

**YTL E-SOLUTIONS BERHAD**  
Company No. 236137-K  
Incorporated in Malaysia

**Interim Financial Report**  
**30 September 2010**

**YTL E-SOLUTIONS BERHAD**  
Company No. 236137-K  
Incorporated in Malaysia

**Interim Financial Report**  
**30 September 2010**

|   | <b>Page No.</b> |
|---|-----------------|
| <b>Condensed Consolidated Income Statement</b>                  | <b>1</b>        |
| <b>Condensed Consolidated Statement of Comprehensive Income</b> | <b>2</b>        |
| <b>Condensed Consolidated Statement of Financial Position</b>   | <b>3 - 4</b>    |
| <b>Condensed Consolidated Statement of Changes in Equity</b>    | <b>5 - 6</b>    |
| <b>Condensed Consolidated Statement of Cash Flows</b>           | <b>7</b>        |
| <b>Notes to the Interim Financial Report</b>                    | <b>8 - 18</b>   |

**YTL E-SOLUTIONS BERHAD (Company No. 236137-K)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

Interim financial report on consolidated results for the period ended 30 September 2010.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

|                                  | INDIVIDUAL QUARTER                              |  | CUMULATIVE QUARTER   |                      |
|----------------------------------|---|--|----------------------|----------------------|
|                                  | Current Year<br>Quarter<br>30.09.2010<br>RM'000 | Preceding Year<br>Corresponding<br>Quarter<br>30.09.2009<br>RM'000 | 3 Months Ended       |                      |
|                                  |   |  | 30.09.2010<br>RM'000 | 30.09.2009<br>RM'000 |
| <b>REVENUE</b>                   | 9,193   | 12,490   | 9,193                | 12,490               |
| <b>COST OF SALES</b>             | (3,490)   | (4,299)  | (3,490)              | (4,299)              |
| <b>GROSS PROFIT</b>              | 5,703   | 8,191  | 5,703                | 8,191                |
| <b>OTHER OPERATING INCOME</b>    | 1,254   | 777  | 1,254                | 777                  |
| <b>OTHER OPERATING EXPENSES</b>  | (2,669)   | (2,811)  | (2,669)              | (2,811)              |
| <b>PROFIT FROM OPERATIONS</b>    | 4,288   | 6,157  | 4,288                | 6,157                |
| <b>FINANCE COSTS</b>             | (2)   | (4)  | (2)                  | (4)                  |
| <b>PROFIT BEFORE TAXATION</b>    | 4,286   | 6,153  | 4,286                | 6,153                |
| <b>TAXATION</b>                  | (1,253)   | (904)  | (1,253)              | (904)                |
| <b>PROFIT FOR THE PERIOD</b>     | 3,033   | 5,249  | 3,033                | 5,249                |
| <b>PROFIT ATTRIBUTABLE TO:</b>   |   |  |                      |                      |
| Owners of the Parent             | 2,191   | 3,661  | 2,191                | 3,661                |
| Non-Controlling Interests        | 842   | 1,588  | 842                  | 1,588                |
|                                  | 3,033   | 5,249  | 3,033                | 5,249                |
| <b>EARNINGS PER 10 SEN SHARE</b> |   |  |                      |                      |
| Basic (sen)                      | 0.16  | 0.27   | 0.16                 | 0.27                 |

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.

**YTL E-SOLUTIONS BERHAD (Company No. 236137-K)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|  | INDIVIDUAL QUARTER                                 |  | CUMULATIVE QUARTER   |                      |
|--|--|--|----------------------|----------------------|
|  | Current<br>Year<br>Quarter<br>30.09.2010<br>RM'000 | Preceding Year<br>Corresponding<br>Quarter<br>30.09.2009<br>RM'000 | 3 Months Ended       |                      |
|  |  |  | 30.09.2010<br>RM'000 | 30.09.2009<br>RM'000 |
| <b>PROFIT FOR THE PERIOD</b>                           | 3,033  | 5,249  | 3,033                | 5,249                |
| <b>OTHER COMPREHENSIVE<br/>LOSS:</b>                   |  |  |                      |                      |
| Currency translation differences                       | (44)   | (760)  | (44)                 | (760)                |
| <b>TOTAL COMPREHENSIVE<br/>INCOME FOR THE PERIOD</b>   | 2,989  | 4,489  | 2,989                | 4,489                |
| <b>TOTAL COMPREHENSIVE<br/>INCOME ATTRIBUTABLE TO:</b> |  |  |                      |                      |
| Owners of the Parent                                   | 2,147  | 2,903  | 2,147                | 2,903                |
| Non-Controlling Interests                              | 842  | 1,586  | 842                  | 1,586                |
|  | 2,989  | 4,489  | 2,989                | 4,489                |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.

