

**YTL CORPORATION BERHAD**

Company No. 92647-H

Incorporated in Malaysia

**Interim Financial Report**

**30 June 2010**

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

**INTERIM FINANCIAL REPORT**

Interim financial report on consolidated results for the financial year ended 30 June 2010.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 30.06.2010	PRECEDING YEAR CORRESPONDING QUARTER 30.06.2009	12 MONTHS ENDED	
	RM'000	RM'000	30.06.2010	30.06.2009
<b>REVENUE</b>	4,621,922	3,543,151	16,408,417	8,892,125
<b>COST OF SALES</b>	(3,417,336)	(2,354,621)	(12,529,401)	(5,707,824)
<b>GROSS PROFIT</b>	1,204,586	1,188,530	3,879,016	3,184,301
<b>OTHER OPERATING EXPENSES</b>	(599,881)	(304,994)	(1,224,617)	(823,862)
<b>OTHER OPERATING INCOME</b>	130,834	57,292	354,319	439,456
<b>PROFIT FROM OPERATIONS</b>	735,539	940,828	3,008,718	2,799,895
<b>FINANCE COSTS</b>	(222,617)	(245,269)	(982,915)	(1,038,808)
<b>SHARE OF PROFIT/(LOSS) OF ASSOCIATED COMPANIES</b>	83,881	(11,801)	286,902	527,110
<b>PROFIT BEFORE TAXATION</b>	596,803	683,758	2,312,705	2,288,197
<b>TAXATION</b>	(226,472)	(569,426)	(666,889)	(886,582)
<b>PROFIT FOR THE PERIOD/YEAR</b>	370,331	114,332	1,645,816	1,401,615
<b>ATTRIBUTABLE TO:</b>				
<b>SHAREHOLDERS</b>	118,248	47,322	872,578	834,472
<b>MINORITY INTERESTS</b>	252,083	67,010	773,238	567,143
<b>PROFIT FOR THE PERIOD/YEAR</b>	370,331	114,332	1,645,816	1,401,615
<b>EARNINGS PER 50 SEN SHARE</b>				
Basic (Sen)	6.59	2.91	48.61	54.10
Diluted (Sen)	6.54	2.88	48.23	53.66

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2009 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**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>AS AT</b>
	<b>30.06.2010</b>	<b>30.6.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant & equipment	18,392,571	19,518,609
Investment properties	1,973,242	2,986,901
Prepaid lease payment	136,866	141,106
Investment in subsidiaries	-	181,704
Investment in associated companies	2,366,998	2,329,829
Investments	1,162,100	673,371
Development expenditure	797,455	849,190
Fixed deposits	-	449
Intangible assets	4,308,689	4,016,726
Other receivables	59,253	57,813
	<u>29,197,174</u>	<u>30,755,698</u>
<b>Current Assets</b>		
Inventories	811,923	1,056,110
Property development costs	336,131	533,153
Trade & other receivables	4,063,995	3,648,648
Income tax assets	107,575	105,115
Amount due from related parties	87,683	29,906
Short term investments	587,312	208,239
Fixed deposits	10,532,019	8,667,515
Cash & bank balances	561,554	409,448
	<u>17,088,192</u>	<u>14,658,134</u>
<b>TOTAL ASSETS</b>	<u><u>46,285,366</u></u>	<u><u>45,413,832</u></u>

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2009 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 AS AT 30.06.2010  RM'000</b>	<b>AUDITED AS AT 30.6.2009  RM'000</b>
<b>EQUITY</b>		
Share capital	950,109	948,496
Share premium	1,292,354	1,503,558
Other reserves	(667,201)	(109,774)
Retained profits	8,923,890	7,997,434
Less : Treasury shares, at cost	(687,121)	(892,549)
<b>Total Equity Attributable to Shareholders of the Company</b>	<u>9,812,031</u>	<u>9,447,165</u>
<b>Minority Interests</b>	1,621,981	953,219
<b>TOTAL EQUITY</b>	<u>11,434,012</u>	<u>10,400,384</u>
<b>LIABILITIES</b>		
<b>Non-current Liabilities</b>		
Long term payables	89,308	103,579
Bonds & borrowings	23,233,754	24,104,776
Deferred income	192,194	198,257
Deferred tax liabilities	2,832,214	2,916,707
Post employment benefit obligations	176,308	253,145
	<u>26,523,778</u>	<u>27,576,464</u>
<b>Current Liabilities</b>		
Trade & other payables	2,980,491	2,818,311
Amount due to related parties	46,684	6,572
Bonds & borrowings	4,997,428	4,339,794
Current tax liabilities	275,209	222,555
Provision for liabilities & charges	27,764	49,752
	<u>8,327,576</u>	<u>7,436,984</u>
<b>TOTAL LIABILITIES</b>	<u>34,851,354</u>	<u>35,013,448</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<u>46,285,366</u>	<u>45,413,832</u>
 Net Assets per 50 sen share (RM)	 <u>5.47</u>	 <u>5.37</u>

