

**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

Interim financial report on consolidated results for the quarter ended 30 June 2008.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	INDIVIDUAL QUARTER PRECEDING		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30.6.2008 RM'000	YEAR CORRESPONDING QUARTER 30.6.2007 (Restated) RM'000	12 MONTHS ENDED	
			30.6.2008 RM'000	30.6.2007 (Restated) RM'000
REVENUE	1,140,614	1,167,496	4,242,592	4,068,008
COST OF SALES	(547,863)	(440,966)	(2,215,966)	(2,013,519)
GROSS PROFIT	592,751	726,530	2,026,626	2,054,489
OTHER OPERATING EXPENSES	(96,914)	(247,429)	(248,455)	(418,653)
OTHER OPERATING INCOME	25,625	38,833	168,719	215,471
PROFIT FROM OPERATIONS	521,462	517,934	1,946,890	1,851,307
FINANCE COSTS	(207,780)	(218,379)	(772,870)	(739,684)
SHARE OF RESULTS OF ASSOCIATED COMPANIES	52,857	42,661	209,652	185,134
PROFIT BEFORE TAXATION	366,539	342,216	1,383,672	1,296,757
TAXATION	(86,245)	84,903	(345,180)	(121,108)
NET PROFIT FOR THE PERIOD	280,294	427,119	1,038,492	1,175,649
<b>ATTRIBUTABLE TO:</b>				
Shareholders	280,294	427,119	1,038,492	1,175,649
Minority interest	-	-	-	-
	280,294	427,119	1,038,492	1,175,649
<b>EARNINGS PER 50 SEN SHARE</b>				
Basic (Sen)	5.29	8.37	19.99	23.53
Diluted (Sen)	4.01	7.29	15.31	22.09

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

**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED BALANCE SHEET**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As at</b>	<b>As at</b>
	<b>30.6.2008</b>	<b>30.06.2007</b>
		<b>(Restated)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	15,089,793	14,882,278
Prepaid Lease Payments	3,171	3,473
Intangible Assets	441,333	441,333
Investment in Associated Companies	929,638	863,140
Investments	711,626	668,284
	-----	-----
	17,175,561	16,858,508
	-----	-----
<b>Current Assets</b>		
Inventories	152,667	160,850
Receivable, Deposits and Prepayment	1,011,136	909,200
Short Term Investments	45,872	44,507
Deposits, Cash and Bank Balances	9,397,549	6,029,825
	-----	-----
	10,607,224	7,144,382
	-----	-----
<b>TOTAL ASSETS</b>	<b>27,782,785</b>	<b>24,002,890</b>
	=====	=====
<b>EQUITY AND LIABILITIES</b>		
Share Capital	2,721,320	2,648,158
Reserves	4,020,573	3,787,676
Treasury Shares, at cost	(360,148)	(402,763)
	-----	-----
<b>Equity attributable to Shareholders of the Company</b>	<b>6,381,745</b>	<b>6,033,071</b>
<b>Minority Interest *</b>	<b>-</b>	<b>-</b>
	-----	-----
<b>TOTAL EQUITY</b>	<b>6,381,745</b>	<b>6,033,071</b>
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\* Minority Interest denotes RM1.

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

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED BALANCE SHEET – Continued**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As at</b>	<b>As at</b>
	<b>30.6.2008</b>	<b>30.06.2007</b>
	<b>(Restated)</b>	<b>(Restated)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Payables	10,614	12,308
Provision for Liabilities and Charges	315,178	382,853
Bonds	9,649,749	9,255,414
Borrowings	4,177,250	3,766,565
Deferred Income	133,917	147,363
Deferred Tax Liabilities	2,199,400	2,308,389
	-----	-----
	16,486,108	15,872,892
	-----	-----
<b>Current Liabilities</b>		
Payables and Accrued Liabilities	1,064,877	986,628
Provision for Liabilities and Charges	20,546	28,023
Provision for Taxation	123,171	49,263
Bonds	2,014,182	125,000
Borrowings	1,692,156	908,013
	-----	-----
	4,919,932	2,096,927
	-----	-----
<b>TOTAL LIABILITIES</b>	<b>21,401,040</b>	<b>17,969,819</b>
	-----	-----
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>27,782,785</b>	<b>24,002,890</b>
	=====	=====
<b>Net Assets Per 50 Sen Share (RM)</b>	<b>1.21</b>	<b>1.18</b>
	===	===

