

**YTL CORPORATION BERHAD**

Company No. 92647-H  
Incorporated in Malaysia

**Interim Financial Report**  
**31 December 2009**

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

**INTERIM FINANCIAL REPORT**

Interim financial report on consolidated results for the financial quarter ended 31 December 2009.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2009	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2008	6 MONTHS ENDED	
	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>	3,927,270	1,624,617	7,857,350	3,363,829
COST OF SALES	(3,168,977)	(992,966)	(6,278,529)	(2,059,594)
GROSS PROFIT	758,293	631,651	1,578,821	1,304,235
OTHER OPERATING EXPENSES	(151,560)	(190,689)	(335,241)	(353,767)
OTHER OPERATING INCOME	64,096	57,693	139,729	363,288
<b>PROFIT FROM OPERATIONS</b>	670,829	498,655	1,383,309	1,313,756
FINANCE COSTS	(225,581)	(257,474)	(503,701)	(535,652)
SHARE OF PROFITS OF ASSOCIATED COMPANIES	69,470	43,507	138,261	76,331
<b>PROFIT BEFORE TAXATION</b>	514,718	284,688	1,017,869	854,435
TAXATION	(140,409)	(91,681)	(263,856)	(193,061)
<b>PROFIT FOR THE PERIOD</b>	374,309	193,007	754,013	661,374
<b>ATTRIBUTABLE TO:</b>				
SHAREHOLDERS	216,224	50,422	423,738	302,789
MINORITY INTERESTS	158,085	142,585	330,275	358,585
<b>PROFIT FOR THE PERIOD</b>	374,309	193,007	754,013	661,374
<b>EARNINGS PER 50 SEN SHARE</b>				
Basic (Sen)	12.04	3.35	23.59	20.12
Diluted (Sen)	11.94	3.16	23.40	18.99

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2009 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**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>AS AT</b>
	<b>31.12.2009</b>	<b>30.6.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant & equipment	18,836,114	19,518,609
Investment properties	3,011,074	2,986,901
Prepaid lease payment	146,026	141,106
Investment in subsidiaries	-	181,704
Investment in associated companies	2,665,816	2,329,829
Investments	779,724	673,371
Development expenditure	865,364	849,190
Fixed deposits	454	449
Intangible assets	4,276,192	4,016,726
Other receivables	91,042	57,813
	<u>30,671,806</u>	<u>30,755,698</u>
<b>Current Assets</b>		
Inventories	973,639	1,056,110
Property development costs	502,504	533,153
Trade & other receivables	3,019,304	3,648,648
Income tax assets	65,632	105,115
Amount due from related parties	50,152	29,906
Short term investments	582,162	208,239
Fixed deposits	10,493,759	8,667,515
Cash & bank balances	551,407	409,448
	<u>16,238,559</u>	<u>14,658,134</u>
<b>TOTAL ASSETS</b>	<u><u>46,910,365</u></u>	<u><u>45,413,832</u></u>

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2009 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED BALANCE SHEETS – continued**

	<b>UNAUDITED AS AT 31.12.2009</b>	<b>AUDITED AS AT 30.6.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>EQUITY</b>		
Share capital	949,776	948,496
Share premium	1,285,805	1,503,558
Other reserves	(199,180)	(109,774)
Retained profits	8,373,421	7,997,434
Less : Treasury shares, at cost	(669,297)	(892,549)
<b>Total Equity Attributable to Shareholders of the Company</b>	<b>9,740,525</b>	<b>9,447,165</b>
<b>Minority Interests</b>	<b>1,323,730</b>	<b>953,219</b>
<b>TOTAL EQUITY</b>	<b>11,064,255</b>	<b>10,400,384</b>
<b>LIABILITIES</b>		
<b>Non-current Liabilities</b>		
Long term payables	98,566	103,579
Bonds & borrowings	24,361,033	24,104,776
Deferred income	203,443	198,257
Deferred tax liabilities	2,894,950	2,916,707
Post employment benefit obligations	252,126	253,145
	<b>27,810,118</b>	<b>27,576,464</b>
<b>Current Liabilities</b>		
Trade & other payables	2,515,335	2,818,311
Amount due to related parties	18,292	6,572
Bonds & borrowings	5,200,879	4,339,794
Current tax liabilities	253,166	222,555
Provision for liabilities & charges	48,320	49,752
	<b>8,035,992</b>	<b>7,436,984</b>
<b>TOTAL LIABILITIES</b>	<b>35,846,110</b>	<b>35,013,448</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>46,910,365</b>	<b>45,413,832</b>
Net Assets per 50 sen share (RM)	<b>5.42</b>	<b>5.37</b>

