

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

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the year ended 30 June 2007.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.6.2007 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30.6.2006 (Restated) RM'000	12 MONTHS ENDED	
			30.6.2007 RM'000	30.6.2006 (Restated) RM'000
REVENUE	1,543,671	1,543,463	5,829,404	5,507,193
COST OF SALES	(595,366)	(871,003)	(3,102,042)	(3,066,109)
GROSS PROFIT	948,305	672,460	2,727,362	2,441,084
OTHER OPERATING EXPENSES	(345,200)	(199,702)	(702,942)	(573,505)
OTHER OPERATING INCOME	91,833	23,500	239,640	218,746
PROFIT FROM OPERATIONS	694,938	496,258	2,264,060	2,086,325
FINANCE COSTS	(254,237)	(193,784)	(870,079)	(787,834)
SHARE OF (LOSSES)/PROFITS OF ASSOCIATED COMPANIES	18,660	48,802	156,790	198,919
PROFIT BEFORE TAXATION	459,361	351,276	1,550,771	1,497,410
TAXATION	140,891	(30,904)	(136,731)	(279,526)
PROFIT FOR THE PERIOD	600,252	320,372	1,414,040	1,217,884
ATTRIBUTABLE TO:				
SHAREHOLDERS	327,150	195,513	730,141	724,573
MINORITY INTERESTS	273,102	124,859	683,899	493,311
PROFIT FOR THE PERIOD	600,252	320,372	1,414,040	1,217,884
EARNINGS PER 50 SEN SHARE				
Basic (Sen)	21.84	13.59	48.70	51.27
Diluted (Sen)	19.87	12.88	45.38	47.78

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2006.

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED BALANCE SHEETS

	UNAUDITED	AUDITED
	AS AT	AS AT
	30.6.2007	30.6.2006
		(Restated)
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, Plant & Equipment	16,961,855	16,321,373
Investment Properties	1,434,025	1,358,565
Investment In Subsidiaries	181,704	181,704
Investment In Associated Companies	1,294,045	1,291,228
Quoted Investments	16,010	16,919
Unquoted Investments	615,334	588,211
Development Expenditure	948,068	653,699
Goodwill on Consolidation	879,365	848,159
	<u>22,330,406</u>	<u>21,259,858</u>
Current Assets		
Inventories	339,946	333,558
Property development projects	136,866	223,105
Trade & other receivables	1,872,595	2,214,165
Tax recoverable	132,236	70,924
Inter-company balances	24,435	20,803
Short term investments	44,507	70,585
Fixed deposits	8,872,281	6,125,084
Cash & bank balances	118,407	70,103
	<u>11,541,273</u>	<u>9,128,327</u>
TOTAL ASSETS	<u>33,871,679</u>	<u>30,388,185</u>

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2006

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

INTERIM FINANCIAL REPORT

CONDENSED CONSOLIDATED BALANCE SHEETS - continued

	UNAUDITED AS AT 30.6.2007 RM'000	AUDITED AS AT 30.6.2006 (Restated) RM'000
EQUITY		
Share capital	825,611	782,355
Share premium	652,522	389,756
Capital reserve	121,476	102,529
Statutory reserve	22,078	26,009
Exchange differences reserve	(31,737)	9,041
Other reserves	78,908	60,253
Retained profits	6,311,349	5,857,463
Less : Treasury shares, at cost	(922,643)	(668,269)
Total Equity Attributable to Shareholders of the Company	7,057,564	6,559,137
Minority Interests	3,700,157	3,666,565
TOTAL EQUITY	10,757,721	10,225,702
LIABILITIES		
Non-current Liabilities		
Long Term Borrowings	15,934,156	13,168,236
Other Long Term Liabilities	464,573	494,592
Deferred Income	147,363	147,203
Deferred Taxation	2,370,843	2,450,333
	18,916,935	16,260,364
Current Liabilities		
Trade & other payables	1,390,459	1,284,115
Inter-company balances	6,165	5,832
Short term borrowings	2,556,365	2,415,813
Provision for taxation	215,154	146,931
Provision for liabilities & charges	28,880	49,428
	4,197,023	3,902,119
TOTAL LIABILITIES	23,113,958	20,162,483
TOTAL EQUITY & LIABILITIES	33,871,679	30,388,185
Net Assets per 50 sen share (Sen)	468.89	456.20

