

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

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**For the Six-Month Period Ended 31 July 2008**

	3 months ended		6 months ended	
	31.07.2008	31.07.2007	31.07.2008	31.07.2007
	RM'000	RM'000	RM'000	RM'000
	unaudited	unaudited	unaudited	unaudited
Revenue	230,918	96,994	377,346	178,091
Cost of trading goods sold	(196,945)	(71,942)	(315,030)	(130,215)
Direct expenses	(21,849)	(18,311)	(41,927)	(34,311)
<b>Gross profit</b>	<b>12,124</b>	<b>6,741</b>	<b>20,389</b>	<b>13,565</b>
Other operating income	2,140	172	2,469	2,814
Administrative expenses	(3,552)	(3,079)	(7,097)	(6,303)
Profit from operations	10,712	3,834	15,761	10,076
Finance costs	(2,199)	(716)	(4,386)	(2,029)
<b>Profit before tax</b>	<b>8,513</b>	<b>3,118</b>	<b>11,375</b>	<b>8,047</b>
Income tax expense	(1,364)	(1,051)	(2,144)	(1,521)
<b>Profit for the period</b>	<b>7,149</b>	<b>2,067</b>	<b>9,231</b>	<b>6,526</b>
Attributable to:				
Equity holders of the parent	7,111	2,067	9,261	6,526
Minority interest	38	-	(30)	-
	<b>7,149</b>	<b>2,067</b>	<b>9,231</b>	<b>6,526</b>
Earnings per share attributable to equity holders of the parent:				
Basic (sen)	10.38	3.10	13.52	9.79
Diluted (sen)	10.26	3.05	13.37	9.62

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 January 2008 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED BALANCE SHEET**  
As at 31 July 2008

	<b>AS AT</b> <b>31.07.2008</b> <b>RM'000</b> <b>unaudited</b>	<b>AS AT</b> <b>31.01.2008</b> <b>RM'000</b> <b>Audited</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	41,253	40,880
Investment properties	13,414	13,414
Intangible assets	50	54
Prepaid lease payments	11,345	11,454
Other investment	100	100
	<u>66,162</u>	<u>65,902</u>
<b>Current assets</b>		
Inventories	906	265
Receivables	210,166	157,572
Tax recoverable	171	288
Marketable securities	69	69
Cash and bank balances	2,258	7,503
	<u>213,570</u>	<u>165,697</u>
Non-current assets held for sale	-	5,650
	<u>213,570</u>	<u>171,347</u>
<b>TOTAL ASSETS</b>	<u>279,732</u>	<u>237,249</u>
<b>EQUITIES AND LIABILITIES</b>		
<b>Equities attributable to equities holders of the parent</b>		
Share capital	68,498	68,498
Retained earnings	28,989	19,728
	<u>97,487</u>	<u>88,226</u>
<b>Minority interest</b>	<u>635</u>	<u>665</u>
<b>Total equities</b>	<u>98,122</u>	<u>88,891</u>
<b>Non-current liabilities</b>		
Long term borrowings	3,606	4,383
Deferred tax liabilities	2,676	3,168
	<u>6,282</u>	<u>7,551</u>
<b>Current liabilities</b>		
Short term borrowings	137,314	120,880
Payables	35,646	18,890
Tax payables	2,368	1,037
	<u>175,328</u>	<u>140,807</u>
<b>Total liabilities</b>	<u>181,610</u>	<u>148,358</u>
<b>TOTAL EQUITIES AND LIABILITIES</b>	<u>279,732</u>	<u>237,249</u>
<b>Net assets per share attributable to equity holders of the parent (RM)</b>	<u>1.42</u>	<u>1.29</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 January 2008 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 2008

