

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 2004

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30.09.2004	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2003	3 MONTHS ENDED 30.09.2004 30.09.2003	
	RM'000	RM'000	RM'000	RM'000
REVENUE	157,509	130,559	157,509	130,559
OPERATING EXPENSES	(123,492)	(111,825)	(123,492)	(111,825)
OTHER OPERATING INCOME	8,244	1,193	8,244	1,193
PROFIT FROM OPERATION	42,261	19,927	42,261	19,927
FINANCE COSTS	(3,707)	(351)	(3,707)	(351)
	38,554	19,576	38,554	19,576
SHARE OF RESULTS OF ASSOCIATED COMPANY	152	7,252	152	7,252
PROFIT BEFORE TAXATION	38,706	26,828	38,706	26,828
TAXATION	(3,760)	(4,281)	(3,760)	(4,281)
PROFIT AFTER TAXATION	34,946	22,547	34,946	22,547
MINORITY INTEREST	7	80	7	80
NET PROFIT FOR THE PERIOD	34,953	22,627	34,953	22,627
EARNINGS PER SHARE				
Basic (Sen)	9.65	8.03	9.67	8.03
Diluted (Sen)	8.10	6.39	8.11	6.39

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30th June 2004

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

	AS AT 30.09.2004 RM'000	AS AT 30.6.2004 RM'000
PROPERTY, PLANT & EQUIPMENT	654,574	660,694
	-----	-----
INVESTMENT IN ASSOCIATED COMPANIES	3,184	3,075
	-----	-----
CAPITAL WORK IN PROGRESS	4,960	4,960
	-----	-----
GOODWILL	9,087	10,804
	-----	-----
CURRENT ASSETS		
Inventories	31,636	35,050
Trade receivables	120,274	116,386
Tax Recoverable	2,221	2,082
Other receivables	45,006	11,787
Inter-company Balances	3,766	3,031
Deposits, Bank & Cash Balances	248,966	262,431
	-----	-----
	451,869	430,767
	-----	-----
CURRENT LIABILITIES		
Trade payables	57,225	57,752
Other payables	60,832	66,811
Hire purchase creditors	1,110	961
Inter-Company Balances	9,929	15,811
Short term Borrowings	83,257	93,409
Taxation	2,351	1,425
	-----	-----
	214,704	236,169
	-----	-----
NET CURRENT ASSETS	237,165	194,598
	-----	-----
	908,970	874,131
	=====	=====

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CONDENSED CONSOLIDATED BALANCE SHEETS - continued

	AS AT 30.09.2004 RM'000	AS AT 30.6.2004 RM'000
SHARE CAPITAL		
Ordinary shares	192,981	191,634
RESERVES		
Share premium	122,876	122,147
Retained profits	319,892	284,939
Others	5	5
Treasury shares, at cost	(42,279)	(42,279)
	-----	-----
SHAREHOLDERS' FUNDS	593,475	556,446
MINORITY INTERESTS	563	2,894
LONG TERM LIABILITIES		
Hire purchase creditors	1,520	1,538
Deferred taxation	33,412	33,253
Bank Borrowings	280,000	280,000
	-----	-----
	908,970	874,131
	=====	=====
 Net Tangible assets per share (Sen)*	 160.68	 151.15
	=====	=====

* On 12 July 2004, the subdivision of the Company's ordinary shares of RM1 each into ordinary shares of RM0.50 each was completed with the listing and quotation of the new shares on the Main Board of Bursa Securities Malaysia Berhad. The net tangible assets per share calculated above is based on the subdivided shares of the Company.