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 30 June 2006

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

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2007**

Group	Attributable to Shareholders of the Company								Total	Minority interests	Total equity
	Share capital	Share premium	Capital reserve	Statutory reserve	Exchange differences 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	-	-	-	-	-	(256,362)	-	(33,958)	(290,320)	720,763	430,443
As at 1.7.2006 (restated)	782,355	389,756	102,529	26,009	9,041	5,857,463	(668,269)	60,253	6,559,137	3,666,565	10,225,702
Effects of adopting:											
- FRS 116	-	-	-	-	-	(8,433)	-	-	(8,433)	(6,506)	(14,939)
- FRS 140	-	-	-	-	-	3,079	-	-	3,079	2,743	5,822
	782,355	389,756	102,529	26,009	9,041	5,852,109	(668,269)	60,253	6,553,783	3,662,802	10,216,585
Currency translation differences	-	-	1,154	(3,931)	(40,778)	-	-	-	(43,555)	46,818	3,263
Loss recognised on deemed dilution of interest in subsidiaries	-	-	-	-	-	(32,698)	-	-	(32,698)	-	(32,698)
Acquisition of subsidiary	-	-	-	-	-	40	-	-	40	-	40
Income and expenses recognised directly in equity	-	-	1,154	(3,931)	(40,778)	(32,658)	-	-	(76,213)	46,818	(29,395)
Net profit for the period	-	-	-	-	-	730,141	-	-	730,141	683,899	1,414,040
Total recognised income and expenses for the period	-	-	1,154	(3,931)	(40,778)	697,483	-	-	653,928	730,717	1,384,645
Reserve on consolidation	-	-	-	-	-	-	-	282	282	-	282
Treasury shares	(16,500)	-	-	-	-	-	(254,374)	-	(270,874)	-	(270,874)
Share-based payment	-	-	-	-	-	-	-	18,373	18,373	-	18,373
Issue of share capital	59,756	262,766	-	-	-	-	-	-	322,522	-	322,522
Dividend paid	-	-	-	-	-	(328,775)	-	-	(328,775)	-	(328,775)
Transfer to capital reserve	-	-	17,793	-	-	(17,793)	-	-	-	-	-
Realisation of post-acquisition profits	-	-	-	-	-	108,325	-	-	108,325	-	108,325
Changes in composition of the Group	-	-	-	-	-	-	-	-	-	(693,362)	(693,362)
Balance at 30.6.2007	825,611	652,522	121,476	22,078	(31,737)	6,311,349	(922,643)	78,908	7,057,564	3,700,157	10,757,721

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2006.

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2006**

Group	Attributable to Shareholders of the Company								Total	Minority interests	Total equity
	Share capital	Share premium	Capital reserve	Statutory reserve	Exchange differences 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 1.7.2005											
- as previously reported	762,966	290,759	102,295	10,246	55,762	4,834,603	(542,103)	69,842	5,584,370	2,575,720	8,160,090
- prior years adjustments	-	-	-	-	-	(21,983)	-	-	(21,983)	(18,556)	(40,539)
- as restated	762,966	290,759	102,295	10,246	55,762	4,812,620	(542,103)	69,842	5,562,387	2,557,164	8,119,551
Currency translation differences	-	-	-	-	(46,721)	-	-	-	(46,721)	(30,413)	(77,134)
Gains recognized on deemed dilution of interest in subsidiaries	-	-	-	-	-	26,204	-	-	26,204	-	26,204
Income and expenses recognised directly in equity	-	-	-	-	(46,721)	26,204	-	-	(20,517)	(30,413)	(50,930)
Net profit for the period	-	-	-	-	-	724,573	-	-	724,573	493,311	1,217,884
Total recognised income and expenses for the period	-	-	-	-	(46,721)	750,777	-	-	704,056	462,898	1,166,954
Reserve on consolidation	-	-	234	-	-	(234)	-	(9,589)	(9,589)	-	(9,589)
Treasury shares	-	-	-	15,763	-	(15,763)	(126,166)	-	(126,166)	-	(126,166)
Dividend paid	-	-	-	-	-	(77,921)	-	-	(77,921)	-	(77,921)
Issue of share capital	19,389	98,997	-	-	-	-	-	-	118,386	-	118,386
Changes in composition of the Group	-	-	-	-	-	387,984	-	-	387,984	646,503	1,034,487
Balance at 30.6.2006	782,355	389,756	102,529	26,009	9,041	5,857,463	(668,269)	60,253	6,559,137	3,666,565	10,225,702

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 30 June 2006

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

INTERIM FINANCIAL REPORT

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007**

	FOR THE 12 MONTHS ENDED	
	30.6.2007	30.6.2006
	RM'000	RM'000
Net cash from operating activities	2,004,965	1,531,965
Net cash used in investing activities	(1,230,221)	(215,222)
Net cash from/(used in) financing activities	2,084,548	(830,959)
Net changes in cash and cash equivalents	2,859,292	485,784
Cash and cash equivalents brought forward	6,127,577	5,641,793
Cash and cash equivalents carried forward	<u>8,986,869</u>	<u>6,127,577</u>

Cash and cash equivalents comprise:

	RM'000	RM'000
Fixed deposits	8,872,281	6,125,084
Cash and bank balances	118,407	70,103
Bank overdraft	(3,819)	(67,610)
	<u>8,986,869</u>	<u>6,127,577</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 30 June 2006

INTERIM FINANCIAL REPORT

Notes:-

Disclosure requirements per FRS 134₂₀₀₄ (formerly known as MASB 26) – 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 2006.

A1. Accounting Policies and methods of computation

The interim financial report is unaudited and has been prepared in accordance with FRS134₂₀₀₄ “Interim Financial Reporting” (formerly known as MASB 26) and Chapter 9, part K of the Listing Requirements of Bursa Malaysia Securities Berhad, except for the adoption of the following new/revised Financial Reporting Standards (FRS) effective 1 July 2006 as disclosed below:-

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events After the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of FRS 5, 102, 108, 110, 116, 121, 127, 128, 131, 132, 133, 136, and 140 does not have significant financial impact on the Group.

(i) The principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRSs are discussed below:-

a) FRS 2: Share-based Payment

This FRS requires the entity to recognise share-based payment transactions in its financial statements, including transactions with employees or other parties to be settled in cash, other assets, or equity instruments of the entity or entity’s parent or another entity in the Group as the entity.

