

YTL CORPORATION BERHAD (Company No. 92647-H)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the first quarter ended 30 September, 2005.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER PRECEDING YEAR		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.9.2005 RM'000	CORRESPONDING QUARTER 30.9.2004 RM'000	3 MONTHS ENDED 30.9.2005 RM'000	30.9.2004 RM'000
REVENUE	1,357,638	1,178,056	1,357,638	1,178,056
OPERATING EXPENSES	(871,940)	(705,583)	(871,940)	(705,583)
OTHER OPERATING INCOME	45,460	22,051	45,460	22,051
PROFIT FROM OPERATIONS	531,158	494,524	531,158	494,524
FINANCE COSTS	(203,147)	(181,116)	(203,147)	(181,116)
SHARE OF (LOSSES)/PROFITS OF ASSOCIATED COMPANIES	50,930	(609)	50,930	(609)
PROFIT BEFORE TAXATION	378,941	312,799	378,941	312,799
TAXATION	(94,893)	(65,049)	(94,893)	(65,049)
PROFIT AFTER TAXATION	284,048	247,750	284,048	247,750
MINORITY INTERESTS	(100,316)	(86,415)	(100,316)	(86,415)
NET PROFIT FOR THE PERIOD	183,732	161,335	183,732	161,335
EARNINGS PER SHARE				
Basic (Sen)	12.95	11.55	12.95	11.55
Diluted (Sen)	11.82	11.21	11.82	11.21

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2005

YTL CORPORATION BERHAD (Company No. 92647-H)
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CONDENSED CONSOLIDATED BALANCE SHEETS

	UNAUDITED	AUDITED
	AS AT	AS AT
	30.9.2005	30.6.2005
	RM'000	RM'000
PROPERTY, PLANT & EQUIPMENT	16,156,311	16,544,289
	-----	-----
INVESTMENT PROPERTIES	571,892	556,998
	-----	-----
INVESTMENT IN SUBSIDIARIES	181,704	181,704
	-----	-----
INVESTMENT IN ASSOCIATED COMPANIES	1,240,617	1,122,421
	-----	-----
QUOTED INVESTMENTS	14,324	14,324
	-----	-----
UNQUOTED INVESTMENTS	575,754	580,357
	-----	-----
DEVELOPMENT EXPENDITURE	715,305	719,339
	-----	-----
GOODWILL ON CONSOLIDATION	693,625	733,090
	-----	-----
CURRENT ASSETS		
Inventories	305,828	284,072
Property development projects	175,050	219,245
Trade & other receivables	2,096,629	2,111,003
Tax recoverable	84,254	73,744
Inter-company balances	54,084	18,882
Short term investments	42,247	68,665
Fixed deposits	5,928,795	5,642,945
Cash & bank balances	42,148	75,483
	-----	-----
	8,729,035	8,494,039
	-----	-----

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2005

YTL CORPORATION BERHAD (Company No. 92647-H)
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CONDENSED CONSOLIDATED BALANCE SHEETS – continued

	UNAUDITED AS AT 30.9.2005 RM'000	AUDITED AS AT 30.6.2005 RM'000
LESS : CURRENT LIABILITIES		
Trade & other payables	1,230,994	1,283,159
Inter-company balances	703	1,090
Short term borrowings	3,522,742	3,377,772
Provision for taxation	167,995	144,553
Provision for liabilities & charges	31,769	31,341
	-----	-----
	4,954,203	4,837,915
	-----	-----
NET CURRENT ASSETS	3,774,832	3,656,124
	-----	-----
	<u>23,924,364</u>	<u>24,108,646</u>

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2005

YTL CORPORATION BERHAD (Company No. 92647-H)
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CONDENSED CONSOLIDATED BALANCE SHEETS - continued