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2009 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 YEAR ENDED 30 JUNE 2010**

Group	Attributable to Shareholders of the Company					Total	Minority interests	Total equity
	Share capital	Share premium	Retained profits	Treasury shares	Other reserves			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.7.2009	948,496	1,503,558	7,997,434	(892,549)	(109,774)	9,447,165	953,219	10,400,384
Currency translation differences	-	-	-	-	(583,362)	(583,362)	(466,709)	(1,050,071)
Equity component of Ex. Bonds	-	-	-	-	26,312	26,312	-	26,312
Gain recognised on deemed dilution of interest in subsidiaries	-	-	154,939	-	-	154,939	(107,897)	47,042
Income and expenses recognised directly in equity	-	-	154,939	-	(557,050)	(402,111)	(574,606)	(976,717)
Net profit for the period	-	-	872,578	-	-	872,578	773,238	1,645,816
Total recognised income and expenses for the period	-	-	1,027,517	-	(557,050)	470,467	198,632	669,099
Share buyback	-	-	-	(23,321)	-	(23,321)	-	(23,321)
Dividend paid	-	-	(101,061)	-	-	(101,061)	(449,671)	(550,732)
Distribution of treasury shares	-	(228,749)	-	228,749	-	-	-	-
Issue of share capital	1,613	17,545	-	-	12,495	31,653	-	31,653
Share options granted	-	-	-	-	(12,872)	(12,872)	-	(12,872)
Changes in composition of the Group	-	-	-	-	-	-	919,801	919,801
Balance at 30.06.2010	950,109	1,292,354	8,923,890	(687,121)	(667,201)	9,812,031	1,621,981	11,434,012

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2009 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2009**

Group	← Attributable to Shareholders of the Company →					Total	Minority interests	Total equity
	Share capital	Share premium	Retained profits	Treasury shares	Other reserves			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1.7.2008	816,101	513,721	7,072,154	(889,671)	202,115	7,714,420	3,931,417	11,645,837
Currency translation differences Capitalised on bonus issues	-	-	-	-	(315,490)	(315,490)	(271,775)	(587,265)
Transfer	-	-	(200)	-	200	-	-	-
Income and expenses recognised directly in equity	-	-	(1,145)	-	(314,345)	(315,490)	(271,775)	(587,265)
Net profit for the period	-	-	834,472	-	-	834,472	567,143	1,401,615
Total recognised income and expenses for the period	-	-	833,327	-	(314,345)	518,982	295,368	814,350
Treasury shares	-	-	-	(2,878)	-	(2,878)	-	(2,878)
Dividend paid	-	-	(28,521)	-	-	(28,521)	(480,214)	(508,735)
Issue of share capital	132,395	989,837	-	-	(1,125)	1,121,107	-	1,121,107
Effect of issue of shares/warrants by a subsidiary to minority interest	-	-	-	-	-	-	576,809	576,809
Conversion of ICULS	-	-	-	-	(20)	(20)	20	-
Minority interests arising from business combination	-	-	-	-	-	-	(3,057,265)	(3,057,265)
Share options granted	-	-	-	-	3,601	3,601	-	3,601
Acquisition of additional shares in subsidiaries from minority interest	-	-	-	-	-	-	(57,025)	(57,025)
Changes in composition of the Group	-	-	120,474	-	-	120,474	(255,891)	(135,417)
Balance at 30.06.2009	948,496	1,503,558	7,997,434	(892,549)	(109,774)	9,447,165	953,219	10,400,384

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2009 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010**

	<b>FOR THE 12 MONTHS ENDED</b>	
	<b>30.06.2010</b>	<b>30.06.2009</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash from operating activities	1,879,846	1,486,722
Net cash used in investing activities	(1,394,566)	(10,482,339)
Net cash from financing activities	1,533,037	6,393,862
Net changes in cash and cash equivalents	2,018,317	(2,601,755)
Cash and cash equivalents brought forward	9,071,219	11,672,974
Cash and cash equivalents carried forward	<u>11,089,536</u>	<u>9,071,219</u>

Cash and cash equivalents comprise:

	<b>RM'000</b>	<b>RM'000</b>
Fixed deposits	10,532,019	8,667,964
Cash and bank balances	561,554	409,448
Bank overdraft	(4,037)	(6,193)
	<u>11,089,536</u>	<u>9,071,219</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 30 June 2009 and the accompanying explanatory notes attached to the interim financial statements.

**INTERIM FINANCIAL REPORT**

**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 2009.

**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 Main Market 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 2009, except for the adoption of FRS 8, Operating Segments and early adoption of Amendments to FRS 8, Operating Segments effective from the financial period beginning 1 July 2009.

Comparative segment information has been re-presented. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no financial impact on the Group.