The Group operates share-based compensation plan for eligible employees, its subsidiaries and certain of its associates, namely employees’ share option scheme (ESOS) in relation to the shares of the Company, YTL Cement Berhad and YTL Power International Berhad.

INTERIM FINANCIAL REPORT

Notes: - continued

A1. Accounting Policies and methods of computation - continued

Prior to 1 January 2006, no compensation expense was recognised in profit or loss for share options granted. With the adoption of FRS 2, the compensation expense relating to share options is recognised in profit or loss over the vesting period of the grants with a corresponding increase in equity. The total amount to be recognised as compensation expense is determined by reference to the fair value of the share options at the date of the grant and the number of share options to be vested by vesting date. The fair value of the share option is computed using a trinomial model. At every balance sheet date, the Group revises its estimates of the number of share options that are expected to vest by the vesting date. Any revision of this estimate is included in profit or loss over the remaining vesting period.

The financial impact to the Group arising from the retrospective application of FRS 2 is not material and hence, no restatement of retained earnings is performed.

For the current period under review, the application of FRS 2 has resulted in a charge of approximately RM18.373 million to the income statement of the Group arising from the ESOS granted to employees of the Group.

b) FRS 3: Business Combinations

The adoption of the revised FRS 3 resulted in an excess of the Group's interest in the net fair value of acquirees' identifiable assets, liabilities and contingent liabilities over cost of acquisition (previously referred to as "negative goodwill arising from acquisition"), after reassessment, being recognised immediately in profit/loss.

In accordance with the transitional provisions of FRS 3, the negative goodwill from acquisition of RM33.96 million as at 1 July 2006, which was previously set off against goodwill or recognised as reserve on consolidation by the Group, has been transferred to the retained earnings.

c) FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interests, share of net after-tax results of associates and other disclosures in the consolidated income statement.

In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, the total income and expenses for the period, showing separately the amounts attributable to the equity holders of the parent and to minority interest.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform to the current period's presentation.

INTERIM FINANCIAL REPORT

Notes: - continued

A1. Accounting Policies and methods of computation – continued

- (ii) The summary of the financial effects of changes in accounting policies resulting as a result of the adoption of the new/revised FRSs to the previous period/year's comparatives are as follows:-

RM'000	As previously stated	Adjustments FRS 3	As restated
PPE	16,321,373	-	16,321,373
Investment properties	208,565	1,150,000	1,358,565
Investment In Associated Companies	1,300,133	(8,905)	1,291,228
Quoted investments	626,164	(609,245)	16,919
Goodwill on Consolidation	837,515	10,644	848,159
Trade & other receivables	2,212,189	1,976	2,214,165
Fixed deposits	6,027,167	97,917	6,125,084
Cash & bank balances	70,029	74	70,103
Other assets	2,142,589	-	2,142,589
Total Assets	29,745,724	642,461	30,388,185
Share capital and reserves	641,421	-	641,421
Other reserves	94,211	(33,958)	60,253
Retained profits	6,113,825	(256,362)	5,857,463
Shareholders' Equity	6,849,457	(290,320)	6,559,137
Minority Interests	2,945,802	720,763	3,666,565
Long Term Borrowings	12,988,236	180,000	13,168,236
Trade & other payables	1,258,005	26,110	1,284,115
Provision for taxation	141,023	5,908	146,931
Other liabilities	5,563,201	-	5,563,201
Total Equity & Liabilities	29,745,724	642,461	30,388,185
Net Assets per 50 sen share (Sen)	476.39		456.20

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes: - continued

A2. Audit Report of the preceding financial year ended 30 June 2006

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

A3. Seasonality or Cyclicity of Operations

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

A4 Exceptional or Unusual Items

During the current financial quarter, there was no item of an exceptional or unusual nature that affects the assets, liabilities, equity, net income or cash flows of the Group.

A5. Changes in estimates of amounts reported

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

A6. Changes in Debt and Equity Securities

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

- (i) Repurchased a total of 22,015,600 ordinary shares of its issued share capital from the open market for a total consideration of RM178.766 million at an average cost of RM8.12 per share during the current financial quarter. During the current financial year to date, a total of 113,840,300 ordinary shares were repurchased from the open market for a total consideration of RM783.392 million. The repurchased transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A (as amended) of the Companies Act, 1965.

On 12 December 2006, 13,000,000 treasury shares valued at RM69.554 million were cancelled. Subsequently on 9 January 2007 and 16 January 2007, a total of 20,000,000 treasury shares with a total value of RM109.359 million were cancelled. On 22 January 2007, 7 May 2007 and 8 May 2007, a total of 61,700,000 treasury shares with a total value of RM350.107 million were sold. As at 30 June 2007, the number of treasury shares held is 146,063,105 ordinary shares.

INTERIM FINANCIAL REPORT

Notes: - continued

- (ii) For the current financial quarter ended 30 June 2007, 845,041 and 16,234,909 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. During the current financial year to date a total of 74,200,946 and 45,245,089 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.
- (iii) During the current financial year a total of 66,500 ordinary shares were issued pursuant to the exercise of employees' share option scheme (ESOS) at an exercise price of RM2.79.