	UNAUDITED AS AT 30.9.2005 RM'000	AUDITED AS AT 30.6.2005 RM'000
FINANCED BY : -		
SHARE CAPITAL	765,260	762,966
RESERVES		
Share premium	307,269	290,759
Capital reserve	102,295	102,295
Statutory reserve	10,246	10,246
Exchange differences reserve	(1,351)	55,762
Other reserves	55,692	35,389
Retained profits	5,031,662	4,834,603
Less : Treasury shares, at cost	(603,919)	(542,103)
SHAREHOLDERS' FUNDS	----- 5,667,154	----- 5,549,917
MINORITY INTERESTS	2,583,844	2,575,720
LONG TERM BORROWINGS	12,610,507	12,853,968
OTHER LONG TERM LIABILITIES	90,751	91,480
PROVISION FOR LIABILITIES	413,860	427,786
DEFERRED INCOME	142,917	149,213
DEFERRED TAXATION	2,415,331	2,460,562
	----- 23,924,364 =====	----- 24,108,646 =====
Net Tangible Assets Per 50 sen share (Sen)	----- 351.20 =====	----- 338.60 =====

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2005

YTL CORPORATION BERHAD (Company No. 92647-H)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2005**

Group	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Statutory reserve RM'000	Translation reserve RM'000	Retained profits RM'000	Treasury shares RM'000	Other reserves RM'000	Total RM'000
Balance at 1.7.2005	762,966	290,759	102,295	10,246	55,762	4,834,603	(542,103)	35,389	5,549,917
<i>Currency translation differences</i>	-	-	-	-	(57,113)	-	-	-	(57,113)
Net gains not recognised in the income statement	-	-	-	-	(57,113)	-	-	-	(57,113)
Net profit for the period	-	-	-	-	-	183,732	-	-	183,732
Gains recognized on deemed dilution of interest in subsidiaries	-	-	-	-	-	13,327	-	-	13,327
Reserve on consolidation	-	-	-	-	-	-	-	20,303	20,303
Treasury shares	-	-	-	-	-	-	(61,816)	-	(61,816)
Issue of share capital	2,294	16,510	-	-	-	-	-	-	18,804
Balance at 30.9.2005	<u>765,260</u>	<u>307,269</u>	<u>102,295</u>	<u>10,246</u>	<u>(1,351)</u>	<u>5,031,662</u>	<u>(603,919)</u>	<u>55,692</u>	<u>5,667,154</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2005

YTL CORPORATION BERHAD (Company No. 92647-H)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2005**

Group	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Reserve on consolidation RM'000	Translation reserve RM'000	Retained profits RM'000	Treasury shares RM'000	Total RM'000
Balance at 1.7.2004								
- as previously reported	737,293	549,075	60,959	346	83,907	4,258,148	(308,637)	5,381,091
- prior years adjustment	-	-	-	-	-	(8,546)	-	(8,546)
	-----	-----	-----	-----	-----	-----	-----	-----
- as restated	737,293	549,075	60,959	346	83,907	4,249,602	(308,637)	5,372,545
<i>Currency translation differences</i>	-	-	-	-	37,119	-	-	37,119
Net gains not recognised in the income statement	-	-	-	-	37,119	-	-	37,119
Net profit for the period	-	-	-	-	-	161,335	-	161,335
Treasury shares	-	-	-	-	-	-	(85,253)	(85,253)
	-----	-----	-----	-----	-----	-----	-----	-----
Balance at 30.9.2004	737,293	549,075	60,959	346	121,026	4,410,937	(393,890)	5,485,746
	=====	=====	=====	=====	=====	=====	=====	=====

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2005

YTL CORPORATION BERHAD (Company No. 92647-H)
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2005**

	3 MONTHS ENDED	
	30.9.2005	30.9.2004
	RM'000	RM'000
Net cash from operating activities	53,745	727,676
	-----	-----
Net cash from (used in) investing activities	381,214	(2,180,165)
	-----	-----
Net cash from financing activities	(116,364)	1,280,684
	-----	-----
Net changes in cash and cash equivalents	318,595	(171,805)
Cash and cash equivalents brought forward	5,641,793	5,822,815
	-----	-----
Cash and cash equivalents carried forward	5,960,388	5,651,010
	=====	=====

Cash and cash equivalents comprise :

	RM'000	RM'000
Fixed Deposits	5,928,795	5,633,817
Cash & bank balances	42,148	31,416
Bank overdrafts	(10,555)	(14,223)
	-----	-----
	5,960,388	5,651,010
	=====	=====

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June, 2005

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Notes :

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

A1. Accounting Policies and methods of computation

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 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 for the financial year ended 30 June 2005.