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

**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008**

	----- Attributable to Equity Holders of the Parent -----							Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Merger & Other Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000	Non-Distributable RM'000		
At 1 July 2007									
- as previously reported	2,648,158	1,944,120	(2,089,013)	(402,763)	4,026,641	6,127,143	-	6,127,143	
- prior year adjustment	-	-	(507)	-	(93,565)	(94,072)	-	(94,072)	
	2,648,158	1,944,120	(2,089,520)	(402,763)	3,933,076	6,033,071	-	6,033,071	
Currency translation difference	-	-	(124,352)	-	-	(124,352)	-	(124,352)	
Net profit for the year	-	-	-	-	1,038,492	1,038,492	-	1,038,492	
Total recognised income and expenses for the year	-	-	(124,352)	-	1,038,492	914,140	-	914,140	
Shares repurchased	-	-	-	(402,832)	-	(402,832)	-	(402,832)	
Issue of share capital	73,162	182,207	-	-	-	255,369	-	255,369	
Dividend paid – Financial year ended 30 June 2007	-	-	-	-	(186,895)	(186,895)	-	(186,895)	
– Financial year ended 30 June 2008	-	-	-	-	(397,138)	(397,138)	-	(397,138)	
Share dividend	-	(445,447)	-	445,447	-	-	-	-	
Equity component of exchangeable bond	-	-	(11,963)	-	-	(11,963)	-	(11,963)	
Share options granted	-	-	1,204	-	-	1,204	-	1,204	
Statutory reserve transfer from retained earnings	-	-	9,996	-	(9,996)	-	-	-	
Warrant reserve	-	-	176,789	-	-	176,789	-	176,789	
At 30 June 2008	2,721,320	1,680,880	(2,037,846)	(360,148)	4,377,539	6,381,745	-	6,381,745	

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

**YTL POWER INTERNATIONAL BERHAD (Company No. 406684-H)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

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

	----- Attributable to Equity Holders of the Parent -----							Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Merger & Other Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000	Non-Distributable		
At 1 July 2006	2,581,535	2,211,392	(2,116,310)	(469,568)	3,521,908	5,728,957	-	5,728,957	
Currency translation difference	-	-	7,801	-	-	7,801	-	7,801	
Net profit for the year	-	-	-	-	1,175,649	1,175,649	-	1,175,649	
Total recognised income and expenses for the year	-	-	7,801	-	1,175,649	1,183,450	-	1,183,450	
Shares repurchased	-	-	-	(333,734)	-	(333,734)	-	(333,734)	
Issue of share capital	66,623	133,267	-	-	-	199,890	-	199,890	
Dividend paid – Financial year ended 30 June 2006	-	-	-	-	(363,933)	(363,933)	-	(363,933)	
– Financial year ended 30 June 2007	-	-	-	-	(382,755)	(382,755)	-	(382,755)	
Share dividend	-	(400,539)	-	400,539	-	-	-	-	
Equity component of exchangeable bond	-	-	(930)	-	-	(930)	-	(930)	
Share options granted	-	-	2,126	-	-	2,126	-	2,126	
Statutory reserve transfer from retained earnings	-	-	17,793	-	(17,793)	-	-	-	
At 30 June 2007	2,648,158	1,944,120	(2,089,520)	(402,763)	3,933,076	6,033,071	-	6,033,071	

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

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2008**

	<b>CURRENT YEAR-TO-DATE 30.6.2008  RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 30.6.2007 (Restated) RM'000</b>
Net cash generated from operating activities	1,035,612	1,307,082
Net cash used in investing activities	(1,083,264)	(398,687)
Net cash generated from financing activities	3,410,344	428,606
Net increase in cash and cash equivalents	3,362,692	1,337,001
Cash and cash equivalents at beginning of the period	6,013,224	4,676,223
Cash and cash equivalents at end of the period <i>[Note a]</i>	9,375,916	6,013,224

*[Note a]*

Cash and cash equivalents at the end of the period comprise:

	<b>RM'000</b>	<b>RM'000</b>
Fixed deposits	9,362,307	6,010,357
Cash and bank balances	35,242	19,468
Bank overdrafts (included within short term borrowings in [Note B9])	(21,633)	(16,601)
	9,375,916	6,013,224

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

**INTERIM FINANCIAL REPORT**

**PART A – EXPLANATORY NOTES PURSUANT TO FRS 134**

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

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

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

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

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 117	Leases
FRS 118	Revenue
FRS 119	Employee Benefits
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 124	Related Party Disclosure (The disclosure requirements under FRS124 will be presented in the annual financial statements for the financial year ending 30 June 2008)
FRS 126	Accounting and Reporting by Retirement Benefit Plans
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above FRSSs does not have significant financial impact on the Group other than the effects of FRS 117.