A7. Dividend paid

The following dividends were paid during the financial year under review:-

- (i) A First and Final dividend of 15% gross less Malaysian Income Tax of 27% amounting to RM81,836,270.10 for the financial year ended 30 June 2006 was paid on 5 January 2007;
- (ii) A first interim dividend of 15% gross less Malaysian Income Tax of 27% amounting to RM82,170,182 was paid for the financial year ended 30 June 2007 was paid on 4 December 2006;
- (iii) A second interim dividend of 15% gross less Malaysian Income Tax of 27% amounting to RM82,037,038.30 was paid for the financial year ended 30 June 2007 on 18 April 2007; and.
- (iv) A third interim dividend of 15% gross less Malaysian Income Tax of 27% amounting to RM82,731,830.08 was paid for the financial year ended 30 June 2007 on 25 June 2007.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

INTERIM FINANCIAL REPORT

Notes: - continued

A8. Segment Reporting

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

The Group's segmental report for the year ended 30 June 2007 is as follows:-

	Information technology & e-commerce Construction RM'000	related business RM'000	Cement Manufacturing & trading RM'000	Property investment & development RM'000	Management services & others RM'000	Hotels RM'000	Utilities RM'000	Total RM'000
Revenue	139,120	21,209	1,184,644	204,589	340,526	134,774	3,804,542	5,829,404
Results								
Operating profit	38,737	4,201	303,734	113,359	143,660	9,282	1,651,087	2,264,060
Finance costs								(870,079)
Share of profit of associated companies								156,790
Profit before taxation								1,550,771
Taxation								(136,731)
Profit for the period								1,414,040
Attributable to:								
Shareholders								730,141
Minority interests								683,899
Profit for the period								1,414,040

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

INTERIM FINANCIAL REPORT

Notes: - continued

A8. Segment Reporting - continued

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

The Group's segmental report for the year ended 30 June 2006 (restated) is as follows:-

	Information technology & e-commerce related business RM'000	Cement Manufacturing & trading RM'000	Property investment & development RM'000	Management services & others RM'000	Hotels RM'000	Utilities RM'000	Total RM'000	
Revenue	273,667	26,535	1,077,957	169,372	314,487	115,816	3,529,359	5,507,193
Results								
Operating profit	17,651	8,932	221,425	97,452	84,801	12,265	1,528,967	1,971,493
Finance costs								(787,834)
Gain on disposal of quoted investments								37,136
Gain on redemption of Mudharabah Redeemable Convertible Preference Shares (MRCPS)								77,696
Share of profit of associated companies								198,919
Profit before taxation								1,497,410
Taxation								(279,526)
Profit for the period								1,217,884
Attributable to:								
Shareholders								724,573
Minority interests								493,311
Profit for the period								1,217,884

INTERIM FINANCIAL REPORT

Notes: - continued

A9. Valuation of Property, Plant and Equipment

Property, plant & equipment are stated at cost less accumulated depreciation.

A10. Changes in the Composition of the Group

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

- (i) During the current financial quarter and year to date, YTL Power International Berhad (“YTL Power”) repurchased a total of 7,308,300 and 149,543,500 ordinary shares of its issued share capital from the open market value for a total consideration of RM17,325,682 and RM333,734,204 at an average cost of RM2.37 and RM2.23 per share respectively. The repurchase of shares was financed by internally generated funds.

During the current financial year, there was a distribution of 198,110,281 treasury shares valued at RM400,539,366. The distribution was on the basis of 1 treasury share for every 25 existing ordinary shares held. As at 30 June 2007, the number of treasury shares held was 190,054,875 ordinary shares.

- (ii) During the current financial quarter and for the financial year, 4,199,600 and 116,409,526 ordinary shares respectively were issued by YTL Power pursuant to the exercise of warrants at a weighted average exercise price of RM1.39 per share and RM1.43 per share respectively.
- (iii) For the current financial quarter and year, 536,000 and 5,821,000 ordinary shares respectively were issued by YTL Power pursuant to the exercise of ESOS at a weighted average exercise price of RM1.38 per share and RM1.47 per share respectively.
- (iv) During the current financial quarter and year, 10,847,605 and 11,014,491 ordinary shares were issued by YTL Power pursuant to the exchange of US\$100,000 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) For the current financial quarter and for the financial year, a total of 22,000 and 470,000 ordinary shares of RM0.50 each respectively were issued by YTL Cement Berhad (“YTL Cement”) pursuant to the exercise of ESOS at an exercise price of RM1.21.

INTERIM FINANCIAL REPORT

Notes: - continued

During the current financial quarter ended 30 June 2007, YTL Cement repurchased a total of 7,150,400 ordinary shares from the open market at an average price of RM5.17 per share for a total consideration of RM36,964,353. During the financial year, YTL Cement repurchased 14,109,100 ordinary shares from the open market at an average price of RM4.51 for a total consideration of RM63,693,077. The share buy-back was financed by internally generated funds. The shares purchased are held as treasury shares. As at 30 June 2007, the number of treasury shares held was 19,381,764 ordinary shares.

- (vi) During the current financial quarter and financial year, a total of 113,176 and 113,580 ordinary shares of RM0.50 each were issued by YTL Cement pursuant to the conversion of RM307,840 and RM308,940 Nominal value of 100% Irredeemable Convertible Unsecured Loan Stocks 2005/2015.
- (vii) During the current financial quarter, the share capital of YTL Land & Development Berhad (“YTL L&D”) increased from RM189,029,655 to RM195,471,256 as a result of the conversion of 50,244,492 Irredeemable Convertible Preference Shares (“ICPS-A”) of RM0.50 each into 12,883,203 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.

