

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

**INTERIM FINANCIAL REPORT**

Interim financial report on consolidated results for the period ended 31 March 2008.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.3.2008	PRECEDING YEAR CORRESPONDING QUARTER 31.3.2007	9 MONTHS ENDED	
	RM'000	RM'000	RM'000	RM'000
<b>REVENUE</b>	1,633,666	1,477,645	4,731,695	4,285,733
COST OF SALES	(1,008,464)	(891,902)	(2,808,043)	(2,574,774)
GROSS PROFIT	625,202	585,743	1,923,652	1,710,959
OTHER OPERATING EXPENSES	(99,514)	(129,522)	(316,841)	(289,644)
OTHER OPERATING INCOME	133,192	84,563	315,816	147,807
<b>PROFIT FROM OPERATIONS</b>	658,880	540,784	1,922,627	1,569,122
FINANCE COSTS	(231,901)	(224,363)	(685,728)	(615,842)
SHARE OF (LOSSES)/PROFITS OF ASSOCIATED COMPANIES	57,534	50,354	166,559	138,130
<b>PROFIT BEFORE TAXATION</b>	484,513	366,775	1,403,458	1,091,410
TAXATION	(98,053)	(106,660)	(328,629)	(277,622)
<b>PROFIT FOR THE PERIOD</b>	386,460	260,115	1,074,829	813,788
<b>ATTRIBUTABLE TO:</b>				
SHAREHOLDERS	202,527	95,883	616,462	402,991
MINORITY INTERESTS	183,933	164,232	458,367	410,797
<b>PROFIT FOR THE PERIOD</b>	386,460	260,115	1,074,829	813,788
<b>EARNINGS PER 50 SEN SHARE</b>				
Basic (Sen)	13.48	6.38	41.04	27.00
Diluted (Sen)	12.38	5.82	37.67	25.33

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

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

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**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>AS AT</b>
	<b>31.3.2008</b>	<b>30.6.2007</b>
		<b>(restated)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant & Equipment	16,788,268	16,902,393
Investment Properties	1,439,544	1,379,366
Prepaid Lease Payment	60,743	50,549
Investment In Subsidiaries	181,714	181,704
Investment In Associated Companies	1,349,756	1,328,826
Quoted Investments	22,805	15,979
Unquoted Investments	666,638	595,379
Development Expenditure	1,111,815	1,041,533
Fixed deposits	424	424
Intangible assets	2,505	953
Goodwill on Consolidation	972,084	941,330
	<u>22,596,296</u>	<u>22,438,436</u>
<b>Current Assets</b>		
Inventories	383,031	354,049
Property development costs	185,034	138,122
Trade & other receivables	1,967,433	1,880,878
Tax recoverable	104,172	54,342
Inter-company balances	76,050	13,627
Short term investments	45,523	175,283
Fixed deposits	10,042,591	8,753,951
Cash & bank balances	131,815	103,832
	<u>12,935,649</u>	<u>11,474,084</u>
<b>TOTAL ASSETS</b>	<u>35,531,945</u>	<u>33,912,520</u>

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

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

	<b>UNAUDITED</b> <b>AS AT</b> <b>31.3.2008</b>  <b>RM'000</b>	<b>AUDITED</b> <b>AS AT</b> <b>30.6.2007</b> <b>(restated)</b>  <b>RM'000</b>
<b>EQUITY</b>		
Share capital	815,441	825,611
Share premium	507,768	652,522
Capital reserve	108,606	102,439
Statutory reserve	41,331	41,331
Exchange differences reserve	(427,647)	(31,836)
Other reserves	166,258	171,771
Retained profits	6,956,652	6,542,668
Less : Treasury shares, at cost	(877,863)	(922,643)
<b>Total Equity Attributable to Shareholders of the Company</b>	<u>7,290,546</u>	<u>7,381,863</u>
<b>Minority Interests</b>	<u>3,858,878</u>	<u>3,591,979</u>
<b>TOTAL EQUITY</b>	<u>11,149,424</u>	<u>10,973,842</u>
<b>LIABILITIES</b>		
<b>Non-current Liabilities</b>		
Long Term Borrowings	16,040,599	15,601,924
Other Long Term Liabilities	426,765	493,477
Deferred Income	132,265	147,363
Deferred Tax	2,247,088	2,373,794
	<u>18,846,717</u>	<u>18,616,558</u>
<b>Current Liabilities</b>		
Trade & other payables	1,647,741	1,349,877
Inter-company balances	8,176	2,934
Short term borrowings	3,615,695	2,801,021
Provision for taxation	260,852	120,951
Provision for liabilities & charges	3,340	47,337
	<u>5,535,804</u>	<u>4,322,120</u>
<b>TOTAL LIABILITIES</b>	<u>24,382,521</u>	<u>22,938,678</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<u>35,531,945</u>	<u>33,912,520</u>
Net Assets per 50 sen share (Sen)	<u>487.54</u>	<u>490.44</u>

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

**YTL CORPORATION BERHAD (Company No. 92647-H)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2008**

Group	Attributable to Shareholders of the Company									Minority interests	Total equity
	Share capital	Share premium	Capital reserve	Statutory reserve	Exchange differences reserve	Retained profits	Treasury shares	Other reserves	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.7.2007	825,611	652,522	102,439	41,331	(31,836)	6,542,668	(922,643)	171,771	7,381,863	3,591,979	10,973,842
Currency translation differences	-	-	6,167	-	(395,811)	-	-	-	(389,644)	(115,043)	(504,687)
Gain recognised on deemed dilution of interest in subsidiaries	-	-	-	-	-	26,110	-	-	26,110	-	26,110
Income and expenses recognised directly in equity	-	-	6,167	-	(395,811)	26,110	-	-	(363,534)	(115,043)	(478,577)
Net profit for the period	-	-	-	-	-	616,462	-	-	616,462	458,367	1,074,829
Total recognised income and expenses for the period	-	-	6,167	-	(395,811)	642,572	-	-	252,928	343,324	596,252
Reserve on consolidation	-	-	-	-	-	-	-	(15,264)	(15,264)	-	(15,264)
Treasury shares - repurchase	-	-	-	-	-	-	(148,630)	-	(148,630)	-	(148,630)
Cancellation of treasury shares	(15,000)	(178,410)	-	-	-	-	193,410	-	-	-	-
Dividend paid	-	-	-	-	-	(193,782)	-	-	(193,782)	-	(193,782)
Share-based payment	-	-	-	-	-	-	-	9,751	9,751	-	9,751
Issue of share capital	4,830	33,656	-	-	-	-	-	-	38,486	-	38,486
Loss on ROS	-	-	-	-	-	(34,806)	-	-	(34,806)	-	(34,806)
Changes in composition of the Group	-	-	-	-	-	-	-	-	-	(76,425)	(76,425)
Balance at 31.3.2008	815,441	507,768	108,606	41,331	(427,647)	6,956,652	(877,863)	166,258	7,290,546	3,858,878	11,149,424

