

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

**INTERIM FINANCIAL REPORT**

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

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30.09.2003	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2002	3 MONTHS ENDED 30.09.2003 30.09.2002	
	RM'000	RM'000	RM'000	RM'000
REVENUE	130,559	95,454	130,559	95,454
OPERATING EXPENSES	(111,825)	(78,311)	(111,825)	(78,311)
OTHER OPERATING INCOME	1,193	668	1,193	668
PROFIT FROM OPERATION	19,927	17,811	19,927	17,811
FINANCE COSTS	(351)	(317)	(351)	(317)
	19,576	17,494	19,576	17,494
SHARE OF RESULTS OF ASSOCIATED COMPANY	7,252	360	7,252	360
PROFIT BEFORE TAXATION	26,828	17,854	26,828	17,854
TAXATION	(4,281)	(4,018)	(4,281)	(4,018)
PROFIT AFTER TAXATION	22,547	13,836	22,547	13,836
MINORITY INTEREST	80	125	80	125
NET PROFIT FOR THE PERIOD	22,627	13,961	22,627	13,961
<b>EARNINGS PER SHARE</b>				
Basic (Sen)	16.06	10.03	16.06	10.03
Diluted (Sen)	12.77	8.44	12.77	8.44

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30<sup>th</sup> June 2003

**YTL CEMENT BERHAD (Company No. 31384-K)**  
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**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b>AS AT</b> <b>30.09.2003</b> <b>RM'000</b>	<b>AS AT</b> <b>30.6.2003</b> <b>RM'000</b>
PROPERTY, PLANT & EQUIPMENT	191,081	192,052
INVESTMENT IN ASSOCIATED COMPANIES	122,336	115,112
CAPITAL WORK IN PROGRESS	4,960	4,960
GOODWILL	396	396
<b>CURRENT ASSETS</b>		
Inventories	16,935	11,872
Trade receivables	120,997	111,626
Tax Recoverable	1,398	1,710
Other receivables	8,387	7,894
Inter-company Balances	1,740	543
Deposits, Bank & Cash Balances	120,676	110,429
	270,133	244,074
<b>CURRENT LIABILITIES</b>		
Trade payables	36,002	39,828
Other payables	43,693	26,583
Hire purchase creditors	522	66
Inter-Company Balances	35,451	51,441
Short term Borrowings	49,277	41,177
Taxation	1,992	1,854
	166,937	160,949
<b>NET CURRENT ASSETS</b>	103,196	83,125
	421,969	395,645

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**CONDENSED CONSOLIDATED BALANCE SHEETS - continued**

	<b>AS AT 30.09.2003 RM'000</b>	<b>AS AT 30.6.2002 RM'000</b>
<b>SHARE CAPITAL</b>		
Ordinary shares	147,355	146,991
<b>RESERVES</b>		
Share premium	16,834	16,634
Retained profits	242,667	220,040
Others	3	3
Treasury shares, at cost	(18,863)	(18,858)
	-----	-----
<b>SHAREHOLDERS' FUNDS</b>	<b>387,996</b>	<b>364,811</b>
<b>MINORITY INTERESTS</b>	<b>2,984</b>	<b>3,064</b>
<b>LONG TERM LIABILITIES</b>		
Hire purchase creditors	891	72
Deferred taxation	30,098	27,698
	-----	-----
	<b>421,969</b>	<b>395,645</b>
	=====	=====
 Net Tangible assets per share (Sen)	 275.1	 259.3
	=====	=====

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30<sup>th</sup> June 2003

**YTL CEMENT BERHAD (Company No. 31384-K)**  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	<b>AS AT 30.09.2003 RM'000</b>	<b>AS AT 30.9.2002 RM'000</b>
Net cash (used in) operating activities	2,087	(747)
	=====	=====
Net cash (used in) investing activities	(254)	(4,069)
	=====	=====
Net cash generated from financing activities	8,414	7,206
	=====	=====
Net (decrease) / increase in cash and cash equivalents	10,247	2,390
Cash and cash equivalents at beginning of the year	110,429	66,979
	-----	-----
Cash and cash equivalent at end of the period (note a)	120,676	69,369
	=====	=====
<b>Note (a)</b>		
Cash and cash equivalent		
	<b>30.09.2003 RM'000</b>	<b>30.9.2002 RM'000</b>
Cash and bank balances	3,248	14,152
Fixed Deposit	117,428	55,217
	-----	-----
Cash and cash equivalent at end of the period	120,676	69,369
	=====	=====

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 2003

**YTL CEMENT BERHAD (Company No. 31384-K)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 30 SEPTEMBER 2003**

	<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 2003	146,991	16,634	3	(18,858)	220,040	364,810
Issue of Share Capital	364	200	-	-	-	564
Profit for the period	-	-	-	-	22,627	22,627
Shares repurchased				(5)		(5)
	-----	-----	-----	-----	-----	-----
As at 30 September 2003	147,355	16,834	3	(18,863)	242,667	387,996
	=====	=====	=====	=====	=====	=====

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 30 SEPTEMBER 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
Gain not recognised In Income statement -Foreign Currency Translation Difference			(1)			(1)
Profit for the period					13,961	13,961
	-----	-----	-----	-----	-----	-----
As at 30 September 2002	145,480	15,802	2	(18,145)	187,124	330,263
	=====	=====	=====	=====	=====	=====

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 2003

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**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 2003**

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 for the current financial quarter.

