

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

**INTERIM FINANCIAL REPORT**

Interim financial report on consolidated results for the quarter ended 31 March 2009.

The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.03.2009 RM'000	Preceding Year Corresponding Quarter 31.03.2008 RM'000	Nine Months Ended 31.03.2009 31.03.2008 RM'000 RM'000	
<b>REVENUE</b>	8,442	9,487	25,960	23,726
<b>COST OF SALES</b>	(3,508)	(4,384)	(11,942)	(12,074)
<b>GROSS PROFIT</b>	4,934	5,103	14,018	11,652
<b>OTHER OPERATING INCOME</b>	1,000	1,590	4,021	4,914
<b>OTHER OPERATING EXPENSES</b>	(4,400)	(4,635)	(12,318)	(10,867)
<b>PROFIT FROM OPERATIONS</b>	1,534	2,058	5,721	5,699
<b>FINANCE COST</b>	(6)	(17)	(21)	(61)
<b>PROFIT BEFORE TAXATION</b>	1,528	2,041	5,700	5,638
<b>TAXATION</b>	(780)	(1,280)	(2,600)	(2,570)
<b>PROFIT FOR THE PERIOD</b>	748	761	3,100	3,068
<b>ATTRIBUTABLE TO:</b>				
Equity holders of the Company	1,139	1,221	3,524	3,821
Minority interests	(391)	(460)	(424)	(753)
<b>PROFIT FOR THE PERIOD</b>	748	761	3,100	3,068
<b>EARNINGS PER 10 SEN SHARE</b>				
Basic (Sen)	0.08	0.09	0.26	0.28

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2008 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 BALANCE SHEETS**

	<b>Unaudited As at 31.03.2009 RM'000</b>	<b>Audited As at 30.06.2008 RM'000</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	19,275	11,425
Goodwill on consolidation	2,821	2,821
Other intangible assets	1,650	789
Fixed deposits	447	437
	-----	-----
	24,193	15,472
	-----	-----
<b>Current Assets</b>		
Inventories	403	414
Trade receivables	3,748	3,966
Other receivables, deposits & prepayments	2,814	2,684
Income tax assets	18	4
Amount due from ultimate holding company	3	-
Amount due from holding company	2,862	337
Amount due from related companies	3,388	3,416
Fixed deposits	154,851	166,604
Cash & bank balances	903	3,715
	-----	-----
	168,990	181,140
	-----	-----
<b>TOTAL ASSETS</b>	<b>193,183</b>	<b>196,612</b>
	=====	=====
<b>EQUITY</b>		
Share capital	135,000	135,000
Share premium	1,475	1,475
Other reserves	(4,826)	(954)
Unappropriated profits	32,554	31,761
Treasury shares, at cost	(2,140)	(1,732)
	-----	-----
<b>Total Equity Attributable to Shareholders of the Company</b>	<b>162,063</b>	<b>165,550</b>
<b>Minority interests</b>	<b>20,898</b>	<b>20,627</b>
	-----	-----
<b>TOTAL EQUITY</b>	<b>182,961</b>	<b>186,177</b>
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**YTL E-SOLUTIONS BERHAD (Company No. 236137-K)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED BALANCE SHEETS - continued**

	<b>Unaudited As at 31.03.2009 RM'000</b>	<b>Audited As at 30.06.2008 RM'000</b>
<b>LIABILITIES</b>		
<b>Non-current Liabilities</b>		
Hire purchase payables	146	42
Deferred taxation	300	300
	-----	-----
	446	342
	-----	-----
<b>Current Liabilities</b>		
Trade payables	2,287	1,713
Other payables & accruals	5,661	6,469
Post-employment defined contribution obligations	155	198
Amount due to related companies	353	87
Hire purchase payables	107	239
Bank overdraft	66	170
Income tax liabilities	1,147	1,217
	-----	-----
	9,776	10,093
	-----	-----
<b>TOTAL LIABILITIES</b>	<b>10,222</b>	<b>10,435</b>
	-----	-----
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>193,183</b>	<b>196,612</b>
	=====	=====
 Net assets per 10 sen share attributable to equity holders of the Company (RM)	 0.12	 0.12
	=====	=====

