

**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 2005

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 30.09.2005	PRECEDING YEAR CORRESPONDING QUARTER 30.09.2004	3 MONTHS ENDED 30.09.2005    30.09.2004	
	RM'000	RM'000	RM'000	RM'000
REVENUE	261,236	157,509	261,236	157,509
OPERATING EXPENSES	(203,661)	(123,492)	(203,661)	(123,492)
OTHER OPERATING INCOME	2,438	8,244	2,438	8,244
PROFIT FROM OPERATION	60,013	42,261	60,013	42,261
FINANCE COSTS	(15,235)	(3,707)	(15,235)	(3,707)
	44,778	38,554	44,778	38,554
SHARE OF RESULTS OF ASSOCIATED COMPANY	348	152	348	152
PROFIT BEFORE TAXATION	45,126	38,706	45,126	38,706
TAXATION	(2,714)	(3,760)	(2,714)	(3,760)
PROFIT AFTER TAXATION	42,412	34,946	42,412	34,946
MINORITY INTEREST	(2,346)	7	(2,346)	7
NET PROFIT FOR THE PERIOD	40,066	34,953	40,066	34,953
<b>EARNINGS PER SHARE</b>				
Basic (Sen)	8.29	9.65	8.29	9.67
Diluted (Sen)	8.26	8.10	8.27	8.11

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30<sup>th</sup> June 2005

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

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT****CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b>AS AT 30.09.2005 RM'000</b>	<b>AS AT 30.6.2005 RM'000</b>
PROPERTY, PLANT & EQUIPMENT	1,809,882	1,828,977
	-----	-----
INVESTMENT IN ASSOCIATED COMPANIES	23,469	3,318
	-----	-----
DEVELOPMENT EXPENDITURE	30,650	25,014
	-----	-----
<b>CURRENT ASSETS</b>		
Inventories	118,191	94,626
Trade receivables	179,440	148,726
Tax Recoverable	3,376	4,611
Other receivables	20,255	19,597
Inter-company Balances	3,471	3,015
Deposits, Bank & Cash Balances	252,159	291,180
	-----	-----
	576,892	561,755
	-----	-----
<b>CURRENT LIABILITIES</b>		
Trade payables	64,298	72,646
Other payables	123,738	136,380
Hire purchase creditors	1,591	1,703
Inter-Company Balances	8,284	13,136
Short term Borrowings	459,342	462,471
Taxation	659	577
	-----	-----
	657,912	686,913
	-----	-----
NET CURRENT ASSETS /(LIABILITIES)	(81,020)	(125,158)
	-----	-----
	1,782,981	1,732,151
	=====	=====

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

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT****CONDENSED CONSOLIDATED BALANCE SHEETS - continued**

	<b>AS AT 30.09.2005 RM'000</b>	<b>AS AT 30.6.2005 RM'000</b>
<b>SHARE CAPITAL</b>		
Ordinary shares	243,495	243,437
<b>RESERVES</b>		
Share premium	118,632	118,550
Reserve on Consolidation	24,868	24,868
Retained profits	361,058	320,992
Others	7	5
Treasury shares, at cost	(7,127)	(7,022)
<b>SHAREHOLDERS' FUNDS</b>	740,933	700,830
<b>MINORITY INTERESTS</b>	119,107	116,761
<b>LONG TERM LIABILITIES</b>		
Hire purchase creditors	937	1,149
Deferred taxation	34,426	34,604
Bank Borrowings	882,115	868,557
Post employee defined benefit obligation	5,463	10,250
	1,782,981	1,732,151
<b>Net Tangible assets per share (Sen)*</b>	153.3	145.0

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30<sup>th</sup> June 2005

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

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	<b>AS AT 30.09.2005 RM'000</b>	<b>AS AT 30.06.2005 RM'000</b>
Net cash (used in) operating activities	(27,373) =====	103,476 =====
Net cash (used in) investing activities	(21,787) =====	(233,764) =====
Net cash generated from financing activities	10,370 =====	159,273 =====
Net (decrease) / increase in cash and cash equivalents	(38,790)	28,985
Cash and cash equivalents at beginning of the year	290,949 -----	261,964 -----
Cash and cash equivalent at end of the period (note a)	252,159 =====	290,949 =====

**Note (a)**

Cash and cash equivalent	<b>30.09.2005 RM'000</b>	<b>30.06.2005 RM'000</b>
Cash and bank balances	3,381	20,760
Fixed Deposit	248,778 -----	270,189 -----
Cash and cash equivalent at end of the period	252,159 =====	290,949 =====

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 2005

**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 SEPTEMBER 2005**

	<b>Share Capital RM'000</b>	<b>Share Premium RM'000</b>	<b>Reserve on Consolidation 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 1 July 2005	243,437	118,550	24,868	5	(7,022)	320,992	700,830
Issue of Share Capital	58	82			-		140
Gain not recognised In Income statement -Foreign Currency Translation Difference				2			2
Share repurchased	-	-	-	-	(105)		(105)
Profit for the period	-	-	-	-	-	40,066	40,066
	-----	-----	-----	-----	-----	-----	-----
As at 30 Sept 2005	<u>243,495</u>	<u>118,632</u>	<u>24,868</u>	<u>7</u>	<u>(7,127)</u>	<u>361,058</u>	<u>740,933</u>

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

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 2005

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

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**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 2005.

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 2005.