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

**YTL CORPORATION BERHAD (Company No. 92647-H)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2007**

Group	Attributable to Shareholders of the Company								Total	Minority interests	Total equity
	Share capital	Share premium	Capital reserve	Statutory reserve	Translation reserve	Retained profits	Treasury shares	Other reserves			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.7.2006											
- as previously reported	782,355	389,756	102,529	26,009	9,041	6,113,825	(668,269)	94,211	6,849,457	2,945,802	9,795,259
- prior years adjustments	-	-	-	-	-	(256,361)	-	(33,958)	(290,319)	720,763	430,444
- as restated	782,355	389,756	102,529	26,009	9,041	5,857,464	(668,269)	60,253	6,559,138	3,666,565	10,225,703
Currency translation differences	-	-	1,672	(3,931)	(112,728)	-	-	-	(114,987)	66,730	(48,257)
Acquisition of subsidiary	-	-	-	-	-	40	-	-	40	-	40
Loss recognized on deemed dilution of interest in subsidiaries	-	-	-	-	-	(32,698)	-	-	(32,698)	-	(32,698)
Income and expenses recognised											
directly in equity	-	-	1,672	(3,931)	(112,728)	(32,658)	-	-	(147,645)	66,730	(80,915)
Net profit for the period	-	-	-	-	-	402,991	-	-	402,991	410,797	813,788
Total recognised income and expenses for the period	-	-	1,672	(3,931)	(112,728)	370,333	-	-	255,346	477,527	732,873
Reserve on consolidation	-	-	-	-	-	-	-	(710)	(710)	-	(710)
Treasury shares	(16,500)	-	-	-	-	-	(146,483)	-	(162,983)	-	(162,983)
Share-based payment	-	-	-	-	-	-	-	17,497	17,497	-	17,497
Dividend paid	-	-	-	-	-	(164,006)	-	-	(164,006)	-	(164,006)
Realisation of post-acquisition profits	-	-	-	-	-	106,582	-	-	106,582	-	106,582
Issue of share capital	51,215	183,213	-	-	-	-	-	-	234,428	-	234,428
Changes in composition of the Group	-	-	-	-	-	-	-	-	-	(536,745)	(536,745)
Balance at 31.3.2007	817,070	572,969	104,201	22,078	(103,687)	6,170,373	(814,752)	77,040	6,845,292	3,607,347	10,452,639

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 31 MARCH 2008**

	<b>FOR THE 9 MONTHS ENDED</b>	
	<b>31.3.2008</b>	<b>31.3.2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash from operating activities	781,771	530,281
Net cash from (used in) investing activities	(74,976)	231,671
Net cash from financing activities	600,832	1,775,507
Net changes in cash and cash equivalents	1,307,627	2,537,459
Cash and cash equivalents brought forward	8,837,787	6,029,586
Cash and cash equivalents carried forward	<u>10,145,414</u>	<u>8,567,045</u>

Cash and cash equivalents comprise:

	<b>RM'000</b>	<b>RM'000</b>
Fixed deposits	10,043,015	8,474,221
Cash and bank balances	131,815	97,758
Bank overdraft	(29,416)	(4,934)
	<u>10,145,414</u>	<u>8,567,045</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2007 and the accompanying explanatory notes attached to the interim financial statements.

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**Notes:-**

**Disclosure requirements pursuant to FRS 134 – paragraph 16**

The Condensed Financial Statements should be read in conjunction with the audited annual financial statements of the Group for the year ended 30 June 2007.

**A1. Accounting Policies and Methods of Computation**

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

The accounting policies and methods of computation adopted by the Group in the interim financial report are consistent with those adopted for the annual audited financial statements for the year ended 30 June 2007 except for the adoption of the following new/revised FRSs, which are relevant to its operations, effective the financial period beginning 1 July 2007:

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 117	Leases
FRS 118	Revenue
FRS 124	Related Party Disclosure
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above FRSs does not have significant impact on the Group other than the effects of the following FRSs:

**(i) FRS 117: Leases**

Prior to the adoption of the revised FRS 117, leasehold land was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. With the revised FRS 117, the unamortized carrying amounts of leasehold land are now classified as prepaid lease payment and amortised over the period of its remaining lease term. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and the comparatives in the balance sheet have been restated.

The effects on the comparatives to the Group on adoption of FRS 117 are as follows:

	<b>As previously reported RM'000</b>	<b>Effect of Changes RM'000</b>	<b>As restated RM'000</b>
30 June 2007			
Property, plant and equipment	16,952,942	(50,549)	16,902,393
Prepaid lease payment	-	50,549	50,549
	=====	=====	=====

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A2. Seasonality or Cyclicity of Operations**

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

**A3. 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.

**A4. Changes in estimates of amounts reported**

There was no change in estimates of amounts reported in prior interim periods and prior financial years.

**A5. 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 6,979,200 and 19,437,500 ordinary shares of its issued share capital from the open market during the current financial quarter and current financial year to date, at an average cost of RM7.52 per share. The total consideration paid for the share buy-back, including transaction costs during the current financial quarter and financial year to date amounted to RM52.49 million and RM148.63 million respectively and 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.

On 20 February 2008, 30,000,000 treasury shares valued at RM193.410 million were cancelled and as at 31 March 2008, the number of treasury shares held is 135,500,605 ordinary shares.