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2008 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 FINANCIAL PERIOD ENDED 31 MARCH 2009**

	← Attributable to Shareholders of the Company →					Total RM'000	Minority Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Unappropriated Profits RM'000	Treasury Shares RM'000			
Balance as at 1 July, 2008	135,000	1,475	(954)	31,761	(1,732)	165,550	20,627	186,177
Currency translation differences	-	-	(3,872)	-	-	(3,872)	(9)	(3,881)
Expense recognised directly in equity	-	-	(3,872)	-	-	(3,872)	(9)	(3,881)
Profit for the financial period	-	-	-	3,524	-	3,524	(424)	3,100
Total recognised (expense)/ income for the financial period	-	-	(3,872)	3,524	-	(348)	(433)	(781)
Treasury shares	-	-	-	-	(408)	(408)	-	(408)
Effect of issue of shares by a subsidiary to minority interests	-	-	-	294	-	294	706	1,000
Balance carried forward	135,000	1,475	(4,826)	35,579	(2,140)	165,088	20,900	185,988

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

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2009 - continued**

	← Attributable to Shareholders of the Company →					Total RM'000	Minority Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Unappropriated Profits RM'000	Treasury Shares RM'000			
Balance brought forward	135,000	1,475	(4,826)	35,579	(2,140)	165,088	20,900	185,988
Increase/ (decrease) arising from change in composition of the Group	-	-	-	2	-	2	(2)	-
Dividend paid	-	-	-	(3,027)	-	(3,027)	-	(3,027)
Balance as at 31 March, 2009	<u>135,000</u>	<u>1,475</u>	<u>(4,826)</u>	<u>32,554</u>	<u>(2,140)</u>	<u>162,063</u>	<u>20,898</u>	<u>182,961</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2008 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 FINANCIAL PERIOD ENDED 31 MARCH 2008**

	← Attributable to Shareholders of the Company →					Total RM'000	Minority Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Unappropriated Profits RM'000	Treasury Shares RM'000			
Balance as at 1 July, 2007	135,000	1,475	263	30,592	-	167,330	18,678	186,008
Currency translation differences	-	-	(1,676)	-	-	(1,676)	(3)	(1,679)
Expense recognised directly in equity	-	-	(1,676)	-	-	(1,676)	(3)	(1,679)
Profit for the financial period	-	-	-	3,821	-	3,821	(753)	3,068
Total recognised (expense)/ income for the financial period	-	-	(1,676)	3,821	-	2,145	(756)	1,389
Increase arising from subsidiaries acquired	-	-	-	-	-	-	2,868	2,868
Reduction arising from additional shares acquired in subsidiary	-	-	-	-	-	-	(36)	(36)
Treasury shares, at cost	-	-	-	-	(95)	(95)	-	(95)
Balance carried forward	135,000	1,475	(1,413)	34,413	(95)	169,380	20,754	190,134

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

**INTERIM FINANCIAL REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2008 - continued**

	← Attributable to Shareholders of the Company →						Minority Interests RM'000	Total Equity RM'000
	← Non-distributable →			← Distributable →				
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Unappropriated Profits RM'000	Treasury Shares RM'000	Total RM'000		
Balance brought forward	135,000	1,475	(1,413)	34,413	(95)	169,380	20,754	190,134
Dividend paid	-	-	-	(2,956)	-	(2,956)	-	(2,956)
Balance as at 31 March, 2008	135,000	1,475	(1,413)	31,457	(95)	166,424	20,754	187,178

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2008 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 CASH FLOW STATEMENT  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2009**

	<b>NINE MONTHS ENDED</b>	
	<b>31.03.2009</b>	<b>31.03.2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash from operating activities	2,742	384
	-----	-----
Net cash used in investing activities	(9,471)	(3,270)
	-----	-----
Net cash used in financing activities	(3,694)	(3,253)
	-----	-----
Net changes in cash and cash equivalents	(10,423)	(6,139)
Effects of exchange rate changes	(4,028)	(1,711)
Cash and cash equivalents brought forward	170,586	178,133
	-----	-----
	<u>156,135</u>	<u>170,283</u>
	=====	=====
Cash and cash equivalents comprise:		
Fixed deposits*	155,298	169,928
Cash & bank balances	903	687
Bank overdrafts	(66)	(332)
(Included within short term borrowings in [Note B9])		
	-----	-----
	<u>156,135</u>	<u>170,283</u>
	=====	=====
*Fixed deposits pledged as security for borrowings	447	429
	=====	=====

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the financial year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements.



