/PROFITS OF ASSOCIATED COMPANIES	49,914	38,459	49,914	38,459
PROFIT BEFORE TAXATION	473,064	364,140	473,064	364,140
TAXATION	(113,167)	(87,595)	(113,167)	(87,595)
PROFIT FOR THE PERIOD	359,897	276,545	359,897	276,545
ATTRIBUTABLE TO:				
SHAREHOLDERS	224,608	154,126	224,608	154,126
MINORITY INTERESTS	135,289	122,419	135,289	122,419
PROFIT FOR THE PERIOD	359,897	276,545	359,897	276,545
EARNINGS PER 50 SEN SHARE				
Basic (Sen)	14.93	10.77	14.93	10.77
Diluted (Sen)	13.69	10.13	13.69	10.13

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

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

	UNAUDITED	AUDITED
	AS AT	AS AT
	30.9.2007	30.6.2007
		(restated)
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, Plant & Equipment	17,006,400	16,902,393
Investment Properties	1,379,280	1,379,366
Prepaid Lease Payment	50,241	50,549
Investment In Subsidiaries	181,704	181,704
Investment In Associated Companies	1,321,123	1,328,826
Quoted Investments	16,025	15,979
Unquoted Investments	610,799	595,379
Development Expenditure	1,063,568	1,041,533
Fixed deposits	424	424
Intangible assets	920	953
Goodwill on Consolidation	976,393	941,330
	<u>22,606,877</u>	<u>22,438,436</u>
Current Assets		
Inventories	365,761	354,049
Property development costs	144,000	138,122
Trade & other receivables	1,798,507	1,880,878
Tax recoverable	57,514	54,342
Inter-company balances	29,760	13,627
Short term investments	176,391	175,283
Fixed deposits	10,493,128	8,753,951
Cash & bank balances	98,822	103,832
	<u>13,163,883</u>	<u>11,474,084</u>
TOTAL ASSETS	<u>35,770,760</u>	<u>33,912,520</u>

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

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

	UNAUDITED	AUDITED
	AS AT	AS AT
	30.9.2007	30.6.2007
		(restated)
	RM'000	RM'000
EQUITY		
Share capital	826,419	825,611
Share premium	656,179	652,522
Capital reserve	101,758	102,439
Statutory reserve	41,331	41,331
Exchange differences reserve	31,729	(31,836)
Other reserves	81,585	84,387
Retained profits	6,778,389	6,542,668
Less : Treasury shares, at cost	(963,956)	(922,643)
Total Equity Attributable to Shareholders of the Company	<u>7,553,434</u>	<u>7,294,479</u>
Minority Interests	3,656,186	3,591,979
TOTAL EQUITY	<u>11,209,620</u>	<u>10,886,458</u>
LIABILITIES		
Non-current Liabilities		
Long Term Borrowings	16,710,572	14,802,865
Other Long Term Liabilities	495,109	493,477
Deferred Income	146,085	147,363
Deferred Tax	2,380,728	2,373,794
	<u>19,732,494</u>	<u>17,817,499</u>
Current Liabilities		
Trade & other payables	1,409,307	1,349,877
Inter-company balances	2,144	2,934
Short term borrowings	3,245,161	3,687,464
Provision for taxation	165,142	120,951
Provision for liabilities & charges	6,892	47,337
	<u>4,828,646</u>	<u>5,208,563</u>
TOTAL LIABILITIES	<u>24,561,140</u>	<u>23,026,062</u>
TOTAL EQUITY & LIABILITIES	<u>35,770,760</u>	<u>33,912,520</u>
Net Assets per 50 sen share (Sen)	<u>503.09</u>	<u>484.63</u>

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

YTL CORPORATION BERHAD (Company No. 92647-H)
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER 30 SEPTEMBER 2007**