**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.

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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**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) For the current financial quarter, 413,000 ordinary shares of RM0.50 each were issued pursuant to the exercise of employees' share options granted under the Company's Employees Share Option Scheme ("ESOS") at a weighted average exercise price of RM4.80 per share. During the current financial year to date, a total of 3,226,000 ordinary shares of RM0.50 each were issued pursuant to the exercise of employees' share options granted under the Company's ESOS at a weighted average exercise price of RM4.79 per share.
- (ii) For the current financial quarter and financial year to date, the Company repurchased 624,900 and 3,144,600 ordinary shares of RM0.50 each of its issued share capital from the open market, at an average cost of RM7.30 and RM7.42 per share respectively. The total consideration paid for the share buy-back, including transaction costs during the current financial quarter and financial year to date amounted to RM4,560,782 and RM23,320,340 respectively and were financed by internally generated funds. The repurchase of shares are held as treasury shares in accordance with the requirements of Section 6A of the Companies Act, 1965.
- (iii) During the financial year to date, a total of 35,219,196 treasury shares were distributed as share dividend on 18 September 2009 to the shareholders on the basis of one (1) treasury share for every fifty (50) ordinary shares held on 9 September 2009. As at 30 June 2010, the total number of treasury shares held was 105,372,009 ordinary shares.

**A6. Dividend paid**

No dividends were paid during the current financial quarter under review.

Todate, a first & final dividend of 15% gross less Malaysian Income Tax of 25% amounting to RM101,061,085 in respect of financial year ended 30 June 2009 was paid on 24 December 2009.

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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 year ended 30 June 2010 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	Elimination RM'000	Total RM'000
<b>External revenue</b>	215,205	16,429	1,811,567	556,237	316,981	157,940	13,334,058	-	16,408,417
<b>Inter-segment revenue</b>	269,351	27,851	255,991	67,571	276,108	4,820	-	(901,692)	-
<b>Total revenue</b>	484,556	44,280	2,067,558	623,808	593,089	162,760	13,334,058	(901,692)	16,408,417
<b>Segment results</b>									
Profit from operations	21,029	1,132	450,791	131,091	63,670	13,447	2,327,558	-	3,008,718
Finance costs									(982,915)
									2,025,803
Share of profit of associated companies									286,902
Profit before taxation									2,312,705

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

**A7. Segment Reporting**

Inter-segment pricing is determined based on a negotiated basis.  
The Group's segmental report for the year ended 30 June 2009 is as follows:-

	Construction	Information technology & e-commerce related business	Cement Manufacturing & trading	Property investment & development	Management services & others	Hotels	Utilities	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>External revenue</b>	242,366	25,190	2,061,567	223,674	251,528	174,003	5,913,797	-	8,892,125
<b>Inter-segment revenue</b>	283,615	11,318	224,571	69,870	218,992	2,057	-	(810,423)	-
<b>Total revenue</b>	525,981	36,508	2,286,138	293,544	470,520	176,060	5,913,797	(810,423)	8,892,125
<b>Segment results</b>									
Profit from operations	15,061	6,261	442,064	70,525	126,505	6,465	1,858,654	-	2,525,535
Finance costs									(1,038,808)
									1,486,727
Fair value gain on investment properties									274,360
Share of profit of associated companies									527,110
Profit before taxation									2,288,197

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

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

There were no significant changes in the composition of the Group for the current financial year ended 30 June 2010, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations except for the following:-

- (i) On 14 September 2009, YTL Power International Berhad (“YTL Power”) incorporated a wholly-owned subsidiary in Singapore known as YTL DCS Pte Ltd (“YTL DCS”) with an issued and paid-up share capital of S\$1.00 comprising 1 ordinary share. YTL DCS is intended to be principally involved in investment holding.

On 2 June 2010, YTL DCS changed its name to YTL ECOGreen Pte Ltd.

- (ii) On 5 October 2009, YTL Hotels & Properties Sdn Bhd (“YTLHP”), a wholly-owned subsidiary of the Company, completed its acquisition of 80,000 ordinary shares of RM1.00 each representing 80% of the issued and paid-up share capital of Borneo Island Villas Sdn Bhd (“BIV”). As a result, BIV has become an indirect subsidiary of the Company.
- (iii) On 7 October 2009, YTL Cement (Hong Kong) Limited (“YTLC (HK)”), a wholly-owned subsidiary of YTL Cement Berhad (“YTL Cement”) acquired 1 ordinary share of the par value US\$1.00 representing the entire issued and paid-up share capital of Industrial Procurement Limited (“Industrial Procurement”) for US\$1.00. As a result, Industrial Procurement became an indirect subsidiary of the Company.

Industrial Procurement was incorporated in the Cayman Islands with an authorised share capital of US\$50,000 comprising 50,000 shares of US\$1.00 each. Industrial Procurement will be principally involved in procurement of machinery and industrial equipment, and investment holding.

- (iv) On 12 October 2009, YTL Cement announced that its wholly-owned subsidiary, Buildcon Concrete Enterprise Sdn Bhd (“BCE”) has given its consent to the application by Specialist Cement Sdn Bhd (“Specialist Cement”), an 85%-owned subsidiary of BCE, for strike-off of Specialist Cement’s name from the companies register under Section 308 of the Companies Act, 1965 of Malaysia.

