

**YINSON HOLDINGS BERHAD** (Company No. 259147-A)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**For the Six-Month Period Ended 31 July 2007**

	3 months ended		6 months ended	
	31.07.2007	31.07.2006	31.07.2007	31.07.2006
	RM'000	RM'000	RM'000	RM'000
	unaudited	unaudited	unaudited	unaudited
Revenue	96,994	111,969	178,091	215,224
Cost of trading goods sold	(71,942)	(86,106)	(130,215)	(165,857)
Direct expenses	(18,311)	(17,918)	(34,311)	(33,371)
<b>Gross profit</b>	<b>6,741</b>	<b>7,945</b>	<b>13,565</b>	<b>15,996</b>
Other operating income	172	23	2,814	34
Administrative expenses	(3,079)	(2,719)	(6,303)	(5,416)
Profit from operations	3,834	5,249	10,076	10,614
Finance costs	(716)	(1,644)	(2,029)	(4,258)
<b>Profit before tax</b>	<b>3,118</b>	<b>3,605</b>	<b>8,047</b>	<b>6,356</b>
Income tax expense	(1,051)	(1,020)	(1,521)	(1,926)
<b>Profit for the period</b>	<b>2,067</b>	<b>2,585</b>	<b>6,526</b>	<b>4,430</b>
Attributable to:				
Equity holders of the parent	2,067	2,585	6,526	4,430
Minority interest	-	-	-	-
	<b>2,067</b>	<b>2,585</b>	<b>6,526</b>	<b>4,430</b>
Earnings per share attributable to equity holders of the parent:				
Basic (sen)	4.63	5.90	14.62	10.11
Diluted (sen)	4.51	5.54	14.24	9.50

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 January 2007 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED BALANCE SHEET**

As at 31 July 2007

	<b>AS AT 31.07.2007 RM'000 unaudited</b>	<b>AS AT 31.01.2007 RM'000 audited</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	39,596	40,907
Investment properties	18,574	18,965
Intangible assets	68	79
Prepaid lease payments	11,525	7,433
Other investment	100	100
	<u>69,863</u>	<u>67,484</u>
<b>Current assets</b>		
Inventories	232	346
Trade receivables	78,462	114,009
Other receivables	1,708	3,522
Tax recoverable	260	260
Marketable securities	69	69
Cash and bank balances	1,966	4,553
	<u>82,697</u>	<u>122,759</u>
Non-current assets held for sale	450	5,301
	<u>83,147</u>	<u>128,060</u>
<b>TOTAL ASSETS</b>	<u>153,010</u>	<u>195,544</u>
<b>EQUITIES AND LIABILITIES</b>		
<b>Equities attributable to equities holders of the parent</b>		
Share capital	45,263	43,828
Share premium	587	587
Retained earnings	36,160	29,634
	<u>82,010</u>	<u>74,049</u>
<b>Minority interest</b>	-	-
<b>Total equities</b>	<u>82,010</u>	<u>74,049</u>
<b>Non-current liabilities</b>		
Long term borrowings	5,715	5,059
Deferred tax liabilities	2,091	2,050
	<u>7,806</u>	<u>7,109</u>
<b>Current liabilities</b>		
Short term borrowings	35,236	89,514
Trade payables	23,635	18,217
Other payables	3,444	5,562
Tax payables	879	1,093
	<u>63,194</u>	<u>114,386</u>
<b>Total liabilities</b>	<u>71,000</u>	<u>121,495</u>
<b>TOTAL EQUITIES AND LIABILITIES</b>	<u>153,010</u>	<u>195,544</u>
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	<u>1.81</u>	<u>1.69</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 January 2007 and the accompanying explanatory notes to the interim financial statements.

**YINSON HOLDINGS BERHAD** (Company No. 259147-A)  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the Six-Month Period Ended 31 July 2007**

	← Attributable to equity holders of the parent →			→
	Share capital	Non-distributable Share premium	Distributable Retained profits	
	RM'000	RM'000	RM'000	RM'000
<b>At 1 February 2006</b>	43,828	587	18,671	63,086
Profit for the period	-	-	4,430	4,430
<b>At 31 July 2006</b>	<u>43,828</u>	<u>587</u>	<u>23,101</u>	<u>67,516</u>
<b>At 1 February 2007</b>	43,828	587	29,634	74,049
Profit for the period	-	-	6,526	6,526
Issuance of share capital	1,435	-	-	1,435
<b>At 31 July 2007</b>	<u>45,263</u>	<u>587</u>	<u>36,160</u>	<u>82,010</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 January 2007 and the accompanying explanatory notes attached to the interim financial statements.