**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.

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

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**Notes : - continued**

**A6. Changes in Debt and Equity Securities**

For the current financial quarter and financial year to date, a total of 116,000 ordinary shares of RM0.50 each were issued pursuant to the exercise of employees' share option scheme (ESOS)

**A7. Dividend**

There was no dividend paid during the quarter ended 30 September 2005.

**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 2 September, 2005, the Company's wholly-owned subsidiary, YTL Cement Singapore Pte Ltd has entered into separate share purchase agreements with Kindo Pte Ltd and Andree Halim @ Liem Sien Tjong @ Liem Sien Tjong to acquire 6,186,000 and 3,093,300 ordinary shares of S\$1 each representing 13.96% and 6.98% equity interest respectively in Jurong Cement Limited for a total cash consideration of S\$5,876,700 and S\$2,938,350 respectively. These acquisitions were completed in the same month.

The completion of the Proposed Acquisitions resulted in the Company holding a 20.94% equity interest in Jurong Cement Limited.

For the current financial quarter and financial year to date, the Company purchased a total of 45,800 ordinary shares from the open market at an average price of RM2.29 per shares for a total consideration of RM104,861. The share buy-back was financed by internally generated funds. The shares purchased are held as treasury shares.

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

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**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 2005.

The Company has given corporate guarantees amounting to RM303 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	303,000	183,505

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



## YTL CEMENT BERHAD (Company No. 31384-K)

(Incorporated in Malaysia)

### INTERIM FINANCIAL REPORT

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

##### B1. Review of Performance

The Group recorded a revenue of RM261.24 million for the quarter ended 30 September, 2005 representing an increase of 65.9% from RM157.51 million in the corresponding period ended 30 September 2004. The Group's profit before tax also increased from RM38.71 million to RM45.13 million in the corresponding period ended 30 September 2004, representing an increase of 16.6%. The increases in revenue and profit before tax were substantially attributed to the consolidation of the results of Perak-Hanjoong Simen Sdn. Bhd. in the period under review.

##### B2. Comparison with Preceding Quarter

	<b>Current Quarter 30.09.2005 RM'000</b>	<b>Preceding Quarter 30.06.2005 RM'000</b>
Revenue	261,236	212,308
Consolidated profit before taxation	45,126	13,583
Consolidated profit after taxation after minority interests	40,066	10,125

During the current financial quarter ended 30 September 2005, the Group recorded a revenue of RM261.24 million, representing an increase of 23.04% from RM212.31 million in the preceding quarter.

In tandem with the increase of revenue, the Group's profit before taxation increase from RM13.58 million in the preceding quarter to RM45.13 million representing an increase of 232.3%% mainly attributed to higher demand for cement in the construction industry and prices stability 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 2006.

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

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**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: -

	<b>Current Year Quarter 30.06.2005 RM'000</b>	<b>Current Year To Date 30.06.2005 RM'000</b>
Tax charged for the period	2,847	2,847
Transferred to deferred taxation	(178)	(178)
Tax on share of profits of associated companies	45	45
	-----	-----
	2,714	2,714
	=====	=====

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.

## YTL CEMENT BERHAD (Company No. 31384-K)

(Incorporated in Malaysia)

### INTERIM FINANCIAL REPORT

Notes : - continued

#### B8. Corporate Development

On 21 June 2005, the Company announced the proposal for a renounceable rights issue of up to RM490,325,922 nominal value of 10 years 4% stepping up to 6% irredeemable convertible unsecured loan stock (ICULS) at 100% of its nominal value on the basis of RM1.00 nominal value of ICULS for every one (1) existing ordinary share of RM0.50 each held in YTL Cement as at an entitlement date to be determined later (Proposed Rights Issue of ICULS).

On 29 August, 2005, the shareholders of the Company had approved the Proposed Rights Issue of ICULS at the Extraordinary General Meeting held on even date. On 5 September, 2005, the Securities Commission had granted its approval for the Rights Issue. The Proposed Rights Issue of ICULS was completed on 16 November 2005 with the admission to the Official List of the Bursa Securities Malaysia Berhad and the listing of and quotation for 483,246,858 ICULS.

#### 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 :

	<b>Short term</b>	<b>Long term</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Secured	113,272	882,115	995,387
Unsecured	346,070	-	346,070
	-----	-----	-----
	459,342	882,115	1,341,457
	=====	=====	=====

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

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

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**Notes : - continued**

**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.

	<b>Current Quarter 30.09.2005</b>	<b>Preceding Year Corresponding Quarter 30.09.2004</b>
Net profit /(loss) for the period (RM'000)	40,066	34,953
Weighted average number of ordinary shares ('000)	483,258	362,165
Basic earnings per share (sen)	8.29	9.65

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

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT****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.

	<b>Preceding Year</b>	
	<b>Current Quarter 30.09.2005</b>	<b>Corresponding Quarter 30.09.2004</b>
Net profit /(loss) for the period (RM'000)	40,066 =====	34,953 =====
Weighted average number of ordinary shares('000)	483,258	362,165
-ordinary shares deemed issued for no consideration on assumed exercise of Warrants & ESOS('000)	1,571 -----	69,457 -----
Adjusted weighted average of ordinary shares ('000)	484,829 =====	431,622 =====
*Diluted earnings per share (sen)	8.26 =====	8.10 =====

*\*Total cash expected to be received in the event of an exercise of ESOS options is RM4.03 million. Accordingly, the Net Tangible Asset (NTA) on a proforma basis will increase by RM4.03 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 : 24 November 2005