Group	Attributable to Shareholders of the Company									Minority interests	Total equity
	Share capital	Share premium	Capital reserve	Statutory reserve	Exchange differences reserve	Retained profits	Treasury shares	Other reserves	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.7.2007	825,611	652,522	102,439	41,331	(31,836)	6,542,668	(922,643)	84,387	7,294,479	3,591,979	10,886,458
Currency translation differences	-	-	(681)	-	63,565	-	-	-	62,884	622,280	685,164
Gain recognised on deemed dilution of interest in subsidiaries	-	-	-	-	-	11,113	-	-	11,113	-	11,113
Income and expenses recognised directly in equity	-	-	(681)	-	63,565	11,113	-	-	73,997	622,280	696,277
Net profit for the period	-	-	-	-	-	224,608	-	-	224,608	135,289	359,897
Total recognised income and expenses for the period	-	-	(681)	-	63,565	235,721	-	-	298,605	757,569	1,056,174
Reserve on consolidation	-	-	-	-	-	-	-	(3,105)	(3,105)	-	(3,105)
Treasury shares	-	-	-	-	-	-	(41,313)	-	(41,313)	-	(41,313)
Share-based payment	-	-	-	-	-	-	-	303	303	-	303
Issue of share capital	808	3,657	-	-	-	-	-	-	4,465	-	4,465
Changes in composition of the Group	-	-	-	-	-	-	-	-	-	(693,362)	(693,362)
Balance at 30.9.2007	826,419	656,179	101,758	41,331	31,729	6,778,389	(963,956)	81,585	7,553,434	3,656,186	11,209,620

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER 30 SEPTEMBER 2006**

Group	Attributable to Shareholders of the Company								Total	Minority interests	Total equity
	Share capital	Share premium	Capital reserve	Statutory reserve	Translation reserve	Retained profits	Treasury shares	Other reserves			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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	-	-	-	-	-	(680,798)	-	646,018	(34,780)	468,708	433,928
- as restated	782,355	389,756	102,529	26,009	9,041	5,433,027	(668,269)	740,229	6,814,677	3,414,510	10,229,187
Currency translation differences	-	-	(58)	(505)	62,100	-	-	-	61,537	18,357	79,894
Acquisition of subsidiary	-	-	-	-	-	9	-	-	9	-	9
Loss recognized on deemed dilution of interest in subsidiaries	-	-	-	-	-	(69)	-	-	(69)	-	(69)
Income and expenses recognised											
directly in equity	-	-	(58)	(505)	62,100	(60)	-	-	61,477	18,357	79,834
Net profit for the period	-	-	-	-	-	154,126	-	-	154,126	122,419	276,545
Total recognised income and expenses for the period	-	-	(58)	(505)	62,100	154,066	-	-	215,603	140,776	356,379
Reserve on consolidation	-	-	-	-	-	-	-	(491)	(491)	-	(491)
Treasury shares	-	-	-	-	-	-	(65,131)	-	(65,131)	-	(65,131)
Dividend paid	-	-	-	-	-	-	-	5,937	5,937	-	5,937
Issue of share capital	1,870	13,309	-	-	-	-	-	-	15,179	-	15,179
Changes in composition of the Group	-	-	-	-	-	-	-	-	-	(23,464)	(23,464)
Balance at 30.9.2006	784,225	403,065	102,471	25,504	71,141	5,587,093	(733,400)	745,675	6,985,774	3,531,822	10,517,596

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

YTL CORPORATION BERHAD (Company No. 92647-H)
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

	FOR THE 3 MONTHS ENDED	
	30.9.2007	30.9.2006
	RM'000	RM'000
Net cash from operating activities	875,531	530,475
Net cash used in investing activities	(959,821)	(276,860)
Net cash from financing activities	4,545,268	1,257,865
Net changes in cash and cash equivalents	4,460,978	1,511,480
Cash and cash equivalents brought forward	6,127,577	6,029,586
Cash and cash equivalents carried forward	<u>10,588,555</u>	<u>7,541,066</u>

Cash and cash equivalents comprise:

	RM'000	RM'000
Fixed deposits	10,493,552	7,477,605
Cash and bank balances	98,822	69,627
Bank overdraft	(3,819)	(6,166)
	<u>10,588,555</u>	<u>7,541,066</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

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Notes:-

Disclosure requirements pursuant to FRS 134 – 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 2007.

