

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

INTERIM FINANCIAL REPORT

Interim financial report on consolidated result for the period ended 30 June 2003

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30.06.2003	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2002	12 MONTHS ENDED 30.06.2003 30.06.2002	
	RM'000	RM'000	RM'000	RM'000
REVENUE	120,045	113,742	428,438	422,639
OPERATING EXPENSES	(104,988)	(100,302)	(362,283)	(358,274)
OTHER OPERATING INCOME	676	1,704	3,926	3,417
PROFIT FROM OPERATION	15,733	15,144	70,081	67,782
FINANCE COSTS	(307)	(367)	(1,148)	(1,467)
SHARE OF RESULTS OF ASSOCIATED COMPANY	5,553	4,156	11,877	13,611
PROFIT BEFORE TAXATION	20,979	18,933	80,810	79,926
TAXATION	(3,680)	(3,674)	(14,142)	(12,999)
PROFIT AFTER TAXATION	17,299	15,259	66,668	66,927
MINORITY INTEREST	135	(83)	369	(141)
NET PROFIT FOR THE PERIOD	17,434	15,176	67,037	66,786
EARNINGS PER SHARE				
Basic (Sen)	12.41	10.90	47.65	47.87
Diluted (Sen)	10.37	9.06	40.10	42.40

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

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED BALANCE SHEETS

	AS AT 30.06.2003 RM'000	AS AT 30.6.2002 RM'000
PROPERTY, PLANT & EQUIPMENT	192,052	189,263
	-----	-----
INVESTMENT IN ASSOCIATED COMPANIES	114,846	103,492
	-----	-----
CAPITAL WORK IN PROGRESS	4,960	4,960
	-----	-----
GOODWILL	396	396
	-----	-----
CURRENT ASSETS		
Inventories	11,872	9,395
Trade receivables	113,986	111,981
Other receivables	7,374	9,998
Inter-company Balances	539	570
Deposits, Bank & Cash Balances	110,339	66,979
	-----	-----
	244,110	198,923
	-----	-----
CURRENT LIABILITIES		
Trade payables	35,393	43,784
Other payables	34,731	26,708
Inter-Company Balances	49,322	46,302
Short term Borrowings	41,087	37,307
Taxation	178	512
	-----	-----
	160,711	154,613
	-----	-----
NET CURRENT ASSETS	83,399	44,310
	-----	-----
	395,653	342,421
	=====	=====

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED BALANCE SHEETS - continued

	AS AT 30.06.2003 RM'000	AS AT 30.6.2002 RM'000
SHARE CAPITAL		
Ordinary shares	146,991	145,480
RESERVES		
Share premium	16,634	15,802
Retained profits	220,148	173,163
Others	1	3
Treasury shares, at cost	(18,858)	(18,145)
	-----	-----
SHAREHOLDERS' FUNDS	364,916	316,303
MINORITY INTERESTS	3,039	3,407
LONG TERM LIABILITIES		
Deferred taxation	27,698	22,711
	-----	-----
	395,653	342,421
	=====	=====
Net Tangible assets per share (Sen)	259.7	226.9
	=====	=====

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

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

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2003**

	RM'000
Net cash (used in) operating activities	73,965
	=====
Net cash (used in) investing activities	(15,964)
	=====
Net cash generated from financing activities	(14,641)
	=====
Net (decrease) / increase in cash and cash equivalents	43,360
Cash and cash equivalents at beginning of the year	66,979

Cash and cash equivalent at end of the period (note a)	110,339
	=====

Note (a)

Cash and cash equivalent

	RM'000
Cash and bank balances	6,222
Fixed Deposit	104,117

Cash and cash equivalent at end of the period	110,339
	=====

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

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

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2003**

	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000	Treasury Shares RM'000	Retained Profit RM'000	Total RM'000
As at 01 July 2002	145,480	15,802	3	(18,145)	173,163	316,303
Issue of Share Capital	1,511	832				2,343
Gain not recognised In Income statement -Foreign Currency Translation Difference			(2)			(2)
Profit for the period					67,037	67,037
Shares repurchased				(713)		(713)
Dividend paid					(20,052)	(20,052)
	-----	-----	-----	-----	-----	-----
As at 30 June 2003	<u>146,991</u>	<u>16,634</u>	<u>1</u>	<u>(18,858)</u>	<u>220,148</u>	<u>364,916</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30th 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 paid in the current financial quarter.