Specialist Cement was previously involved in the manufacture and sale of dry concrete products and has remained inactive since ceasing business in 2004.

- (v) On 27 October 2009, the Company acquired 2 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Cornerstone Crest Sdn Bhd (“Cornerstone Crest”) for a cash consideration of RM2.00. As a result, Cornerstone Crest has become a wholly-owned subsidiary of the Company.

Cornerstone Crest was incorporated on 24 July 2009 and is principally involved in investment holding.

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**Notes: - continued**

- (vi) On 27 October 2009, Star Hill Living.Com Sdn Bhd (“Star Hill Living”), an indirect wholly-owned subsidiary of the Company, acquired 2 ordinary shares of RM1.00 each representing the entire issued and paid-up share capital of Trendy Retailing Sdn Bhd (“Trendy Retailing”) for a cash consideration of RM2.00. As a result, Trendy Retailing became an indirect wholly-owned subsidiary of the Company.

Trendy Retailing was incorporated on 1 October 2009 and is principally involved in the retailing business.

- (vii) On 30 October 2009, YTL Hotels (Cayman) Limited, an indirect wholly-owned subsidiary of the Company subscribed for 510 ordinary shares representing 51% of the issued and paid-up share capital of M Hotel Management Pte Ltd (“M Hotel”) for a consideration of S\$510.00. As a result, M Hotel became an indirect subsidiary of the Company.

M Hotel was incorporated in Singapore on 30 October 2009 and has an issued and paid-up share capital of S\$1,000.00 comprising 1,000 ordinary shares. M Hotel will be principally involved in hotel management services.

- (viii) YTL Cement had on 6 May 2008 announced that it intended to strike off the name of Buildcon Vietnam Limited (“BVL”), a 70%-owned subsidiary of YTL Cement, from the Register of International Business Companies, British Virgin Islands. BVL was officially struck off with effect from 2 November 2009.

- (ix) On 26 November 2009, Star Hill Living acquired 2 ordinary shares of par value RM1.00 each representing the entire issued and paid-up share capital of Natural Adventure Sdn Bhd (“Natural Adventure”) for a cash consideration of RM2.00. As a result, Natural Adventure has become a wholly-owned subsidiary of Star Hill Living and an indirect wholly-owned subsidiary of the Company.

Natural Adventure was incorporated on 29 October 2009 and is principally involved in the retailing business.

- (x) On 1 December 2009, YTLC (HK) incorporated a wholly-owned subsidiary in the People’s Republic of China known as Linan Lu Hong Transport Co. Ltd. (“LLHT”) with a registered capital of RMB10 million. LLHT was set up to undertake the business of road transport of goods, storage and associated services.

- (xi) On 15 December 2009, the Company announced the proposed issue via an offshore wholly-owned subsidiary of up to US\$400 million nominal value seven-year guaranteed exchangeable bonds (“the 2015 Bonds”) which are exchangeable into new ordinary shares of RM0.50 each in the Company (“Proposed Bonds Issue”). The Proposed Bonds Issue was completed with the issuance of US\$350 million (with an upsize option of up to US\$50 million) nominal value of the 2015 Bonds on 18 March 2010. US\$350 million of the 2015 Bonds were listed on the Singapore Exchange Securities Trading Limited on 19 March 2010.

On 16 April 2010, Credit Suisse AG and CIMB Investment Bank Berhad, the joint lead managers for the Proposed Bonds Issue, exercised the upsize option of up to US\$50 million (“Option Bonds”) in full, bringing the total issue size of the 2015 Bonds to US\$400 million.

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**Notes: - continued**

The issuance of Option Bonds was completed on 23 April 2010 and the Option Bonds were listed on the Singapore Exchange Securities Trading Limited on 26 April 2010. The 2015 Bonds were listed on the Labuan International Financial Exchange Inc on 27 April 2010.

- (xii) On 22 December 2009, YTL Hotels B.V., a wholly-owned subsidiary of YTLHP, acquired 35,000,000 shares of par value THB10 each representing the remaining 50% equity stake in Samui Hotel 2 Co. Ltd (“Samui Hotel”) not held by it, for US\$420,000 in cash. As a result, Samui Hotel has become an indirect wholly-owned subsidiary of the Company.

Samui Hotel is a company incorporated under the laws of the Kingdom of Thailand and presently has a registered share capital of THB700,000,000 divided into 70,000,000 ordinary shares of THB10 each, and paid-up share capital of THB299,999,000. Samui Hotel is principally engaged in the hotel business.