A1. Accounting Policies and Methods of Computation

The interim financial report is unaudited and has been prepared in accordance with the Financial Reporting Standard (“FRS”) 134, “Interim Financial Reporting” and Chapter 9, part K of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation adopted by the Group in the interim financial report are consistent with those adopted for the annual audited financial statements for the year ended 30 June 2007 except for the adoption of the following new/revised FRSs, which are relevant to its operations, effective the financial period beginning 1 July 2007:

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 117	Leases
FRS 118	Revenue
FRS 124	Related Party Disclosure
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above FRSs does not have significant impact on the Group other than the effects of the following FRSs:

(i) FRS 117: Leases

Prior to the adoption of the revised FRS 117, leasehold land was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. With the revised FRS 117, the unamortized carrying amounts of leasehold land are now classified as prepaid lease payment and amortised over the period of its remaining lease term. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and the comparatives in the balance sheet have been restated.

The effects on the comparatives to the Group on adoption of FRS 117 are as follows:

	As previously reported RM'000	Effect of Changes RM'000	As restated RM'000
30 June 2007			
Property, plant and equipment	16,952,942	(50,549)	16,902,393
Prepaid lease payment	-	50,549	50,549
	=====	=====	=====

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Notes: - continued

A2. Seasonality or Cyclicity of Operations

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

A3. 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.

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 5,358,600 ordinary shares of its issued share capital from the open market for a total consideration of RM41.313 million at an average cost of RM7.71 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.
- (ii) For the current financial quarter ended 30 September 2007, 1,599,627 and 15,300 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. The 1997/2007 warrants had expired on 21 September 2007.

A6. Dividend paid

There was no dividend paid during the quarter ended 30th September 2007.

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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 2007 is as follows:-

	Construction	Information technology & e-commerce related business	Cement Manufacturing & trading	Property investment & development	Management services & others	Hotels	Utilities	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	44,898	6,297	337,561	76,487	100,435	41,381	975,809	1,582,868
Results								
Operating profit	10,335	1,487	94,064	23,806	84,057	6,181	433,897	653,827
Finance costs								(230,677)
Share of profit of associated companies								49,914
Profit before taxation								473,064
Taxation								(113,167)
Profit for the period								359,897
Attributable to:								
Shareholders								224,608
Minority interests								135,289
Profit for the period								359,897

YTL CORPORATION BERHAD (Company No. 92647-H)
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Notes: - continued

A7. Segment Reporting - continued

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

The Group's segmental report for the first quarter ended 30 September 2006 is as follows:-

	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	
Revenue	51,442	5,116	278,536	40,263	76,768	35,814	904,882	1,392,821
Results								
Operating profit	7,006	1,843	68,202	21,890	35,216	5,000	389,258	528,415
Finance costs								(202,734)
Share of profit of associated companies								38,459
Profit before taxation								364,140
Taxation								(87,595)
Profit for the period								276,545
Attributable to:								
Shareholders								154,126
Minority interests								122,419
Profit for the period								276,545

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Notes: - continued

A8. 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, YTL Power International Berhad (“YTL Power”) repurchased a total of 36,950,100 ordinary shares of its issued share capital from the open market value for a total consideration of RM87,335,290 at an average cost of RM2.36. The repurchase of shares was financed by internally generated funds. As at 30 September 2007, the number of treasury shares held was 227,004,975 ordinary shares.
- (ii) During the current financial quarter, 3,181,600 ordinary shares were issued by YTL Power pursuant to the exercise of warrants at a weighted average exercise price of RM1.39 per share.
- (iii) For the current financial quarter, 74,000 ordinary shares were issued by YTL Power pursuant to the exercise of ESOS at a weighted average exercise price of RM1.35 per share.
- (iv) During the current financial quarter, 11,515,150 ordinary shares were issued by YTL Power pursuant to the exchange of US\$6,900,000 YTL Power Finance (Cayman) Limited’s 5-year zero coupon guaranteed exchangeable bonds due 2010 at the exchange price of RM2.277 per share.
- (v) For the current financial quarter, a total of 17,000 ordinary shares of RM0.50 each respectively were issued by YTL Cement Berhad (“YTL Cement”) pursuant to the exercise of ESOS at an exercise price of RM1.21.