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30th June 2004

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

	AS AT 30.09.2004 RM'000	AS AT 30.09.2003 RM'000
Net cash (used in) operating activities	(203)	2,087
	=====	=====
Net cash (used in) investing activities	(4,954)	(254)
	=====	=====
Net cash generated from financing activities	(8,308)	8,414
	=====	=====
Net (decrease) / increase in cash and cash equivalents	(13,465)	10,247
Cash and cash equivalents at beginning of the year	262,431	110,429
	-----	-----
Cash and cash equivalent at end of the period (note a)	248,966	120,676
	=====	=====
Note (a)		
Cash and cash equivalent		
	30.09.2004 RM'000	30.09.2003 RM'000
Cash and bank balances	4,283	3,248
Fixed Deposit	244,683	117,428
	-----	-----
Cash and cash equivalent at end of the period	248,966	120,676
	=====	=====

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30th June 2004

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2004**

	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 2004	191,634	122,147	5	(42,279)	284,939	556,446
Issue of Share Capital	1,347	729	-	-	-	2,076
Gain not recognised In Income statement -Foreign Currency Translation Difference			0			-
Profit for the period	-	-	-	-	34,953	34,953
	-----	-----	-----	-----	-----	-----
As at 30 September 2004	<u>192,981</u>	<u>122,876</u>	<u>5</u>	<u>(42,279)</u>	<u>319,892</u>	<u>593,475</u>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 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 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	<u>147,355</u>	<u>16,834</u>	<u>3</u>	<u>(18,863)</u>	<u>242,667</u>	<u>387,996</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 2004

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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 2005

The Auditors' Report on the financial statements of the preceding financial year was 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

The subdivision of the Company's 191,634,148 ordinary shares of RM1.00 each into 383,268,296 ordinary shares of RM0.50 each which was effective 1 July 2004 was completed with the listing of the new ordinary shares of RM0.50 each on the Main Board of Bursa Securities Malaysia Berhad on 12 July 2004.

For the current financial year to date, a total of 2,694,136 ordinary shares of RM0.50 each were issued pursuant to the exercise of 2,694,136 1994/2004 warrants.

A7. Dividend

There was no dividend paid during the quarter ended 30 September 2004.

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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.

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 2004.

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	21,272
	=====	=====

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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 RM157.51 million for the quarter ended 30 September, 2004 representing an increase of 20.6% from RM130.56 million in the corresponding period ended 30 September 2003. The Group's profit before tax also increased from RM26.83 million to RM38.71 million in the corresponding period ended 30 September 2003, representing an increase of 44.3%. The increases in revenue and profit before tax were substantially attributed to the consolidation of the results of Pahang Cement Sdn. Bhd. in the period under review.

B2. Comparison with Preceding Quarter

	Current Quarter 30.09.2004 RM'000	Preceding Quarter 30.06.2004 RM'000
Revenue	157,509	151,364
Consolidated profit before taxation	38,706	28,457
Consolidated profit after taxation after minority interests	34,953	24,005

During the current financial quarter ended 30 September 2004, the Group recorded a revenue of RM157.51 million, representing an increase of 4.1% from RM151.36 million in the preceding quarter.

In tandem with the increase of revenue, the Group's profit before taxation increase from RM28.46 million in the preceding quarter to RM38.71 million representing an increase of 36.0%. The favourable results for the current quarter is mainly attributable to improved efficiency and disposal of certain fixed assets.

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 2005.

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: -

	Current Year Quarter 30.09.2004 RM'000	Current Year To Date 30.09.2004 RM'000
Tax charged for the period	3,559	3,559
Transferred to deferred taxation	159	159
Tax on share of profits of associated companies	42	42
	-----	-----
	<u>3,760</u>	<u>3,760</u>

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

a) Proposed acquisition of a 32.10% equity interest in Perak Hanjoong Simen Sdn Bhd from Doosan Heavy Industries & Construction Co. Ltd

On 16 July 2004, the Company entered into a conditional sale and purchase agreement ("S&P Agreement") with Doosan Heavy Industries & Construction Co. Ltd ("Doosan") of Korea to acquire 107,500,000 ordinary shares of RM1.00 each representing a 32.10 % stake in Perak-Hanjoong Simen Sdn. Bhd. ("Perak Hanjoong"), a company incorporated under the laws of the Malaysia, for a total cash consideration of RM75,250,000 ("Proposed Doosan Acquisition").