There was no issuance of Irredeemable Convertible Preference Shares (“ICPS-B”) during the current financial quarter. The total number of ICPS-A and ICPS-B outstanding as at 30 June 2007 were 215,282,836 and 533,290,580 of RM0.50 each respectively.

During the current financial quarter ended 30 June 2007, YTL L&D repurchased a total of 10,849,800 ordinary shares from the open market at an average price of RM1.4021 per share for a total consideration of RM15,212,390. During the financial year, YTL L&D repurchased 12,293,400 ordinary shares from the open market at an average price of RM1.3449 for a total consideration of RM16,533,123. The share buy-back was financed by internally generated funds. The shares purchased are held as treasury shares. As at 30 June 2007, the number of treasury shares held was 12,514,100 ordinary shares.

- (viii) The proposal announced by the Company on 24 August 2006 to undertake a renounceable restricted offer for sale (“ROS”) of ordinary shares of RM0.50 each in YTL Power on the basis of 1 YTL Power Share for every 10 ordinary shares of RM0.50 each in the Company (“YTL Corp”) at an offer price of RM1.00 per YTL Power share held on 11 December 2006 was completed on 26 January 2007 with the crediting of 149,181,997 YTL Power shares into respective CDS accounts of the entitled shareholders.

INTERIM FINANCIAL REPORT

Notes: - continued

- (ix) On 30 August 2006, YTL L&D acquired 2 ordinary shares of RM1.00 each representing 100% of the issued and paid-up share capital of YTL Land & Development (MM2H) Sdn Bhd (formerly known as Pakatan Pavilion Sdn Bhd) at par value per share.

YTL Land & Development (MM2H) Sdn Bhd was incorporated on 18 August 2006 and is principally involved in property development.

- (x) On 14 September 2006, YTL Hotels & Properties Sdn Bhd (“YTLHP”), a wholly-owned subsidiary of the Company, subscribed for 1,000,000 ordinary shares of RM1.00 each representing 80% of the issued and paid-up share capital of Marble Valley Sdn Bhd (“MVSb”) for a cash consideration of RM1,000,000.

MVSb was incorporated on 17 October 2005 and is principally involved in the development, operation and management of a boutique hotel.

- (xi) On 21 September 2006, Yeoh Tiong Lay Construction (S) Pte Ltd, a 99.9994% subsidiary of the Company’s wholly-owned subsidiary, Syarikat Pembinaan Yeoh Tiong Lay Sdn Bhd, subscribed for 7 ordinary shares representing 70% of the issued and paid-up share capital of Lakefront Pte Ltd (formerly known as The Lakefront @ Sentosa Cove Pte Ltd) at S\$1.00 per share. Lakefront Pte Ltd is principally involved in property development.

- (xii) On 19 October 2006, YTL Power declared a distribution of One (1) treasury share for every Twenty Five (25) existing ordinary shares of RM0.50 each (“Share Dividend”) held on 5 February 2007. The distribution of the Share Dividend was completed on 9 February 2007 with the crediting of 198,110,281 treasury shares into the respective shareholders’ CDS accounts.

- (xiii) On 26 January 2007, wholly-owned subsidiaries, YTLHP and YTL (Guernsey) Limited acquired 4,999 ordinary shares of US\$100 each and 1 ordinary share of US\$100 respectively in PT Jepun Bali, representing 100% of the issued and paid-up share capital of PT Jepun Bali for a total cash consideration of USD1,750,000. As a result of the acquisition, PT Jepun Bali became a subsidiary of YTLHP and indirect subsidiary of the Company.

PT Jepun Bali is a limited liability company incorporated in Indonesia on 23 June 1999. It has an authorized share capital of US\$825,000 comprising 8,250 shares of US\$100 each. PT Jepun Bali is principally involved in the operation of hotel.

- (xiv) On 12 March 2007, Yeoh Tiong Lay Construction (S) Pte Ltd, subscribed for 70 ordinary shares representing 70% of the issued and paid-up share capital of Sandy Island Pte Ltd at S\$1.00 per share.

Sandy Island Pte Ltd was incorporated in the Republic of Singapore on 8 March 2007 with an issued and paid-up share capital of S\$100. Sandy Island Pte Ltd is principally involved in property development.