	← Attributable to equity holders of the Company →			Total	Minority interest	Total equity
	Share capital	Non-distributable Share Premium	Distributable Retained earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Unaudited</b>						
<b>At 1 February 2007</b>	43,828	587	29,634	74,049	-	74,049
Profit for the period	-	-	6,526	6,526	-	6,526
Issuance of share capital	1,435	-	-	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>	<u>-</u>	<u>82,010</u>
<b>At 1 February 2008</b>	68,498	-	19,728	88,226	665	88,891
Profit for the period	-	-	9,261	9,261	(30)	9,231
<b>At 31 July 2008</b>	<u>68,498</u>	<u>-</u>	<u>28,989</u>	<u>97,487</u>	<u>635</u>	<u>98,122</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 2008 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 2008

	6 months ended	
	31.07.2008	31.07.2007
	RM'000	RM'000
	unaudited	unaudited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	11,375	8,047
Adjustments for:		
Non-cash items	1,186	302
Non-operating items	4,337	1,983
Operating profit before working capital changes	<u>16,898</u>	<u>10,332</u>
Net changes in current assets	(53,525)	37,474
Net changes in current liabilities	16,756	3,301
Cash (used in)/generated from operations	<b>(19,871)</b>	<b>51,107</b>
Interest paid	(4,337)	(1,983)
Tax paid	(1,188)	(1,694)
<b>Net cash (used in)/generated from operating activities</b>	<u>(25,396)</u>	<u>47,430</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of plant & equipment	508	319
Proceeds from disposal of asset held for sale	7,520	7,909
Purchase of property, plant and equipment	(3,523)	(3,980)
Purchase of intangible assets	(12)	(2)
<b>Net cash from investing activities</b>	<u>4,493</u>	<u>4,246</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	-	1,435
Bank borrowings	18,873	(50,346)
<b>Net cash from/(used in) financing activities</b>	<u>18,873</u>	<u>(48,911)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(2,030)	2,765
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	(8,399)	(10,792)
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<u>(10,429)</u>	<u>(8,027)</u>
	<b>As at</b>	<b>As at</b>
	<b>31.07.2008</b>	<b>31.07.2007</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	2,258	1,966
Bank overdrafts (included within short term borrowings)	(12,687)	(9,993)
	<u>(10,429)</u>	<u>(8,027)</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 January 2008 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 2008. These explanatory notes attached to the interim financial statements provide an explanation of events and transaction that are significant to an understanding of changes in the financial position and performance of the Group since the year ended 31 January 2008.

### **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 2008 except for the adoption of the following new/ revised Financial Reporting Standard ("FRS") :-

- Amendments to FRS 121: The effects of changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
- FRS 107: Cash Flow Statements
- FRS 111: Construction Contracts
- FRS 112: Income Taxes
- FRS 118: Revenue
- FRS 120: Accounting for Government Grants and Disclosures of Government Assistance
- Amendments to FRS 134: Interim Financial Reporting
- Amendments to FRS 137: Provision, Contingent Liabilities and Contingent Assets
- IC Interpretation 1: Changes in Existing Decommissioning, Restoration and Similar Liabilities
- IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments
- IC Interpretation 5: Rights to Interests arising from Decommissioning, Restoration and Environment Rehabilitation Funds
- IC Interpretation 6: Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
- IC Interpretation 7: Applying the Restatement Approach under FRS 129<sup>2004</sup> Financial Reporting in Hyperinflationary Economies
- IC Interpretation 8: Scope of FRS 2

The adoption of the above new/revised FRSs does not have any significant financial impact on the Group in the current and prior financial period.

### **3. Auditors' Reports on Preceding Annual Financial Statements**

The Auditors' Reports on the financial statements for the year ended 31 January 2008 was not qualified.

### **4. 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 were fewer working days.

## 5. 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.

## 6. 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.

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

There were no issuances and repayment of debts, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial period.

## 8. Dividend Paid

There were no dividends paid or declared during the current quarter.