The Proposed Doosan Acquisition has been approved by the Ministry of International Trade and Industry vide its letter dated 16 September 2004 and 4 October 2004.

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Notes : - continued

The Proposed Acquisition is still subject to the approval by the shareholders of the Company at an extraordinary general meeting to be convened.

b) Proposed Acquisition of a 32.74% equity interest in Perak Hanjoong from Danaharta Managers Sdn Bhd

On 5 November 2004, the Company entered into a conditional sale and purchase agreement with Danaharta Managers Sdn Bhd (“Danaharta”), as security agent and trustee for and on behalf of Danaharta Managers (L) Limited, to acquire 109,658,000 shares representing 32.74% of the issued and paid-up share capital of Perak-Hanjoong for a cash consideration of RM109,658,000 (“Proposed Danaharta Acquisition”).

The Proposed Danaharta Acquisition is still subject to the approval by Ministry of International Trade and Industry and the shareholders of the Company at an extraordinary general meeting to be convened.

The Proposed Doosan Acquisition and Proposed Danaharta Acquisition (collectively referred to as “Proposed Acquisitions”) are not inter-conditional upon each other and are subject to the terms and conditions of the respective sale and purchase agreements.

Upon completion of the Proposed Acquisitions, the Company will hold a 64.84% equity interest in Perak-Hanjoong. Pursuant to Part II of the Code, the Company will be obliged to undertake a mandatory take-over offer to acquire the remaining 117,742,000 shares (“Remaining Shares”) of in Perak-Hanjoong it does not already own. The Mandatory Offer will be unconditional.

The consideration for the mandatory take-over offer will be in the form of cash at the offer price of RM1.00 per Remaining Share. Based on the offer price of RM1.00 per share under the Proposed Danaharta Acquisition, the total consideration for the Remaining Shares pursuant to the Mandatory Offer will be RM117,742,000.

The offer price will be subject to the requirements of Section 20 of Part V of the Code which, *inter alia*, states that the offer price shall not be less than the highest price paid or agreed to be paid by the Company for the shares of Perak-Hanjoong within six months prior to the beginning of the offer period and during the offer period.

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Notes : - continued

B9. Group Borrowings and Debt Securities

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	56,000	280,000	336,000
Unsecured	27,257	-	27,257
	-----	-----	-----
	83,257	280,000	363,257
	=====	=====	=====

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. In accordance with MASB 13 "Earnings Per Share", the weighted average number of ordinary shares has been adjusted for the subdivision of the Company's ordinary shares of RM1 each into shares of RM0.50 each as stated under Note A6.

	Current Quarter 30.09.2004	Preceding Year Corresponding Quarter 30.09.2003
Net profit /(loss) for the period (RM'000)	34,953	22,627
	=====	=====
Weighted average number of ordinary shares ('000)	362,165	281,766
	=====	=====
Basic earnings per share (sen)	9.65	8.03
	=====	=====

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Notes : - continued

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 In accordance with MASB 13 “Earnings Per Share”, the weighted average number of ordinary shares has been adjusted for the subdivision of the Company’s ordinary shares of RM1 each into shares of RM0.50 each as stated under Note A6.

	Preceding Year	
	Current Quarter 30.09.2004	Corresponding Quarter 30.09.2003
Net profit /(loss) for the period (RM’000)	34,953	22,627
Weighted average number of ordinary shares(‘000)	362,165	281,766
-ordinary shares deemed issued for no consideration on assumed exercise of Warrants & ESOS	69,457	72,484
Adjusted weighted average of ordinary shares	431,622	354,250
*Diluted earnings per share (sen)	8.10	6.39

**Total cash expected to be received in the event of an exercise of all outstanding warrants and ESOS options is RM87.468 million. Accordingly, the Net Tangible Asset (NTA) on a proforma basis will increase by RM87.468 million resulting in an increase in NTA per share of RM0.19. 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 : 26 November 2004