- (xiii) On 5 January 2010, Island Air Sdn Bhd (“Island Air”), an 80%-owned subsidiary of the Company, acquired 800,000 ordinary shares of RM1.00 each in Nusantara Sakti Sdn Bhd (“Nusantara”), representing 100% of the issued and paid-up share capital in Nusantara, from Cekul Teguh Sdn Bhd, for a total consideration of RM4,500,000.00. As a result, Nusantara has become a wholly-owned subsidiary of Island Air and an indirect wholly-owned subsidiary of the Company

- (xiv) On 6 January 2010, Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd (“SPYTL”), a wholly-owned subsidiary of the Company, transferred its 2 ordinary shares of RM1.00 each in YTL Premix Sdn Bhd (“YTL Premix”), representing the entire issued and paid-up share capital of YTL Premix to Batu Tiga Quarry Sdn Bhd (“BTQ”), an indirect wholly-owned subsidiary of the Company, for a total consideration of RM586,348.00. As a result, YTL Premix became a direct wholly-owned subsidiary of BTQ and remains as an indirect subsidiary of the Company.

- (xv) On 7 January 2010, YTL e-Solutions Berhad (“YTL e”) acquired 1,000,000 ordinary shares of RM1.00 each representing the remaining 40% equity stake not held by it in PropertyNetAsia (Malaysia) Sdn Bhd (“PropertyNetAsia”) from Grierson Pte Ltd for a total cash consideration of RM25,000. As a result, PropertyNetAsia became a wholly-owned subsidiary of YTL e and remains an indirect subsidiary of the Company.

- (xvi) On 17 December 2009, YTLHP entered into a conditional sale and purchase agreement with YTL Land & Development Berhad (“YTL LD”), a subsidiary of the Company, for the disposal of 13,348,451 ordinary shares of RM1.00 each in PDC Heritage Hotel Sdn Bhd (“PDCHH”) which constitutes 50% of the total issued and paid up share capital of PDCHH for a total cash consideration of RM14,646,585. The disposal was completed on 19 January 2010.

Following this, YTLHP disposed off its remaining 1% equity stake in PDCHH to Penang Development Corporation on 2 February 2010.

Consequent thereto, PDCHH ceased to be a subsidiary but became an associate company of YTL LD and the Company.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- (xvii) On 13 January 2010, YTL Singapore Pte. Ltd., a wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary in the People's Republic of China, known as Shanghai YTL Hotels Management Co., Ltd. ("SYTLHM"). SYTLHM is a limited liability company and has a registered capital of USD140,000.

SYTLHM is principally involved in the business of providing hotel management services, hotel development and design advisory services, and other related services.

- (xviii) On 15 January 2010, YTL Industries Berhad ("YTL Industries"), a wholly-owned subsidiary of the Company, entered into a conditional Sale and Purchase Agreement ("Agreement") with YTL Cement for the disposal of 1,000,000 ordinary shares of RM1.00 each held by YTL Industries in BTQ, representing the entire equity interest in BTQ for a cash consideration of RM150,000,000. The disposal was completed on 26 March 2010. Consequent thereto, BTQ became a direct wholly-owned subsidiary of YTL Cement and remains as an indirect subsidiary of the Company.

- (xix) Following a voluntary unconditional cash offer made for and on behalf of Holcim Investments (Singapore) Pte Ltd ("Holcim Singapore"), the holding company of Jurong Cement Limited ("JCL") to acquire all the shares in JCL other than those already owned, controlled or agreed to be acquired by Holcim Singapore, subject to the terms set out in the offer document dated 6 January 2010 and revision notification dated 28 January 2010 ("the Offer"), YTL Cement Singapore Pte Ltd, a wholly owned subsidiary of YTL Cement, had on 11 February 2010 accepted the Offer for the disposal of its entire 21.48% stake comprising 9,520,000 shares in JCL. As a result, JCL ceased to be an associate company of YTL Cement and the Company.

- (xx) On 18 February 2010, the following subsidiaries which were incorporated in the Cayman Islands on the same date, became indirect subsidiaries of the Company:-

(a) YTL Utilities Finance 5 Limited ("YTLUF5"); and

(b) YTL Communications International Limited ("YTLCI").

YTLUF5 and YTLCI were each incorporated with an authorised share capital of US\$50,000.00 comprising 50,000 shares of US\$1.00 each, and issued and paid-up share capital of US\$1.00 comprising 1 ordinary share of US\$1.00.

The entire issued and paid-up share capital of YTLUF5 was held by YTL Power upon incorporation. On 12 May 2010, YTL Power transferred its entire shareholding in YTLUF5 to YTL Utilities Limited ("YTLUL"), another indirect subsidiary of the Company at cost of US\$1.00. As a result, YTLUF5 became a direct subsidiary of YTLUL and remains an indirect subsidiary of the Company.

YTLCI is a wholly-owned subsidiary of YTL Communications Sdn Bhd, a 60% owned subsidiary of YTL Power.

YTLUF5 will be principally involved in the provision of financial services whilst YTLCI is intended to be involved in investment holding.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

(xxi) On 8 March 2010, YTLHP entered into an Acquisition Agreement with (i) PC One Y.K. (“PC One”), a Japanese listed liability company; (ii) Citigroup Financial Products Inc (“CFPI”), A Delaware corporation, the holding company of PC One; and (iii) Kinki Investments Corporation Y.K. (“Kinki Investments”), a Japanese limited liability company, a wholly owned subsidiary of PC One, in respect of the following:-

- (i) acquisition of 496,184 shares, representing 100% of the equity interest in Niseko Village K.K. (“Niseko Village”) from PC One;
- (ii) full repayment by Niseko Village of amounts owing to CFPI; and
- (iii) purchase by Niseko Village of certain properties owned by Kinki Investments.

for a total amount of JPY6,000,000,000 subject to and upon the term and conditions set out therein (“the Proposed Acquisition”).