**FRS 117: Leases**

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

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

	<b>As previously Reported RM'000</b>	<b>Effect of changes RM'000</b>	<b>As reported RM'000</b>
<b>30 June 2007</b>			
Property, plant and equipments	14,885,751	(3,473)	14,882,278
Prepaid lease payments	-	3,473	3,473

**INTERIM FINANCIAL REPORT**

**Notes – continued**

**Prior Year Adjustment**

During the previous financial year ended 30 June 2007, a subsidiary company incorporated in the United Kingdom adjusted its deferred taxation liability following amendments introduced in the United Kingdom (“UK”) Finance Act 2007 relating to Industrial Building allowance incentives. Following clarity received during the current financial year ended 30 June 2008 on the application of these changes, it has been concluded that the deferred taxation provision is required under FRS. This adjustment has been applied retrospectively as follows:

	<b>As previously Reported RM'000</b>	<b>Effect of changes RM'000</b>	<b>As reported RM'000</b>
<b>30 June 2007</b>			
Balance Sheet			
- Provision for deferred tax	2,214,317	94,072	2,308,389
- Retained earnings	4,026,641	(93,565)	3,933,076
- Other reserves	(2,089,013)	(507)	(2,089,520)
Income Statement			
- Taxation	(27,543)	(93,565)	(121,108)
- Net profit after taxation	1,269,214	(93,565)	1,175,649
- Basic earning per share (sen)	25.40	(1.87)	23.53
- Diluted earning per share (sen)	23.84	(1.75)	22.09

**A2. Seasonality or Cyclicity of Operations**

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

**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 to estimate of amount reported in prior interim periods and prior financial years.

**A5. Changes in Debt and Equity Securities**

The number of ordinary shares issued during the current financial quarter and financial year to date pursuant to the conversion of Zero Coupon Exchangeable Guaranteed Bonds issued by a subsidiary company was 47,072,379 and 98,640,226 respectively.

During the current financial quarter and financial year to date, 7,831,853 ordinary shares and 35,125,183 ordinary shares were issued pursuant to the exercise of warrants 2000/2010 at a weighted average exercise price of RM1.31 per share and RM1.36 per share respectively.



## **INTERIM FINANCIAL REPORT**

### **Notes – continued**

The number of ordinary shares issued during the current financial quarter and financial year to date pursuant to the exercise of warrants 2008/2018 were 8,481,646 at an exercise price of RM1.25 per share.

During the current financial quarter and financial year to date, 535,000 ordinary shares and 4,077,750 ordinary shares were issued respectively 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 RM1.36 per share.

A total of 63,559,400 ordinary shares and 169,267,200 ordinary shares were repurchased from the open market for a total consideration of RM139,981,543 and RM402,832,805 respectively for the current financial quarter and financial year to date. The share buy-back transactions were financed by internally generated funds. The shares purchased are being held as treasury shares.

During the current financial quarter and financial year to date, a total of 204,916,239 treasury shares were distributed as share dividend on 7 January 2008 to the shareholders on the basis of one (1) treasury share for every twenty five (25) ordinary shares held on 24 December 2007. As at 30 June 2008, the number of treasury shares held were 154,405,836 ordinary shares.

On 25 September 2007, the Company issued RM370.0 million Medium Term Notes at a coupon rate of 3.841% per annum. The net proceed of the issuance is currently placed under Fixed Deposits with licensed financial institutions pending investments in utilities assets.

On 28 September 2007 a subsidiary company Wessex Water Services Finance Plc issued GBP150.0 million index linked bonds at an interest rate of 1.5% plus inflation repayable in July 2058. The net proceed of the issuance will be used to finance capital expenditure.

On 1 October 2007, the Company issued RM380.0 million Medium Term Notes at a coupon rate of 3.9% per annum. The net proceed of the issuance is currently placed under Fixed Deposits with licensed financial institutions pending investments in utilities assets.

On 18 June 2008, the bonds with warrant issuance of RM2,200,000 nominal value of 3.0% with 1,776,371,304 detachable warrants was completed.

The outstanding debts are as disclosed in Note B9.

### **A6. Dividend Paid**

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

- (i) A final dividend of 10% gross less income tax of 27% amounting to RM186,894,674 in respect of the financial year ended 30 June 2007 was paid on 31 December 2007.
- (ii) A first interim tax exempt dividend of 7.5% amounting to RM198,278,108 for the financial year ended 30 June 2008 was paid on 24 March 2008.
- (iii) A second interim tax exempt dividend of 7.5% amounting to RM198,859,897 for the financial year ended 30 June 2008 was paid on 24 June 2008.