INTERIM FINANCIAL REPORT

Notes: - continued

- (xv) On 14 March 2007, the Company acquired RM185,000,000 Nominal Value of Irredeemable Convertible Unsecured Loan Stocks (“ICULS”) in YTL Cement from YTL Power, for a cash consideration of RM275,650,000, representing RM1.49 for each RM1.00 nominal value of ICULS. The consideration was derived at based on the weighted average market price for the 5 preceding market days prior to 13 March 2007.
- (xvi) On 27 March 2007, YTL e-Solutions Berhad (“YTLE”) announced that it had acquired an additional 1 ordinary share of RM0.10 representing the controlling share in the issued and paid-up share capital of Bizsurf (M) Sdn Bhd (now known as Y-Max Networks Sdn Bhd) (“Y-Max Networks”) from Chia Kok Lai for a cash consideration of RM0.10 (“the Acquisition”). As a result of the Acquisition, Y-Max Networks became a subsidiary of YTLE.
- (xvii) On 27 March 2007, YTLE disposed of its entire equity interest of 70,000 ordinary shares of RM1.00 each representing 70% of the issued and paid-up capital of Hipmobile (M) Sdn Bhd (“Hipmobile”) to Mr. Fred Chong Kyan Vui, a director and shareholder of Hipmobile, for a total cash consideration of RM27,000. As a result of the shares disposal, Hipmobile and its 100% owned subsidiary, Hipmobile Singapore Pte Ltd ceased to be subsidiaries of YTLE.
- (xviii) On 30 March 2007, YTL Utilities Limited (“YTLUL”), a wholly-owned subsidiary of YTL Power incorporated in the Cayman Islands, acquired 1 share of USD1.00 in Wessex Water International Limited (“WWIL”), representing 100% of total issued and paid-up share capital of WWIL. WWIL is principally involved in investment holding.
- (xix) On 5 April 2007, YTLHP entered into Sale and Purchase Agreements with Voon Sui Liong @ Paul Voon and Melinda Voon to acquire 90,000 ordinary shares of RM1.00 each, representing 90% of the issued and paid-up share capital of Magna Boundary Sdn Bhd; and with Vun Vui Heung @ Michael and Ho Kui Fatt to acquire 45,000 ordinary shares of RM1.00 each, representing 90% of the issued and paid-up share capital of Borneo Cosmeceutical Sdn Bhd.

Magna Boundary Sdn Bhd is a private limited company incorporated on 15 July 2005 with an authorized share capital of RM100,000 divided into 100,000 ordinary shares of RM1.00 each. All the ordinary shares have been issued and fully paid.

Borneo Cosmeceutical is a private limited company incorporated on 27 May 2005 with an authorized share capital of RM100,000 divided into 100,000 ordinary shares of RM1.00 each, of which 50,000 ordinary shares of RM1.00 each have been issued and fully paid.

INTERIM FINANCIAL REPORT

Notes: - continued

- (xx) On 6 April 2007, Infoscreen Networks Plc (“INP”), a subsidiary of YTL incorporated in England and Wales, had on 5 April 2007 agreed to the disposal of INP’s entire equity interest comprising 70,000 ordinary shares of 1 pence each, representing 70% of the issued and paid-up capital of The Luxury Channel Limited (“TLC”) to Fiona Alexandra Sanderson and James Ronald Manson who are existing shareholders of TLC, for a total cash consideration of Pounds Sterling Seven Hundred (£700), which is the subscription price paid by INP on 10 November 2006. The disposal of shares was completed on 16 April 2007.
- (xxi) On 7 May 2007, the Company agreed to acquire from Perwira Harta Malaysia 306,000 ordinary shares of RM1.00 each representing 51% of the issued and paid-up share capital of Perwira YTL Corporation Sdn Bhd not held by the Company for a total cash consideration of RM360,520.20. The shares acquisition was completed on 5 June 2007.
- (xxii) On 15 May 2007, following the receipt of all required regulatory approvals, YTL Corp Finance (Labuan) Limited, a wholly-owned subsidiary of the Company, issued USD300 million nominal value 5-year guaranteed exchangeable bonds (“Bonds”) which are exchangeable into such number of new ordinary shares of RM0.50 each in YTL Corp. The Bonds were listed on the Labuan International Financial Exchange Inc. and Singapore Exchange Securities Trading Limited on 16 May 2007.
- (xxiii) On 16 May 2007, YTL Land Sdn Bhd (YTL Land), a wholly-owned subsidiary of YTL Corp, completed the disposal to Mayban Trustees Berhad on behalf of Starhill Real Estate Investment Trust (“Starhill REIT”) of sixty (60) serviced apartment units located on the fifth (5th) floor to the nineteenth (19th) floor of the block of serviced apartments, four (4) levels of commercial podium located from the ground floor to third (3^d) floor together with one (1) level of deck on the fourth (4th) floor and basement car park levels 2 and 3 of a three (3) storey basement car park (collectively “Property”), all within the building which is known as “The Residences at The Ritz-Carlton, Kuala Lumpur” located on the land held under Geran N0. 47693 Lot No. 1308 Seksyen 67, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan (“Land”) for a total consideration of RM125,000,000, satisfied by the issuance of 138,888,889 new units in Starhill REIT at an issue price of RM0.90 per unit. The 138,888,889 consideration units were listed and quoted on the Bursa Securities Malaysia Berhad on 16 May 2007.
- (xxiv) On 16 May 2007, YTL subscribed for 3,499,998 ordinary shares of RM1.00 each at par value per share, and 31,500,000 redeemable preference shares of RM0.10 each at RM1.00 per share or a total cash consideration of RM34,999,998 in the capital of Y-Max Solutions Holdings Sdn Bhd (formerly known as Titan Awards Sdn Bhd) (“Y-Max Solutions Holdings”). As a result of the shares subscription, Y-Max Solutions Holdings became a 70%-owned subsidiary of YTL. Y-Max Solutions Holdings is principally involved in investment holding related to the business of providing broadband internet access and other value added services.