- (ii) For the current financial quarter ended 31 March 2008, 2,081,299 ordinary shares were issued pursuant to the exercise of 1999/2009 warrants at an exercise price of RM4.23 per share. During the current financial year to date a total of 1,599,627 and 8,056,743 ordinary shares were issued pursuant to the exercise of 1997/2007 and 1999/2009 warrants at an exercise price of RM2.75 and RM4.23 per share respectively. The 1997/2007 warrants had expired on 21 September 2007.
- (iii) During the current financial quarter and year to date a total of 2,000 ordinary shares were issued pursuant to the exercise of employees' share option scheme (ESOS) at an exercise price of RM2.79.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A6. Dividend paid**

A first interim dividend of 15% gross less Malaysian Income Tax of 26% amounting to RM83,225,075 in respect of financial year ending 30 June 2008 was paid on 31 January 2008.

A second interim dividend of 15% gross less Malaysian Income Tax of 26% amounting to RM83,125,192 in respect of financial year ending 30 June 2008 was paid on 24 March 2008.

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**YTL CORPORATION BERHAD (Company No. 92647-H)**  
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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A7. Segment Reporting**

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

The Group's segmental report for the third quarter ended 31 March 2008 is as follows:-

	Construction	Information technology & e-commerce related business	Cement Manufacturing & trading	Property investment & development	Management services & others	Hotels	Utilities	Total
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>	103,654	21,174	1,117,731	224,768	261,930	116,232	2,886,206	4,731,695
<b>Results</b>								
Operating profit	18,270	5,697	262,280	74,942	221,232	9,333	1,330,873	1,922,627
Finance costs								(685,728)
Share of profit of associated companies								166,559
Profit before taxation								1,403,458
Taxation								(328,629)
Profit for the period								1,074,829
<b>Attributable to:</b>								
Shareholders								616,462
Minority interests								458,367
Profit for the period								1,074,829

**YTL CORPORATION BERHAD (Company No. 92647-H)**  
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**Notes: - continued**

**A7. Segment Reporting - continued**

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

The Group's segmental report for the third quarter ended 31 March 2007 is as follows:-

	Information technology & e-commerce	Construction related business	Cement Manufacturing & trading	Property investment & development	Management services & others	Hotels	Utilities	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	196,289	16,261	848,115	165,609	217,773	102,920	2,738,766	4,285,733
<b>Results</b>								
Operating profit	25,344	5,000	207,544	71,571	41,802	9,163	1,208,698	1,569,122
Finance costs								(615,842)
Share of profit of associated companies								138,130
Profit before taxation								1,091,410
Taxation								(277,622)
Profit for the period								813,788
<b>Attributable to:</b>								
Shareholders								402,991
Minority interests								410,797
Profit for the period								813,788

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A8. Changes in the Composition of the Group**

There were no changes in the composition of the Group for the financial period ended 31 March 2008, 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 and year to date, YTL Power International Berhad (“YTL Power”) repurchased a total of 52,489,000 and 105,707,800 ordinary shares of its issued share capital from the open market value for a total consideration of RM133,325,806 and RM262,851,261 at an average cost of RM2.54 and RM2.49 per share respectively. The repurchase of shares was financed by internally generated funds.

During the current financial quarter, there was a distribution of 204,916,239 treasury shares valued at RM445,446,920. The distribution was on the basis of 1 treasury share for every 25 existing ordinary shares held. As at 31 March 2008, the number of treasury shares held was 90,846,436.

- (ii) During the current financial quarter and for the financial year to date, 5,370,200 and 27,293,330 ordinary shares were issued by YTL Power pursuant to the exercise of warrants at a weighted average exercise price of RM1.34 per share and RM1.38 per share respectively.
- (iii) For the current financial quarter and year to date, 364,000 and 3,542,750 ordinary shares were issued by YTL Power pursuant to the exercise of ESOS at a weighted average exercise price of RM1.40 per share and RM1.36 per share respectively.
- (iv) During the current financial quarter and year to date, 14,519,103 and 51,567,847 ordinary shares were issued by YTL Power pursuant to the exchange of US\$8,700,000 and US\$30,900,000 respectively. YTL Power Finance (Cayman) Limited’s 5-year zero coupon guaranteed exchangeable bonds due 2010 at the exchange price of RM2.277 per share.
- (v) During the current financial year to date, YTL Cement Berhad (“YTL Cement”) repurchased a total of 1,526,500 ordinary shares of its issued share capital from the open market at an average cost of RM4.94 per share. During the quarter ended 31 March 2008, a total of 175,100 shares were purchased from the open market at an average cost of RM4.83 per share. The total consideration paid for the share buy-back during the financial year to date and financial quarter ended 31 March 2008, including transaction costs, was RM7,537,348 and RM846,235 respectively, and was financed by internally generated funds. As at 31 March 2008, the total shares bought back, all of which are held as treasury shares, amounted to 20,908,264 ordinary shares.

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**Notes: - continued**

- (vi) During the current financial quarter and financial year, a total of 352 and 1,241 ordinary shares of RM0.50 each were issued by YTL Cement pursuant to the conversion of RM960 and RM3,380 Nominal value of 100% Irredeemable Convertible Unsecured Loan Stocks 2005/2015.
- (vii) For the current financial year to date, a total of 17,000 ordinary shares were issued by YTL Cement at an exercise price of RM1.21 pursuant to the exercise of employees' share option granted under the YTL Cement's ESOS.
- (viii) During the current financial quarter, the share capital of YTL Land & Development Berhad ("YTL L&D") increased from RM198,916,426 to RM397,931,739 as a result of the conversion of 205,140 Irredeemable Convertible Preference Shares ("ICPS-A") of RM0.50 each into 52,600 new ordinary shares of RM0.50 each based on a conversion ratio of one (1) new ordinary share of RM0.50 each for every 3.90 of ICPS-A of RM0.50 each held and the mandatory conversion of 533,290,580 Irredeemable Convertible Preference Shares 2003/2008 ("ICPS-B") of RM0.50 each for every 1.34 of ICPS-B into 397,978,027 new ordinary shares.