During the current financial quarter ended 30 September 2007, YTL Cement repurchased a total of 1,072,200 ordinary shares from the open market at an average price of RM4.90 per share for a total consideration of RM5,255,427. The share buy-back was financed by internally generated funds. The shares purchased are held as treasury shares. As at 30 September 2007, the number of treasury shares held was 20,453,964 ordinary shares.

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Notes: - continued

- (vi) During the current financial quarter, the share capital of YTL Land & Development Berhad (“YTL L&D”) increased from RM195,471,256 to RM197,788,273 as a result of the conversion of 18,072,766 Irredeemable Convertible Preference Shares (“ICPS-A”) of RM0.50 each into 4,634,034 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.

There was no issuance of Irredeemable Convertible Preference Shares (“ICPS-B”) during the current financial quarter. The total number of ICPS-A and ICPS-B outstanding as at 30 September 2007 were 197,210,070 and 533,290,580 of RM0.50 each respectively.

During the current financial quarter ended 30 September 2007, YTL L&D repurchased a total of 2,326,500 ordinary shares from the open market at an average price of RM2.12 per share for a total consideration of RM4,939,089. The share buy-back was financed by internally generated funds. The shares purchased are held as treasury shares. As at 30 September 2007, the number of treasury shares held was 14,840,600 ordinary shares.

- (vii) On 31 July 2007, Batu Tiga Quarry Sdn Bhd (“BTQ”), a wholly owned subsidiary of YTL Industries Berhad (“YTLI”) which in turn is a wholly-owned subsidiary of the Company, completed the acquisition of the following:-
- 873,834 ordinary shares of RM1.00 each, representing 100% of the issued and paid-up share capital of C.I. Quarries Sdn Bhd (“CIQM”) for a cash consideration of RM2.0 million;
 - 75,100 ordinary shares of RM1.00 each, representing 100% of the issued and paid-up share capital of Mutual Prospect Sdn Bhd (“MPSB”) for a cash consideration of RM4.0 million.

As a result, CIQM and MPSB became wholly-owned subsidiaries of BTQ and indirect subsidiaries of the Company.

- (viii) On 17 August 2007, YTL Cement acquired 1 ordinary share of HKD1.00 in representing the entire issued and paid-up capital Leadmax Limited from GNL07 Limited for a total cash consideration of HKD1.00. As a result, Leadmax Limited which changed name to YTL Cement (Hong Kong) Limited (“YTLC HK”) on 24 August 2007, became a wholly owned subsidiary of YTL Cement and an indirect subsidiary of the Company.

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Notes: - continued

- (ix) On 29 August 2007, the Company announced that YTL Hotels & Properties Sdn Bhd (“YTLHP”), a wholly owned subsidiary of the Company acquired 1 ordinary share of par value US\$1.00 representing the entire issued and paid-up capital of YTL Hotels (Cayman) Limited (“YTL Hotels Cayman”) for US\$1.00 in cash. As a result of the acquisition, YTL Hotels Cayman has become a wholly-owned subsidiary of YTLHP and an indirect subsidiary of the Company.

YTL Hotels Cayman was incorporated in the Cayman Islands on 27 August 2007 and has an authorized share capital of US\$50,000 comprising 50,000 shares of US\$1.00 each. YTL Hotels Cayman is principally involved in investment holdings.

- (x) On 14 September 2007, the Company announced that YTLHP has completed the acquisition of 90,000 ordinary shares of RM1.00 each representing 90% of the issued and paid-up share capital of Magna Boundary. As a result, Magna Boundary became a subsidiary of YTLHP and an indirect subsidiary of the Company.

