

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

**INTERIM FINANCIAL REPORT**

Interim financial report on consolidated result for the period ended 31 March 2004

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.03.2004	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2003	9 MONTHS ENDED 31.03.2004 31.03.2003	
	RM'000	RM'000	RM'000	RM'000
REVENUE	123,665	117,681	362,231	308,393
OPERATING EXPENSES	(102,487)	(98,745)	(305,486)	(257,294)
OTHER OPERATING INCOME	1,585	1,306	3,988	3,250
PROFIT FROM OPERATION	22,763	20,242	60,733	54,349
FINANCE COSTS	(1,563)	(296)	(2,237)	(841)
SHARE OF RESULTS OF ASSOCIATED COMPANY	2,409	3,508	13,281	6,324
PROFIT BEFORE TAXATION	23,609	23,454	71,777	59,832
TAXATION	(3,135)	(3,857)	(11,505)	(10,462)
PROFIT AFTER TAXATION	20,474	19,597	60,272	49,370
MINORITY INTEREST	139	85	313	233
NET PROFIT FOR THE PERIOD	20,613	19,682	60,585	49,603
<b>EARNINGS PER SHARE</b>				
Basic (Sen)	13.12	14.13	40.29	35.61
Diluted (Sen)	10.60	11.82	32.57	29.87

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

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**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b>AS AT 31.03.2004 RM'000</b>	<b>AS AT 30.6.2003 RM'000</b>
PROPERTY, PLANT & EQUIPMENT	665,769	192,052
	-----	-----
INVESTMENT IN ASSOCIATED COMPANIES	1,980	115,112
	-----	-----
CAPITAL WORK IN PROGRESS	4,960	4,960
	-----	-----
GOODWILL	10,087	396
	-----	-----
<b>CURRENT ASSETS</b>		
Inventories	34,456	11,872
Trade receivables	119,788	111,626
Tax Recoverable	2,479	1,710
Other receivables	15,976	7,894
Inter-company Balances	2,611	543
Deposits, Bank & Cash Balances	264,665	110,429
	-----	-----
	439,975	244,074
	-----	-----
<b>CURRENT LIABILITIES</b>		
Trade payables	51,758	39,828
Other payables	79,760	26,583
Hire purchase creditors	718	66
Inter-Company Balances	8,076	51,441
Short term Borrowings	90,767	41,177
Taxation	2,652	1,854
	-----	-----
	233,731	160,949
	-----	-----
<b>NET CURRENT ASSETS</b>	206,244	83,125
	-----	-----
	889,040	395,645
	=====	=====

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**CONDENSED CONSOLIDATED BALANCE SHEETS - continued**

	<b>AS AT 31.03.2004 RM'000</b>	<b>AS AT 30.6.2003 RM'000</b>
SHARE CAPITAL		
Ordinary shares	190,376	146,991
RESERVES		
Share premium	121,455	16,634
Retained profits	260,463	220,040
Others	6	3
Treasury shares, at cost	(42,279)	(18,858)
	-----	-----
SHAREHOLDERS' FUNDS	530,021	364,811
MINORITY INTERESTS	2,751	3,064
LONG TERM LIABILITIES		
Hire purchase creditors	977	72
Deferred taxation	32,291	27,698
Bank Borrowings	323,000	
	-----	-----
	889,040	395,645
	=====	=====
Net Tangible assets per share (Sen)	290.1	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

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	<b>AS AT 31.03.2004 RM'000</b>	<b>AS AT 31.03.2003 RM'000</b>
Net cash (used in) operating activities	55,350 =====	43,265 =====
Net cash (used in) investing activities	(21,623) =====	(12,749) =====
Net cash generated from financing activities	120,509 =====	(25,326) =====
Net (decrease) / increase in cash and cash equivalents	154,236	5,190
Cash and cash equivalents at beginning of the year	110,429 -----	66,979 -----
Cash and cash equivalent at end of the period (note a)	264,665 =====	72,169 =====
<b>Note (a)</b>		
Cash and cash equivalent	<b>31.03.2004 RM'000</b>	<b>31.03.2003 RM'000</b>
Cash and bank balances	13,324	9,900
Fixed Deposit	251,341 -----	62,269 -----
Cash and cash equivalent at end of the period	264,665 =====	72,169 =====

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

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 31 MARCH 2004**

	<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	43,385	104,821	-	-	-	148,206
Gain not recognised In Income statement -Foreign Currency Translation Difference			3			3
Profit for the period	-	-	-	-	60,585	60,585
Shares repurchased				(23,421)		(23,421)
Dividend paid					(20,162)	(20,162)
As at 31 March 2004	<u>190,376</u>	<u>121,455</u>	<u>6</u>	<u>(42,279)</u>	<u>260,463</u>	<u>530,021</u>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 31 MARCH 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 2002	145,480	15,802	3	(18,145)	173,163	316,303
Issue of Share Capital	61	34				95
Gain not recognised In Income statement -Foreign Currency Translation Difference			(2)			(2)
Profit for the period					49,603	49,603
Shares repurchased				(713)		(713)
Dividend paid					(20,052)	(20,052)
As at 31 March 2003	<u>145,541</u>	<u>15,836</u>	<u>1</u>	<u>(18,858)</u>	<u>202,714</u>	<u>345,234</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 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**

Dividend amounting to RM20,162,786 was paid on 9<sup>th</sup> January, 2004 in respect of the first & final dividend of 20% less 28% tax declared for year ended 30<sup>th</sup> June 2003.

