

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

Interim Financial Report
30 September 2011

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

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the financial period ended 30 September 2011.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2011 RM'000	Preceding Year Corresponding Quarter 30.09.2010 RM'000	3 Months Ended	
			30.09.2011 RM'000	30.09.2010 RM'000
REVENUE	20,814	9,193	20,814	9,193
COST OF SALES	(830)	(3,490)	(830)	(3,490)
GROSS PROFIT	19,984	5,703	19,984	5,703
OTHER OPERATING INCOME	1,345	1,254	1,345	1,254
ADMINISTRATION EXPENSES	(1,669)	(2,669)	(1,669)	(2,669)
FINANCE COSTS	-	(2)	-	(2)
PROFIT BEFORE TAX	19,660	4,286	19,660	4,286
INCOME TAX EXPENSE	(4,998)	(1,253)	(4,998)	(1,253)
PROFIT FOR THE PERIOD	14,662	3,033	14,662	3,033
PROFIT ATTRIBUTABLE TO:				
Owners of the parent	9,031	2,191	9,031	2,191
Non-controlling interests	5,631	842	5,631	842
	14,662	3,033	14,662	3,033
EARNINGS PER 10 SEN SHARE				
Basic (sen)	0.67	0.16	0.67	0.16

The Condensed Consolidated Income Statement should be read in conjunction with the audited annual financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2011 RM'000	Preceding Year Corresponding Quarter 30.09.2010 RM'000	3 Months Ended	
			30.09.2011 RM'000	30.09.2010 RM'000
PROFIT FOR THE PERIOD	14,662	3,033	14,662	3,033
OTHER COMPREHENSIVE INCOME/(LOSS):				
Currency translation differences	307	(44)	307	(44)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	14,969	2,989	14,969	2,989
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the parent	9,337	2,147	9,337	2,147
Non-controlling interests	5,632	842	5,632	842
	14,969	2,989	14,969	2,989

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited annual financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 30.09.2011 RM'000	Audited As at 30.06.2011 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	1,495	1,530
Goodwill on consolidation	2,490	2,490
Other intangible assets	117	116
Deferred tax assets	126	126
	-----	-----
	4,228	4,262
	-----	-----
Current assets		
Trade & other receivables	1,856	1,442
Income tax assets	472	553
Amount due from related parties	13,406	13,798
Cash & bank balances	195,392	185,899
	-----	-----
	211,126	201,692
	-----	-----
TOTAL ASSETS	215,354	205,954
	=====	=====
EQUITY AND LIABILITIES		
Share capital	135,000	135,000
Share premium	1,475	1,475
Other reserves	(5,447)	(5,753)
Retained earnings	61,843	52,812
Treasury shares, at cost	(2,141)	(2,141)
	-----	-----
Total equity attributable to owners of the parent	190,730	181,393
Non-controlling interests	17,740	17,508
	-----	-----
TOTAL EQUITY	208,470	198,901
	-----	-----

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited annual financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued

	Unaudited	Audited
	As at	As at
	30.09.2011	30.06.2011
	RM'000	RM'000
Non-current liabilities		
Deferred tax liabilities	44	44
	-----	-----
	44	44
	-----	-----
Current liabilities		
Trade payables & other payables	4,009	4,510
Amount due to related parties	6	4
Borrowing	-	21
Income tax liabilities	2,825	2,474
	-----	-----
	6,840	7,009
	-----	-----
TOTAL LIABILITIES	6,884	7,053
	-----	-----
TOTAL EQUITY AND LIABILITIES	215,354	205,954
	=====	=====
Net assets per 10 sen share (RM)	0.14	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 2011 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011**

	← Attributable to owners of the parent →						Total RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Currency translation reserve RM'000	Retained earnings RM'000	Treasury shares RM'000			
At 1 July 2011	135,000	1,475	10	(5,763)	52,812	(2,141)	181,393	17,508	198,901
Profit for the financial period	-	-	-	-	9,031	-	9,031	5,631	14,662
Currency translation differences	-	-	-	306	-	-	306	1	307
Total comprehensive income for the financial period	-	-	-	306	9,031	-	9,337	5,632	14,969
Treasury shares acquired	-	-	-	-	-	(*)	(*)	-	(*)
Dividend paid to non-controlling interest by subsidiary	-	-	-	-	-	-	-	(5,400)	(5,400)
At 30 September 2011	135,000	1,475	10	(5,457)	61,843	(2,141)	190,730	17,740	208,470

* Less than RM1,000

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 2011 and the accompanying explanatory notes attached to the interim financial statements.

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

	← Attributable to owners of the parent →						Total RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Currency translation reserve RM'000	Retained earnings RM'000	Treasury shares RM'000			
At 1 July 2010	135,000	1,475	234	(5,657)	42,012	(2,141)	170,923	21,513	192,436
Profit for the financial period	-	-	-	-	2,191	-	2,191	842	3,033
Currency translation differences	-	-	-	(44)	-	-	(44)	-	(44)
Total comprehensive income for the financial period	-	-	-	(44)	2,191	-	2,147	842	2,989
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 2011 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011**

	FOR THE 3 MONTHS ENDED	
	30.09.2011	30.09.2010
	RM'000	RM'000
Net cash from/(used in) operating activities	14,679	(530)
	-----	-----
Net cash (used in)/from investing activities	(72)	17
	-----	-----
Net cash used in financing activities	(5,421)	(26)
	-----	-----
Net increase/(decrease) in cash & cash equivalents	9,186	(539)
Effects of exchange rate changes	307	(53)
Cash & cash equivalents at beginning of the financial period	185,899	174,557
	-----	-----
Cash & cash equivalents at end of the financial period	195,392	173,965
	=====	=====
Cash & cash equivalents comprise:		
Deposits with licensed banks	195,009	172,760
Cash on hand and at banks	383	1,205
	-----	-----
	195,392	173,965
	=====	=====

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited annual financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT

Notes:-

Disclosure requirements pursuant to FRS 134 – paragraph 16A

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 2011.