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2009 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2009**

	← Attributable to Shareholders of the Company →					Total	Minority interests	Total equity
	Share capital	Share premium	Retained profits	Treasury shares	Other reserves			
<b>Group</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance at 1.7.2009	948,496	1,503,558	7,997,434	(892,549)	(109,774)	9,447,165	953,219	10,400,384
Currency translation differences	-	-	-	-	(85,194)	(85,194)	(65,429)	(150,623)
Equity component of Ex. Bonds	-	-	-	-	(2,008)	(2,008)	-	(2,008)
Gain recognised on deemed dilution of interest in subsidiaries	-	-	53,310	-	-	53,310	(56,100)	(2,790)
Income and expenses recognised directly in equity	-	-	53,310	-	(87,202)	(33,892)	(121,529)	(155,421)
Net profit for the period	-	-	423,738	-	-	423,738	330,275	754,013
Total recognised income and expenses for the period	-	-	477,048	-	(87,202)	389,846	208,746	598,592
Share buyback	-	-	-	(2,022)	-	(2,022)	(21)	(2,043)
Dividend paid	-	-	(101,061)	-	-	(101,061)	-	(101,061)
Distribution of treasury shares	-	(229,873)	-	225,274	-	(4,599)	-	(4,599)
Issue of share capital	1,280	12,120	-	-	(2,136)	11,264	-	11,264
Share options granted	-	-	-	-	(68)	(68)	-	(68)
Changes in composition of the Group	-	-	-	-	-	-	161,786	161,786
Balance at 31.12.2009	949,776	1,285,805	8,373,421	(669,297)	(199,180)	9,740,525	1,323,730	11,064,255

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2009 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2008**

	← Attributable to Shareholders of the Company →					Total	Minority interests	Total equity
	Share capital	Share premium	Retained profits	Treasury shares	Other reserves			
<b>Group</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Balance at 1.7.2008	816,101	513,721	7,072,154	(889,671)	202,115	7,714,420	3,931,417	11,645,837
Currency translation differences	-	-	-	-	(762,488)	(762,488)	(594,012)	(1,356,500)
Equity component of Ex. Bonds	-	-	-	-	9,799	9,799	-	9,799
Gain recognised on deemed dilution of interest in subsidiaries	-	-	52,715	-	-	52,715	(52,353)	362
Income and expenses recognised directly in equity	-	-	52,715	-	(752,689)	(699,974)	(646,365)	(1,346,339)
Net profit for the period	-	-	302,789	-	-	302,789	358,585	661,374
Total recognised income and expenses for the period	-	-	355,504	-	(752,689)	(397,185)	(287,780)	(684,965)
Share buyback	-	-	-	(1,807)	-	(1,807)	(55,330)	(57,137)
Dividend paid	-	-	(28,521)	-	-	(28,521)	-	(28,521)
Issue of share capital	13,144	98,166	-	-	2,916	114,226	-	114,226
Changes in composition of the Group	-	-	-	-	-	-	498,029	498,029
Balance at 31.12.2008	829,245	611,887	7,399,137	(891,478)	(547,658)	7,401,133	4,086,336	11,487,469

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2009 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2009**

	<b>FOR THE 6 MONTHS ENDED</b>	
	<b>31.12.2009</b>	<b>31.12.2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash from operating activities	952,728	1,105,092
Net cash used in investing activities	(728,480)	(2,164,537)
Net cash from financing activities	1,739,041	(320,305)
Net changes in cash and cash equivalents	1,963,289	(1,379,750)
Cash and cash equivalents brought forward	9,071,219	11,672,974
Cash and cash equivalents carried forward	<u>11,034,508</u>	<u>10,293,224</u>

Cash and cash equivalents comprise:

	<b>RM'000</b>	<b>RM'000</b>
Fixed deposits	10,494,213	10,126,837
Cash and bank balances	551,407	206,043
Bank overdraft	(11,112)	(39,656)
	<u>11,034,508</u>	<u>10,293,224</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 30 June 2009 and the accompanying explanatory notes attached to the interim financial statements.