- (xi) On 20 September 2007, the Company announced that:-

- YTLHP has completed the acquisition of 45,000 ordinary shares of RM1.00 each representing 90% of the issued and paid-up share capital of Borneo Cosmeceutical Sdn Bhd. As a result Borneo Cosmeceutical Sdn Bhd became a subsidiary of YTLHP and an indirect subsidiary of the Company; and
- it has acquired 2 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Divine View Sdn Bhd (“Divine View”) for RM2.00 in cash. As a result of the acquisition, Divine View has become a wholly-owned subsidiary of the Company.

Divine View was incorporated on 19 July 2007 with an authorised share capital of RM100,000 comprising 100,000 shares of RM1.00 each. Divine View is principally involved in investment holdings.

- (xii) On 28 September 2007, the Company announced that YTLHP subscribed for 18,000 shares with the nominal value EUR1 each representing the entire issued and paid-up share capital of YTL Hotels B.V. for EUR18,000 in cash. As a result of the subscription, YTL Hotels B.V. has become a wholly-owned subsidiary of YTLHP and an indirect subsidiary of the Company.

YTL Hotels B.V. was incorporated in the Netherlands on 27 September 2007 and has an authorised share capital of EUR90,000 comprising 90,000 shares with a nominal value of EUR1 each. YTL Hotels B.V. is principally involved in investment holdings.

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Notes: - continued

A9. Changes in Contingent Liabilities or Contingent Assets

Since the last annual balance sheet as at 30 September 2007, there were no changes in the contingent liabilities of the Group.

As at 30 September 2007, the Company had given corporate guarantees amounting to RM671.889 million to financial institutions for facilities granted by the financial institutions to its subsidiaries as follows:-

	Total Amount Guaranteed RM'000	Amount Utilised RM'000
Block discounting / hire purchase facility	17,000	2,380
Bank overdrafts	20,200	4,708
Letters of credit/trust receipts/bankers acceptances/ shipping guarantees	159,300	25,024
Revolving loans/advances	403,589	376,532
Bankers' guarantees:-		
Advance payment bonds/performance bonds, pre-bid bonds and other related guarantees	71,800	64,697
	<u>671,889</u>	<u>473,341</u>

A10. 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 18 November 2007, except as disclosed below.

- (i) On 2 October 2007, YTL e-Solutions Berhad ("YTLE") announced the acquisition by Y-Max Networks Sdn Bhd (formerly known as Bizsurf (M) Sdn Bhd) ("Y-Max Networks"), a subsidiary of YTLE, of 2 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Bizsurf MSC Sdn Bhd ("Bizsurf MSC") from Chia Kok Lai and Wong Kian Lon who are also directors and shareholders of Y-Max Networks for a cash consideration of RM2.00.

Bizsurf MSC was incorporated on 28 April 2004 and is principally involved in the business of wireless network distribution equipment and services, broadband and internet services provisioning and other internet related services.

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- (ii) On 4 October 2007, Y-Max Solutions Holdings Sdn Bhd (formerly known as Titan Awards Sdn Bhd) (“Y-Max SH”), a subsidiary of YTL acquired 800 ordinary shares of RM1.00 each representing 80% of the issued and paid-up share capital of YMax Sdn Bhd (“YMax”) via the subscription of 798 ordinary shares at par value per share, and acquisition of 2 ordinary shares for RM2.00. A total cash consideration of RM800 was paid for the subscription cum acquisition. The remaining 20% equity interest in YMax has been subscribed by Y-Max Networks. As a result, YMax has become a subsidiary of Y-Max SH and an indirect subsidiary of the Company.

YMax was incorporated on 12 March 2007, and will be principally engaged in the business of providing broadband internet access and other value added services.