Niseko Village is a limited liability company incorporated under the laws of Japan with a total number of authorized shares of 1,000,000 of which 496,184 shares have been issued.

On 18 March 2010, YTLHP incorporated a wholly-owned subsidiary in Singapore known as Niseko Village (S) Pte Ltd (“NVS”) with an issued and paid-up share capital of S\$1.00 comprising 1 ordinary share. NVS was incorporated to hold the investment in Niseko Village.

The Proposed Acquisition was completed on 1 April 2010. As a result, Niseko Village has become a direct wholly-owned subsidiary of NVS and an indirect subsidiary of YTLHP and the Company.

(xxii) On 19 April 2010, Starhill Global REIT Management Limited (“SGRM”), an indirect wholly-owned subsidiary of the Company, entered into an agreement with Pacific Star REIT Management Holdings Limited (the “Vendor”) (the “Agreement”), for the acquisition of 1,500,000 ordinary shares and two (2) Class “C” Redeemable Preference Shares in YTL Pacific Star REIT Management Holdings Pte Ltd (“YPSRMH”), representing the remaining 50% of the issued and paid-up share capital of YPSRMH (the “Sale Shares”), for a total consideration of S\$40,000,000.00 subject to the terms and conditions set out therein.

The Sale Shares are to be transferred and completed in two tranches as follows:-

- (a) 750,000 ordinary shares and 1 Class ‘C’ Redeemable Preference Share in the capital of YPSRMH will be transferred by the Vendor to SGRM upon settlement of a sum of S\$17.5 million, which shall be payable in cash by SGRM to the Vendor (the “First Tranche”). The transfer of the First Tranche of the Sale Shares would take place on the 3rd business day after obtaining the necessary approvals from the relevant regulatory authorities (the “First Tranche Completion”); and
- (b) 750,000 ordinary shares and 1 Class ‘C’ Redeemable Preference Share in the capital of YPSRMH will be transferred by the Vendor to SGRM upon settlement of a sum of S\$22.5 million on a date falling twenty-four (24) months from the date of the Agreement.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

The First Tranche Completion was completed on 7 May 2010. As a result, YPSRMH became a 75%-owned subsidiary of SGRM and an indirect subsidiary of the Company.

YPSRMH has been renamed as YTL Starhill Global REIT Management Holdings Pte Ltd (“YSGRMH”) on 11 May 2010.

- (xxiii) GKM-SPYTL JV Sdn Bhd (“GKM-SPYTL”), a wholly-owned subsidiary of SPYTL had on 6 May 2010 received notification from the Companies Commission of Malaysia (“CCM”) that GKM-SPYTL has been struck-off the register of CCM pursuant to Section 308 of the Companies Act, 1965. Accordingly, GKM-SPYTL has ceased to be a subsidiary of SPYTL and the Company.

- (xxiv) On 21 June 2010, YTLCI acquired 1 ordinary share of par value US\$1.00 in YTL Global Networks Limited (“YTLGNL”) at par value. As a result, YTLGNL became a wholly-owned subsidiary of YTLCI and an indirect subsidiary of the Company.

YTLGNL was incorporated in the Cayman Islands on 21 June 2010 with an authorised share capital of US\$50,000.00 comprising 50,000 shares of US\$1.00 each. YTLGNL will be principally involved in investment holding.

- (xxv) On 22 June 2010, YTLUL acquired 1 ordinary share of par value S\$1.00 in YTL Utilities Finance 6 Limited (“YTLUF6”) at par value. As a result, YTLUF6 became a wholly-owned subsidiary of YTLUL and an indirect subsidiary of the Company.

YTLUF6 was incorporated in the Cayman Islands on 22 June 2010 with an authorised share capital of S\$50,000.00 comprising 50,000 shares of S\$1.00 each. YTLUF6 will be principally involved in investment holding.

- (xxvi) In relation to the proposed disposal by Starhill Real Estate Investment Trust (“Starhill REIT”) pursuant to a proposed rationalisation exercise to reposition Starhill REIT as a global hospitality REIT, of Starhill Gallery and Lot 10 Properties to Starhill Global Real Estate Investment Trust (“Proposed Disposal”), unitholders of Starhill REIT had at the Unitholders Meeting held on 1 June 2010 approved the Proposed Disposal. The Proposed Disposal was completed on 28 June 2010.