During the financial year to date, a total of 404,920,966 new ordinary shares of RM0.50 each were issued as a result of the conversion of 27,077,506 ICPS-A and also a conversion of 533,290,580 ICPS-B. The total number of ICPS-A outstanding as at 31 March 2008 were 188,205,235 of RM0.50 each and no outstanding for ICPS-B as at 31 March 2008.

- (ix) During the current financial quarter, YTL L&D purchased 272,600 of its issued ordinary shares of RM0.50 each from the open market at an average price of RM1.3485 per share. The total share buy-back for the financial period ended 31 March 2008 was 2,657,600 ordinary shares. The total consideration paid, including transaction costs for the share buy-back during the current financial quarter and financial period ended 31 March 2008 was RM367,589 and RM5,403,647 respectively and was financed by internally generated funds. The shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.
- (x) The proposal announced by the Company to undertake a renounceable restricted offer for sale of ordinary shares of RM0.50 each in YTL Power on the basis of 1 YTL Power share for every 15 ordinary shares of RM0.50 each in YTL Corp at offer price of RM1.00 per YTL Power share held on 14 December 2007 was completed on 18 January 2008 with the crediting of 99,929,116 YTL Power shares into respective CDS accounts of the entitled shareholders.
- (xi) During the current financial quarter and year to date, YTL e-Solutions Berhad ("YTLE") repurchased a total of 121,000 and 171,100 ordinary shares respectively of its issued share capital from the open market at an average cost of RM0.52 and RM0.55 per share for a total consideration of RM63,282 and RM94,655. The share buy-back was financed by internally generated funds. The shares purchased are held as treasury shares.

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**Notes: - continued**

(xii) On 31 July 2007, Batu Tiga Quarry Sdn Bhd (“BTQ”), a wholly-owned subsidiary of YTL Industries Berhad which in turn is a wholly-owned subsidiary of the Company, completed the acquisition of the following:-

- 873,834 ordinary shares of RM1.00 each, representing 100% of the issued and paid-up share capital of C.I. Quarrying & Marketing Sdn Bhd (“CIQM”) for a cash consideration of RM2.0 million;
- 75,100 ordinary shares of RM1.00 each, representing 100% of the issued and paid-up share capital of Mutual Prospect Sdn Bhd (“MPSB”) for a cash consideration of RM4.0 million.

As a result, CIQM and MPSB became wholly-owned subsidiaries of BTQ and indirect subsidiaries of the Company.

(xiii) On 17 August 2007, YTL Cement acquired 1 ordinary share of HKD1.00 representing the entire issued and paid-up capital of Leadmax Limited (now known as YTL Cement (Hong Kong) Limited) (“YTLC HK”) for a cash consideration of HKD1.00. As a result, YTLC HK became a wholly-owned subsidiary of YTL Cement and an indirect subsidiary of the Company.

(xiv) On 29 August 2007, the Company announced that YTL Hotels & Properties Sdn Bhd (“YTLHP”), a wholly-owned subsidiary of the Company, acquired 1 ordinary share of par value US\$1.00 representing the entire issued and paid-up capital of YTL Hotels (Cayman) Limited (“YTL Hotels Cayman”) for US\$1.00 in cash. As a result of the acquisition, YTL Hotels Cayman has become a wholly-owned subsidiary of YTLHP and an indirect subsidiary of the Company.

YTL Hotels Cayman was incorporated in the Cayman Islands on 27 August 2007 and has an authorized share capital of US\$50,000 comprising 50,000 shares of US\$1.00 each. YTL Hotels Cayman is principally involved in investment holdings.

(xv) On 14 September 2007, the Company announced that YTLHP has completed the acquisition of 90,000 ordinary shares of RM1.00 each representing 90% of the issued and paid-up share capital of Magna Boundary Sdn Bhd (“Magna Boundary”). As a result, Magna Boundary became a subsidiary of YTLHP and an indirect subsidiary of the Company.

(xvi) On 20 September 2007, the Company announced that:-

- YTLHP has completed the acquisition of 45,000 ordinary shares of RM1.00 each representing 90% of the issued and paid-up share capital of Borneo Cosmeceutical Sdn Bhd (“Borneo Cosmeceutical”). As a result Borneo Cosmeceutical Sdn Bhd became a subsidiary of YTLHP and an indirect subsidiary of the Company; and

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- it has acquired 2 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Divine View Sdn Bhd (“Divine View”) for RM2.00 in cash. As a result of the acquisition, Divine View has become a wholly-owned subsidiary of the Company.

Divine View was incorporated on 19 July 2007 with an authorised share capital of RM100,000 comprising 100,000 shares of RM1.00 each. Divine View is principally involved in investment holdings.

- (xvii) On 28 September 2007, the Company announced that YTLHP subscribed for 18,000 shares with the nominal value EUR1 each representing the entire issued and paid-up share capital of YTL Hotels B.V. for EUR18,000 in cash. As a result of the subscription, YTL Hotels B.V. has become a wholly-owned subsidiary of YTLHP and an indirect subsidiary of the Company.

YTL Hotels B.V. was incorporated in the Netherlands on 27 September 2007 and has an authorised share capital of EUR90,000 comprising 90,000 shares with a nominal value of EUR1 each. YTL Hotels B.V. is principally involved in investment holdings.

- (xviii) On 2 October 2007, YTLE announced the acquisition by Y-Max Networks Sdn Bhd (formerly known as Bizsurf (M) Sdn Bhd) (“Y-Max Networks”), a subsidiary of YTLE, of 2 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Bizsurf MSC Sdn Bhd (“Bizsurf MSC”) from Chia Kok Lai and Wong Kian Lon who are also directors and shareholders of Y-Max Networks for a cash consideration of RM2.00.

Bizsurf MSC was incorporated on 28 April 2004 and is principally involved in the business of wireless network distribution equipment and services, broadband and internet services provisioning and other internet related services.

The acquisition of the said shares in Bizsurf MSC was completed in March 2008.