- (iii) On 12 October 2007, the Company announced that BTQ, entered into the following agreements:-
- Share Sale Agreements with Kennison Quarries Sdn Bhd (“KQSB”) for the acquisition of 2,000,000 ordinary shares of RM1.00 each representing 100% of the issued and paid-up share capital of Kenneison Construction Materials Sdn Bhd (“KCM”), and 1,201,000 ordinary shares of RM1.00 each representing 100% of the issued and paid-up share capital of Kenneison Northern Quarry Sdn Bhd (“KNQ”) for RM17,000,000 and RM500,000 respectively in cash (“Proposed Acquisitions”);
 - A Sale and Purchase Agreement with KQSB for the purchase of quarry equipment and other assets for a total consideration of RM6.5 million (“Proposed Assets Purchase”);
 - A Quarry Agreement with Kenneison Brothers Sdn Bhd (“KBSB”) for the rights to carry out quarry operations on all that parcels of leasehold land measuring 625 acres held under Lot 6668, Pajakan Negeri 7957 and Lot 6669, Pajakan 7958, both in Mukim and District of Ulu Langat, State of Selangor Darul Ehsan (“the Quarry Lands”) for a period of twelve (12) years with a minimum annual guaranteed payment of RM3.0 million commencing the calendar year 2008 and the proposed lease by KBSB of all immovable property or assets on the Quarry Lands for the duration of the term for a nominal consideration of RM10.00. (“Proposed Quarrying Rights”)

The Proposed Acquisitions, Proposed Assets Purchase and Proposed Quarrying Rights were completed on 31 October 2007.

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INTERIM FINANCIAL REPORT

Notes: - continued

- (iv) On 26 October 2007, the Company announced that YTL Cayman Limited (“YTL Cayman”), a wholly owned subsidiary of YTL Corp, has acquired 1 ordinary share of par value US\$1.00 representing the entire issued and paid-up share capital of YTL Construction International (Cayman) Limited (“YTL Construction International”) for US\$1.00 in cash. As a result of the acquisition, YTL Construction International has become a wholly-owned subsidiary of YTL Cayman and an indirect subsidiary of the Company.
- (v) On 2 November 2007, Y-Max SH completed its subscription of 1,400,000 ordinary shares of par value RM1.00 each and 5,600,000 redeemable convertible preference shares (“RCPS A”) of par value RM0.10 each at the issue price of RM1.00 per ordinary share and RM1.00 per RCPS A respectively, representing 70% of the issued and paid-up share capital of Airzed Broadband Sdn Bhd (“AZB”). As a result of this subscription, AZB became an indirect subsidiary of YTLE and of the Company.
- (vi) On 15 November 2007, the acquisition by YTLC HK of the entire equity interest in Zhejiang Lin’an Cement Co., Ltd., (“Jin Yuan”) a limited liability company incorporated on 22 October 2003 under the laws of the People’s Republic of China with a registered capital of RMB100,000,000 for a total consideration of RMB150,000,000 was completed.

Jin Yuan owns a cement plant with a cement production capacity of 1.5 million tonne per year and a clinker production capacity of 1.55 million tonne per year.

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INTERIM FINANCIAL REPORT

Disclosure requirements per Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of Performance

The Group recorded a revenue and profit before taxation for the current financial quarter of RM1,582.9 million and RM473.1 million respectively, representing an increase of 13.6% and 29.9% respectively when compared to the previous corresponding quarter ended 30 September 2006.

The Group's profit from operations improved from RM528.4 million in the corresponding year to 30 September 2006 to RM653.8 million in the current financial year ended 30 September 2007 representing an increase of 23.7%. The profit after taxation increased by 30.1% from RM276.5 million recorded in the previous corresponding year ended 30 September 2006 to RM359.9 million recorded in the current year ended 30 September 2007. The improvement was attributed to the better performance of its utilities and cement businesses.

B2. Comparison with Preceding Quarter

	Quarter 30.9.2007 RM'000	Quarter 30.6.2007 RM'000
Revenue	1,582,869	1,729,576
Consolidated profit before taxation	473,064	464,334
Consolidated profit after taxation attributable to shareholders	224,608	352,071

For the current financial quarter, the Group's revenue decreased by 8.5% while the profit before taxation increased by 1.9% compared to the preceding quarter ended 30 June 2007 substantially due to the better performance of its utilities and cement businesses.

B3. Audit Report of the preceding financial year ended 30 June 2007

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

B4. 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 2008.