**YINSON HOLDINGS BERHAD** (Company No. 259147-A)  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
For the Six-Month Period Ended 31 July 2007

	6 months ended	
	31.07.2007 RM'000 unaudited	31.07.2006 RM'000 unaudited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	8,047	6,356
Adjustments for:		
Non-cash items	302	3,555
Non-operating items	1,983	4,224
Operating profit before working capital changes	<u>10,332</u>	<u>14,135</u>
Net changes in current assets	37,474	30,064
Net changes in current liabilities	3,301	(2,216)
Cash generated from operations	<u>51,107</u>	<u>41,983</u>
Interest paid	(1,983)	(4,210)
Tax paid	(1,694)	(1,359)
<b>Net cash generated from operating activities</b>	<u>47,430</u>	<u>36,414</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of plant & equipment	319	243
Proceeds from disposal of asset held for sale	7,909	-
Purchase of property, plant and equipment	(3,982)	(2,886)
<b>Net cash from/(used in) investing activities</b>	<u>4,246</u>	<u>(2,643)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	1,435	-
Repayment of bank borrowings	(50,346)	(28,739)
<b>Net cash used in financing activities</b>	<u>(48,911)</u>	<u>(28,739)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	2,765	5,032
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>(10,792)</u>	<u>(14,007)</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<u><u>(8,027)</u></u>	<u><u>(8,975)</u></u>
	<b>As at</b>	<b>As at</b>
	<b>31.07.2007</b>	<b>31.07.2006</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	1,966	5,989
Bank overdrafts (included within short term borrowings)	(9,993)	(14,964)
	<u>(8,027)</u>	<u>(8,975)</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 January 2007 and the accompanying explanatory notes attached to the interim financial statements.

# YINSON HOLDINGS BERHAD (Company No. 259147-A)

## PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

### 1. Basis of Preparation

The interim financial statements have been prepared under the historical cost convention except for the revaluation of certain freehold land and buildings.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 January 2007. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of changes in the financial position and performance of the Group since the year ended 31 January 2007.

### 2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 January 2007 except for the adoption of the following new/ revised Financial Reporting Standard ("FRS") effective for financial period beginning on and after 1 January 2007:

FRS 117	Leases
FRS 124	Related Party Disclosures

The adoption of the above FRSs does not have any significant financial impact on the Group in the current and prior financial year. The principal effects of the changes in accounting policies resulting from the adoption of the FRSs are discussed below:

#### FRS 117 – Leases

Prior to 1 February 2007, leasehold land held for own use was classified as property, plant and equipment and was stated at cost less depreciation and impairment losses. The adoption of the revised FRS has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. Leasehold land held for own use is now classified as operating lease and the up-front payments made for the leasehold land represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

Upon the adoption of the revised FRS 117 at 1 February 2007, the unamortized amount of the leasehold land is retained as the surrogate amount of prepaid lease payments as allowed by the transitional provisions of FRS 117. The reclassification of the leasehold land as prepaid lease payments has been accounted for retrospectively and as disclosed in Note 3, certain comparative amounts as at 31 January 2007 have been restated.

### 3. Comparatives

The following comparative amounts have been restated due to the adoption of new FRS:

	Previously stated RM'000	Adjustments FRS 117 RM'000	Restated RM'000
<b>As at 31 January 2007</b>			
Property, plant and equipment	48,340	(7,433)	40,907
Prepaid lease payments	-	7,433	7,433

### 4. Auditors' Reports on Preceding Annual Financial Statements

The Auditors' Reports on the financial statements for the year ended 31 January 2007 was not qualified.

### 5. Seasonal or Cyclical Factors

The Group's business operations are generally affected by major festivals that occur in the first and third quarter of the financial year as there are fewer working days.

### 6. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial year to-date except as disclosed in Note 2.

### 7. Changes in Accounting Estimate

There were no material changes in accounting estimates that have a material effect in the current quarter and financial year-to-date results.

