

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 2005

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.03.2005	PRECEDING YEAR	9 MONTHS ENDED	
		CORRESPONDING QUARTER 31.03.2004	31.03.2005	31.03.2004
	RM'000	RM'000	RM'000	RM'000
REVENUE	188,184	123,665	478,276	362,231
OPERATING EXPENSES	(173,736)	(102,487)	(407,760)	(305,486)
OTHER OPERATING INCOME	2,305	1,585	14,072	3,988
PROFIT FROM OPERATION	16,753	22,763	84,588	60,733
FINANCE COSTS	(14,902)	(1,563)	(22,666)	(2,237)
	1,851	21,200	61,922	58,496
SHARE OF RESULTS OF ASSOCIATED COMPANY	88	2,409	120	13,281
PROFIT BEFORE TAXATION	1,939	23,609	62,042	71,777
TAXATION	(51)	(3,135)	(6,790)	(11,505)
PROFIT AFTER TAXATION	1,888	20,474	55,252	60,272
MINORITY INTEREST	3,208	139	3,185	313
NET PROFIT FOR THE PERIOD	5,096	20,613	58,437	60,585
EARNINGS PER SHARE				
Basic (Sen)	1.06	6.56	14.13	20.15
Diluted (Sen)	1.06	5.30	14.05	16.29

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

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CONDENSED CONSOLIDATED BALANCE SHEETS

	AS AT 31.03.2005 RM'000	AS AT 30.6.2004 RM'000
PROPERTY, PLANT & EQUIPMENT	1,839,632	660,694
INVESTMENT IN ASSOCIATED COMPANIES	3,148	3,075
CAPITAL WORK IN PROGRESS	24,949	4,960
GOODWILL	9,087	10,804
CURRENT ASSETS		
Inventories	103,435	35,050
Trade receivables	143,395	116,386
Tax Recoverable	3,375	2,082
Other receivables	24,845	11,787
Inter-company Balances	3,178	3,031
Deposits, Bank & Cash Balances	308,680	262,431
	586,908	430,767
CURRENT LIABILITIES		
Trade payables	120,019	57,752
Other payables	128,461	66,811
Hire purchase creditors	1,604	961
Inter-Company Balances	6,905	15,811
Short term Borrowings	353,464	93,409
Taxation	1,694	1,425
	612,147	236,169
NET CURRENT ASSETS	(25,239)	194,598
	1,851,577	874,131

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CONDENSED CONSOLIDATED BALANCE SHEETS - continued

	AS AT 31.03.2005 RM'000	AS AT 30.6.2004 RM'000
SHARE CAPITAL		
Ordinary shares	243,313	191,634
RESERVES		
Share premium	118,374	122,147
Reserve on Consolidation	29,728	
Retained profits	310,527	284,939
Others	5	5
Treasury shares, at cost	(7,023)	(42,279)
	-----	-----
SHAREHOLDERS' FUNDS	694,924	556,446
MINORITY INTERESTS	114,355	2,894
LONG TERM LIABILITIES		
Hire purchase creditors	1,027	1,538
Deferred taxation	33,262	33,253
Bank Borrowings	997,521	280,000
Long term Creditors	10,488	
	-----	-----
	1,851,577	874,131
	=====	=====
 Net Tangible assets per share (Sen)*	 142.02	 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

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	AS AT 31.03.2005 RM'000	AS AT 31.03.2004 RM'000
Net cash (used in) operating activities	82,691	55,350
	=====	=====
Net cash (used in) investing activities	(198,744)	(21,623)
	=====	=====
Net cash generated from financing activities	162,302	120,509
	=====	=====
Net (decrease) / increase in cash and cash equivalents	46,249	154,236
Cash and cash equivalents at beginning of the year	262,431	110,429
	-----	-----
Cash and cash equivalent at end of the period (note a)	308,680	264,665
	=====	=====

Note (a)

Cash and cash equivalent	31.03.2005 RM'000	31.03.2004 RM'000
Cash and bank balances	12,475	13,324
Fixed Deposit	296,205	251,341
	-----	-----
Cash and cash equivalent at end of the period	308,680	264,665
	=====	=====

The Condensed Consolidated Cash Flow 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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INTERIM FINANCIAL REPORT**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2005**

	Share Capital RM'000	Share Premium RM'000	Reserve on Consolidation 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	51,679	31,483		-	-		83,162
Gain not recognised In Income statement -Foreign Currency Translation Difference				0			-
Reserve on Consolidation			29,728				29,728
Distribution of Share dividend		(35,256)		-	35,256		-
Profit for the period	-	-	-	-	-	58,437	58,437
Dividend paid						(32,849)	(32,849)
	-----	-----	-----	-----	-----	-----	-----
As at 31 March 2005	243,313	118,374	29,728	5	(7,023)	310,527	694,924
	=====	=====	=====	=====	=====	=====	=====

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 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 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	190,376	121,455	6	(42,279)	260,463	530,021
	=====	=====	=====	=====	=====	=====

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 FRS 134 (formerly known as MASB 26) – paragraph 16

A1. Accounting Policies

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard (FRS) 134 “Interim Financial Reporting” (formerly known as MASB 26) and Chapter 9, part K of the listing Requirements of the Bursa Malaysia Securities Berhad.