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 paragraph 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.

The adoption of amendments to FRSs and Interpretation Committee Interpretations which were effective for financial period beginning on or after 1 July 2011 do not have significant financial impact on the Group.

A2. Seasonality or Cyclicity of Operations

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

A3. Exceptional or Unusual Items

During the current financial quarter, there was no item of 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.

INTERIM FINANCIAL REPORT

Notes:- continued

A5. Changes in Debt and Equity Securities

The Company repurchased a total 100 ordinary shares of its issued share capital from the open market at an average cost of RM0.79 per share during the current financial quarter. The total consideration paid for the shares repurchased during the current financial quarter, including transaction costs was RM120.03. 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.

A6. Dividend paid

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

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Notes:- continued

A7. Segment Information

The Group's segmental results for the financial period ended 30 September 2011 are as follows:-

	Information technology and e-commerce RM'000	Communications technology RM'000	Content and digital media RM'000	Adjustments/ eliminations RM'000	Total RM'000
External revenue	1,196	18,789	829	-	20,814
Inter-segment revenue	21	-	-	(21)	-
Total revenue	1,217	18,789	829	(21)	20,814
Segment profit before tax	734	18,943	(17)	-	19,660

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Notes:- continued

A7. Segment Information - continued

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

	Information technology and e-commerce RM'000	Communications technology RM'000	Content and digital media RM'000	Adjustments/ eliminations RM'000	Total RM'000
External revenue	1,404	6,884	905	-	9,193
Inter-segment revenue	13	25	-	(38)	-
Total revenue	1,417	6,909	905	(38)	9,193
Segment profit before tax	570	3,658	58	-	4,286

INTERIM FINANCIAL REPORT

Notes:- continued

A8. Events After the Interim Period

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

Wimax Capital Management Ltd (“Wimax”), an 80%-owned subsidiary of the Company, had on 18 October 2011 been struck-off from the register of the Companies House in the UK. Accordingly, Wimax has ceased to be a subsidiary of the Company.

A9. Changes in the Composition of the Group

There were no changes in the composition of the Group for the financial period ended 30 September 2011 including business combinations, obtaining or losing control 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 of the Group since the last financial year ended 30 June 2011.

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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

For the three months under review, the Group recorded revenue and profit before tax for the current financial quarter of RM20.814 million and RM19.660 million, respectively representing an increase of 126.4% and 358.7%, respectively as compared to the preceding year corresponding quarter. The increase was largely attributable to fee income derived from a spectrum sharing agreement in relation to the Group's 2.3GHz Worldwide Interoperability for Microwave Access spectrum.

B2. Comparison with Preceding Quarter

	Current Quarter 30.09.2011 RM'000	Preceding Quarter 30.06.2011 RM'000
Revenue	20,814	22,447
Profit before tax	19,660	16,234

For the current financial quarter, Group profit before tax increased by RM3.426 million to RM19.660 million, representing an increase of 21.1% as compared to RM16.234 million recorded in the preceding quarter ended 30 June 2011. The increase was mainly due to lower administration expenses incurred during the current financial quarter.

B3. Prospects

The Group, after considering the resilient spectrum sharing fee income, is expected to achieve a satisfactory performance in the financial year ending 30 June 2012.

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

Income tax expense comprises the following:-

	Current Year Quarter 30.09.2011 RM'000	Financial Year- To-Date 30.09.2011 RM'000
Income tax based on results for the financial period	4,998 =====	4,998 =====

The provision for taxation for the current financial quarter and financial year-to-date reflects an effective rate which approximates to the statutory income tax rate.

B6. Sale of Unquoted Investments and/or Properties

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

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

As at the date of this report, there are no corporate proposals announced and pending completion.

B9. Group Borrowings and Debt Securities

The Group did not have any group borrowings and debt securities at the end of the current financial quarter.

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Notes:- continued

B10. Derivative Financial Instruments, Fair Value Changes of Financial Liabilities and Retained Earnings

i) Derivative Financial Instruments

There are no outstanding derivatives as at 30 September 2011.

ii) Fair Value Changes of Financial Liabilities

As at 30 September 2011, the Group did not have any financial liabilities measured at fair value through profit or loss.

iii) Retained Earnings

	Unaudited As at 30.09.2011 RM'000	Audited As at 30.06.2011 RM'000
Retained earnings of the Company and its subsidiaries		
- Realised	49,238	39,974
- Unrealised	82	82
	-----	-----
	49,320	40,056
Add: consolidated adjustments	12,523	12,756
	-----	-----
Total Group retained earnings as per consolidated accounts	61,843	52,812
	=====	=====

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.

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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:

	Current Year Quarter 30.09.2011	Preceding Year Corresponding Quarter 30.09.2010
Profit attributable to owners of the parent (RM'000)	9,031	2,191
Weighted average number of ordinary shares in issue ('000)	1,345,328	1,345,328
Basic earnings per share (sen)	0.67	0.16

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 2011

The Auditors' Report on the financial statements of the financial year ended 30 June 2011 did not contain any qualification.

By Order of the Board
HO SAY KENG
Secretary

Kuala Lumpur
Dated: 17 November 2011