

**YTL CEMENT BERHAD (Company No. 31384-K)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

Interim financial report on consolidated result for the period ended 31 December 2002

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.12.2002	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2001	6 MONTHS ENDED 31.12.2002    31.12.2001	
	RM'000	RM'000	RM'000	RM'000
REVENUE	95,258	100,235	190,712	208,714
OPERATING EXPENSES	(80,239)	(82,588)	(158,549)	(173,801)
OTHER OPERATING INCOME	1,276	759	1,944	1,266
PROFIT FROM OPERATION	16,295	18,406	34,107	36,179
FINANCE COSTS	(228)	(383)	(545)	(716)
SHARE OF RESULTS OF ASSOCIATED COMPANY	2,456	2,898	2,816	6,360
PROFIT BEFORE TAXATION	18,523	20,921	36,378	41,823
TAXATION	(2,587)	(2,480)	(6,605)	(4,891)
PROFIT AFTER TAXATION	15,936	18,441	29,773	36,932
MINORITY INTEREST	23	6	148	(125)
NET PROFIT FOR THE PERIOD	15,959	18,447	29,921	36,807
<b>EARNINGS PER SHARE</b>				
Basic (Sen)	11.46	13.21	21.49	26.33
Diluted (Sen)	9.60	12.24	18.04	25.25

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30<sup>th</sup> June 2002

**YTL CEMENT BERHAD (Company No. 31384-K)**  
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**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b>AS AT 31.12.2002 RM'000</b>	<b>AS AT 30.6.2002 RM'000</b>
PROPERTY, PLANT & EQUIPMENT	192,849	189,263
	-----	-----
INVESTMENT IN ASSOCIATED COMPANIES	106,042	103,492
	-----	-----
CAPITAL WORK IN PROGRESS	4,960	4,960
	-----	-----
GOODWILL	396	396
	-----	-----
<b>CURRENT ASSETS</b>		
Inventories	11,168	9,395
Trade receivables	98,156	111,981
Other receivables	10,134	9,998
Inter-company Balances	2,772	570
Deposits, Bank & Cash Balances	86,512	66,979
	-----	-----
	208,742	198,923
	-----	-----
<b>CURRENT LIABILITIES</b>		
Trade payables	25,822	43,784
Other payables	39,781	26,708
Inter-Company Balances	36,638	46,302
Short term Borrowings	34,736	37,307
Taxation	418	512
	-----	-----
	136,395	154,613
	-----	-----
<b>NET CURRENT ASSETS</b>	72,347	44,310
	-----	-----
	375,594	342,421
	=====	=====

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**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED BALANCE SHEETS - continued**

	<b>AS AT 31.12.2002 RM'000</b>	<b>AS AT 30.6.2002 RM'000</b>
SHARE CAPITAL		
Ordinary shares	145,500	145,480
Preference shares		
RESERVES		
Share premium	15,813	15,802
Retained profits	203,084	173,163
Others	1	3
Treasury shares, at cost	(18,145)	(18,145)
	-----	-----
SHAREHOLDERS' FUNDS	346,253	316,303
MINORITY INTERESTS	3,260	3,407
LONG TERM LIABILITIES		
Deferred taxation	26,081	22,711
	-----	-----
	375,594	342,421
	=====	=====
Net Tangible assets per share (Sen)	248.6	226.9
	=====	=====

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30<sup>th</sup> June 2002

**YTL CEMENT BERHAD (Company No. 31384-K)**  
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**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE QUARTER ENDED 31 DECEMBER 2002**

	<b>RM'000</b>
Net cash (used in) operating activities	31,752
	=====
Net cash (used in) investing activities	(9,679)
	=====
Net cash generated from financing activities	(2,540)
	=====
Net (decrease) / increase in cash and cash equivalents	19,533
Cash and cash equivalents at beginning of the year	66,979
	-----
Cash and cash equivalent at end of the period (note a)	86,512
	=====

**Note (a)**

Cash and cash equivalent

	<b>RM'000</b>
Cash and bank balances	8,983
Fixed Deposit	77,529
	-----
Cash and cash equivalent at end of the period	86,512
	=====

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30<sup>th</sup> June 2002

**YTL CEMENT BERHAD (Company No. 31384-K)**  
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**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 31 DECEMBER 2002**

	<b>Share Capital RM'000</b>	<b>Share Premium RM'000</b>	<b>Translation Reserve RM'000</b>	<b>Treasury Shares RM'000</b>	<b>Retained Profit RM'000</b>	<b>Total RM'000</b>
As at 01 July 2002	145,480	15,802	3	(18,145)	173,163	316,303
Issue of Share Capital	20	11				31
Gain not recognised In Income statement -Foreign Currency Translation Difference			(2)			(2)
Profit for the period	-----	-----	-----	-----	29,921	29,921
As at 30 September 2002	<u>145,500</u>	<u>15,813</u>	<u>1</u>	<u>(18,145)</u>	<u>203,084</u>	<u>346,253</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30<sup>th</sup> June 2002

**INTERIM FINANCIAL REPORT**

**Notes :**

**Disclosure requirement per MASB 26 – paragraph 16**

**A1. Accounting Policies**

The interim financial report has been prepared based on the same accounting policies and methods of computation adopted in the most recent annual financial statement. There have been no significant changes to those policies.

**A2. Audit Report of preceding financial year ended 30 June 2002**

The Auditors' Reports on the financial statements of the preceding financial year were 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 factor.

**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 to estimate of amount reported in prior interim periods and prior financial years.