**INTERIM FINANCIAL REPORT**

**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 2009.

**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 Main Market 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 2009, except for the adoption of FRS 8, Operating Segments and early adoption of Amendments to FRS 8, Operating Segments effective from the financial period beginning 1 July 2009.

Comparative segment information has been re-presented. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no financial impact on the Group.

**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.

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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A5. Changes in Debt and Equity Securities**

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities except for the following:-

- (i) For the current financial quarter, 832,000 ordinary shares of RM0.50 each were issued pursuant to the exercise of employees' share options granted under the Company's Employees Share Option Scheme ("ESOS") at a weighted average exercise price of RM4.78 per share. During the current financial year to date, a total of 2,561,000 ordinary shares of RM0.50 each were issued pursuant to the exercise of employees' share options granted under the Company's ESOS at a weighted average exercise price of RM4.79 per share.
- (ii) For the current financial quarter and financial year to date, the Company repurchased 470,300 and 744,700 ordinary shares of RM0.50 each of its issued share capital from the open market, at an average cost of RM7.39 and RM7.38 per share respectively. The total consideration paid for the share buy-back, including transaction costs during the current financial quarter and financial year to date amounted to RM3,474,428 and RM5,496,671 respectively and were financed by internally generated funds. The repurchase of shares are held as treasury shares in accordance with the requirements of Section 6A of the Companies Act, 1965.
- (iii) During the financial year to date, a total of 35,219,196 treasury shares were distributed as share dividend on 18 September 2009 to the shareholders on the basis of one (1) treasury share for every fifty (50) ordinary shares held on 9 September 2009. As at 31 December 2009, the total number of treasury shares held was 102,972,109 ordinary shares.

**A6. Dividend paid**

A first & final dividend of 15% gross less Malaysian Income Tax of 25% amounting to RM101,061,085 in respect of financial year ended 30 June 2009 was paid on 24 December 2009.

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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 period ended 31 December 2009 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	Elimination RM'000	Total RM'000
<b>External revenue</b>	161,675	7,154	1,039,548	139,117	145,620	76,890	6,287,346	-	7,857,350
<b>Inter-segment revenue</b>	63,140	15,663	68,304	60,084	197,668	2,577	-	(407,436)	-
<b>Total revenue</b>	<u>224,815</u>	<u>22,817</u>	<u>1,107,852</u>	<u>199,201</u>	<u>343,288</u>	<u>79,467</u>	<u>6,287,346</u>	<u>(407,436)</u>	<u>7,857,350</u>
<b>Segment results</b>									
Profit from operations	25,014	(576)	229,372	45,273	110,075	8,695	965,456	-	1,383,309
Finance costs									(503,701)
									<u>879,608</u>
Share of profit of associated companies									138,261
Profit before taxation									<u><u>1,017,869</u></u>

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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 period ended 31 December 2008 is as follows:-

	Construction	Information technology & e-commerce related business	Cement Manufacturing & trading	Property investment & development	Management services & others	Hotels	Utilities	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>External revenue</b>	186,629	15,436	1,057,222	65,610	184,337	79,091	1,775,504	-	3,363,829
<b>Inter-segment revenue</b>	11,044	2,081	2,534	117,877	231,744	1,836	-	(367,116)	-
<b>Total revenue</b>	197,673	17,517	1,059,756	183,487	416,081	80,927	1,775,504	(367,116)	3,363,829
<b>Segment results</b>									
Profit from operations	2,221	4,187	224,723	41,640	(1,619)	6,629	781,615	-	1,059,396
Finance costs									(535,652)
									523,744
Fair value gain on investment properties									254,360
Share of profit of associated companies									76,331
Profit before taxation									854,435

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A8. Changes in the Composition of the Group**

There were no significant changes in the composition of the Group for the current financial quarter ended 31 December 2009, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations except for the following:-