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 the last financial year ended 30 June 2005

The Auditors’ Report on the financial statements of the last 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 factors.

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 in estimates of amounts reported in prior interim periods and prior financial years.

INTERIM FINANCIAL REPORT

Notes : - continued

A6. Changes in Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities except for the following :-

- (i) Repurchased a total of 11,077,200 ordinary shares of its issued share capital from the open market for a total consideration of RM61.816 million at an average cost of RM5.58 per share during the current financial quarter. The repurchased transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A (as amended) of the Companies Act, 1965.
- (ii) For the current financial quarter ended 30 September 2005, 407,800 and 4,180,300 ordinary shares were issued pursuant to the exercise of 1997/2007 and 1999/2009 warrants at an exercise price of RM2.75 and RM 4.23 per share respectively.
- (iii) On 21 June 2005, YTL Cement 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 share 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 YTL Cement 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.

The outstanding debts are as disclosed in note B9.

A7. Dividend paid

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

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INTERIM FINANCIAL REPORT**Notes : - continued****A8. Segment Reporting**

Inter-segment pricing is determined based on a negotiated basis.

The Group's segmental report for the first quarter ended 30 September 2005 is as follows:-

	Construction RM'000	Information technology & e-commerce related business RM'000	Cement Manufacturing & trading RM'000	Property investment & development RM'000	Management services & others RM'000	Hotels RM'000	Utilities RM'000	Total RM'000
Revenue	56,617	9,436	284,022	56,944	39,282	27,850	883,487	1,357,638
Results								
Profit from Operations	6,325	4,908	61,341	22,510	43,598	1,045	359,831	499,558
Finance costs								(203,147)
Gain on disposal of quoted investments								31,600
Share of losses of associated companies								50,930
Profit before taxation								378,941
Taxation								(94,893)
Profit after taxation								284,048
Minority interests								(100,316)
Net profit for the period								183,732

YTL CORPORATION BERHAD (Company No. 92647-H)

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INTERIM FINANCIAL REPORT**Notes : - continued****A8. Segment Reporting**

Inter-segment pricing is determined based on a negotiated basis.

The Group's segmental report for the first quarter ended 30 September 2004 is as follows:-

	Construction RM'000	Information technology & e-commerce related business RM'000	Cement Manufacturing & trading RM'000	Property investment & development RM'000	Management services & others RM'000	Hotels RM'000	Utilities RM'000	Total RM'000
Revenue	18,613	6,248	168,003	58,533	50,591	28,056	848,012	1,178,056
Results								
Profit from Operations	4,941	3,077	44,166	21,610	86,980	1,291	332,459	494,524
Finance costs								(181,116)
Share of losses of associated companies								(609)
Profit before taxation								312,799
Taxation								(65,049)
Profit after taxation								247,750
Minority interests								(86,415)
Net profit for the period								161,335

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Notes : - continued

A9. Valuation of Property, Plant and Equipment

The valuation of property, plant & equipment have been brought forward without any amendments from the previous annual audited financial statements.

A10. Material Events Subsequent to the end of the interim period

There were no other material events subsequent to the end of the current financial quarter.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current financial quarter, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations except for the following :-

- (i) During the current financial quarter, YTL Power repurchased a total of 20,869,000 ordinary shares of its issued share capital from the open market value for a total consideration of RM43,919,046 at an average cost of RM2.10 per share. The repurchase of shares were financed by internally generated funds. As at 30 September 2005, the number of shares held is 181,326,056 ordinary shares.
- (ii) During the current financial quarter, 7,914,000 ordinary shares were issued pursuant to the exercise of warrants at an exercise price of RM1.41 per share in YTL Power.
- (iii) For the current financial quarter, a total of 116,000 ordinary shares of RM0.50 each were issued pursuant to the exercise of 'employees' share scheme (ESOS) in YTL Cement.
- (iv) For the current financial quarter, YTL Cement 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 were financed by internally generated funds. The shares purchased are held as treasury shares.
- (v) During the current financial quarter, the share capital of YTL L&D has increased from RM172,225,090 to RM172,425,029 as a result of conversions of 1,559,522 Irredeemable Convertible Preference Shares ("ICPS-A") of RM0.50 each into 399,877 new ordinary shares of RM0.50 each based on a conversion ratio of one (1) ordinary share of RM0.50 each for every RM3.90 of ICPS-A held, and the total number of ICPS-A and Irredeemable Convertible Preference Shares ("ICPS-B") outstanding as at 30 September 2005 was 314,834,638 and 560,849,502 respectively.