**YTL E-SOLUTIONS BERHAD (Company No. 236137-K)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|  | <b>Unaudited<br/>As at<br/>30.09.2010<br/>RM'000</b> | <b>Audited<br/>As at<br/>30.06.2010<br/>RM'000</b> |
|--|--|--|
| <b>ASSETS</b>  |  |  |
| <b>Non-current Assets</b>                                |  |  |
| Property, plant & equipment                              | 4,139  | 4,519  |
| Goodwill on consolidation                                | 2,821  | 2,821  |
| Other intangible asset                                   | 568  | 617  |
| Deferred tax assets                                      | 300  | 1,134  |
|  | -----  | -----  |
|  | 7,828  | 9,091  |
|  | -----  | -----  |
| <b>Current Assets</b>                                    |  |  |
| Inventories  | 62   | 73   |
| Trade receivables  | 3,169  | 3,850  |
| Other receivables, deposits & prepayments                | 1,844  | 928  |
| Income tax assets  | 976  | 378  |
| Amount due from related companies                        | 16,670   | 17,605   |
| Fixed deposits   | 172,760  | 173,699  |
| Cash & bank balances                                     | 1,205  | 858  |
|  | -----  | -----  |
|  | 196,686  | 197,391  |
|  | -----  | -----  |
| <b>TOTAL ASSETS</b>                                      | <b>204,514</b>                                       | <b>206,482</b>                                     |
|  | =====  | =====  |
| <b>EQUITY</b>  |  |  |
| Share capital  | 135,000  | 135,000  |
| Share premium  | 1,475  | 1,475  |
| Other reserves   | (5,467)  | (5,423)  |
| Retained earnings  | 44,203   | 42,012   |
| Treasury shares, at cost                                 | (2,141)  | (2,141)  |
|  | -----  | -----  |
| <b>Total Equity Attributable to Owners of the Parent</b> | <b>173,070</b>                                       | <b>170,923</b>                                     |
| <b>Non-Controlling Interests</b>                         | <b>22,355</b>  | <b>21,513</b>                                      |
|  | -----  | -----  |
| <b>TOTAL EQUITY</b>                                      | <b>195,425</b>                                       | <b>192,436</b>                                     |
|  | -----  | -----  |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.

**YTL E-SOLUTIONS BERHAD (Company No. 236137-K)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued**

|  | <b>Unaudited<br/>As at<br/>30.09.2010<br/>RM'000</b> | <b>Audited<br/>As at<br/>30.06.2010<br/>RM'000</b> |
|--|--|--|
| <b>LIABILITIES</b>                               |  |  |
| <b>Non-current Liabilities</b>                   |  |  |
| Finance lease liabilities                        | -  | 21   |
|  | -----  | -----  |
|  | -  | 21   |
|  | -----  | -----  |
| <b>Current Liabilities</b>                       |  |  |
| Trade payables                                   | 1,573  | 2,053  |
| Other payables & accruals                        | 7,124  | 10,661   |
| Amount due to related companies                  | 13   | 28   |
| Finance lease liabilities                        | 96   | 100  |
| Post-employment defined contribution obligations | 87   | 150  |
| Income tax liabilities                           | 196  | 1,033  |
|  | -----  | -----  |
|  | 9,089  | 14,025   |
|  | -----  | -----  |
| <b>TOTAL LIABILITIES</b>                         | <b>9,089</b>   | <b>14,046</b>                                      |
|  | -----  | -----  |
| <b>TOTAL EQUITY AND LIABILITIES</b>              | <b>204,514</b>                                       | <b>206,482</b>                                     |
|  | =====  | =====  |
| <br>   |  |  |
| Net assets per 10 sen share (RM)                 | 0.13   | 0.13   |
|  | =====  | =====  |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.