### 8. Issuance and Repayment of Debt and Equity Securities

There were no issuances, repurchases, resale and repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial period except for the issuance of 1,435,000 ordinary shares of RM1 each for cash pursuant to the Company's ESOS at exercise price of RM1 per ordinary share.

### 9. Dividend Paid

First and final dividend of 2% less 27% taxation on 45,263,000 ordinary shares amounting to RM660,840 declared on 27 July 2007 in respect of the financial year ended 31 January 2007 was paid on 18 September 2007 (year ended 31 January 2006: 2% less taxation 28%).

## 10. Segmental Information

### 6 Month-Period Ended 31 July 2007

	Transport RM'000	Trading RM'000	Other Operations RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External Sales	41,733	141,834	31,338	(36,814)	178,091
Results					
Segment results	3,642	3,726	2,708	-	10,076
Finance costs					(2,029)
Taxation					(1,521)
Profit after taxation and before minority interest					6,526
Minority interest					-
Profit for the period					6,526

### 6 Month-Period Ended 31 July 2006

	Transport RM'000	Trading RM'000	Other Operations RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External Sales	38,940	181,049	1,255	(6,020)	215,224
Results					
Segment results	2,969	7,588	57	-	10,614
Finance costs					(4,258)
Taxation					(1,926)
Profit after taxation and before minority interest					4,430
Minority interest					-
Profit for the period					4,430

## 11. Carrying Amount of Revalued Assets

The valuations of the property, plant and equipment have been brought forward, without amendment from the financial statements for the year ended 31 January 2007.

## 12. Subsequent Events

- i) On 22 August 2007, 402,000 new ordinary shares of RM1.00 each were issued pursuant to the Employee Share Option Scheme of the Company.
- ii) On 18 September 2007, the Company announced the bonus issue of 23,234,500 ordinary shares of RM1.00 each on the basis of one for every two ordinary shares of RM1.00 each held to be issued on 3 October 2007 pursuant to the approval by Bursa Malaysia Securities Berhad vide its letter dated 15 August 2007 on the listing and quotation of up to 23,234,500 of the Company's new ordinary shares of RM1 each.

### 13. Changes in the Composition of the Group

There were no changes in composition of the Group during the current quarter and financial year-to-date except for:

#### **Incorporation of Yinson Marine Services Sdn Bhd**

On 28 July 2007, the Company incorporated a wholly-owned subsidiary, known as Yinson Marine Services Sdn Bhd, with paid-up share capital of RM200,000 to provide tugboat and other shipping services. The subsidiary has commenced its operation on 15 August 2007.

### 14. Capital Commitments

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim condensed financial statements as at 31 July 2007 is as follows:

	<b>RM'000</b>
Approved and contracted for	<u>997</u>

### 15. Changes in Contingent Liabilities and Contingent Assets

There were no changes in other contingent liabilities or contingent assets since the last annual balance sheet as at 31 January 2007.

## **PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B**

### 16. Performance Review

For the financial period ended 31 July 2007, the Group's revenue decreased by 17 percent to RM178.091 million compared to RM215.224 million for the preceding year corresponding period due to decrease in volume of sales from trading segment of business.

The Group's profit before taxation for the financial period ended 31 July 2007 increased by 27 percent to RM8.047 million compared to RM6.356 million for the preceding year corresponding period. The increase was due to gain of RM2.608 million from the disposal of a piece of land during the current period. Net profit before taxation excluding capital gain of RM2.608 million declined by RM0.917 million or 14.4 percent to RM5.439 million compared to RM6.356 million for the preceding year corresponding period. The decrease was mainly due to decrease in sales and profit margin of trading business.

Other than as stated above, the directors are of the opinion that the results for the current financial period under review have not been affected by any transaction or event of a material or unusual nature.

### 17. Material Changes in the Profit Before Taxation of Current Quarter Compared with the Preceding Quarter.

The Group's net profit before taxation for the current quarter ended 31 July 2007 decreased by 14 percent or RM1.811 million to RM3.118 million compared to RM4.929 million for the preceding quarter ended 30 April 2007. Included in the preceding quarter's net profit before taxation was a capital gain of RM2.608 million arising from the disposal of a piece of land. Excluding the capital gain of RM2.608, net profit before taxation for the current quarter at RM3.228 was RM0.797 million higher than preceding quarter profit before taxation of RM2.321 million. The increase was mainly attributable to decrease in finance cost of RM0.596 million due to lower borrowings to finance working capital.