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Notes : - continued

- (vi) On 2 September, 2005, a wholly-owned subsidiary of YTL Cement, 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.

- (vii) On 14 October 2005, a wholly-owned subsidiary of YTL Power, YTL Jawa Power Holdings Limited has acquired YTL Jawa Power Finance Limited (formerly known as YTL Investments Limited).

YTL Jawa Power Finance Limited, a company incorporated in the Cayman Islands on 27 June 2003, is an investment holding company with an authorized share capital of US\$50,000.00 comprising 50,000 ordinary shares of US\$1.00 each. The issued and paid-up share capital is US\$1.00 divided into 1 ordinary share of US\$1.00 each.

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Notes : - continued

A12. Changes in Contingent Liabilities or Contingent Assets

Since the last annual balance sheet as at 30 June 2005, there were no changes in the contingent liabilities of the Group.

As at 30 September 2005, the Company has given corporate guarantees amounting to RM790.95 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
Block discounting / hire purchase facility	22,940	7,676
Bank overdrafts	31,900	3,497
Letters of credit/trust receipts/bankers acceptances/ shipping guarantees	134,900	75,786
Revolving loans/advances	59,413	33,310
Suppliers credit facility		
Bankers' guarantees : -		
Advance payment bonds/performance bonds, pre-bid bonds and other related guarantees	41,800	32,912
Commercial papers/medium term notes	500,000	-
	-----	-----
	<u>790,953</u>	<u>153,181</u>
	=====	=====

The Company has also entered into an option agreement with Dato' Hj. Mohd. Zainal Abidin Hj. Abdul Kadir ("Dato' Zainal") on 2 October 2001 wherein Dato' Zainal, in consideration of RM10 paid by the Company, agrees to grant the Company a call option to purchase 7,100,000 ordinary shares and 61,092,272 irredeemable convertible preference shares in YTL Land & Development Berhad received by Dato' Zainal pursuant to the acquisition by YTL Land & Development Berhad of 60% equity interest in Pakatan Perakbina Sdn. Bhd. from Dato' Zainal at an option price of RM1.00 per share.

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Notes : - continued

Disclosure requirements per Bursa Malaysia Securities Berhad listing requirements Part A of Appendix 9B

B1. Review of Performance

The Group's recorded a revenue and profit before taxation for the current financial quarter of RM1,357.6 million and RM378.9 million respectively, representing an increase of 15.2% and 21.1% respectively when compared to the previous corresponding quarter ended 30 September, 2004.

In line with the increased revenue, the Group's operating profit improved from RM 494.5 million in the corresponding quarter ended 30 September 2004 to RM531.2 million in the current financial quarter ended 30 September 2005 representing an increase of 7.4%. Net profit of RM183.7 million recorded in the current financial quarter as compared to the corresponding quarter ended 30 September 2004 of RM161.3 million, representing an increase of 13.9%.

B2. Comparison with Preceding Quarter

For the current financial quarter, the Group registered a higher profit before taxation of RM378.9 million as compared to RM346.1 million for the preceding financial quarter representing an increase of 9.5%.

The increase in the Group's profit before taxation in the current financial quarter was attributable to the improved operating results of its cement manufacturing activities and the utilities businesses.

B3. Prospects

The Group, after considering the Group's current level of operations and the current market condition, is expected to achieve satisfactory performance for the financial year ending 30 June 2006.

