

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

Interim Financial Report
31 December 2010

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

Interim Financial Report
31 December 2010

| | Page No. |
|---|-----------------|
| Condensed Consolidated Income Statement | 1 |
| Condensed Consolidated Statement of Comprehensive Income | 2 |
| Condensed Consolidated Statement of Financial Position | 3 - 4 |
| Condensed Consolidated Statement of Changes in Equity | 5 - 6 |
| Condensed Consolidated Statement of Cash Flows | 7 |
| Notes to the Interim Financial Report | 8 - 19 |

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

INTERIM FINANCIAL REPORT

Interim financial report on consolidated results for the period ended 31 December 2010.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|----------------------------------|--|--|----------------------|----------------------|
| | Current Year Quarter 31.12.2010 RM'000 | Preceding Year Corresponding Quarter 31.12.2009 RM'000 | 6 Months Ended | |
| | | | 31.12.2010 RM'000 | 31.12.2009 RM'000 |
| REVENUE | 20,684 | 10,192 | 29,877 | 22,682 |
| COST OF SALES | (4,046) | (4,012) | (7,536) | (8,311) |
| GROSS PROFIT | 16,638 | 6,180 | 22,341 | 14,371 |
| OTHER OPERATING INCOME | 1,219 | 851 | 2,473 | 1,628 |
| OTHER OPERATING EXPENSES | (3,268) | (4,875) | (5,937) | (7,686) |
| PROFIT FROM OPERATIONS | 14,589 | 2,156 | 18,877 | 8,313 |
| FINANCE COSTS | (1) | (4) | (3) | (8) |
| PROFIT BEFORE TAXATION | 14,588 | 2,152 | 18,874 | 8,305 |
| TAXATION | (3,893) | (1,001) | (5,146) | (1,905) |
| PROFIT FOR THE PERIOD | 10,695 | 1,151 | 13,728 | 6,400 |
| PROFIT ATTRIBUTABLE TO: | | | | |
| Owners of the Parent | 6,737 | 1,019 | 8,928 | 4,680 |
| Non-Controlling Interests | 3,958 | 132 | 4,800 | 1,720 |
| | 10,695 | 1,151 | 13,728 | 6,400 |
| EARNINGS PER 10 SEN SHARE | | | | |
| Basic (sen) | 0.50 | 0.08 | 0.66 | 0.35 |

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 Year Quarter 31.12.2010 RM'000 | Preceding Year Corresponding Quarter 31.12.2009 RM'000 | 6 Months Ended | |
| | | | 31.12.2010 RM'000 | 31.12.2009 RM'000 |
| PROFIT FOR THE PERIOD | 10,695 | 1,151 | 13,728 | 6,400 |
| OTHER COMPREHENSIVE LOSS: | | | | |
| Currency translation differences | (262) | (174) | (306) | (934) |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 10,433 | 977 | 13,422 | 5,466 |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: | | | | |
| Owners of the Parent | 6,476 | 845 | 8,623 | 3,748 |
| Non-Controlling Interests | 3,957 | 132 | 4,799 | 1,718 |
| | 10,433 | 977 | 13,422 | 5,466 |

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

| | Unaudited As at 31.12.2010 RM'000 | Audited As at 30.06.2010 RM'000 |
|--|--|--|
| ASSETS | | |
| Non-Current Assets | | |
| Property, plant & equipment | 3,863 | 4,519 |
| Goodwill on consolidation | 2,821 | 2,821 |
| Other intangible asset | 518 | 617 |
| Deferred tax assets | 22 | 1,134 |
| | ----- | ----- |
| | 7,224 | 9,091 |
| | ----- | ----- |
| Current Assets | | |
| Inventories | 63 | 73 |
| Trade receivables | 3,153 | 3,850 |
| Other receivables, deposits & prepayments | 2,599 | 928 |
| Income tax assets | 349 | 378 |
| Amount due from related companies | 26,912 | 17,605 |
| Fixed deposits | 164,551 | 173,699 |
| Cash & bank balances | 1,149 | 858 |
| | ----- | ----- |
| | 198,776 | 197,391 |
| | ----- | ----- |
| TOTAL ASSETS | 206,000 | 206,482 |
| | ===== | ===== |
| EQUITY & LIABILITIES | | |
| Share capital | 135,000 | 135,000 |
| Share premium | 1,475 | 1,475 |
| Other reserves | (5,728) | (5,423) |
| Retained earnings | 39,992 | 42,012 |
| Treasury shares, at cost | (2,141) | (2,141) |
| | ----- | ----- |
| Total Equity Attributable to Owners of the Parent | 168,598 | 170,923 |
| Non-Controlling Interests | 26,312 | 21,513 |
| | ----- | ----- |
| TOTAL EQUITY | 194,910 | 192,436 |
| | ----- | ----- |