**YTL E-SOLUTIONS BERHAD (Company No. 236137-K)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2010**

|   | ←——— Attributable to Owners of the Parent ———→ |                            |                               |                                   |                                |                              | Total<br>RM'000 | Non-Controlling<br>Interests<br>RM'000 | Total<br>Equity<br>RM'000 |
|---|--|----------------------------|-------------------------------|-----------------------------------|--------------------------------|------------------------------|-----------------|--|---------------------------|
|   | Share<br>Capital<br>RM'000                     | Share<br>Premium<br>RM'000 | Capital<br>Reserves<br>RM'000 | Translation<br>Reserves<br>RM'000 | Retained<br>Earnings<br>RM'000 | Treasury<br>Shares<br>RM'000 |                 |  |                           |
| Balance at 1 July 2010                    | 135,000  | 1,475                      | 234                           | (5,657)                           | 42,012                         | (2,141)                      | 170,923         | 21,513                                 | 192,436                   |
| Profit for the period                     | -  | -                          | -                             | -                                 | 2,191                          | -                            | 2,191           | 842                                    | 3,033                     |
| Currency translation differences          | -  | -                          | -                             | (44)                              | -                              | -                            | (44)            | -                                      | (44)                      |
| Total comprehensive income for the period | -  | -                          | -                             | (44)                              | 2,191                          | -                            | 2,147           | 842                                    | 2,989                     |
| Balance at 30 September 2010              | 135,000  | 1,475                      | 234                           | (5,701)                           | 44,203                         | (2,141)                      | 173,070         | 22,355                                 | 195,425                   |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.

**YTL E-SOLUTIONS BERHAD (Company No. 236137-K)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2009**

|  | ← Attributable to Owners of the Parent → |                            |                               |                                   |                                | Treasury<br>Shares<br>RM'000 | Total<br>RM'000 | Non-Controlling<br>Interests<br>RM'000 | Total<br>Equity<br>RM'000 |
|--|--|----------------------------|-------------------------------|-----------------------------------|--------------------------------|------------------------------|-----------------|--|---------------------------|
|  | Share<br>Capital<br>RM'000               | Share<br>Premium<br>RM'000 | Capital<br>Reserves<br>RM'000 | Translation<br>Reserves<br>RM'000 | Retained<br>Earnings<br>RM'000 |                              |                 |  |                           |
| Balance at 1 July 2009                       | 135,000                                  | 1,475                      | 234                           | (3,238)                           | 33,181                         | (2,140)                      | 164,512         | 20,267                                 | 184,779                   |
| Profit for the period                        | -  | -                          | -                             | -                                 | 3,661                          | -                            | 3,661           | 1,588                                  | 5,249                     |
| Currency translation differences             | -  | -                          | -                             | (758)                             | -                              | -                            | (758)           | (2)                                    | (760)                     |
| Total comprehensive income for<br>the period | -  | -                          | -                             | (758)                             | 3,661                          | -                            | 2,903           | 1,586                                  | 4,489                     |
| Treasury shares                              | -  | -                          | -                             | -                                 | -                              | (1)                          | (1)             | -                                      | (1)                       |
| Balance at 30 September 2009                 | 135,000                                  | 1,475                      | 234                           | (3,996)                           | 36,842                         | (2,141)                      | 167,414         | 21,853                                 | 189,267                   |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.