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

Taxation comprises the following: -

	Current Year Quarter 30.9.2005 RM'000	Preceding Year Corresponding Quarter 30.9.2004 RM'000	Current year To Date 30.9.2005 RM'000	Preceding Year Corresponding Period 30.9.2004 RM'000
Taxation based on profit for the period	68,877	63,600	68,877	63,600
In respect of prior years				
- income tax	(140)	-	(140)	-
Over provision in prior Year	-	(10,292)	-	(10,292)
Deferred taxation	14,267	11,652	14,267	11,652
Share of tax in associated companies:				
- taxation for the period	11,891	89	11,891	89
	-----	-----	-----	-----
	94,895	65,049	94,895	65,049
	=====	=====	=====	=====

The provision for taxation of the Group for the current financial quarter reflects an effective tax rate lower than the Statutory Income Tax Rate due primarily to the availability of reinvestment allowances for some of its local subsidiaries. Tax losses brought forward and over provision for taxation in prior year have also reduced taxation of the Group for the current financial quarter.

B6. Sales of Unquoted Investment and /or Properties

There was no sale of unquoted investments or properties during current financial quarter.

B7. Quoted Securities

(a)	Current Year Quarter 30.9.2005 RM'000	Current year To Date 30.9.2005 RM'000
Purchases	-	-
Sales	46,929	46,929
Gain on disposal	31,600	31,600
	=====	=====

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Notes : - continued

B7. Quoted Securities

(b) Particulars of investment in quoted securities as at 30 September, 2005 :

	RM'000
- At cost	9,470
- At carrying value	9,470
- At market value	9,769
	<u>=====</u>

B8. Corporate Developments

(a) As at the date of this announcement, there are no corporate proposals announced and pending completion except for the following :-

(i) On 30 October 2003, YTL L&D announced the proposal for placement of up to 20,000,000 new ordinary shares of RM1.00 each in YTL L&D to Dato' Suleiman bin Abdul Manan, the Director of YTL L&D ("Proposed Placement"). Approval of the Securities Commission ("SC") was received vide its letter dated 25 February 2004.

On 11 June 2004, the SC has vide its letter dated 8 June 2004, approved the revision to the terms of approval for the Proposed Placement of up to 40,000,000 new ordinary shares of RM0.50 each, as opposed to up to 20,000,000 new ordinary shares of RM1.00 each as approved earlier.

Approval of shareholders was obtained on 8 June 2004. SC has vide its letter dated 29 August 2005 (received on 30 August 2005), approved the application for extension of time until 23 February 2006 to complete the implementation of the Proposed Placement.

(ii) On 15 March 2005, the Company announced the proposed disposal by YTL Land Sdn Bhd ("YTL Land"), a wholly owned subsidiary of the Company, of the entire interest in the following:-

1) A freehold land held under Grant 28678, Lot No. 1267, Section 67, town of Kuala Lumpur, state of Wilayah Persekutuan, together with a 32 storey block comprising a hotel known as "J.W.Marriot Hotel Kuala Lumpur" and a shopping complex with 5 basement car parks and a 12 level annexe building collectively known as Starhill Centre erected thereon ("Starhill") to a real estate investment trust ("Proposed disposal of Starhill"); and

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Notes : - continued

- 2) A 138 parcels of retail, office, storage and other spaces forming part of a building known as “Lot 10 shopping Centre” erected on a leasehold land under PN 11008, Lot No. 1247, Section 67, town of Kuala Lumpur, state of Wilayah Persekutuan (“Lot 10:”) to a real estate investment trust (“Proposed disposal of Lot 10”).

On 7 July 2005, the Company further announced that YTL Land proposed to dispose of its entire interest in the above properties for a proposed total sale consideration of RM1,200 million to be satisfied as follows:-

- 1) proposed issuance of 530,400,000 new units in Starhill Real Estate Investment Trust (Starhill REIT) at an indicative issue price of RM1.00 per unit, to be credited as fully paid-up; and
- 2) proposed cash consideration of RM669,600,000 to be funded from the proceeds of the proposed listing of Starhill REIT on the Main Board of Bursa Malaysia Securities Berhad and bank borrowings to be raised by Starhill REIT.