INTERIM FINANCIAL REPORT

Notes : - continued

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.

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.

For the current financial year to date, a total of 1,511,806 ordinary shares of RM1.00 each were issued pursuant to the exercise of 1,511,806 1994/2004 warrants.

As at 27 August, 2003 the Company purchase a total 6,472,000 ordinary shares from the open market at an average price of RM2.91 per shares. No shares were purchased from the open market during the quarter ended 30 June 2003. The shares buy-back was financed by internally generated funds. The shares are being held as treasury shares.

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 RM78 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
Letters of credit/trust receipts/bankers acceptances/ overdrafts/bankers guarantees	78,000	20,383

INTERIM FINANCIAL REPORT

Notes : - continued

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

B1. Review of Performance

The Group's revenue and profit before taxation were RM428.44 million and RM80.81 million for the year ended 30 June, 2003 and RM422.64 million and RM79.93 million for the corresponding year ended 30 June, 2002 respectively. By comparing the current financial year to date with the preceding year, the revenue increased by 1.37% and profit before taxation increased by 1.10%.

B2. Comparison with Preceding Quarter

	Current Quarter 30.06.2003 RM'000	Preceding Quarter 31.03.2003 RM'000
Revenue	120,045	117,681
Consolidated profit before taxation	20,979	23,454
Consolidated profit after taxation after minority interests	17,434	19,682

During the current financial quarter ended 30 June 2003, the Group recorded a revenue of RM120.05 million, representing an increase of 2.01% from RM117.68 million in the preceding quarter.

The Group's profit before taxation reduced from RM23.45 million in the preceding quarter to RM20.98 million. Despite a higher revenue recorded in the current financial quarter, the profit before tax in the current financial quarter decreased due to increased raw material cost during the quarter.

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, 2004.

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:-

	Current Year Quarter 30.06.2003 RM'000	Current Year To Date 30.06.2003 RM'000
Tax charged for the period	3,869	8,631
Transferred to deferred taxation	(335)	4,987
Tax on share of profits of associated companies	146	524
	----- 3,680 =====	----- 14,142 =====

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.

INTERIM FINANCIAL REPORT

Notes : - continued

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 :

	Short term RM'000	Long term RM'000	Total RM'000
Secured	-	-	-
Unsecured	41,087	-	41,087
	-----	-----	-----
	41,087	-	41,087
	=====	=====	=====

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

The Board of Directors is pleased to recommend for the approval of the shareholders a First and Final Dividend of 20% less 28% tax for the year ended 30 June, 2003. The Book Closure and Payment Dates in respect of the aforesaid dividend will be determined by the Board at a later date.

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.

INTERIM FINANCIAL REPORT

Notes : - continued

	Current Quarter 30.06.2003	Preceding Year Corresponding Quarter 30.06.2002
Net profit /(loss) for the period (RM'000)	17,434 =====	15,176 =====
Weighted average number of ordinary shares ('000)	140,519 =====	139,253 =====
Basic earnings per share (sen)	12.41 =====	10.90 =====

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

	Current Quarter 30.06.2003	Preceding Year Corresponding Quarter 30.06.2002
Net profit /(loss) for the period (RM'000)	17,434 =====	15,176 =====
Weighted average number of ordinary shares('000)	140,519	139,253
-ordinary shares deemed issued for no consideration on assumed exercise of Warrants	27,547	28,290
Adjusted weighted average of ordinary shares	----- 168,066 =====	----- 167,543 =====
Diluted earnings per share (sen)	10.37 =====	9.06 =====

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

Kuala Lumpur
Dated : 28 August 2003