**A6. Changes in Debt and Equity Securities**

During the current financial quarter, there was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities

**A7. Dividend**

No dividend has been declared or paid for the current financial quarter.

**A8. Segment Reporting**

No segment information is prepared as the Group's activities are predominantly in one industry segment and occur predominantly in Malaysia.

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

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

**INTERIM FINANCIAL REPORT**

**Notes – Continued**

**A10. Material Events Subsequent to the end of the interim period**

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

**A11. Changes in the Composition of the Group**

There was no change in the composition of the Group for the current financial quarter.

**A12. Changes in Contingent Liabilities**

There has been no material change in the contingent liabilities of the Group since the last annual balance sheet as at 30 June 2002.

The Company has given corporate guarantees amounting to RM63 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>
Letters of credit/trust receipts/bankers acceptances/ overdrafts/bankers guarantees	63,000	20,736
	=====	=====

## **INTERIM FINANCIAL REPORT**

### **Disclosure requirement per KLSE listing requirements Part A of Appendix 9B**

#### **B1. Review of Performance**

The Group's revenue and profit before taxation were RM190.71million and RM36.38 million for the Six month period ended 31 December, 2002 and RM208.71 million and RM41.82 million for the corresponding period ended 31 December, 2001 respectively. By comparing the current financial year to date with the preceding year corresponding period, the revenue reduced by 8.63% and profit before taxation reduced by 13.02%. due to reduced cement consumption in the construction industry in the period under review.

#### **B2. Comparison with Preceding Quarter**

	<b>Current Quarter 31.12.2002 RM'000</b>	<b>Preceding Quarter 30.09.2002 RM'000</b>
Revenue	95,258	95,454
Consolidated profit before taxation	18,523	17,854
Consolidated profit after taxation after minority interests	15,959	13,961

During the current financial quarter ended 31 December 2002, the Group's recorded revenue of RM95.26million, representing a decrease of 0.21% from RM95.45 million in the preceding quarter.

The Group's profit before taxation increased from RM17.85 million in the preceding quarter to RM18.52 million during the current quarter. The increased in profit before taxation in the current quarter was attributed to the share of profit from an associate company engaged in the manufacturing and supply of ordinary portland cement which has successfully embarked on a cost reduction programme

#### **B3. Prospects**

After considering the current market demand for ready-mixed concrete and cement, the Group expects to achieve a satisfactory level of operating performance for the financial year ending 30 June, 2003.

#### **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**

Tax comprises the following:-

	<b>Current Year Quarter 31.12.2002 RM'000</b>	<b>Current Year To Date 31.12.2002 RM'000</b>
Tax charged for the period	1,528	2,968
Transferred to deferred taxation	901	3,370
Tax on share of profits of associated companies	158	267
	----- 2,587 =====	----- 6,605 =====

The provision for taxation for the current quarter and financial year to date reflects an effective tax rate lower than the statutory tax rate due mainly to the availability of reinvestment allowances.

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

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

**B7. Quoted Investment**

During the current financial quarter, there was no purchase or disposal of quoted investment. The Group does not have any quoted investment at the end of the current financial quarter.

**B8. Corporate Development**

As at the date of this announcement, there were no corporate proposals announced and pending completion.

**B9. Group Borrowings and Debt Securities**

The Group's borrowings from financial institutions as at end of the current financial quarter are:

The Group's borrowings from financial institutions as at end of the current financial year to date are as follows :

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**INTERIM FINANCIAL REPORT**

Notes : - continued

	<b>Short term RM'000</b>	<b>Long term RM'000</b>	<b>Total RM'000</b>
Secured	-	-	-
Unsecured	34,736	-	34,736
	-----	-----	-----
	34,736	-	34,736
	=====	=====	=====

The borrowings are denominated in Ringgit Malaysia.

**B10. Off Balance Sheet Financial Instruments**

No off balance sheet financial instruments were utilised for the current financial quarter.

**B11. Material litigation**

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

**B12. Dividend**

No dividend has been declared for the current financial quarter.

**B13. Earnings Per Share**

**i) Basic earnings /(loss) per share**

The basic earnings /(loss) per share of the Group has been computed by dividing the net profit for the financial quarter by the weighted average number of ordinary share in issue during the financial quarter.

	<b>Current Quarter 31.12.2002</b>	<b>Preceding Year Corresponding Quarter 31.12.2001</b>
Net profit /(loss) for the period (RM'000)	15,959	18,447
	=====	=====
Weighted average number of ordinary shares ('000)	139,273	139,611
	=====	=====
Basic earnings per share (sen)	11.46	13.21
	=====	=====

**ii) Diluted earnings /(loss) per share**

The diluted earnings /(loss) per share of the Group has been computed by dividing the net profit for the financial quarter by the adjusted weighted average number of ordinary share, assuming full conversion of the warrants in issue during the financial quarter

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**INTERIM FINANCIAL REPORT**

Notes : - continued

	<b>Preceding Year</b>	
	<b>Current Quarter 31.12.2002</b>	<b>Corresponding Quarter 31.12.2001</b>
Net profit /(loss) for the period (RM'000)	15,959	18,447
Weighted average number of ordinary shares('000)	139,273	139,611
-ordinary shares deemed issued for no consideration on assumed exercise of Warrants	26,979	11,086
Adjusted weighted average of ordinary shares	166,252	150,697
Diluted earnings per share (sen)	9.60	12.24

By Order of the Board  
DATO' YEOH SOO MIN  
HO SAY KENG  
Secretaries

Kuala Lumpur  
Dated : 27 February 2003