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**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 363,500 ordinary shares of RM1.00 each were issued pursuant to the exercise of 363,500 1994/2004 warrants.

During the current financial year to date, the Company purchase a total of 1,100 ordinary shares from the open market at an average price of RM4.18 per shares. The shares buy-back were 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 2003.

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 :-

	<b>Total Amount Guaranteed RM'000</b>	<b>Amount Utilised RM'000</b>
Letters of credit/trust receipts/bankers acceptances/ overdrafts/bankers guarantees	78,000	26,349
	=====	=====

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**Notes : - continued**

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

**B1. Review of Performance**

The Group recorded a revenue of RM130.56 million for the quarter ended 30 September, 2003 representing an increase of 36.78% from RM95.45 million in the corresponding period ended 30 September 2002. The Group's profit before tax also increase from RM17.85 million to RM26.83 million in the corresponding period ended 30 September 2002, representing an increase of 50.31% . The increase of revenue and profit before tax were attributed to greater demand for cement during the period under review

**B2. Comparison with Preceding Quarter**

	<b>Current Quarter 30.09.2003 RM'000</b>	<b>Preceding Quarter 30.06.2003 RM'000</b>
Revenue	130,559	117,905
Consolidated profit before taxation	26,828	20,875
Consolidated profit after taxation after minority interests	22,627	17,327

During the current financial quarter ended 30 September 2003, the Group recorded a revenue of RM130.56 million, representing an increase of 10.73% from RM117.91 million in the preceding quarter.

In tandem with the increase of revenue, the Group's profit before taxation increase from RM20.88 million in the preceding quarter to RM26.83 million representing an increase of 28.50% attributed mainly to the growing demand for cement in the construction industry

**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.



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Notes : - continued

**B5. Taxation**

Tax comprises the following: -

	<b>Current Year Quarter 30.09.2003 RM'000</b>	<b>Current Year To Date 30.09.2003 RM'000</b>
Tax charged for the period	1,752	1,752
Transferred to deferred taxation	2,400	2,400
Tax on share of profits of associated companies	129	129
	-----	-----
	4,281	4,281
	=====	=====

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**

On 12 September 2003, the Company entered into a conditional sale and purchase agreement with Perbadanan Setiausaha Kerajaan Pahang (PSKP) and Pasdec Corporation Sdn. Bhd. (PASDEC), to acquire 70,000,000 ordinary shares of RM1 each in Pahang Cement Sdn. Bhd. (PCSB) representing the remaining 50% equity interest in PCSB not already owned by the Company for a purchase consideration of RM138,000,000 to be satisfied by the issuance of 36,800,000 new YTL Cement Berhad shares (YTL Cement Shares) at an issue price of RM3.75 per New YTL Cement Shares.

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The Proposed Acquisition is currently pending approvals of, inter alia, the relevant authorities and shareholders of the Company.

**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 :

	<b>Short term RM'000</b>	<b>Long term RM'000</b>	<b>Total RM'000</b>
Secured	-	-	-
Unsecured	49,277	-	49,277
	-----	-----	-----
	49,277	-	49,277
	=====	=====	=====

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.

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Notes : - continued

**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 30.09.2003</b>	<b>Preceding Year Corresponding Quarter 30.09.2002</b>
Net profit /(loss) for the period (RM'000)	22,627 =====	13,961 =====
Weighted average number of ordinary shares ('000)	140,883 =====	139,253 =====
Basic earnings per share (sen)	16.06 =====	10.03 =====

**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

	<b>Current Quarter 30.06.2003</b>	<b>Preceding Year Corresponding Quarter 30.09.2002</b>
Net profit /(loss) for the period (RM'000)	22,627 =====	13,961 =====
Weighted average number of ordinary shares('000)	140,883	139,253
-ordinary shares deemed issued for no consideration on assumed exercise of Warrants & ESOS	36,242	26,239
Adjusted weighted average of ordinary shares	----- 177,125 =====	----- 165,492 =====
Diluted earnings per share (sen)	12.77 =====	8.44 =====

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

Kuala Lumpur  
Dated : 20 November 2003