- (i) On 14 September 2009, YTL Power International Berhad (“YTL Power”) incorporated a wholly-owned subsidiary in Singapore known as YTL DCS Pte Ltd (“YTL DCS”) with an issued and paid-up share capital of S\$1.00 comprising 1 ordinary share. YTL DCS is intended to be principally involved in investment holding.
- (ii) On 5 October 2009, YTL Hotels & Properties Sdn Bhd (“YTLHP”), a wholly-owned subsidiary of the Company, completed its acquisition of 80,000 ordinary shares of RM1.00 each representing 80% of the issued and paid-up share capital of Borneo Island Villas Sdn Bhd (“BIV”). As a result, BIV has become an indirect subsidiary of the Company.
- (iii) On 7 October 2009, YTL Cement (Hong Kong) Limited, a wholly-owned subsidiary of YTL Cement acquired 1 ordinary share of the par value US\$1.00 representing the entire issued and paid-up share capital of Industrial Procurement Limited (“Industrial Procurement”) for US\$1.00. As a result, Industrial Procurement became an indirect subsidiary of the Company.

Industrial Procurement was incorporated in the Cayman Islands with an authorised share capital of US\$50,000 comprising 50,000 shares of US\$1.00 each. Industrial Procurement will be principally involved in procurement of machinery and industrial equipment, and investment holding.

- (iv) On 12 October 2009, YTL Cement announced that its wholly-owned subsidiary, Buildcon Concrete Enterprise Sdn Bhd (“BCE”) has given its consent to the application by Specialist Cement Sdn Bhd (“Specialist Cement”), an 85%-owned subsidiary of BCE, for strike-off of Specialist Cement’s name from the companies register under Section 308 of the Malaysian Companies Act, 1965.

Specialist Cement was previously involved in the manufacture and sale of dry concrete products and has remained inactive since ceasing business in 2004.

- (v) On 27 October 2009, the Company acquired 2 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Cornerstone Crest Sdn Bhd (“Cornerstone Crest”) for a cash consideration of RM2.00. As a result, Cornerstone Crest has become a wholly-owned subsidiary of the Company.

Cornerstone Crest was incorporated on 24 July 2009 and is intended to be principally involved in investment holding.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- (vi) On 27 October 2009, Star Hill Living.Com Sdn Bhd (“Star Hill Living”), an indirect wholly-owned subsidiary of the Company, has acquired 2 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Trendy Retailing Sdn Bhd (“Trendy Retailing”) for a cash consideration of RM2.00. As a result, Trendy Retailing became an indirect wholly-owned subsidiary of the Company.

Trendy Retailing was incorporated on 1 October 2009 and will be principally involved in the retailing business.

- (vii) On 30 October 2009, YTL Hotels (Cayman) Limited, an indirect wholly-owned subsidiary of the Company subscribed for 510 ordinary shares representing 51% of the issued and paid-up share capital of M Hotel Management Pte Ltd (“M Hotel”) for a consideration of S\$510.00. As a result, M Hotel became an indirect subsidiary of the Company.

M Hotel was incorporated in Singapore on 30 October 2009 and has an issued and paid-up share capital of S\$1,000.00 comprising 1,000 ordinary shares. M Hotel will be principally involved in hotel management services.

- (viii) YTL Cement had on 6 May 2008 announced that it intended to strike off the name of Buildcon Vietnam Limited (“BVL”), a 70%-owned subsidiary of YTL Cement, from the Register of International Business Companies, British Virgin Islands. BVL was officially struck off with effect from 2 November 2009.

- (ix) On 26 November 2009, Star Hill Living has acquired 2 ordinary shares of par value RM1.00 each representing the entire issued and paid-up share capital of Natural Adventure Sdn Bhd (“Natural Adventure”) for a cash consideration of RM2.00. As a result, Natural Adventure has become a wholly-owned subsidiary of Star Hill Living and an indirect wholly-owned subsidiary of the Company.

Natural Adventure was incorporated on 29 October 2009 and will be principally involved in the retailing business.

- (x) On 1 December 2009, YTL Cement (Hong Kong) Limited, a wholly-owned subsidiary of YTL Cement, incorporated a wholly-owned subsidiary in the People’s Republic of China known as Linan Lu Hong Transport Co. Ltd. (“LLHT”) with a registered capital of RMB10 million. LLHT was set up to undertake the business of road transport of goods, storage and associated services.