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

| | Unaudited As at 31.12.2010 RM'000 | Audited As at 30.06.2010 RM'000 |
|--|--|--|
| LIABILITIES | | |
| Non-Current Liabilities | | |
| Finance lease liabilities | - | 21 |
| | ----- | ----- |
| | - | 21 |
| | ----- | ----- |
| Current Liabilities | | |
| Trade payables | 2,500 | 2,053 |
| Other payables & accruals | 6,423 | 10,661 |
| Amount due to related companies | 59 | 28 |
| Finance lease liabilities | 70 | 100 |
| Post-employment defined contribution obligations | 86 | 150 |
| Income tax liabilities | 1,952 | 1,033 |
| | ----- | ----- |
| | 11,090 | 14,025 |
| | ----- | ----- |
| TOTAL LIABILITIES | 11,090 | 14,046 |
| | ----- | ----- |
| TOTAL EQUITY AND LIABILITIES | 206,000 | 206,482 |
| | ===== | ===== |
| | | |
| 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 31 DECEMBER 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 Reserves RM'000 | Translation Reserves RM'000 | Retained Earnings RM'000 | Treasury Shares 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 | - | - | - | - | 8,928 | - | 8,928 | 4,800 | 13,728 |
| Currency translation differences | - | - | - | (305) | - | - | (305) | (1) | (306) |
| Total comprehensive income for the period | - | - | - | (305) | 8,928 | - | 8,623 | 4,799 | 13,422 |
| Dividend paid | - | - | - | - | (10,948) | - | (10,948) | - | (10,948) |
| Balance at 31 December 2010 | 135,000 | 1,475 | 234 | (5,962) | 39,992 | (2,141) | 168,598 | 26,312 | 194,910 |

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 31 DECEMBER 2009**

| | ← Attributable to Owners of the Parent → | | | | | Treasury Shares RM'000 | Total RM'000 | Non-Controlling Interests RM'000 | Total Equity RM'000 |
|--|--|----------------------------|-------------------------------|-----------------------------------|--------------------------------|------------------------------|-----------------|--|---------------------------|
| | Share Capital RM'000 | Share Premium RM'000 | Capital Reserves RM'000 | Translation Reserves RM'000 | Retained Earnings 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 | - | - | - | - | 4,680 | - | 4,680 | 1,720 | 6,400 |
| Currency translation differences | - | - | - | (932) | - | - | (932) | (2) | (934) |
| Total comprehensive income for the period | - | - | - | (932) | 4,680 | - | 3,748 | 1,718 | 5,466 |
| Dividend paid to Non-Controlling Interests | - | - | - | - | - | - | - | (2,738) | (2,738) |
| Treasury shares | - | - | - | - | - | (1) | (1) | - | (1) |
| Balance at 31 December 2009 | 135,000 | 1,475 | 234 | (4,170) | 37,861 | (2,141) | 168,259 | 19,247 | 187,506 |

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 31 DECEMBER 2010**

| | 6 MONTHS ENDED | |
|--|-----------------------|-------------------|
| | 31.12.2010 | 31.12.2009 |
| | RM'000 | RM'000 |
| Net cash from operating activities | 2,629 | 30,889 |
| | ----- | ----- |
| Net cash used in investing activities | (114) | (342) |
| | ----- | ----- |
| Net cash used in financing activities | (11,000) | (2,786) |
| | ----- | ----- |
| Net changes in cash and cash equivalents | (8,485) | 27,761 |
| Effects of exchange rate changes | (372) | (1,102) |
| Cash and cash equivalents brought forward | 174,557 | 152,428 |
| | ----- | ----- |
| Cash and cash equivalents carried forward | 165,700 | 179,087 |
| | ===== | ===== |
| Cash and cash equivalents comprise: | | |
| Fixed deposits* | 164,551 | 178,092 |
| Cash & bank balances | 1,149 | 1,025 |
| Bank overdraft | - | (30) |
| | ----- | ----- |
| | 165,700 | 179,087 |
| | ===== | ===== |
| *Fixed deposits pledged as security for borrowings | - | 454 |
| | ===== | ===== |

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

A first and final dividend of 1 sen per ordinary share of 10 sen each comprising 0.745 sen gross less Malaysian Income Tax and 0.255 sen single tier amounting to RM10,947,596.60 in respect of financial year ended 30 June 2010 was paid on 23 December 2010.

[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 31 December 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 | 3,581 | 24,033 | 2,263 | - | 29,877 |
| Inter-segment revenue | 33 | 66 | - | (99) | - |
| | ----- | ----- | ----- | ----- | ----- |
| Total revenue | 3,614 | 24,099 | 2,263 | (99) | 29,877 |
| | ===== | ===== | ===== | ===== | ===== |
| Profit before taxation | 724 | 17,604 | 546 | - | 18,874 |
| | ===== | ===== | ===== | ===== | ===== |

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 31 December 2009 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 | 3,508 | 17,061 | 2,113 | - | 22,682 |
| Inter-segment revenue | 42 | 50 | 44 | (136) | - |
| | ----- | ----- | ----- | ----- | ----- |
| Total revenue | 3,550 | 17,111 | 2,157 | (136) | 22,682 |
| | ===== | ===== | ===== | ===== | ===== |
| Profit before taxation | 620 | 7,480 | 206 | (1) | 8,305 |
| | ===== | ===== | ===== | ===== | ===== |