**YTL E-SOLUTIONS BERHAD (Company No. 236137-K)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2010**

|  | <b>3 MONTHS ENDED</b> |                   |
|--|-----------------------|-------------------|
|  | <b>30.09.2010</b>     | <b>30.09.2009</b> |
|  | <b>RM'000</b>         | <b>RM'000</b>     |
| Net cash (used in)/from operating activities       | (530)                 | 19,268            |
|  | -----                 | -----             |
| Net cash from/(used in) investing activities       | 17                    | (142)             |
|  | -----                 | -----             |
| Net cash used in financing activities              | (26)                  | (24)              |
|  | -----                 | -----             |
| Net changes in cash and cash equivalents           | (539)                 | 19,102            |
| Effects of exchange rate changes                   | (53)                  | (897)             |
| Cash and cash equivalents brought forward          | 174,557               | 152,428           |
|  | -----                 | -----             |
| Cash and cash equivalents carried forward          | 173,965               | 170,633           |
|  | =====                 | =====             |
| Cash and cash equivalents comprise:                |                       |                   |
| Fixed deposits*                                    | 172,760               | 170,029           |
| Cash & bank balances                               | 1,205                 | 643               |
| Bank overdraft                                     | -                     | (39)              |
|  | -----                 | -----             |
|  | 173,965               | 170,633           |
|  | =====                 | =====             |
| *Fixed deposits pledged as security for borrowings | -                     | 451               |
|  | =====                 | =====             |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2010 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 consolidated interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the year ended 30 June 2010.

#### **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 Rule 9.22 of the ACE Market Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”).

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 new and revised FRSs, amendments to FRSs and Interpretation Committee (“IC”) Interpretations which were effective for financial period beginning 1 July 2010.

The adoption of the new and revised FRSs, amendments to FRSs and IC Interpretations do not have significant financial impact on the Group other than the effects of the following FRSs:

##### FRS 101(revised) Presentation of Financial Statements

The revised FRS 101 requires all non-owner changes in equity to be presented either in a single statement of comprehensive income, or in two statements which comprise a separate income statement and statement of comprehensive income. The Group has elected to present the statement of comprehensive income in two statements if there is any comprehensive income being recognised in the period.

There is no impact on the financial position of the Group since these changes affect only the presentation of items of income and expenses. The Group has adopted the standard retrospectively.

##### FRS 7 Financial Instruments: Disclosures

FRS 7 requires extensive disclosure of qualitative and quantitative information about exposure to risks from financial instruments. Such information will be disclosed in the audited annual financial statements of the Group.

## **INTERIM FINANCIAL REPORT**

### **Notes:- continued**

#### **A1. Accounting Policies and Methods of Computation - continued**

##### FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments.

Financial instruments are recorded initially at fair value. Subsequent measurement of those instruments at the end of the reporting period reflects the designation of the financial instrument. The Group determines the classification at initial recognition and re-evaluates this designation at each year end except for those financial instruments measured at fair value through profit or loss.

##### **Financial assets**

Prior to 1 July 2010, loans and receivables were stated at gross proceeds receivables less allowance for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated income statement when the loans and receivables are derecognised, impaired or through the amortisation process.

##### **Financial liabilities**

Prior to 1 July 2010, borrowings were stated at the proceeds received less directly attributable transaction costs. Under FRS 139, borrowings are initially measured at fair value plus directly attributable transaction costs and subsequently at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated income statement when the liabilities are derecognised or through the amortisation process.

FRS 139 has been accounted for prospectively and comparative figures are not restated. However, the adoption of FRS 139 does not have an impact on the Group's opening balances.

#### **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 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 significant change to estimate of amount reported in prior interim periods or prior financial years.

**YTL E-SOLUTIONS BERHAD (Company No. 236137-K)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**Notes:- continued**

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

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter or financial year-to-date.