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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

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

Since the last annual balance sheet as at 30 June 2009, there were no changes in the contingent liabilities of the Group except for the following:-

As at 30 June 2010, the Company had given corporate guarantees 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>
Bank overdrafts	18,200	285
Letters of credit/trust receipts/bankers acceptances/ shipping guarantees	149,560	60,128
Revolving credits/term loans	76,031	28,586
Bankers' guarantees	89,480	39,440
	<u>333,271</u>	<u>128,439</u>
	=====	=====
	<b>S\$'000</b>	<b>S\$'000</b>
Term loans	633,157	606,348
Letters of credit/trust receipts/bankers acceptances/ shipping guarantees	12,708	-
Bankers' guarantees	292	292
	<u>646,157</u>	<u>606,640</u>
	=====	=====
	<b>US\$'000</b>	<b>US\$'000</b>
Exchangeable Bonds due 2012	300,000	8,900
Exchangeable Bonds due 2015	400,000	400,000
	<u>700,000</u>	<u>408,900</u>
	=====	=====
	<b>JPY'000</b>	<b>JPY'000</b>
Revolving credits/term loan	7,000,000	6,500,000
	=====	=====

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

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**A10. Subsequent Events**

There was no item, transaction or event of a material or unusual in nature during the period from the end of the quarter under review to 18 August 2010 except for the following:-

On 30 July 2010, YTLHP incorporated a wholly-owned subsidiary in Singapore by the name of YTL Hotels (Singapore) Pte Ltd (“YTLHS”) to undertake travel and hospitality-related business.

YTLHS was incorporated with an issued and paid-up share capital of S\$1.00 comprising 1 ordinary share of S\$1.00.

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## **INTERIM FINANCIAL REPORT**

**Notes: - continued**

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

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

The Group recorded a revenue for the current financial quarter of RM4,621.9 million representing an increase of 30.4% as compared to the preceding corresponding quarter ended 30 June 2009. Profit before taxation for the current financial quarter decreased to RM596.8 million representing a decrease of 12.7% when compared to the preceding year corresponding quarter ended 30 June 2009. The increase in revenue was mainly due to the consolidation of YTL Power's wholly owned subsidiary, PowerSeraya Limited and its subsidiaries.

On a twelve months basis, Group revenue for the current financial year ended 30 June 2010 increased to RM16,408 million representing an increase of 84.5% as compared to the corresponding year ended 30 June 2009. The Group recorded a profit before taxation of RM2,312.7 million for the current financial year. This represents an increase of 40.8% over RM1,642.2 million (after adjusting for RM372 million being the recognition of excess of fair value of an associate entity's identifiable assets, liabilities and contingent liabilities over the cost of investment of the said associate and RM274.5 million of fair value gain on investment properties) recorded in the preceding financial year. The increase in revenue and profit before taxation was mainly due to the consolidation of YTL Power's wholly owned subsidiary, PowerSeraya Limited and its subsidiaries.

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

	<b>Current Quarter 30.06.2010 RM'000</b>	<b>Preceding Quarter 31.03.2010 RM'000</b>
Revenue	4,621,922	3,929,145
Consolidated profit before taxation	596,803	698,033
Consolidated profit after taxation attributable to shareholders	118,248	330,592

For the current financial quarter, Group profit before taxation decreased by 14.5% when compared to the preceding quarter ended 31 March 2010. The decrease in profit before taxation was substantially due to an increase in other operating expenses.

#### **B3. Audit Report of the preceding financial year ended 30 June 2009**

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 2011.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**B5. Profit Forecast**

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

**B6. Taxation**

Taxation comprises the following:-

	<b>Current Year Quarter 30.06.2010 RM'000</b>	<b>Preceding Year Corresponding Quarter 30.06.2009 RM'000</b>	<b>Current Year To Date 30.06.2010 RM'000</b>	<b>Preceding Year Corresponding Period 30.06.2009 RM'000</b>
Taxation based on profit for the period/year	56,292	35,978	501,373	349,783
In respect of prior years				
- Income tax	(1,734)	(53,307)	(1,604)	(49,081)
Deferred taxation	171,914	586,755	167,120	585,880
	<u>226,472</u>	<u>569,426</u>	<u>666,889</u>	<u>886,582</u>

The provision for taxation of the Group for the current financial quarter reflects an effective tax rate higher than the Statutory Income Tax Rate due primarily to the losses incurred by some group companies which are not available for group relief.

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

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

**B8. Quoted Securities**

Particulars of investment in quoted securities as at 30 June 2010:

	<b>RM'000</b>
- At cost	22,859
- At carrying value	22,859
- At market value	24,804
	=====

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**B9. Corporate Developments**

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

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

- (i) In relation to the proposed issue by YTL Cement via a wholly-owned subsidiary to be incorporated in the Federal Territory of Labuan, of up to US\$200 million nominal value five-year guaranteed Exchangeable Bonds (“Exchangeable Bonds”) which are exchangeable into new ordinary shares of RM0.50 each in YTL Cement (“Proposed YTL Exchangeable Bonds Issue”), the Securities Commission (“SC”) has via letter dated 13 April 2010 approved YTL Cement’s application for an extension of time up to 4 October 2010 to complete the Proposed YTL Exchangeable Bonds Issue.