The above proposed disposal was approved by the shareholders on 22 July 2005 and on 26 August 2005, the SC had granted its approval for the proposed disposal subject to certain terms and conditions.

B9. Group Borrowings and Debt Securities

Particulars of the Group’s borrowings and debts securities as at 30 September 2005 are as follows :-

Borrowings

	RM’000
(i) Short term	
- Secured	2,501,107
- unsecured	1,021,635

	3,522,742

(ii) Long term	
- Secured	2,061,138
- unsecured	10,549,369

	12,610,507

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Notes : - continued

The above include borrowings denominated in foreign currencies as follows:-

In US Dollar ('000)	491,006
In Sterling Pound ('000)	1,269,997

B10. Off Balance Sheet Financial Instruments

The Group finances its activities through a combination of short-term borrowings, long-term loans and bonds. The Group uses financial instruments to limit the Group's exposure to interest rate movements. These instruments are not recognised in the financial statements on inception. The accounting policy with regards to these financial instruments, which remain the same to that disclosed in the latest audited financial statements is as follows :-

“Interest rate swap contracts protect the Group from movements in interest rates. Any differential to be paid or received on an interest rate swap contract is recognised as a component of interest income or expense over the period of the contract. Gains and losses on early termination of interest rate swaps or on repayment of the borrowings are taken to the income statement”.

There has been no material change to the terms and condition of financial instruments disclosed in the latest audited financial statements and the date of this announcement. In addition to the above, Wessex Water Limited, has several interest rate swap agreements which limit the Group's exposure to floating interest rate, details of which are as follows:

	Total £'000
National Principal Amount (denotes in Sterling Pound)	70,800
	RM'000
RM equivalent (exchange rate £1 = RM6.6438)	470,381
Average fixed interest rate	5.76%
Average period to maturity of the fixed rate borrowing (years)	0.80

All financial instruments are executed with creditworthy counter parties with a view to limit the credit risk exposure of the Group.

INTERIM FINANCIAL REPORT

Notes : - continued

B11. Dividend paid

The Board does not recommend any interim dividend for the current financial quarter.

B12. Material litigation

There are claims made by third parties against YTL L&D, a subsidiary of the Company via its subsidiary, Sentul Raya Sdn Bhd but the Directors of the Company are of the opinion that the claims will not materially affect the future position or business of the Group.

B13. Earnings Per Share

i) Basic earnings per share

The basic earnings per share of the Group has been computed by dividing the net profit for the financial quarter as set out below:-

	Current Quarter 30.9.2005	Preceding Year Corresponding Quarter 30.9.2004
Net profit for the period / Profit attributable to shareholders (RM'000)	183,732 =====	161,335 =====
<i>Weighted average number of ordinary shares ('000)</i>		
Issued at the beginning of the period ('000)	1,528,838	1,474,587
Shares repurchased ('000)	(110,346)	(78,141)
	----- 1,418,492 =====	----- 1,396,446 =====
Basic earnings per share (sen)	12.95 =====	11.55 =====

INTERIM FINANCIAL REPORT

Notes : - continued

B13. Earnings Per Share - continued

ii) Diluted earnings per share

The diluted earnings per share of the Group has been computed by dividing the net profit for the financial quarter as set out below :-

	Current Quarter 30.9.2005	Preceding Year Corresponding Quarter 30.9.2004
Net profit for the period / Profit attributable to shareholders (RM'000)	183,732 =====	161,335 =====
<i>Weighted average number of ordinary shares-diluted ('000)</i>		
Weighted average number of ordinary shares-basic ('000)	1,418,492	1,396,446
Effect of unexercised warrants ('000)	113,868	30,209
Effect of unexercised employees share option Scheme ('000)	21,730 -----	11,940 -----
	1,554,090 =====	1,438,595 =====
*Diluted earnings per share (sen)	11.82 =====	11.21 =====

* Total cash expected to be received in the event of an exercise of all outstanding warrants and ESOS options is RM1,886.649 million. Accordingly, the Net Tangible Asset (NTA) on a proforma basis will increase by RM1,886.649 million resulting in an increase in NTA per share of RM1.00. 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