**INTERIM FINANCIAL REPORT**

Notes – continued

**A7. Segment Reporting**

The Group is organised on a world wide basis into three main business segments namely investment holding, power generation and water & sewerage.

Segment reporting for year ended 30 June 2008:

	<b>Investment Holding RM'000</b>	<b>Power Generation RM'000</b>	<b>Water &amp; Sewerage RM'000</b>	<b>Group RM'000</b>
<b>Revenue</b>	305,449	1,151,261	2,785,882	4,242,592
<hr/>				
<b>Results</b>				
Segment result	59,334	482,629	1,404,927	1,946,890
Unallocated income				-
<hr/>				
Profit from operations				1,946,890
Finance cost				(772,870)
Share of results of associated companies	-	209,652	-	209,652
<hr/>				
Profit from ordinary activities before tax				1,383,672
Taxation				(345,180)
<hr/>				
Profit from ordinary activities after tax				1,038,492
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**INTERIM FINANCIAL REPORT**

**Notes – continued**

Segment Reporting for year ended 30 June 2007:

	<b>Investment Holding RM'000</b>	<b>Power Generation RM'000</b>	<b>Water &amp; Sewerage RM'000</b>	<b>Group RM'000</b>
<b>Revenue</b>	263,467	1,155,440	2,649,101	4,068,008
<hr style="border-top: 1px dashed black;"/>				
<b>Results</b>				
Segment result	106,691	368,300	1,376,316	1,851,307
Unallocated income				-
<hr style="border-top: 1px dashed black;"/>				
Profit from operations				1,851,307
Finance cost				(739,684)
Share of results of associated companies	-	185,134	-	185,134
<hr style="border-top: 1px dashed black;"/>				
Profit from ordinary activities before tax				1,296,757
Taxation				(121,108)
<hr style="border-top: 1px dashed black;"/>				
Profit from ordinary activities after tax				1,175,649
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**A8. Material Events Subsequent to the End of the Interim Period**

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

**A9. Changes in the Composition of the Group**

There was no change in the composition of the Group since the last quarterly report as at 30 June 2007.

**A10. Changes in Contingent Liabilities**

There were no material changes in the contingent liabilities of the Group since last annual balance sheet as at 30 June 2007 save and except for performance guarantees by a subsidiary company which has been reduced to GBP0.3 million.

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**INTERIM FINANCIAL REPORT**

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. Review of the Results**

Group revenue was RM1,140.6 million for the current quarter ended 30 June 2008 as compared to RM1,167.5 million in the preceding year corresponding quarter ended 30 June 2007. This represents a decrease of RM26.9 million or 2.3% over the preceding year corresponding quarter ended 30 June 2007. In the preceding year corresponding quarter, an exceptional tax credit of RM132.9 million was recognised relating to the release of deferred tax provision arising from the change in corporation tax rates in the UK. The Group profit after taxation for the current quarter was marginally lower by RM13.9 million or 4.7% to RM280.3 million in the current quarter ended 30 June 2008 as compared to the preceding year corresponding quarter ended 30 June 2007 after elimination of the said tax credit of RM132.9 million.

**B2. Comparison with Preceding Quarter**

	<b>Current Quarter 30.6.2008 RM'000</b>	<b>Preceding Quarter 31.3.2008 RM'000</b>
Revenue	1,140,614	1,060,450
Consolidated Profit before taxation	366,539	359,228
Consolidated Profit after taxation	280,294	277,589

**B3. Prospects**

The Group, after considering its current level of operations and market conditions, is expected to achieve satisfactory performance for the financial year ending 30 June 2009 save and except for the impact of 30% windfall tax imposed on return in excess of 9% of the value of fixed assets effective from 1 July 2008 as announced by the Ministry of Finance.

**B4. Profit Forecast**

The Group did not issue any profit forecast during the period.

**B5. Taxation**

	<b>Current Year Quarter 30.6.2008 RM'000</b>	<b>Current Year To Date 30.6.2008 RM'000</b>
In respect of current period		
- Income Tax	72,195	345,010
- Deferred Tax	12,771	(821)
In respect of prior years		
- Income Tax	(1,538)	(1,826)
- Deferred Tax	2,817	2,817
	-----	-----
	86,245	345,180
	=====	=====

## **INTERIM FINANCIAL REPORT**

### **Notes: - continued**

The provision for taxation for the current quarter and current year to date reflect an effective rate lower than the Statutory Income Tax Rate was substantially due to the effect of the reduction in future corporate tax rate by 1% to 25% in Malaysia and certain income of foreign subsidiaries not subject to tax.

#### **B6. Sale of Unquoted Investments and/or Properties**

There was no sale of unquoted investments or properties during the current financial quarter and financial year to date.