- (xix) On 4 October 2007, Y-Max Solutions Holdings Sdn Bhd (formerly known as Titan Awards Sdn Bhd) (“Y-Max SH”), a subsidiary of YTLE, acquired 800 ordinary shares of RM1.00 each representing 80% of the issued and paid-up share capital of YMax Sdn Bhd (“YMax”) via the subscription of 798 ordinary shares at par value per share and acquisition of 2 ordinary shares for RM2.00. A total cash consideration of RM800 was paid for the subscription cum acquisition. The remaining 20% equity interest in YMax has been subscribed by Y-Max Networks. As a result, YMax has become a subsidiary of Y-Max SH and an indirect subsidiary of the Company.

YMax was incorporated on 12 March 2007, and will be principally engaged in the business of providing broadband internet access and other value added services.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- (xx) On 8 October 2007, YTLE announced that it has entered into a Shareholders' Agreement with Patrick Cruise O'Brien of 12 Simmonscourt, Simmonscourt Road, Dublin 4, Eire for the subscription by YTLE of 80 ordinary shares of £1 each representing 80% of the total shares to be issued, fully paid in the share capital of Wimax Capital Management Limited ("WCM"), for a total cash consideration of £80. On 17 November 2007, WCM became a subsidiary of YTLE and an indirect subsidiary of the Company.

WCM was incorporated in England on 17 April 2007 and presently has an authorized share capital of £100 divided into 100 ordinary shares of £1 each. WCM will be principally conduction business related to WiMAX technology, including without limitation the purchase and exploitation of WiMAX spectrum bandwith.

- (xxi) On 12 October 2007, the Company announced that BTQ entered into the following agreements:-

- Share Sale Agreements with Kenneison Quarries Sdn Bhd ("KQSB") for the acquisition of 2,000,000 ordinary shares of RM1.00 each representing 100% of the issued and paid-up share capital of Kenneison Construction Materials Sdn Bhd, and 1,201,000 ordinary shares of RM1.00 each representing 100% of the issued and paid-up share capital of Kenneison Northern Quarry Sdn Bhd for RM17,000,000 and RM500,000 respectively in cash ("Proposed Acquisitions");
- A Sale and Purchase Agreement with KQSB for the purchase of quarry equipment and other assets for a total consideration of RM6.5 million ("Proposed Assets Purchase");
- A Quarry Agreement with Kenneison Brothers Sdn Bhd ("KBSB") for the rights to carry out quarry operations on all that parcels of leasehold land measuring 625 acres held under Lot 6668, Pajakan Negeri 7957 and Lot 6669, Pajakan 7958, both in Mukim and District of Ulu Langat, State of Selangor Darul Ehsan ("the Quarry Lands") for a period of twelve (12) years with a minimum annual guaranteed payment of RM3.0 million commencing the calendar year 2008 and the proposed lease by KBSB of all immovable property or assets on the Quarry Lands for the duration of the term for a nominal consideration of RM10.00. ("Proposed Quarrying Rights")

The Proposed Acquisitions, Proposed Assets Purchase and Proposed Quarrying Rights were completed on 31 October 2007.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- (xxii) On 12 October 2007, Marble Valley Sdn Bhd (“MVSB”), an 80%-owned subsidiary of YTLHP, subscribed for 1 ordinary share representing 50% of the issued and paid-up share capital of Marble Valley Two Sdn Bhd (“MVTSB”).

MVTSB was incorporated on 12 October 2007 with an authorised share capital of RM500,000.00 divided into 500,000 ordinary shares of RM1.00 each. MVTSB is principally engaged in the business of managing and operating a boutique hotel known as “Majestic Hotel Melaka”.

On 21 January 2008, MVSB subscribed for a further 199,998 ordinary shares of RM1.00 each in MVTSB. As a result of the further subscription of shares, MVTSB has become an 80%-owned subsidiary of MVSB and an indirect subsidiary of the Company.

- (xxiii) On 12 October 2007, YTL Hotels BV, a wholly-owned subsidiary of YTLHP, acquired 35,000,000 shares representing 50% of the entire issued share capital of Samui Hotel 2 Co. Ltd (“Samui Hotel”), a company incorporated under the laws of the Kingdom of Thailand.

Samui Hotel has an authorized share capital of THB 700,000,000 divided into 70,000,000 ordinary shares with a par value of THB 10 of which the entire 70,000,000 ordinary shares have been issued and paid-up to THB300,000,000.

- (xxiv) On 25 October 2007, YTL Cayman Limited (“YTL Cayman”), a wholly owned subsidiary of the Company, subscribed for 9,980 shares of THB 100 each comprising 49.9% equity interests in YTL (Thailand) Limited (“YTL Thailand”).

YTL Thailand was incorporated on 25 October 2007 under the laws of the Kingdom of Thailand with a registered capital of THB 2,000,000.

- (xxv) On 26 October 2007, the Company announced that YTL Cayman has acquired 1 ordinary share of par value US\$1.00 representing the entire issued and paid-up share capital of YTL Construction International (Cayman) Limited (“YTL Construction International”) for US\$1.00 in cash. As a result of the acquisition, YTL Construction International has become a wholly-owned subsidiary of YTL Cayman and an indirect subsidiary of the Company.

- (xxvi) On 2 November 2007, Y-Max SH completed its subscription of 1,400,000 ordinary shares of par value RM1.00 each and 5,600,000 redeemable convertible preference shares (“RCPS A”) of par value RM0.10 each at the issue price of RM1.00 per ordinary share and RM1.00 per RCPS A respectively, representing 70% of the issued and paid-up share capital of Airzed Broadband Sdn Bhd (“AZB”). As a result of this subscription, AZB became an indirect subsidiary of YTL and of the Company.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- (xxvii) On 15 November 2007, the acquisition by YTLC HK of the entire equity interest in Zhejiang Lin'an Cement Co., Ltd., ("Jin Yuan") a limited liability company incorporated on 22 October 2003 under the laws of the People's Republic of China with a registered capital of RMB100,000,000 for a total consideration of RMB150,000,000 was completed.

Jin Yuan owns a cement plant with a cement production capacity of 1.5 million tonne per year and a clinker production capacity of 1.55 million tonne per year.