- (xi) On 22 December 2009, YTL Hotels B.V., a wholly-owned subsidiary of YTLHP, acquired 35,000,000 shares of par value THB10 each representing the remaining 50% equity stake in Samui Hotel 2 Co. Ltd (“Samui Hotel”) not held by it, for US\$420,000 in cash. As a result, Samui Hotel has become an indirect wholly-owned subsidiary of the Company.

Samui Hotel is a company incorporated under the laws of the Kingdom of Thailand and presently has a registered share capital of THB700,000,000 divided into 70,000,000 ordinary shares of THB10 each, and paid-up share capital of THB299,999,000. Samui Hotel is principally engaged in the hotel business.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A9. Changes in Contingent Liabilities or Contingent Assets**

Since the last annual balance sheet as at 30 June 2009, there were no changes in the contingent liabilities of the Group except for the following:-

As at 31 December 2009, the Company had given corporate guarantees 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>
Bank overdrafts	20,200	2,395
Letters of credit/trust receipts/bankers acceptances/ shipping guarantees	143,300	66,600
Revolving credits/term loans	101,031	57,606
Bankers' guarantees	86,000	37,354
	<u>350,531</u>	<u>163,955</u>
	<b>S\$'000</b>	<b>S\$'000</b>
Term loans	633,157	606,348
Bankers' guarantees	13,000	5,366
	<u>646,157</u>	<u>611,714</u>
	<b>US\$'000</b>	<b>US\$'000</b>
Exchangeable Bonds due 2012	300,000	300,000

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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A10. Subsequent Events**

There was no item, transaction or event of a material or unusual in nature during the period from the end of the quarter under review to 24 February 2010 except for the following:-

- (i) On 5 January 2010, Island Air Sdn Bhd (“Island Air”), a 80%-owned subsidiary of the Company, acquired 800,000 ordinary shares of RM1.00 each in Nusantara Sakti Sdn Bhd (“Nusantara”), representing 100% of the issued and paid-up share capital in Nusantara, from Cekul Teguh Sdn Bhd, for a total consideration of RM4,500,000.00. As a result, Nusantara has become a wholly-owned subsidiary of Island Air and an indirect wholly-owned subsidiary of the Company
- (ii) On 6 January 2010, Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd, a wholly-owned subsidiary of the Company, transferred its 2 ordinary shares of RM1.00 each in YTL Premix Sdn Bhd (“YTL Premix”), representing the entire issued and paid-up share capital of YTL Premix to Batu Tiga Quarry Sdn Bhd (“BTQ”), a wholly-owned subsidiary of YTL Industries Berhad, which in turn is a wholly-owned subsidiary of the Company, for a total consideration of RM586,348.00. As a result, YTL Premix has become a direct wholly-owned subsidiary of BTQ and remains as an indirect subsidiary of the Company
- (iii) On 17 December 2009, YTLHP entered into a conditional sale and purchase agreement with YTL Land & Development Berhad (“YTLLD”), a subsidiary of the Company, for the disposal of 13,348,451 ordinary shares of RM1.00 each in PDC Heritage Hotel Sdn Bhd (“PDCHH”) which constitutes 50% of the total issued and paid up share capital of PDCHH for a total cash consideration of RM14,646,585 (“Proposed Disposal”).

The Proposed Disposal was completed on 19 January 2010. Consequent thereto, PDCHH ceased to be a subsidiary but became an associate company of YTLLD and the Company.

- (iv) On 13 January 2010, YTL Singapore Pte. Ltd., a wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary in the People’s Republic of China, known as Shanghai YTL Hotels Management Co., Ltd. (“SYTLHM”). SYTLHM is a limited liability company and has a registered capital of USD140,000.

SYTLHM is intended to be involved in the business of providing hotel management services, hotel development and design advisory services, and other related services.