Shareholders of YTL Cement have at the Extraordinary General Meeting held on 2 March 2010 approved the renewal of the authority for the directors of YTL Cement to allot and issue such number of new ordinary shares of RM0.50 each in YTL Cement which are required to be issued upon exchange of the Exchangeable Bonds in accordance with the terms of exchange and/or upon any adjustments of the exchange price of the Exchangeable Bonds in accordance with the terms regarding adjustments of the exchange price.

**(b) Status of Utilisation of Proceeds**

Of the net proceeds received from the issue of the US\$300 million Guaranteed Exchangeable Bonds due 2012 (“2012 Bonds”), approximately US\$209.0 million was utilised for the payment of the acquisition of Starhill Global Real Estate Investment Trust (“SG REIT”) and YSGRMH and related expenses, as well as for the purchase of nil-paid rights in the open market and partial subscription of pro-rata rights entitlement pursuant to the rights issue undertaken by SG REIT.

The balance of the proceeds of the 2012 Bonds and part of the net proceeds received from the issue of the 2015 Bonds were utilised to repay a principal amount of US\$291.1 million of the 2012 Bonds pursuant to the exercise by bondholders of their right under the trust deed dated 15 May 2007 constituting the 2012 Bonds to require the Company to redeem all or some of the 2012 Bonds on 15 May 2010 at 108.70% of their principal amount, amounting to US\$316.4 million.

The balance of the proceeds of the 2015 Bonds is currently placed under fixed deposits pending investment.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**B10. Group Borrowings and Debt Securities**

Particulars of the Group's borrowings and debts securities as at 30 June 2010 are as follows:-

	<b>RM'000</b>
(i) Short term	
- Secured	2,869,618
- Unsecured	2,127,810
	<u>4,997,428</u>
	<b>RM'000</b>
(ii) Long term	
- Secured	11,135,719
- Unsecured	12,098,035
	<u>23,233,754</u>

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

In Singapore Dollar ('000)	3,277,260
	=====
In US Dollar ('000)	994,643
	=====
In Sterling Pound ('000)	1,600,572
	=====
In Japanese Yen ('000)	6,500,000
	=====

Save for the borrowings of RM88.714 million and S\$606.348 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.

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**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**B11. Derivatives Financial Instruments**

As at 30 June 2010, the Group's outstanding derivatives are as follows: -

<b>Type of Derivatives</b>	<b>Contract/Notional Value RM'000</b>	<b>Fair Value RM'000</b>
<b><u>Fuel oil swaps</u></b> - Less than 1 year - 1 year to 3 years	1,135,388 26,986	1,111,381 28,594
<b><u>Currency forwards</u></b> - Less than 1 year - 1 year to 3 years	1,559,782 26,770	1,560,331 26,439
<b><u>Interest rate swaps</u></b> - Less than 1 year - More than 3 years	2,207,990 581,050	2,199,708 552,077

The Group entered into fuel oil swaps to hedge highly probable forecast physical fuel oil and natural gas purchases that are expected to occur at various dates in the future. The fuel oil swaps have maturity dates that match the expected occurrence of these transactions.

The Group entered into currency forwards to hedge highly probable forecast transactions denominated in foreign currency expected to occur in the future. The currency forwards have maturity dates that match the expected occurrence of these transactions.

Interest rate swaps are entered to hedge floating rate interest payments on bank borrowings which were obtained to finance acquisition of subsidiaries and for the construction of property, plant and equipment.

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

**B12. Material litigation**

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

**B13. Dividend**

The Board of Directors has recommended for the approval of shareholders a first and final dividend of 20% gross less Malaysian Tax for the financial year ended 30 June 2010.

The book closure and payment dates in respect of the aforesaid dividend will be determined at a later date.

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

**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 30.6.2010</b>	<b>Preceding Year Corresponding Quarter 30.6.2009</b>
Profit attributable to shareholders (RM'000)	118,248	47,322
<i>Weighted average number of ordinary shares ('000)</i>		
Issued at the beginning of the year	1,899,866	1,765,105
Shares repurchased	(104,855)	(137,403)
	<u>1,795,011</u>	<u>1,627,702</u>
Basic earnings per share (sen)	<u>6.59</u>	<u>2.91</u>

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**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 30.6.2010</b>	<b>Preceding Year Corresponding Quarter 30.6.2009</b>
Profit attributable to shareholders (RM'000)	118,248	47,322
<i>Weighted average number of ordinary shares-diluted ('000)</i>		
Weighted average number of ordinary shares-basic	1,795,011	1,627,702
Effect of unexercised warrants	-	-
Effect of unexercised employees share option scheme	14,325	14,642
	<u>1,809,336</u>	<u>1,642,344</u>
* Diluted earnings per share (sen)	<u>6.54</u>	<u>2.88</u>

\* Total cash expected to be received in the event of an exercise of all ESOS options is RM207.225 million. Accordingly, the Net Asset (NA) on a proforma basis will increase by RM207.225 million resulting in an increase in NA per share of RM0.11. 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: 19 August 2010