B5. Profit Forecast

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

INTERIM FINANCIAL REPORT

Notes: - continued

B6. Taxation

Taxation comprises the following:-

	Current Year Quarter 30.9.2007 RM'000	Preceding Year Corresponding Quarter 30.9.2006 RM'000	Current Year To Date 30.9.2007 RM'000	Preceding Year Corresponding Period 30.9.2006 RM'000
Taxation based on profit for the period	111,926	69,563	111,926	69,563
In respect of prior years				
- Income tax	1,544	130	1,544	130
- Deferred tax	-	-	-	-
Deferred taxation	(303)	17,902	(303)	17,902
Others	-	-	-	-
	113,167	87,595	113,167	87,595

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 certain income of foreign subsidiaries not subject to tax.

B7. Sales of Unquoted Investment and /or Properties

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

B8. Quoted Securities

(a)	Quarter Ended 30.9.2007 RM'000	
	15	Purchases
	-	Sales
	-	Gain on disposal
	=====	
(b)		Particulars of investment in quoted securities as at 30 September 2007:
		RM'000
		16,025
-	At cost	
-	At carrying value	16,025
-	At market value	30,581
		=====

INTERIM FINANCIAL REPORT

Notes: - continued

B9. Corporate Developments

(a) Corporate Proposals Announced and Pending Completion

As at the date of this announcement, there are no corporate proposals announced and pending completion save for the following:-

- (i) On 23 August 2007, the Company (“YTL Corp”) announced the proposal to undertake a renounceable offer for sale (“ROS”) of ordinary shares of RM0.50 each in YTL Power to the shareholders of the Company at an offer price of RM1.00 per YTL Power share on the basis of 1 YTL Power share for every 15 ordinary shares of RM0.50 each in the Company held by the shareholders on an entitlement date to be determined by the Board of Directors of the Company at a later date.

On 12 October 2007, the Company announced that the Securities Commission (“SC”) has in its letter dated 11 October 2007 approved the ROS subject to the condition that the Company shall fully comply with the relevant requirements of the Policies and Guidelines on Issue/Offer of Securities issued by the SC relating to the implementation of the ROS.

- (ii) On 29 August 2007, YTL Cement announced its proposal to issue via a wholly-owned subsidiary to be incorporated in the Federal Territory of Labuan, up to USD200 million nominal value five (5) year guaranteed Exchangeable Bonds which are exchangeable into new ordinary shares of RM0.50 each in YTL Cement (“the Proposed Exchangeable Bonds Issue”).

Bank Negara Malaysia has granted its approval-in-principle for the Proposed Exchangeable Bonds Issue vide its letter dated 14 October 2007. The SC and Equity Compliance Unit of the SC have also approved the Proposed Exchangeable Bonds Issue vide its letter dated 4 October 2007, subject to, inter-alia, the condition that YTL Cement is required to increase its Bumiputera equity by 3.06% (or 23,500,000 shares) of the new enlarged issued and paid-up share capital of YTL Cement within 2 years after the date of implementation of the Proposed Exchangeable Bonds Issue.

Shareholders of the YTL Cement had at the Extraordinary General Meeting held on 6 November 2007 approved the resolution for the Proposed Exchangeable Bonds Issue.

Approvals from the Ministry of International Trade & Industry, Labuan Offshore Financial Services Authority and Bursa Malaysia Securities Berhad are still pending.

INTERIM FINANCIAL REPORT

Notes: - continued

- (iii) On 8 October 2007, YTLE announced that it has entered into a Shareholders' Agreement with Patrick Cruise O'Brien of 12 Simmonscourt, Simmonscourt Road, Dublin 4, Eire for the subscription by YTLE of 80 ordinary shares of £1 each representing 80% of the total shares to be issued, fully paid in the share capital of Wimax Capital Management Limited ("WCM"), for a total cash consideration of £80. Upon completion of the subscription, WCM will become a subsidiary of YTLE and an indirect subsidiary of the Company.

WCM was incorporated in England on 17 April 2007 and presently has an authorized share capital of £100 divided into 100 ordinary shares of £1 each. WCM will be principally conduction business related to WiMAX technology, including without limitation the purchase and exploitation of WiMAX spectrum bandwidth.