- (v) Following a voluntary unconditional cash offer made for and on behalf of Holcim Investments (Singapore) Pte Ltd (“Holcim Singapore”), the holding company of Jurong Cement Limited (“JCL”) to acquire all the shares in JCL other than those already owned, controlled or agreed to be acquired by Holcim Singapore, subject to the terms set out in the offer document dated 6 January 2010 and revision notification dated 28 January 2010 (“the Offer”), YTL Cement Singapore Pte Ltd, a wholly owned subsidiary of YTL Cement, had on 11 February 2010 accepted the Offer for the disposal of its entire 21.48% stake comprising 9,520,000 shares in JCL. As a result, JCL has ceased to be an associated company of YTL Cement and the Company. The proceeds and gain from the disposal are approximately S\$23.8 million (or at S\$2.50 per share) and S\$14.474 million respectively.



**INTERIM FINANCIAL REPORT**

**Notes: - continued**

(vi) On 18 February 2010, the following subsidiaries which were incorporated in the Cayman Islands on the same date, became indirect subsidiaries of the Company:-

(a) YTL Utilities Finance 5 Limited (“YTLUF5”); and

(b) YTL Communications International Limited (“YTLCI”).

YTLUF5 and YTLCI were each incorporated with an authorised share capital of US\$50,000.00 comprising 50,000 shares of US\$1.00 each, and issued and paid-up share capital of US\$1.00 comprising 1 ordinary share of US\$1.00.

The entire issued and paid-up share capital of YTLUF5 is held by YTL Power. YTLCI is 100%-owned by YTL Communications Sdn Bhd, a 60%-owned subsidiary of YTL Power.

YTLUF5 will be principally involved in the provision of financial services whilst YTLCI is intended to be involved in investment holding.

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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**Disclosure requirements per Part A of Appendix 9B of the Main Market 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 RM3,927.3 million and RM514.7 million respectively, representing an increase of 141.7% and 80.8% respectively. The increase in revenue was mainly due to the consolidation of the newly acquired PowerSeraya Limited Group in Singapore by YTL Power whilst the increase in profit before taxation was attributed to the better performance of its utilities and cement businesses.

**B2. Comparison with Preceding Quarter**

	<b>Current Quarter 31.12.2009 RM'000</b>	<b>Preceding Quarter 30.9.2009 RM'000</b>
Revenue	3,927,270	3,930,080
Consolidated profit before taxation	514,718	503,151
Consolidated profit after taxation attributable to shareholders	216,224	207,514

For the current financial quarter, Group profit before taxation increased by 2.3% when compared to the preceding quarter ended 30 September 2009. The increase in profit before taxation was substantially due to better performance of the utilities division.

**B3. Audit Report of the preceding financial year ended 30 June 2009**

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 2010.

**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:-

	<b>Current Year Quarter 31.12.2009 RM'000</b>	<b>Preceding Year Corresponding Quarter 31.12.2008 RM'000</b>	<b>Current Year To Date 31.12.2009 RM'000</b>	<b>Preceding Year Corresponding Period 31.12.2008 RM'000</b>
Taxation based on profit for the period	141,890	122,392	266,414	193,517
In respect of prior years				
- Income tax	152	-	152	7
Deferred taxation	(1,633)	(30,711)	(2,710)	(463)
	<u>140,409</u>	<u>91,681</u>	<u>263,856</u>	<u>193,061</u>

The provision for taxation of the Group for the current financial quarter reflects an effective tax rate higher than the Statutory Income Tax Rate due primarily to the losses incurred by some group companies which are not available for group relief deduction.

**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) Particulars of investment in quoted securities as at 31 December 2009:

	<b>RM'000</b>
- At cost	16,276
- At carrying value	16,276
- At market value	23,014
	<u>          </u>

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**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) In relation to the proposed issue by YTL Cement via a wholly-owned subsidiary to be incorporated in the Federal Territory of Labuan, of up to USD200 million nominal value five-year guaranteed Exchangeable Bonds (“Exchangeable Bonds”) which are exchangeable into new ordinary shares of RM0.50 each in YTL Cement (“Proposed YTL Exchangeable Bonds Issue”), YTL Cement has until 4 April 2010, being the extended date approved by the Securities Commission, to complete the Proposed YTL Exchangeable Bonds Issue.