**A6. Dividend paid**

No dividend was paid during the current financial quarter under review.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**YTL E-SOLUTIONS BERHAD (Company No. 236137-K)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

Notes:- continued

**A7. Segment Information**

The Group's segmental results for the period ended 30 September 2010 are as follows:-

|                        | <b>Information<br/>technology<br/>and e-commerce<br/>RM'000</b> | <b>Communications<br/>technology<br/>RM'000</b> | <b>Content<br/>and<br/>digital media<br/>RM'000</b> | <b>Adjustments/<br/>eliminations<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|------------------------|---|---|---|---|-------------------------|
| External revenue       | 1,404   | 6,884   | 905   | -   | 9,193                   |
| Inter-segment revenue  | 13  | 25  | -   | (38)  | -                       |
|                        | -----   | -----   | -----   | -----   | -----                   |
| <b>Total revenue</b>   | 1,417   | 6,909   | 905   | (38)  | 9,193                   |
|                        | =====   | =====   | =====   | =====   | =====                   |
| Profit before taxation | 570   | 3,658   | 58  | -   | 4,286                   |
|                        | =====   | =====   | =====   | =====   | =====                   |

**YTL E-SOLUTIONS BERHAD (Company No. 236137-K)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

Notes:- continued

**A7. Segment Information - continued**

The Group's segmental results for the period ended 30 September 2009 are as follows:-

|                        | <b>Information<br/>technology<br/>and e-commerce<br/>RM'000</b> | <b>Communications<br/>technology<br/>RM'000</b> | <b>Content<br/>and<br/>digital media<br/>RM'000</b> | <b>Adjustments/<br/>eliminations<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|------------------------|---|---|---|---|-------------------------|
| External revenue       | 1,899   | 9,645   | 946   | -   | 12,490                  |
| Inter-segment revenue  | 20  | 25  | -   | (45)  | -                       |
|                        | -----   | -----   | -----   | -----   | -----                   |
| <b>Total revenue</b>   | <b>1,919</b>  | <b>9,670</b>                                    | <b>946</b>  | <b>(45)</b>                                     | <b>12,490</b>           |
|                        | =====   | =====   | =====   | =====   | =====                   |
| Profit before taxation | 370   | 5,769   | 14  | -   | 6,153                   |
|                        | =====   | =====   | =====   | =====   | =====                   |

**INTERIM FINANCIAL REPORT**

**Notes:- continued**

**A8. Material Events Subsequent to the End of the Interim Period**

There was no item, transaction or event of a material or unusual in nature during period from the end of the quarter under review to the date of this report.

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

There were no changes in the composition of the Group for the period ended 30 September 2010 including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinuing of operations.

**A10. Changes in Contingent Liabilities or Contingent Assets**

There were no changes in the contingent liabilities or the contingent assets of the Group since the last financial year ended 30 June 2010.

As at 30 September 2010, the Company had given corporate guarantees amounting to RM20.0 million to a financial institution for facilities granted by the financial institution to its subsidiaries as follows:

|                | <b>Total Amount<br/>Guaranteed<br/>RM'000</b> | <b>Amount<br/>Utilised<br/>RM'000</b> |
|----------------|---|---------------------------------------|
| Bank guarantee | 20,000  | 9,250                                 |
|                | -----   | -----                                 |

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**INTERIM FINANCIAL REPORT**

**Notes:- continued**

**Disclosure requirements per Appendix 9B, Part K of Chapter 9 of the Ace Market Listing Requirements of Bursa Securities**

**B1. Review of Performance**

In the three months under review, Group revenue decreased by 26.4% to RM9.193 million compared to the corresponding quarter in the preceding year. The decrease was largely due lower fee income recorded in the current quarter under review. In tandem with this, Group profit before taxation decreased by 30.3% to RM4.286 million.

**B2. Comparison with Preceding Quarter**

|                        | <b>Current<br/>Quarter<br/>30.09.2010<br/>RM'000</b> | <b>Preceding<br/>Quarter<br/>30.06.2010<br/>RM'000</b> |
|------------------------|--|--|
| Revenue                | 9,193  | 11,297   |
| Profit before taxation | 4,286  | 5,219  |

Group revenue decreased by 18.6% to RM9.193 million compared to the preceding quarter. The decline was mainly due to non-recurring project income and softer demand for information, communication and technology ("ICT") products in current quarter. As a result, Group profit before taxation decreased by 17.9% to RM4.826 million compared to the preceding quarter.