INTERIM FINANCIAL REPORT

Notes: - continued

(xxv) On 4 June 2007, YTL E announced that it had entered into an agreement with Chew Pang Hua, Su Chua Teck and Extiva Communications Sdn Bhd (“Extiva”) for the acquisition of an additional 100,000 ordinary shares of RM1.00 each representing 20% of the issued and paid-up share capital of Extiva from Chew Pang Hua and Su Chua Teck for a total cash consideration of RM4,000,000. The acquisition which has resulted in an increase in YTL E’s equity stake in Extiva to 90% was completed on 25 June 2007.

(xxvi) On 15 June 2007, YTL Cement announced that its wholly owned subsidiary, YTL Cement Singapore Pte Ltd (“YTL Cement Singapore”) has subscribed for 1 ordinary share at SGD1.00 in YTL Concrete (S) Pte Ltd (“YTL Concrete”) representing the entire issued and paid-up share capital of YTL Concrete. As a result of the subscription, YTL Concrete became a wholly-owned subsidiary of YTL Cement Singapore and an indirect wholly-owned subsidiary of YTL Cement.

YTL Concrete was incorporated on 15 June 2007 and is principally involved in the business of manufacture and supply of ready-mixed concrete and related products.

A11. Changes in Contingent Liabilities or Contingent Assets

Since the last annual balance sheet as at 30 June 2006, there were no changes in the contingent liabilities of the Group.

As at 30 June 2007, the Company had given corporate guarantees amounting to RM636.606 million to financial institutions for facilities granted by the financial institutions to its subsidiaries as follows:-

	Total Amount Guaranteed RM’000	Amount Utilised RM’000
Block discounting / hire purchase facility	17,000	2,380
Bank overdrafts	20,200	3,182
Letters of credit/trust receipts/bankers acceptances/ shipping guarantees	154,300	26,686
Revolving loans/advances	373,306	346,577
Bankers’ guarantees:-		
Advance payment bonds/performance bonds, pre-bid bonds and other related guarantees	71,800	64,019
	<u>636,606</u>	<u>442,844</u>
	=====	=====

INTERIM FINANCIAL REPORT

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

B1. Review of Performance

The Group recorded a revenue and profit before taxation for the current financial quarter of RM1,543.7 million and RM459.4 million respectively, representing an increase of 0.1% and 30.8% respectively when compared to the previous corresponding quarter ended 30 June 2006.

The Group's operating profit improved from RM2,086.3 million in the corresponding year to 30 June 2006 to RM2,264.1 million in the current financial year ended 30 June 2007 representing an increase of 8.5%. The profit after taxation increased by 16.1% from 1,217.9 million recorded in the previous corresponding year ended 30 June 2006 to RM1,414.0 million recorded in the current year ended 30 June 2007. The improvement was attributed to the better performance of its utilities and cement manufacturing and trading activities.

B2. Comparison with Preceding Quarter

	Quarter 30.6.2007 RM'000	Quarter 31.3.2007 RM'000
Revenue	1,543,671	1,477,645
Consolidated profit before taxation	459,361	366,775
Consolidated profit after taxation attributable to shareholders	327,150	95,883

For the current financial quarter, the Group's revenue increased by 4.5% while the profit before taxation increased by 25.2% compared to the preceding quarter ended 31 March 2007 substantially due to the better performance of its utilities and cement businesses.

B3. Prospects

The Group, after considering the Group's current level of operations and the current market condition, is expected to achieve satisfactory performance for the financial year ending 30 June 2008.

B4. Profit Forecast

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

INTERIM FINANCIAL REPORT

Notes: - continued

B5. Taxation

Taxation comprises the following:-

	Current Year Quarter 30.6.2007 RM'000	Preceding Year Corresponding Quarter 30.6.2006 RM'000	Current Year To Date 30.6.2007 RM'000	Preceding Year Corresponding Period 30.6.2006 RM'000
Taxation based on profit for the period	75,630	67,144	284,484	283,882
In respect of prior years				
- Income tax	(7,189)	(351)	(24,476)	(1,484)
- Deferred tax	-	-	-	-
Deferred taxation	(209,332)	(35,889)	(123,277)	(2,872)
Others	-	-	-	-
	(140,891)	30,904	136,731	279,526

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 also due to the deferred taxation credit recognised by a foreign subsidiary.

B6. Sales of Unquoted Investment and /or Properties

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

B7. Quoted Securities

(a)	Quarter Ended 30.6.2007 RM'000	12 Months Ended 30.6.2007 RM'000
Purchases	30,740	30,740
Sales	1,017	32,212
Gain on disposal	516	15,802
	=====	=====

INTERIM FINANCIAL REPORT

Notes: - continued

B7. Quoted Securities - continued

(b) Particulars of investment in quoted securities as at 30 June 2007:

	RM'000
- At cost	16,010
- At carrying value	16,010
- At market value	27,091

B8. 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) YTL Power announced on 7 May 2007 that its application to increase the proposed CP/MTN Programme to an issuance size of up to RM2.0 Billion had been approved by the Securities Commission. YTL Power entered into, amongst others, the Trust Deed and Programme Agreement constituting the CP/MTN Programme with Mayban Trustees Berhad and CIMB Investment Bank Berhad, respectively, on 24 May 2007. The CP/MTN Programme was first issued on 8 June 2007 with a commercial paper issuance of RM750 million. As a result, the CP/MTN Programme will terminate on 6 June 2014.
- (ii) On 11 June 2007, the Company announced that its wholly owned subsidiary Batu Tiga Quarry Sdn Bhd ("BTQ") has entered into Share Sale Agreements ("Agreements") with C.I. Quarries Sdn Bhd ("CIQM") to acquire 873,834 ordinary shares of RM1.00 each, representing 100% of the issued and paid-up share capital of CIQM for a cash consideration of RM2.0 Million; and with Capital Aim Sdn Bhd to acquire 75,100 ordinary shares of RM1.00 each, representing 100% of the issued and paid-p share capital of Mutual Prospect Sdn Bhd ("MPSB") for a cash consideration of RM4.0 Million. The acquisition of CIQM and MPSB were completed on 31 July 2007.