The approval given by the shareholders of YTL Cement at the Extraordinary General Meeting held on 6 November 2007 for the Proposed YTL Exchangeable Bonds Issue includes the authority for the directors of YTL Cement to allot and issue such number of new ordinary shares of RM0.50 each in YTL Cement which are required to be issued upon exchange of the Exchangeable Bonds in accordance with the terms of exchange and/or upon any adjustments of the exchange price of the Exchangeable Bonds in accordance with the terms regarding adjustments of the exchange price (“Authority to Allot/Issue Shares”). The Authority to Allot/Issue Shares had, in accordance with the Companies Act, 1965, lapsed. Shareholders of YTL Cement will consider the resolution for renewal of the Authority to Allot/Issue Shares at an Extraordinary General Meeting to be held on 2 March 2010.

- (ii) Pursuant to the Heads of Agreement dated 18 November 2009 (“Heads of Agreement”) in relation to the proposed disposal by Starhill Real Estate Investment Trust (“Starhill REIT”) pursuant to a proposed rationalisation exercise to reposition Starhill REIT as global hospitality REIT, of Starhill Gallery and Lot 10 Properties (“the Properties”) to Starhill Global Real Estate Investment Trust (“SG REIT”) (“Proposed Disposal”), it was agreed in principle that the Proposed Disposal would be undertaken by way of a securitisation exercise (“Securitisation Exercise”) in Malaysia via a special purpose vehicle to act as the purchaser of the Properties.

On 15 December 2009, AmInvestment Bank Berhad (“AmInvestment”) submitted an application to the Securities Commission for approval for the Securitisation Exercise. SC has vide its letter dated 23 February 2010 approved the Securitisation Exercise.

Bursa Malaysia Securities Berhad (“Bursa Securities”) has via letter dated 15 December 2009 (“the Approval Letter”) approved Starhill REIT’s application for waiver of the requirements of Paragraph 8.04 and Practice Note 17 of Bursa Securities Main Market Listing Requirements relating to the required financial condition and level of operations of listed issuers subject to compliance with the conditions set out in the Approval Letter.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

Bank Negara Malaysia has via its letter dated 23 February 2010 approved Starhill REIT's investment in convertible preference units in SG REIT as part of the sale consideration pursuant to the Proposed Disposal.

The Proposed Disposal is also subject to, *inter alia*, the approvals of the unitholders of Starhill REIT and SG REIT, and all relevant authorities necessary for completion of the transactions contemplated in the Heads of Agreement.

- (iii) On 15 December 2009, CIMB Investment Bank Berhad had, on behalf of the Company ("YTL Corp"), announced that the Company is proposing to issue via an offshore wholly-owned subsidiary, up to USD400 million nominal value seven-year guaranteed exchangeable bonds ("the Bonds") which are exchangeable into new ordinary shares of RM0.50 each in YTL Corp ("Proposed Bonds Issue").

Bursa Securities has via letter dated 13 January 2010 approved the listing of and quotation for such number of new YTL Corp Shares to be issued upon the exchange of the Bonds on the Main Market of Bursa Securities subject to compliance with the conditions set out in the said letter.

The Proposed Bonds Issue has been approved by the shareholders of the Company at the Extraordinary General Meeting held on 5 February 2010.

In addition to the above, the Proposed Bonds Issue is subject to the approvals of, *inter alia*, BNM, Labuan Offshore Financial Services Authority in the event a special purpose vehicle company is incorporated in the Federal Territory of Labuan, and any other relevant authorities, if required.

- (iv) On 15 January 2010, YTL Industries Sdn Bhd ("YTL Industries"), a wholly-owned subsidiary of the Company, entered into a conditional Sale and Purchase Agreement ("Agreement") with YTL Cement for the disposal of 1,000,000 ordinary shares of RM1.00 each held by YTL Industries in BTQ, representing the entire equity interest in BTQ for a cash consideration of RM150,000,000 ("Proposed Disposal"). The Proposed Disposal is conditional upon the approval of the shareholders of YTL Cement and any other relevant authorities and/or person, if required, being obtained. Upon completion of the Proposed Disposal, BTQ will become a direct wholly-owned subsidiary of YTL Cement and remain as an indirect subsidiary of the Company.