- (iv) On 16 November 2007, YTL Power announced the following:-
- The distribution of One (1) treasury share for every Twenty Five (25) existing ordinary shares of RM0.50 each ("Share Dividend") held on 24 December 2007, the Book Closure Date for the Share Dividend;
 - Proposed issue of up to RM2,200,000,000 nominal value of 3.00% redeemable bonds ("Bonds") with up to 2,227,964,871 detachable warrants ("Warrants") on a bought deal basis to primary subscriber(s) ("Proposed Bonds with Warrants"); and
 - Proposed offer for sale by the primary subscriber(s) of up to 2,227,964,871 Warrants to the existing shareholders of YTL Power on a renounceable rights basis of one (1) Warrant for every three (3) existing ordinary shares of RM0.50 each held in YTL Power on an entitlement date and at an offer price to be determined and announced later ("Proposed Offer for Sale").

The Proposed Bonds with Warrants and Proposed Offer for Sale are pending approvals from the Securities Commission, Bursa Securities, Bank Negara Malaysia, shareholders of the Company and other relevant authorities, if required.

b) Status of Utilization of Proceeds

USD300 million Guaranteed Exchangeable Bonds Due 2012

The net proceeds received from the issue of the USD300 million Guaranteed Exchangeable Bond due 2012 is currently placed under fixed deposits pending investments.

INTERIM FINANCIAL REPORT

Notes: - continued

B10. Group Borrowings and Debt Securities

Particulars of the Group's borrowings and debts securities as at 30 September 2007 are as follows:-

	RM'000
(i) Short term	
- Secured	643,428
- Unsecured	2,601,733
	<hr/> 3,245,161
	<hr/>
(ii) Long term	
- Secured	2,820,173
- Unsecured	13,890,399
	<hr/> 16,710,572
	<hr/>

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

In Singapore Dollar ('000)	142,879
	<hr/>
In US Dollar ('000)	716,225
	<hr/>
In Sterling Pound ('000)	1,654,929
	<hr/>

Save for the borrowings of RM408.644 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.

B11. Off Balance Sheet Financial Instruments

There were no off balance sheet instruments as at 30 September 2007.

B12. Material litigation

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

B13. Dividend

The Board of Directors declared a first interim dividend of 15% gross less Malaysian Income Tax for the current financial year ending 30 June 2008 and that the Book Closure and Payment Dates in respect of the aforesaid dividend be 15 January 2008 and 31 January 2008 respectively.

INTERIM FINANCIAL REPORT

Notes: - continued

B14. 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 30.9.2007	Preceding Year Corresponding Quarter 30.9.2006
Profit attributable to shareholders (RM'000)	224,608	154,126
<hr/>		
<i>Weighted average number of ordinary shares ('000)</i>		
Issued at the beginning of the period	1,651,223	1,565,986
Shares repurchased	(146,947)	(135,560)
	<hr/> 1,504,276	<hr/> 1,430,426
	<hr/>	
Basic earnings per share (sen)	14.93	10.77
	<hr/>	

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INTERIM FINANCIAL REPORT

Notes: - continued

B14. 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 30.9.2007	Preceding Year Corresponding Quarter 30.9.2006
Profit attributable to shareholders (RM'000)	224,608	154,126
<i>Weighted average number of ordinary shares-diluted ('000)</i>		
Weighted average number of ordinary shares-basic	1,504,276	1,430,426
Effect of unexercised warrants	119,179	90,773
Effect of unexercised employees share option scheme	17,374	-
	<u>1,640,829</u>	<u>1,521,199</u>
* Diluted earnings per share (sen)	<u>13.69</u>	<u>10.13</u>

* Total cash expected to be received in the event of an exercise of all outstanding warrants and ESOS options is RM1,384.594 million. Accordingly, the Net Asset (NA) on a proforma basis will increase by RM1,384.594 million resulting in an increase in NTA per share of RM0.76. In arriving at the Diluted earnings per share, NA and NA per share, no income has been accrued for the cash proceeds.

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated: 22 November 2007