CIQM is incorporated on 3 March 1990 and is principally engaged in the business of granite quarrying. MPSB is incorporated on 12 June 1992 and is principally engaged in the business as quarry operators and proprietors.

INTERIM FINANCIAL REPORT

Notes: - continued

- (iii) In relation to the proposed acquisition 90% interests each in Magna Boundary Sdn Bhd and Borneo Cosmeceutical Sdn Bhd (“Borneo Cosmeceutical”) by YTLHP (“the said Proposed Acquisitions”), the Company had on 26 June 2007 announced that the Foreign Investment Committee has vide its letter dated 15 June 2007, received on 25 June 2007, approved the said Proposed Acquisitions subject to the condition that the issued and paid-up share capital of Borneo Cosmeceutical be increased from the current RM50,000 to at least RM100,000 within 6 months from the date of the approval letter.
- (iv) On 6 August 2007, YTLE announced that its 70% owned subsidiary, Y-Max Solutions Holdings entered into a Subscription cum Shareholders’ Agreement with Webtransact Sdn Bhd (“WSB”) and Airzed Broadband Sdn Bhd (“AZB”) to set out the terms and conditions of Y-Max Solutions Holdings’ subscription of 1,400,000 Ordinary Shares of par value RM1.00 each and 5,600,000 Redeemable Convertible Preference Shares of par value RM0.10 each in AZB (“Proposed Subscription”), and WSB and Y-Max Solutions Holdings’ relationship with each other as shareholders inter se of AZB and certain aspects of the affairs of AZB. Upon completion of the Proposed Subscription, AZB will become a 70% owned subsidiary of Y-Max Solutions Holdings and an indirect subsidiary of the Company. The Proposed Subscription is pending approval of relevant authorities.

AZB was incorporated on 19 November 2002 and is a licensed service provider currently principally engaged in the business of providing broadband internet access utilizing the 2.5GHz and 3.5GHz spectrums and other value added services.

b) Status of Utilisation 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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes: - continued

B9. Group Borrowings and Debt Securities

Particulars of the Group's borrowings and debts securities as at 30 June 2007 are as follows:-

	RM'000
(i) Short term	
- Secured	387,215
- Unsecured	2,169,150
	<u>2,556,365</u>
	RM'000
(ii) Long term	
- Secured	2,800,252
- Unsecured	13,133,904
	<u>15,934,156</u>

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

In Singapore Dollar ('000)	142,879
In US Dollar ('000)	712,153
In Sterling Pound ('000)	1,498,881

Save for the borrowings of RM378.825 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.

B10. Off Balance Sheet Financial Instruments

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

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

There has been no material change to the terms and condition of financial instruments since disclosed in the latest audited financial statements and the date of this announcement.

INTERIM FINANCIAL REPORT

Notes: - continued

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

There is no outstanding interest rate swap contract as at 30 June 2007.

B11. Material litigation

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

B12. Dividend

The Board of Directors had recommended for the approval of shareholders a final dividend of 5% gross less Malaysian Income Tax of 27% for the financial year ended 30 June 2007 (30 June 2006: 15% less tax of RM81,836,270.10). The Book Closure and Payment Dates in respect of the aforesaid dividend will be determined at a later date.

B13. Earnings Per Share

i) Basic earnings per share

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

	Current Quarter 30.6.2007	Preceding Year Corresponding Quarter 30.6.2006 (Restated)
Profit attributable to shareholders (RM'000)	327,150	195,513
<i>Weighted average number of ordinary shares ('000)</i>		
Issued at the beginning of the period	1,634,141	1,564,701
Shares repurchased	(135,970)	(125,521)
	1,498,171	1,439,180
Basic earnings per share (sen)	21.84	13.59

INTERIM FINANCIAL REPORT

Notes: - continued

B13. Earnings Per Share - continued

ii) Diluted earnings per share

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

	Current Quarter 30.6.2007	Preceding Year Corresponding Quarter 30.6.2006 (Restated)
Profit attributable to shareholders (RM'000)	327,150	195,513
<i>Weighted average number of ordinary shares-diluted ('000)</i>		
Weighted average number of ordinary shares-basic	1,498,171	1,439,180
Effect of unexercised warrants	129,232	78,135
Effect of unexercised employees share option scheme	19,159	1,196
	<u>1,646,562</u>	<u>1,518,511</u>
* Diluted earnings per share (sen)	<u>19.87</u>	<u>12.88</u>

* Total cash expected to be received in the event of an exercise of all outstanding warrants and ESOS options is RM1,389.902 million. Accordingly, the Net Tangible Asset (NTA) on a proforma basis will increase by RM1,389.902 million resulting in an increase in NTA per share of RM0.76. In arriving at the Diluted earnings per share, NTA and NTA per share, no income has been accrued for the cash proceeds.

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated: 23 August 2007