**B10. Group Borrowings and Debt Securities**

Particulars of the Group's borrowings and debts securities as at 31 December 2009 are as follows:-

	<b>RM'000</b>
(i) Short term	
- Secured	991,672
- Unsecured	4,209,207
	<hr/>
	5,200,879
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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

	<b>RM'000</b>
(ii) Long term	
- Secured	6,031,793
- Unsecured	18,329,240
	<u>24,361,033</u>

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

In Singapore Dollar ('000)	2,636,779
In US Dollar ('000)	800,354
In Sterling Pound ('000)	1,550,575

Save for the borrowings of RM126.601 million and S\$606.348 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**

(a) Fuel oil swaps

The Group entered into fuel oil swaps to hedge highly probable forecast physical fuel oil and natural gas purchases that are expected to occur at various dates in the future. The fuel oil swaps have maturity dates that match the expected occurrence of these transactions.

As at 19 February 2010, the Group's outstanding fuel oil swaps are as follows:

Type of contract	Outstanding Quantity In Metric Ton	Notional Amount			Fair value RM'000	Maturity date
		Maturities				
		Within 1 year RM'000	1 year or more RM'000	Total RM'000		
"Buy" fuel oil swaps	557,000	776,738	53,486	830,224	888,487	28 February 2010 to 31 December 2011
"Sell" fuel oil swaps	172,500	284,411	-	284,411	274,283	28 Feb 2010 to 30 June 2010

(b) Currency forwards

The Group entered into currency forwards to hedge highly probable forecast transactions denominated in foreign currency expected to occur in the future. The currency forwards have maturity dates that match the expected occurrence of these transactions.

**INTERIM FINANCIAL REPORT**

**Notes – continued**

As at 19 February 2010, the Group's outstanding currency forwards are as follows:

Nature of Forecast transactions	Foreign Currency	Foreign Currency Amount '000	Notional Amount			Fair value RM'000	Maturity date
			Maturities				
			Within 1 year RM'000	1 year or more RM'000	Total RM'000		
Fuel oil and natural gas	Buy USD	197,956	657,261	26,451	683,712	679,144	3 March 2010 to 14 December 2011
Fuel oil and natural gas	Sell USD	5,835	19,903	-	19,903	20,009	12 March 2010 to 14 April 2010
Capital Projects	Buy USD	10,894	38,046	-	38,046	37,358	1 March 2010 to 1 July 2010
Capital Projects	Buy EURO	24,703	118,762	-	118,762	117,827	26 February 2010 to 2 August 2010

(c) Interest rate swaps

Interest rate swaps are entered to hedge floating rate interest payments on bank borrowings which were obtained to finance acquisition of subsidiaries and for the construction of property, plant and equipment.

The interest rate swaps as at 19 February 2010 are as follows:

Interest Rate Swap	Weighted Average Rate per annum	Notional Amount RM'000	Fair Value RM'000	Effective Period
Plain Vanilla	2.89%	610,025	586,833	28 February 2008 to 28 August 2014
Plain Vanilla	0.92%	2,318,095	2,306,730	7 September 2009 to 6 October 2010

**B12. Material litigation**

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

**B13. Dividend**

The Board of Directors has not recommended any interim dividend for the current quarter or financial period to date.

**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:-

	<b>Current Quarter 31.12.2009</b>	<b>Preceding Year Corresponding Quarter 31.12.2008</b>
Profit attributable to shareholders (RM'000)	216,224	50,422
<i>Weighted average number of ordinary shares ('000)</i>		
Issued at the beginning of the year	1,895,765	1,641,931
Shares repurchased	(99,165)	(137,245)
	1,796,600	1,504,686
Basic earnings per share (sen)	12.04	3.35

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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:-

	<b>Current Quarter 31.12.2009</b>	<b>Preceding Year Corresponding Quarter 31.12.2008</b>
Profit attributable to shareholders (RM'000)	216,224	50,422
<i>Weighted average number of ordinary shares-diluted ('000)</i>		
Weighted average number of ordinary shares-basic	1,796,600	1,504,686
Effect of unexercised warrants	-	78,476
Effect of unexercised employees share option scheme	14,719	11,406
	<u>1,811,319</u>	<u>1,594,568</u>
* Diluted earnings per share (sen)	<u>11.94</u>	<u>3.16</u>

\* Total cash expected to be received in the event of an exercise of all ESOS options is RM211.008 million. Accordingly, the Net Asset (NA) on a proforma basis will increase by RM211.008 million resulting in an increase in NA per share of RM0.11. 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: 25 February 2010