- (xxviii) On 27 November 2007, the Company announced that YTL Construction (Thailand) Limited ("YTL Construction Thailand") has become an indirect subsidiary of the Company via the subscription of shares by YTL Construction International and YTL Thailand. YTL Construction International, a wholly-owned subsidiary of YTL Cayman, subscribed for 9,980 ordinary shares with a par value of THB100 each representing 49.9% of the issued and paid-up share capital of YTL Construction Thailand, whilst YTL Thailand which is a 49.9% associate company of YTL Cayman, subscribed for 10,013 ordinary shares with a par value of THB100 each representing 50.065% of the issued and paid-up share capital of YTL Construction Thailand.

YTL Construction Thailand was incorporated as a limited company in the Kingdom of Thailand on 26 November 2007 and has a registered capital of THB2,000,000. YTL Construction Thailand will be principally involved in construction activities.

- (xxix) On 28 November 2007, YTLE acquired two ordinary shares of RM1.00 each in All Century Systems Sdn Bhd ("ACS") representing the entire issued and paid-up share capital of ACS. ACS was incorporated on 30 October 2007 and will be principally involved in the business of broadband internet access and other value added services.

YTLE subscribed for a further 499,998 shares in the capital of ACS on 14 December 2007.

ACS changed its name to Y-Max Infra Sdn Bhd on 17 December 2007.

- (xxx) On 29 November 2007, the Company announced that YTL Construction (S) Pte Ltd (formerly known as Yeoh Tiong Lay Construction (Singapore) Pte Ltd) ("YTL Construction Spore") a wholly-owned subsidiary of Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd, subscribed for one (1) ordinary share at SGD1.00 in cash in the capital of YTL Westwood Properties Pte Ltd ("YTL Westwood") representing the entire issued and paid share capital of the YTL Westwood. As a result of the subscription, YTL Westwood became a wholly-owned subsidiary of YTL Construction Spore and an indirect subsidiary of the Company.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

YTL Westwood was incorporated on 29 November 2007 with an issued and paid-up share capital of SGD1.00 comprising 1 ordinary share. YTL Westwood will be principally involved in real estate development.

On 21 January 2008, YTL Construction Spore, transferred its entire shareholding of one (1) ordinary share in YTL Westwood to the Company for SGD1.00 cash. As a result of the transfer, YTL Westwood became a direct wholly-owned subsidiary of the Company.

- (xxxix) On 31 January 2008, YTL Cement Singapore Pte Ltd, a wholly-owned subsidiary of YTL Cement, subscribed for 1 ordinary share at SGD1.00 representing the entire issued and paid-up share capital of YTL Cement Marketing Singapore Pte Ltd.

YTL Cement Marketing Singapore Pte Ltd was incorporated on 31 January 2008 for the purpose of undertaking the business of sales and marketing of cement, cementitious products and other related construction products.

- (xxxix) On 13 February 2008, the Company announced the acquisition of the following subsidiaries incorporated in France vide the subscription of shares as follows:-

- (a) the subscription by the Company of 1 share of par value One EURO and the subscription by Divine View Sdn Bhd, a wholly-owned subsidiary of the Company of 999,999 shares of par value One EURO each representing 0.0001% and 99.9999% respectively of the registered capital of YTL Hotels Saint Tropez; and
- (b) subscription of 100,000 shares by the Company of par value Five EURO each representing the entire registered capital of YTL Hotel Management Saint Tropez.

YTL Hotels Saint Tropez was incorporated on 3 December 2007 as a *Societe Civile Immobiliere* ("SCI") or partnership company which will be principally involved in acquisition, management, renting and administration and/or resale of real estate.

YTL Hotel Management Saint Tropez was incorporated on 29 January 2008 as a *Societe a Responsabilite Limitee* ("SARL") or a private limited company with the intended principal activities of hotel operations and management services.

- (xxxix) On 19 February 2008, YTL Power Services Sdn. Bhd. ("YTLPS"), a wholly owned subsidiary of YTL Cayman acquired 1 ordinary share of par value US\$1.00 in cash, representing the entire issued and paid-up share capital of YTL Power Services (Cayman) Limited ("YTLPS Cayman"). As a result of the acquisition the share, YTLPS Cayman became a wholly-owned subsidiary of YTLPS and an indirect subsidiary of the Company.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

(xxxiv) On 21 February 2008, the Company announced that it proposes to acquire 2 ordinary shares of par value RM1.00 each representing the entire issued and paid-up share capital of Pinnacle Trend Sdn. Bhd (“Pinnacle Trend”).

Pinnacle Trend was incorporated on 20 November 2007 and will be principally engaged in the business of investment of properties.

The acquisition of shares in Pinnacle Trend was completed on 25 February 2008.

(xxxv) On 5 March 2008, the Company acquired 2 ordinary shares of par value RM1.00 each representing the entire issued and paid-up share capital of Trend Acres Sdn. Bhd. (“Trend Acres”) for a cash consideration of RM2.00. As a result of acquisition, Trend Acres has become a wholly-owned subsidiary of the Company.

Trend Acres was incorporated on 6 February 2008 and will be principally involved in investment in properties and property development.

(xxxvi) On 21 March 2008, the Company acquired 110,000 ordinary shares of par value RM1.00 each representing 52.38% of the issued and paid-up share capital of SV Carbon Sdn. Bhd. (“SVC”) for a cash consideration of RM300,000.00. As a result of the acquisition, SVC became a subsidiary of the Company.

SVC was incorporated on 8 June 2006 and is principally involved in providing consultancy services for developing Clean Development Mechanism projects and brokering the purchase and sale of Certified Emission Reduction and Verified Emission Reduction.

(xxxvii) On 25 March 2008, YTLE acquired an additional 2,699,999 ordinary shares of RM1.00 each representing 10% of the issued and paid-up share capital of Y-Max Networks for a cash consideration of RM1,500,000. As a result of the additional acquisition of shares, Y-Max Networks became a 60% owned subsidiary of YTLE

**A9. Changes in Contingent Liabilities or Contingent Assets**

Since the last annual balance sheet as at 30 June 2007, there were no changes in the contingent liabilities of the Group.