## **INTERIM FINANCIAL REPORT**

### **Notes:-**

#### **Disclosure requirements pursuant to FRS134**

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

The interim financial report is unaudited and has been prepared in accordance with FRS134 “Interim Financial Reporting” and Chapter 9, Part K Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the MESDAQ Market.

The Condensed Financial Statements should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 30 June 2008.

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 30 June 2008.

There have been no changes to the accounting policies of the Group as a result of the adoption of the above FRSs.

##### **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**

There were no items 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 change to estimates of amounts reported in prior interim periods and prior financial years.

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

The Company repurchased a total of 100 and 942,600 ordinary shares of its issued share capital from the open market at an average cost of RM0.72 and RM0.43 per share during the current financial quarter and financial year-to-date respectively. The total consideration paid for the shares repurchased during the current financial quarter and financial year-to-date, including transaction costs, was RM72 and RM407,775 respectively. The repurchase transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965.

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

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

**INTERIM FINANCIAL REPORT**

**Notes:- continued**

**A6. Dividend paid**

A first and final dividend of 3% less Malaysia Income Tax of 25%, amounting to RM3,026,988 in respect of financial year ended 30 June 2008 was paid on 26 December 2008. No other dividend was paid during the current financial year to date.

**A7. Segment Reporting**

No segment information is prepared as the Group's activities are predominantly in one industry segment and occur predominantly in Malaysia.

**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 were no changes in the composition of the Group for the financial period ended 31 March 2009 including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinuing of operations except for the following:

On 24 December 2008, the Company disposed its 400,000 ordinary shares of RM1.00 each in Intellectual Learning Sdn Bhd ("ILSB"), representing the entire issued and paid-up share capital of ILSB, to Airzed Broadband Sdn Bhd ("AZB") (a 70%-owned subsidiary of Y-Max Solutions Holdings Sdn Bhd which in turn is a 70%-owned subsidiary of the Company) for a nominal cash consideration of RM2.00 (the "Shares Disposal"). As a result of the Shares Disposal, ILSB became a direct subsidiary of AZB and an indirect subsidiary of the Company.

On 26 December 2008, ILSB issued 1,000,000 shares of RM1.00 each to AZB at a subscription price of RM1.00 each.

On 31 December 2008, ILSB issued 350,000 shares of RM1.00 each to Airzed Networks Sdn Bhd for a total subscription price of RM1,000,000. As a result of this issue of shares to Airzed Networks Sdn Bhd, the Group's effective interest in ILSB was reduced from 49.0% to 39.2%. However, ILSB remains as a subsidiary of the Group.

ILSB changed its name to Airzed Services Sdn Bhd on 27 February 2009.

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

**INTERIM FINANCIAL REPORT**

**Notes - continued**

**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 annual balance sheet as at 30 June 2008.

As at 31 March 2009, 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 Guaranteed RM'000</b>	<b>Amount Utilised RM'000</b>
Bank guarantee	20,000 -----	8,976 -----

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## **INTERIM FINANCIAL REPORT**

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

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

##### Year-to-date review

For the nine months under review, Group revenue grew to RM25.960 million representing a 9.4% improvement over the RM23.726 million generated in the corresponding period ended 31 March 2008. The higher revenue is mainly attributable to the recognition of non-recurring project income by the Company in the first financial quarter and the consolidation of results from Airzed Broadband Sdn Bhd which became a subsidiary of the Group on 2 November 2007.

The improvement in revenue was however largely offset by a reduction in interest income earned on the Group's fixed deposits due to lower prevailing interest rates, and higher operating expenses incurred by the Group in its broadband businesses and WiMAX related initiatives. As a result, the Group's profit before taxation for the nine months ended 31 March 2009 recorded a marginal increase of 1.1% to RM5.700 million.