## 18. Commentary on Prospects

The Malaysian economic growth for the second half-year is expected to be sustained due to strong domestic demand and pick up in Government development spending following implementation of the Ninth Malaysia Plan.

The Board foresees the Group's operating environment for the second-half year to be more challenging and competitive. The Group will continue to intensify its efforts to improve efficiency and increase productivity to remain competitive, and will strive to sustain its performance for the current financial year.

## 19. Profit Forecast

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest are not applicable.

## 20. Taxation

The taxation figures consist of:

	3 Month-Period Ended		6 Month-Period Ended	
	31.07.2007	31.07.2006	31.07.2007	31.07.2006
	RM'000	RM'000	RM'000	RM'000
Current period income tax	754	960	1,386	1,917
Real property gain tax	(1)	-	94	-
Deferred tax :				
- Relating to origination and reversal of temporary difference	298	60	296	9
- Relating to exemption of Real Property Gain Tax	-	-	(255)	-
	<u>1,051</u>	<u>1,020</u>	<u>1,521</u>	<u>1,926</u>

The effective tax rate of the Group for the quarter and year-to-date is lower than the statutory tax rate due principally to gain from disposal of property held for sales which is subject to real property gain tax instead of income tax and reversal of deferred tax in respect of exemption of Real Property Gain Tax. The effective tax rate for the preceding year corresponding quarter was higher than the statutory tax rate due to certain expenses which are not deductible for tax purposes.

## 21. Sale of Unquoted Investment and Properties

Other than the disposal of a piece of land which was previously held for sale, there were no sales of unquoted investments and properties during the current financial quarter and year-to-date.

## 22. Quoted Securities

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

Details of quoted securities are as follows:

	As at 31.07.2007
	RM'000
At cost	69
At book value	69
At market value	81

### 23. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this report.

### 24. Group Borrowings

Details of total Group's borrowings as at 31 July 2007 are as follows:

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short term borrowings	8,539	26,697	35,236
Long term borrowings	<u>5,715</u>	<u>-</u>	<u>5,715</u>
	<u>14,254</u>	<u>26,697</u>	<u>40,951</u>

All the borrowings are in Ringgit Malaysia.

### 25. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 31 July 2007.

### 26. Material Litigation

As at 31 July 2007, there was no material litigation against the Group.

### 27. Dividend Payable

No interim ordinary dividend has been declared for the period ended 31 July 2007 (31 July 2006: Nil).

### 28. Earnings Per Share

#### (a) Basic

Basic earnings per share amount is calculated by dividing the profit for the period by the weighted average number of shares in issue during the period.

	3 month-period ended		6 month-period ended	
	31.07.2007	31.07.2006	31.07.2007	31.07.2006
Profit attributable to equity holders of Company (RM'000)	2,067	2,585	6,526	4,430
Weighted average number of ordinary shares in issue ('000)	44,626	43,828	44,626	43,828
Basic earnings per share (sen)	4.63	5.90	14.62	10.11

(b) **Diluted**

For the purpose of calculating diluted earnings per share, the profit for the period attributable to ordinary equity holders of the Company and the weighted average numbers of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary shares, i.e. share options granted to employees.

	<b>3 month-period ended</b>		<b>6 month-period ended</b>	
	<b>31.07.2007</b>	<b>31.07.2006</b>	<b>31.07.2007</b>	<b>31.07.2006</b>
Profit attributable to equity holders of of Company (RM'000)	<u>2,067</u>	<u>2,585</u>	<u>6,526</u>	<u>4,430</u>
Weighted average number of ordinary shares in issue ('000)	44,626	43,828	44,626	43,827
Effects of dilution:share options ('000)	<u>1,206</u>	<u>2,813</u>	<u>1,206</u>	<u>2,813</u>
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>45,832</u>	<u>46,641</u>	<u>45,832</u>	<u>46,640</u>
Diluted earnings per share (sen)	4.51	5.54	14.24	9.50

**BY ORDER OF THE BOARD**

Company Secretary

Tan Soo Leong (LS 02389)  
Johor Bahru  
26 September 2007