The Condensed Financial Statements should be read in conjunction with the audited annual financial statements of the Group for the year ended 30 June 2004.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the latest audited annual financial statements.

The following notes explain the events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2004.

A2. Audit Report of preceding financial year ended 30 June 2004

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.

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Notes : - continued

During the financial year to date, a total 95,233,626 ordinary shares of RM0.50 each were issued pursuant to the exercise of 95,233,626 1994/2004 warrants and during the current financial quarter a total of 8,124,000 ordinary shares of RM0.50 each were issued pursuant to the exercise of employees' share option scheme (ESOS)

For the current financial quarter and financial year to date, a total of 18,567,736 treasury shares were distributed as share dividend to the shareholders on the basis of one (1) treasury share for every twenty-five (25) ordinary shares held on 4th February 2005. As at 31 March 2005, the number of treasury shares held is 3,698,264 ordinary shares

A7. Dividend

Dividend amounting to RM32,848,986 was paid on 10th January, 2005 in respect of the first & final dividend of 20% less 28% tax declared for year ended 30th June 2004.

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

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").

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Notes : - continued

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 Doosan Acquisition and Proposed Danaharta Acquisition are collectively referred to as “Proposed Acquisitions”.

The completion of the Proposed Acquisitions resulted in the Company holding a 64.84% equity interest in Perak-Hanjoong.

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	14,357
	=====	=====

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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 RM188.18 million for the quarter ended 31 March, 2005 representing an increase of 52.2% from RM123.67 million in the corresponding period ended 31 March 2004. The increase in revenue was substantially attributed to the consolidation of the results of Perak-Hanjoong Simen Sdn. Bhd. in the period under review.

Despite the higher sales revenue, the group's profit before taxation reduce from RM23.61 million in the preceding quarter to RM1.94 million for the quarter ended 31 March 2005. The reduce in profit before taxation were mainly attributed to the intense price war and increased production cost.

B2. Comparison with Preceding Quarter

	Current Quarter 31.03.2005 RM'000	Preceding Quarter 31.12.2004 RM'000
Revenue	188,184	132,582
Consolidated profit before taxation	1,939	21,398
Consolidated profit after taxation after minority interests	5,096	18,389

During the current financial quarter ended 31 March 2005, the Group recorded a revenue of RM188.18 million, representing an increase of 41.9% from RM132.58 million in the preceding quarter.

Despite the higher sales revenue, the Group's profit before taxation reduced from RM21.40 million in the preceding quarter to RM1.94 million. The decrease in profit before taxation was substantially attributed to lower demand for cement in the construction industry and competitive pricing in the cement industry for the period under review.

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.

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Notes : - continued

B4. Profit Forecast

The Group did not issue any profit forecast or profit guarantee during the current financial quarter.

B5. Taxation

Tax comprises the following: -

	Current Year Quarter 31.03.2005 RM'000	Current Year To Date 31.03.2005 RM'000
Tax charged for the period	280	6,733
Transferred to deferred taxation	(235)	9
Tax on share of profits of associated companies	6	48
	----- 51 =====	----- 6,790 =====

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 of certain subsidiary companies.

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 is no corporate proposal announced and pending completion.

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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	120,095	997,521	1,117,616
Unsecured	233,369	-	233,369
	-----	-----	-----
	353,464	997,521	1,350,985
	=====	=====	=====

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 has not recommended any interim dividends 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 FRS 133 "Earnings Per Share"(formerly known as MASB 13), 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 31.03.2005	Preceding Year Corresponding Quarter 31.03.2004
Net profit /(loss) for the period (RM'000)	5,096	20,613
	=====	=====

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Weighted average number of ordinary shares ('000)	480,193	314,278
	=====	=====
Basic earnings per share (sen)	1.06	6.56
	=====	=====

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 FRS 133 "Earnings Per Share" (formerly known as MASB 13), 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 31.03.2005	Corresponding Quarter 31.03.2004
Net profit /(loss) for the period (RM'000)	5,096	20,613
	=====	=====
Weighted average number of ordinary shares('000)	480,193	314,278
-ordinary shares deemed issued for no consideration on assumed exercise of Warrants & ESOS	2,335	74,478
	-----	-----
Adjusted weighted average of ordinary shares	482,528	388,756
	=====	=====
*Diluted earnings per share (sen)	1.06	5.30
	=====	=====

**Total cash expected to be received in the event of an exercise of ESOS options is RM5.0 million. Accordingly, the Net Tangible Asset (NTA) on a proforma basis will increase by RM5.0 million resulting in an increase in NTA per share of RM0.01. 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
HO SAY KENG
Secretary

Kuala Lumpur
Dated : 27 May 2005