##### Quarter review

Group revenue for the current quarter under review decreased by 11.0% to RM8.442 million compared to RM9.487 million for the corresponding quarter in the previous year, mainly due to softening demand for the Group's ICT products and services. Group profit before taxation therefore reduced to RM1.528 million in tandem with the drop in revenue, coupled with lower interest income earned on the Group's fixed deposits due to lower prevailing interest rates, and higher operating expenses incurred from the Group's WiMAX initiatives.

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

	<b>Current Quarter 31.03.2009 RM'000</b>	<b>Preceding Quarter 31.12.2008 RM'000</b>
Revenue	8,442	8,061
Profit before taxation	1,528	825
	-----	-----

The Group's revenue and profit before taxation for the current financial quarter increased by 4.7% and 85.2% respectively compared to the preceding financial quarter ended 31 December 2008. The higher revenue and profit before taxation for the current quarter is largely attributable to higher sales recognised by YTL Info Screen Sdn Bhd, a subsidiary involved in narrowcasting and digital media.

**INTERIM FINANCIAL REPORT**

**Notes:- continued**

**B3. Prospects**

The global economy is experiencing very challenging conditions and is likely to continue to have a negative impact on the economic growth in Malaysia. The Group, however, is continuing to address these challenges to maintain a satisfactory performance for the financial year ending 30 June 2009.

**B4. Profit Forecast**

The Group has not issued any profit forecast in a public document.

**B5. Taxation**

Taxation comprises the following:-

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Year Quarter 31.03.2009 RM'000</b>	<b>Preceding Year Corresponding Quarter 31.03.2008 RM'000</b>	<b>Nine Months Ended</b>	
			<b>31.03.2009 RM'000</b>	<b>31.03.2008 RM'000</b>
Taxation based on the profit for the period	840	1,095	2,653	2,385
(Over)/under provision of taxation in prior year	(60)	185	(53)	185
	----- 780 =====	----- 1,280 =====	----- 2,600 =====	----- 2,570 =====

The Group's provision for taxation for the financial quarter ended 31 March 2009 reflected a higher effective tax rate compared to the statutory tax rate. This was largely due to certain expenses that are not deductible for tax purposes, losses incurred by certain subsidiaries that cannot be utilised for group relief, and higher tax rate in other jurisdiction.

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

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

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

**INTERIM FINANCIAL REPORT**

**Notes:- continued**

**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.

**B8. Status of Corporate Proposals**

There are no corporate proposals announced by the Company which are not completed as at the date of this report.

**B9. Group Borrowings and Debt Securities**

Particulars of the Group's borrowings as at 31 March 2009 are as follows:-

	<b>RM'000</b>
(i) Short term	
- Secured	173
- Unsecured	-
	-----
	173
	-----
(ii) Long term	
- Secured	146
- Unsecured	-
	-----
	146
	-----

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. Off Balance Sheet Financial Instruments**

No off balance sheet financial instruments were utilised as at the date of this report.

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

**INTERIM FINANCIAL REPORT**

**Notes:- continued**

**B11. Material Litigation**

There was no material litigation since 30 June 2008, being the last annual balance sheet date, until the date of this report.

**B12. Dividend**

The Board does not recommend any interim dividend for the current financial quarter.

**B13. Earnings Per Share**

**i) Basic earnings per share**

The basic earnings per share of the Group has been computed by dividing the profit for the financial quarter attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial quarter.

	<b>Current Quarter 31.03.2009</b>	<b>Preceding Year Corresponding Quarter 31.03.2008</b>
Profit attributable to equity holders (RM'000)	1,139	1,221
	-----	-----
Weighted average number of ordinary shares in issue ('000)	1,345,393	1,349,931
	=====	=====
Basic earnings per share (sen)	0.08	0.09
	-----	-----

**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.

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

**INTERIM FINANCIAL REPORT**

**Notes:- continued**

**B14. Audit Report of the Last Financial Year Ended 30 June 2008**

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

By Order of the Board  
HO SAY KENG  
Secretary

Kuala Lumpur  
Dated: 21 May 2009