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 except for the following:

On 14 January 2011, the Company completed the disposal of 450,000 ordinary shares of RM1.00 each held in Extiva Communications Sdn Bhd (“Extiva”), representing its entire equity interest in Extiva, to YTL Communications Sdn Bhd (“YTL Comm”), a related company, for a total consideration of RM18 million (“the Disposal”). As a result of the Disposal, Extiva 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 period ended 31 December 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 31 December 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:

| | Total Amount Guaranteed RM'000 | Amount Utilised RM'000 |
|----------------|---|---------------------------------------|
| Bank guarantee | 20,000 | 9,262 |
| | ----- | ----- |

[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

Year-to-date review

For the six months under review, Group revenue increased by 31.7% to RM29.877 million compared to RM22.682 million recorded in the corresponding period ended 31 December 2009. 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 ("WIMAX") spectrum.

Group profit before taxation for the six months under review increased by 127.3% to RM18.874 million representing an increase of RM10.569 million as compared to that recorded in the corresponding period ended 31 December 2009. The increase was mainly due to higher revenue and the absence of a fine amounting RM1.9 million recorded in the corresponding period ended 31 December 2009. The fine was imposed by Malaysian Communications and Multimedia Commission ("MCMC") in relation to the delayed roll out of its WIMAX network in October 2009 and was subsequently reconsidered by MCMC and reversed in May 2010.

Quarter review

The Group recorded a revenue and profit before taxation for the current financial quarter of RM20.684 million and RM14.588 million representing an increase of 102.9% and 577.9%, respectively compared to the preceding year corresponding quarter ended 31 December 2009. The increase in profit before taxation was mainly due to higher fee income earned from its WIMAX spectrum and the absence of a fine imposed by MCMC in the preceding year corresponding period as stated above.

[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

B2. Comparison with Preceding Quarter

| | Current Quarter 31.12.2010 RM'000 | Preceding Quarter 30.09.2010 RM'000 |
|------------------------|--|--|
| Revenue | 20,684 | 9,193 |
| Profit before taxation | 14,588 | 4,286 |

For the current financial quarter, Group profit before taxation increased by RM10.302 million to RM14.588 million, representing an increase of 240.4%. The increase was mainly due to higher fee income earned from its WIMAX spectrum.

B3. Prospects

The Group, after considering its 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.

[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

B5. Taxation

Taxation comprises the following:-

| | Current Year Quarter 31.12.2010 RM'000 | Financial Year- To-Date 31.12.2010 RM'000 |
|--|---|--|
| Taxation based on profit for the period | 3,636 | 4,056 |
| Over provision of taxation in prior year | (21) | (21) |
| Deferred taxation | 278 | 1,111 |
| | ----- | ----- |
| | 3,893 | 5,146 |
| | ===== | ===== |

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 and the 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.

[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, except for the proposed establishment of a new employees share options scheme for the eligible employees and directors of the Company and/or its subsidiaries, the proposal has been approved by the Company's shareholders at an Extraordinary General Meeting held on 30 November 2010.

B9. Group Borrowings and Debt Securities

Particulars of the Group's borrowings as at 31 December 2010 are as follows:-

| | Short term RM'000 |
|---------|------------------------------|
| Secured | 70 ----- |

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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT

Notes:- continued

B10. Derivative Financial Instruments, Fair Value Changes of Financial Liabilities and Realised and Unrealised Profits or Losses

i) Derivative Financial Instruments

There are no outstanding derivatives as at 31 December 2010.

ii) Fair Value Changes of Financial Liabilities

As at 31 December 2010, the Group does not have any financial liabilities measured at fair value through profit or loss.

iii) Retained Earnings

| | As at 31.12.2010 RM'000 | As at 30.09.2010 RM'000 |
|--|--|--|
| Retained earnings of YTL e-Solutions Berhad and its subsidiaries | | |
| - Realised | 46,914 | 46,887 |
| - Unrealised | 22 | 300 |
| | ----- | ----- |
| | 46,936 | 47,187 |
| Less: consolidated adjustments | (6,944) | (2,984) |
| | ----- | ----- |
| Total Group retained earnings as per consolidated accounts | 39,992 | 44,203 |
| | ===== | ===== |

B11. Material Litigation

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

B12. Dividend

The Board of Directors is pleased to declare an interim single tier dividend of 10% or 1 sen per ordinary share of 10 sen each for the financial year ending 30 June 2011.

The book closure and payment dates in respect of the aforesaid dividend are 16 March 2011 and 31 March 2011 respectively.

[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:

| | Current Year Quarter 31.12.2010 | Preceding Year Corresponding Quarter 31.12.2009 |
|---|--|--|
| Profit attributable to Owners of the Parent (RM'000) | 6,737 | 1,019 |
| Weighted average number of ordinary shares in issue ('000) | 1,345,328 | 1,345,328 |
| Basic earnings per share (sen) | 0.50 | 0.08 |

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: 24 February 2011