As at 31 March 2008, the Company had given corporate guarantees amounting to RM697.752 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>
Block discounting / hire purchase facility	17,000	76
Bank overdrafts	20,200	1,136

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

	<b>Total Amount Guaranteed RM'000</b>	<b>Amount Utilised RM'000</b>
Letters of credit/trust receipts/bankers acceptances/ shipping guarantees	143,300	39,734
Revolving loans/advances	431,252	401,969
Bankers' guarantees:- Advance payment bonds/performance bonds, pre-bid bonds and other related guarantees	86,000	48,352
	<u>697,752</u>	<u>491,267</u>
	=====	=====

**A10. Subsequent Events**

There was no item, transaction or event of a material or unusual nature during the period from the end of the quarter under review to 19 May 2008, except as disclosed below.

- (i) On 3 April 2008, the Company announced that its wholly-owned subsidiary, YTLHP subscribed for 350,000 ordinary shares of par value RM1.00 each representing 70% of the entire issued and paid-up share capital of Kampung Tiong Development Sdn. Bhd. ("Kampung Tiong") for a cash consideration of RM350,000. As a result of the subscription of shares, Kampung Tiong became a subsidiary of YTLHP and an indirect subsidiary of the Company.

Kampung Tiong was incorporated on 21 July 1987 and has authorised share capital of RM500,000 divided into 500,000 ordinary shares of RM1.00 each. Kampung Tiong will be principally involved in property investment and development.

- (ii) On 15 April 2008, SV Carbon Sdn Bhd changed its name to YTL-SV Carbon Sdn Bhd ("YTL-SV Carbon"). On 30 April 2008, the Company subscribed for a further 640,000 ordinary shares of RM1.00 each in YTL-SV Carbon. As a result of the additional subscription of shares, YTL-SV Carbon has become a 75%-owned subsidiary of the Company.

- (iii) On 30 April 2008, the Company announced that it proposes to acquire 2 ordinary shares of par value RM1.00 each representing the entire issued and paid-up share capital of Spectacular Corner Sdn Bhd ("Spectacular Corner") for a cash consideration of RM2.00.

Spectacular Corner was incorporated on 6 November 2007 with an issued and paid-up capital of RM2.00 comprising of 2 ordinary shares of RM1.00 each. Spectacular Corner will be principally involved in investment properties and property development.

The acquisition of shares in Spectacular Corner was completed on 7 May 2008.

## **INTERIM FINANCIAL REPORT**

### **Disclosure requirements per Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

#### **B1. Review of Performance**

The Group recorded a revenue and profit before taxation for the current financial quarter of RM1,633.7 million and RM484.5 million respectively, representing an increase of 10.6% and 32.1% respectively when compared to the preceding year corresponding quarter ended 31 March 2007.

The Group's profit from operations improved from RM1,569.1 million in the corresponding nine months to 31 March 2007 to RM1,922.6 million in the current financial nine months ended 31 March 2008 representing an increase of 22.5%. The profit after taxation increased by 28.6% from RM1,091.4 million recorded in the previous corresponding nine months ended 31 March 2007 to RM1,403.5 million recorded in the current nine months ended 31 March 2008. The improvement was attributed to the better performance of its utilities and cement businesses.

#### **B2. Comparison with Preceding Quarter**

	<b>31.3.2008</b>	<b>31.12.2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	1,633,666	1,515,160
Consolidated profit before taxation	484,513	445,881
Consolidated profit after taxation attributable to shareholders	202,527	189,327

For the current financial quarter, the Group's revenue increased by 7.8% while the profit before taxation increased by 8.7% compared to the preceding quarter ended 31 December 2007.

#### **B3. Audit Report of the preceding financial year ended 30 June 2007**

The Auditors' Report on the financial statements of the preceding financial year was not subject to any qualification.

#### **B4. 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 2008.

#### **B5. Profit Forecast**

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

**INTERIM FINANCIAL REPORT**

Notes: - continued

**B6. Taxation**

Taxation comprises the following:-

	<b>Quarter 31.3.2008 RM'000</b>	<b>Quarter 31.3.2007 RM'000</b>	<b>To Date 31.3.2008 RM'000</b>	<b>Period 31.3.2007 RM'000</b>
Taxation based on profit for the period	98,957	67,279	328,943	208,854
In respect of prior years				
- Income tax	310	(2,796)	1,854	(17,287)
- Deferred tax	-	-	-	-
Deferred taxation	(1,214)	42,177	(2,168)	86,055
Others	-	-	-	-
	<u>98,053</u>	<u>106,660</u>	<u>328,629</u>	<u>277,622</u>

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 and tax losses brought forward for some of its subsidiaries and certain non-taxable income of foreign subsidiaries.

**B7. Sales of Unquoted Investment and /or Properties**

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

**B8. Quoted Securities**

(a)	<b>Current Year Quarter 31.3.2008 RM'000</b>	<b>Current year To Date 31.3.2007 RM'000</b>
Purchases	280	1,224
Sales	60	60
Gain on disposal	38	38
	=====	=====

(b) Particulars of investment in quoted securities as at 31 March 2008:

	<b>RM'000</b>
- At cost	22,805
- At carrying value	22,805
- At market value	26,905
	<u>=====</u>

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**B9. Corporate Developments**

**(a) Corporate Proposal Announced and Pending Completion**

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

- (i) On 29 August, 2007, YTL Cement announced its proposal to issue via a wholly-owned subsidiary to be incorporated in the Federal Territory of Labuan, up to United States Dollar 200 million nominal value five (5) year guaranteed Exchangeable Bonds which are exchangeable into new ordinary shares of RM0.50 each in YTL Cement (“the Proposed Exchangeable Bonds Issue”).

On 4 October 2007, Bank Negara Malaysia granted its approval-in-principle for the Proposed Exchangeable Bonds Issue. The Proposed Exchangeable Bonds Issue has been approved by the Securities Commission (“SC”) and the equity compliance units of the SC (via the SC) on 4 October, 2007, subject to, inter-alia, the condition that YTL Cement is required to increase its Bumiputera equity by 3.06% (or 23,500,000 Shares) of the new enlarged issued and paid-up share capital of YTL Cement within 2 years after the date of implementation of the Proposed Exchangeable Bonds Issue.