**B3. Prospects**

The Group, after considering the Group's current level of operations and current market conditions, is expected to achieve a satisfactory performance in the financial year ending 30 June 2011.

**B4. Profit Forecast**

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

**INTERIM FINANCIAL REPORT**

**Notes:- continued**

**B5. Taxation**

Taxation comprises the following:-

|   | <b>Current<br/>Year<br/>Quarter<br/>30.09.2010<br/>RM'000</b> | <b>Financial<br/>Year-<br/>To-Date<br/>30.09.2010<br/>RM'000</b> |
|---|---|--|
| Taxation based on profit for the period | 420   | 420  |
| Deferred taxation                       | 833   | 833  |
|   | -----   | -----  |
|   | 1,253   | 1,253  |
|   | =====   | =====  |

The provision for taxation for the current financial quarter and financial year-to-date reflects an effective rate higher than the statutory income tax rate mainly due to certain expenses that are not deductible for tax purposes and losses incurred by certain subsidiaries.

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

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

**B7. Quoted Securities**

There was no purchase or disposal of quoted securities during the current financial quarter and the financial year-to-date.

The Group did not have any quoted securities other than the quoted securities held in an existing subsidiary at the end of the current financial quarter.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**INTERIM FINANCIAL REPORT**

**Notes:- continued**

**B8. Status of Corporate Proposals**

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

- (i) On 15 October 2010, the Company announced its proposal to establish and implement an employees share option scheme (“Proposed ESOS”) for eligible employees and directors of the Company and/or its subsidiaries.

Bursa Securities has in its letter dated 25 October 2010 (which was received on 26 October 2010) approved the listing of and quotation for such number of additional new ordinary shares of RM0.10 each, representing up to 30% of the issued and paid-up ordinary share capital of YTL, to be issued upon the exercise of the options under the Proposed ESOS.

The Proposed ESOS is subject to the approval of the Company’s shareholders at an Extraordinary General Meeting to be held on 30 November 2010.

- (ii) On 10 November 2010, the Company entered into a conditional sale and purchase agreement with YTL Communications Sdn Bhd (“YTL Comms”) for the disposal of its entire 90% equity interest in Extiva Communications Sdn Bhd to YTL Comms. (“Proposed Disposal”).

The Proposed Disposal is subject to the approval of the Company’s shareholders at an Extraordinary General Meeting to be held on 30 November 2010.

[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 as at 30 September 2010 are as follows:-

|         | <b>Short term<br/>RM'000</b> |
|---------|------------------------------|
| Secured | 96<br>-----                  |

During the current financial quarter, there was no issuance, cancellation, repurchase, resale and repayment of debt securities. None of the Group's borrowings are denominated in foreign currency.

**B10. Derivative Financial Instruments**

No derivative financial instruments were utilised for the current financial quarter.

**B11. Material Litigation**

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

**B12. Dividend**

No dividend has been declared for the current financial quarter.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

**YTL E-SOLUTIONS BERHAD (Company No. 236137-K)**  
(Incorporated in Malaysia)

**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 profit attributable to owners of the parent for the financial quarter by the weighted average number of ordinary shares in issue during the financial quarter as set out below:

|   | <b>Current<br/>Year<br/>Quarter<br/>30.09.2010</b> | <b>Preceding<br/>Year<br/>Corresponding<br/>Quarter<br/>30.09.2009</b> |
|---|--|--|
| Profit attributable to Owners of the Parent (RM'000)          | 2,191  | 3,661  |
| Weighted average number of ordinary shares<br>in issue ('000) | 1,345,328  | 1,345,328  |
| Basic earnings per share (sen)                                | 0.16   | 0.27   |

**ii) Diluted earnings per share**

The Group does not have any convertible securities and accordingly, the disclosure of diluted earnings per share is not applicable.

**B14. Audit Report of the Preceding Financial Year Ended 30 June 2010**

The Auditors' Report on the financial statements of the financial year ended 30 June 2010 did not contain any qualification.

By Order of the Board  
HO SAY KENG  
Secretary

Kuala Lumpur  
Dated: 25 November 2010