#### **B7. Quoted Investments**

- a) Disposal of quoted investments during the current financial quarter and financial year to date amounted to RM521,250 and RM581,434 respectively. Profit on sale of quoted investments amounted to RM422,681 and RM461,165 respectively for the current financial quarter and financial year to date.
- b) Purchases of quoted investments amounted to RM5,594,377 during the current financial quarter and financial year to date
- c) The cost, carrying value and the market value of the quoted investments of the Group as at end of the current reporting quarter are:

	<b>RM'000</b>
Cost	103,041
Carrying value	103,041
Market value	136,507
	=====

#### **B8. Corporate Proposals**

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

There were no corporate proposals announced and pending as at the date of this report.

##### **b) Status of Utilisation of Proceeds**

###### **USD250 million Guaranteed Exchangeable Bonds Due 2010**

The net proceeds received from the issue of the USD250 million Guaranteed Exchangeable Bonds due 2010 is currently placed under fixed deposits pending investment in utilities assets.

###### **RM2.2 billion Redeemable Bonds Due 2013 with warrants issue**

The net proceeds received from the issue of the RM2.2 billion Redeemable Bonds due 2013 is currently placed under fixed deposits pending investment in utilities assets.

## **INTERIM FINANCIAL REPORT**

**Notes: - continued**

### **B9. Group Borrowings and Debt Securities**

The Group's borrowings from financial institutions as at end of the current financial quarter are as follows:

	<b>Short term RM'000</b>	<b>Long term RM'000</b>	<b>Total RM'000</b>
Secured	62,655	-	62,655
Unsecured	3,643,683	13,826,999	17,470,682
	<u>3,706,338</u>	<u>13,826,999</u>	<u>17,533,337</u>

The borrowings which are denominated in foreign currency are as follows:

In US Dollar ('000)	<u>556,161</u>
In Sterling Pound ('000)	<u>1,661,041</u>

All borrowings of subsidiary companies are on a non-recourse basis to the Company save and except for the following which is guaranteed by the Company:

- a) USD250 million Guaranteed Exchangeable Bonds Due 2010 of which USD184.4 million remain outstanding as at 30 June 2008.
- b) USD190 million loan due on 29 January 2011.

### **B10. Off Balance Sheet Financial Instruments**

There were no off balance sheet instruments as at 30 June 2008.

### **B11. Pending Material Litigation**

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

### **B12. Dividend**

The Board of Directors is pleased to recommend for the approval of the shareholders a Final Tax Exempt Dividend of 7.5% for the year ended 30 June 2008.

The Book Closure and Payment Dates in respect of the aforesaid dividend will be determined by the Board at a later date.

**INTERIM FINANCIAL REPORT**

Notes: - continued

**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 by the weighted average number of ordinary shares in issue during the financial quarter.

	<b>Current Year Quarter 30.6.2008</b>	<b>Preceding Year Corresponding Quarter 31.3.2007</b>
Net Profit for the period (RM'000)	280,294 =====	427,119 =====
Weighted average number of ordinary shares ('000)	5,301,058 =====	5,101,714 =====
Basic earnings per share (Sen)	5.29 =====	8.37 =====

**ii) Diluted Earnings Per Share**

The diluted earnings per share of the Group has been computed by dividing the adjusted net profit for the financial quarter by the weighted average number of ordinary shares in issue during the financial quarter, and after assuming exchange of USD184.4 million Zero Coupon Guaranteed Exchangeable Bonds.

	<b>Current Year Quarter 30.6.2008</b>	<b>Preceding Year Corresponding Quarter 30.6.2007</b>
Adjusted Net Profit for the period (RM'000)	274,052 =====	429,063 =====
<i>Weighted average number of ordinary shares ('000) – diluted</i>		
Weighted average number of ordinary shares ('000) – basic	5,301,058	5,101,714
Effect of unexercised warrants 2000/2010	366,945	358,892
Effect of unexercised warrants 2008/2018	794,382	-
Effect of unexercised ESOS	18,740	22,197
Assumed exchange of USD184.4 million Zero Coupon Bonds	348,617 -----	406,201 -----
	6,829,742 =====	5,889,004 =====
Diluted earnings per share (Sen)	4.01 =====	7.29 =====

**INTERIM FINANCIAL REPORT**

**Notes: - continued**

- \* *Total cash expected to be received in the event of an exercise of all outstanding warrants and ESOS options is RM3,390.20 million. Accordingly, the Net Asset (NA) on a proforma basis will increase by RM3,390.20 million resulting in an increase in NA per share of RM0.01. 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 2008