**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 6,584,606 ordinary shares of RM1.00 each were issued pursuant to the exercise of 6,584,606 1994/2004 warrants.

During the current financial year to date, the Company purchase a total of 4,661,000 ordinary shares from the open market at an average price of RM5.025 per shares. During the quarter ended 31 March 2004, a total of 3,539,100 shares were purchased from the open market for a total consideration of RM17,854,447. The shares buy-back were financed by internally generated funds. The shares are being held as treasury shares.

During the current financial quarter, the company issued 36,800,000 new ordinary shares of RM1.00 to Perbadanan Setiausaha Kerajaan Pahang (PSKP) and Pasdec Corporation Sdn. Bhd. (PASDEC) at an issue price of RM3.75 per new ordinary share as consideration for the acquisition of 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.

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**Notes : - continued**

**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	21,781



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

**B1. Review of Performance**

The Group recorded a revenue of RM123.67 million for the quarter ended 31 March, 2004 representing an increase of 5.09% from RM117.68 million in the corresponding period ended 31 March 2003. The Group's profit before tax also increase from RM23.45 million to RM23.61 million in the corresponding period ended 31 March 2004, representing an increase of 0.7%. The increases in revenue and profit before tax were attributed to the consolidation of the results of Pahang Cement Sdn. Bhd. in the period under review.

**B2. Comparison with Preceding Quarter**

	<b>Current Quarter 31.03.2004 RM'000</b>	<b>Preceding Quarter 31.12.2003 RM'000</b>
Revenue	123,665	108,008
Consolidated profit before taxation	23,609	21,341
Consolidated profit after taxation after minority interests	20,613	17,346

During the current financial quarter ended 31 March 2004, the Group recorded a revenue of RM123.67 million, representing an increase of 14.50% from RM108.01 million in the preceding quarter.

In tandem with the increase of revenue, the Group's profit before taxation increase from RM21.34 million in the preceding quarter to RM23.61 million representing an increase of 10.63% attributed mainly to the consolidation of the results of Pahang Cement Sdn. Bhd. in the quarter ended 31 March 2004

**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: -

	<b>Current Year Quarter 31.03.2004 RM'000</b>	<b>Current Year To Date 31.03.2004 RM'000</b>
Tax charged for the period	2,475	6,557
Transferred to deferred taxation	597	4,593
Tax on share of profits of associated companies	63	355
	----- 3,135 =====	----- 11,505 =====

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**

Save for the following, there is no corporate proposal announced by the Company which is not completed as at the date of this report:

On 23 March 2004, the Company announced the following:-

- i) Proposed share subdivision into two (2) ordinary shares of RM0.50 each for every one (1) existing ordinary share of RM1.00 each; and
- ii) Proposed amendment to the Memorandum of Association.

**INTERIM FINANCIAL REPORT**

**Notes : - continued**

As at date of reporting, the proposal is pending the Securities Commission's approval; approval-in-principle from Bursa Malaysia Securities Berhad for the listing of and quotation for the subdivided shares; and approval of the shareholders of the Company at an extraordinary general meeting to be convened.

**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	51,700	323,000	374,700
Unsecured	39,067	-	39,067
	-----	-----	-----
	90,767	323,000	413,767
	=====	=====	=====

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 31.03.2004</b>	<b>Preceding Year Corresponding Quarter 31.03.2003</b>
Net profit /(loss) for the period (RM'000)	20,613 =====	19,682 =====
Weighted average number of ordinary shares ('000)	157,139 =====	139,279 =====
Basic earnings per share (sen)	13.12 =====	14.13 =====

**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 31.03.2004</b>	<b>Preceding Year Corresponding Quarter 31.03.2003</b>
Net profit /(loss) for the period (RM'000)	20,613 =====	19,682 =====
Weighted average number of ordinary shares('000)	157,139	139,279
-ordinary shares deemed issued for no consideration on assumed exercise of Warrants & ESOS	37,239	26,270
Adjusted weighted average of ordinary shares	----- 194,378 =====	----- 166,549 =====
*Diluted earnings per share (sen)	10.60 =====	11.82 =====

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**Notes : - continued**

*\*Total cash expected to be received in the event of an exercise of all outstanding warrants and ESOS options is RM91.958 million. Accordingly, the Net Tangible Asset (NTA) on a proforma basis will increase by RM91.958 million resulting in an increase in NTA per share of RM0.39. In arriving at the Diluted earnings per share, NTA and NTA per share, no income has been accrued for the cash proceeds.*

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

Kuala Lumpur  
Dated 27 May 2004