YTL Cement has also received approval from its shareholders for the Proposed Exchangeable Bonds Issue at the Extraordinary General Meeting held on 6<sup>th</sup> November 2007. Approvals from the Labuan Offshore Financial Services Authority (“LOFSA”) and the Ministry of International Trade and Industry were obtained on 28<sup>th</sup> December 2007 and 28<sup>th</sup> January 2008 respectively.

YTL Cement has on 18 March 2008 made an application to the SC for an extension of time up to 4 October 2008 to complete the Proposed Exchangeable Bonds Issue (“Extension of Time”). The SC had vide its letter dated 2 April 2008 approved the Extension of Time.

The Proposed Exchangeable Bonds Issue is now pending implementation, subject to the prevailing market conditions.

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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- (ii) On 16 November 2007, YTL Power announced the following:-
- Proposed issue of up to RM2,200,000,000 nominal value of 3.00% redeemable bonds ("Bonds") with up to 2,227,964,871 detachable warrants ("Warrants") on a bought deal basis to primary subscriber(s) ("Proposed Bonds with Warrants"); and
  - Proposed offer for sale by the primary subscriber(s) of up to 2,227,964,871 Warrants to the existing shareholders of YTL Power on a renounceable rights basis of one (1) Warrant for every three (3) existing ordinary shares of RM0.50 each held in YTL Power on an entitlement date and at an offer price to be determined and announced later ("Proposed Offer for Sale").

(hereinafter, the Proposed Bonds with Warrants and Proposed Offer for Sale are collectively referred to as "the Proposals").

On 14 December 2007, YTL Power announced that it has proposed to revise the terms of the Proposals as follows:-

- (i) The Bonds may be issued at par or a discount to their nominal value, and at 3.0% coupon or such other coupon rate, in each case to be determined nearer to the point of issuance; and
- (ii) The offer price for the provisional rights to allotment of the Warrants shall be calculated based on either:-
- (a) the difference between the nominal value of the Bonds and the discounted value of the Bonds (as agreed between the Company and primary subscriber(s) divided by the number of the Warrants to be issued); or
  - (b) market-based principles and after taking into account the demand for YTL Power shares and its volatility, as well as the working capital requirements of the YTL Power Group.

On 18 April 2008, the Bonds were issued and the net proceed is currently placed under Fixed Deposits with licensed financial institutions pending utilisation.

On 24 April 2008, the offer price for the provisional rights to allotment of the Warrants and the exercise price of the warrant have been fixed at RM0.10 per warrant and RM1.25 per warrant respectively was announced.

On 28 April 2008, the Book Closure Date for entitlement to the Proposed Offer for Sale fixed on 15 May 2008 was announced. The Prospectus and related documents in connection with the Proposed Offer for Sale was despatched to entitled shareholders on 21 May 2008 for acceptance and payment which closes on 4 June 2008.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

Approvals have been received from Bank Negara Malaysia, Securities Commission and shareholders of the Company for the Proposals.

**b) Status of Utilization of Proceeds**

**USD300 million Guaranteed Exchangeable Bonds Due 2012**

The net proceeds received from the issue of the USD300 million Guaranteed Exchangeable Bond due 2012 is currently placed under fixed deposits pending investments.

**B10. Group Borrowings and Debt Securities**

Particulars of the Group's borrowings and debts securities as at 31 March 2008 are as follows:-

	<b>RM'000</b>
(i) Short term	
- Secured	776,730
- Unsecured	2,838,965
	<hr/> 3,615,695 <hr/>
	<b>RM'000</b>
(ii) Long term	
- Secured	2,614,568
- Unsecured	13,426,031
	<hr/> 16,040,599 <hr/>

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

In Singapore Dollar ('000)	4,620
	<hr/>
In Chinese RMB ('000)	81,118
	<hr/>
In US Dollar ('000)	584,769
	<hr/>
In Sterling Pound ('000)	1,659,620
	<hr/>

Save for the borrowings of RM442.915 million by the subsidiary companies of which corporate guarantees are provided by the Company, all other borrowings of subsidiary companies are on a non-recourse basis to the Company.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**B11. Off Balance Sheet Financial Instruments**

There were no off balance sheet instruments as at 31 March 2008.

**B12. Material litigation**

There was no material litigation pending as at the date of this report.

**B13. Dividend**

The Board of Directors recommended a third interim dividend of 15% gross less Malaysian Income Tax for the current financial year ending 30 June 2008 and that the Book Closure and Payment Dates in respect of the aforesaid dividend be 10 June 2008 and 24 June 2008 respectively.

**B14. 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:-

	<b>Current Quarter 31.3.2008</b>	<b>Preceding Year Corresponding Quarter 31.3.2007</b>
Profit attributable to shareholders (RM'000)	202,527	95,883
<hr/>		
<i>Weighted average number of ordinary shares ('000)</i>		
Issued at the beginning of the period	1,652,501	1,645,994
Shares repurchased	(150,490)	(142,355)
	<hr/> 1,502,011	<hr/> 1,503,639
	<hr/>	
Basic earnings per share (sen)	13.48	6.38
	<hr/>	

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**B14. 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:-

	<b>Current Quarter 31.3.2008</b>	<b>Preceding Year Corresponding Quarter 31.3.2007</b>
Profit attributable to shareholders (RM'000)	202,527	95,883
<i>Weighted average number of ordinary shares-diluted ('000)</i>		
Weighted average number of ordinary shares-basic	1,502,011	1,503,639
Effect of unexercised warrants	116,692	126,851
Effect of unexercised employees share option scheme	17,574	17,193
	<u>1,636,277</u>	<u>1,647,683</u>
* Diluted earnings per share (sen)	<u>12.38</u>	<u>5.82</u>

\* Total cash expected to be received in the event of an exercise of all outstanding warrants and ESOS options is RM1,356.353 million. Accordingly, the Net Asset (NA) on a proforma basis will increase by RM1,356.353 million resulting in an increase in NTA per share of RM0.75. In arriving at the Diluted earnings per share, NA and NA per share, no income has been accrued for the cash proceeds.

By Order of the Board  
HO SAY KENG  
Secretary

Kuala Lumpur  
Dated: 22 May 2008