## 9. Segmental Information

### 6 Month-Period Ended 31 July 2008

	Transport RM'000	Trading RM'000	Other Operations RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External Sales	51,056	351,728	1,650	(27,088)	377,346
Results					
Segment results	3,957	9,966	1,838	-	15,761
Finance costs					(4,386)
Taxation					(2,144)
Profit after taxation and before minority interest					9,231
Minority interest					30
Profit for the period					9,261

### 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

## 10. 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 2008.

## 11. Subsequent Event

There were no material events subsequent to the end of the current quarter except for:

### Disposal of Properties

On 30 June 2008, the Company announced that its subsidiary, Yinson Corporation Sdn Bhd, had on 17 June 2008 entered into three Sale and Purchase Agreements to dispose 3 units of properties with fair value of RM3.6 million for a total sale consideration of RM4 million. The disposal was completed on 27 August 2008.

## 12. 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:

### a) Incorporation of Yinson Shipping Sdn Bhd

On 26 June 2008, the Company incorporated a wholly-owned subsidiary, known as Yinson Shipping Sdn Bhd, with initial issued and paid-up share capital of RM2 to provide tugboat and other shipping services. On 12 August 2008, the subsidiary increased its issued and paid-up share capital to RM100,000. The subsidiary commenced its operation on 29 July 2008.

### b) Incorporation of Yinson Power Marine Sdn Bhd

On 19 September 2008, the Company Secretary had on behalf of the Board of Directors announced that a 65% owned-subsiidiary company known as Yinson Power Marine Sdn Bhd ("YPM") was incorporated on 19 September 2008. The authorised share capital of YPM is RM1,000,000 and the initial issued and paid-up share capital of RM2 will be subsequently increased to RM500,000. YPM is formed to provide tugworks and shipping services.

## 13. 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 2008 is as follows:

	RM'000
Approved and contracted for	<u>778</u>

## 14. 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 2008.

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**15. Performance Review**

For the financial period ended 31 July 2008, the Group's revenue increased by 112 percent to RM377.346 million compared to RM178.091 million for the preceding year corresponding period mainly due to increase in volume of sales from trading and transport segment of businesses.

The Group's profit before taxation for the financial period ended 31 July 2008 increased by 41 percent to RM11.375 million as compared to RM8.047 million for the preceding year corresponding period was mainly due to increase in revenue.

**16. 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 2008 increased by 197 percent or RM5.652 million to RM8.513 million compared to RM2.861 million for the preceding quarter ended 30 April 2008. The increase in profit was mainly attributable to increase in revenue by 58 percent and RM1.870 million of gain from disposal of properties in the second quarter as compared to the first quarter of the current financial year.

**17. Commentary on Prospects**

The international economic and financial environment is expected to be more challenging and outlook for global growth for the rest of 2008 is projected to weaken further. The Malaysia economy will be affected by these external developments but is expected to continue to remain resilient.

The Board foresees the Group's operating environment to remain challenging and competitive as the impact of rising commodity and fuel prices will have a deflationary impact on domestic demand. The Group will take the necessary measures to mitigate the sharp rise in operating costs and to intensify its efforts to improve its efficiency and productivity to sustain its performance for the rest of the current financial year.

**18. 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.

**19. Taxation**

The taxation figures consist of:

	<b>3 Month-Period Ended</b>		<b>6 Month-Period Ended</b>	
	<b>31.07.2008</b>	<b>31.07.2007</b>	<b>31.07.2008</b>	<b>31.07.2007</b>
	RM'000	RM'000	RM'000	RM'000
Current period income tax	1,782	754	2,636	1,386
Real property gain tax	-	(1)	-	94
Deferred tax :				
- Relating to origination and reversal of temporary difference	(418)	298	(492)	296
- Relating to exemption of Real Property Gain Tax	-	-	-	(255)
	<u>1,364</u>	<u>1,051</u>	<u>2,144</u>	<u>1,521</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 not subject to 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 whilst it was lower for the preceding year-to-date 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.

## 20. Sale of Unquoted Investment and Properties

There were no sales of unquoted investments and properties during the current financial quarter except for the disposal of properties valued at RM5,650,000 included within held for sale which resulted in a gain on disposal of RM1.870 million.

## 21. 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 31.07.2008
	RM'000
At cost	69
At book value	69
At market value	45

## 22. Status of Corporate Proposals

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

## 23. Group Borrowings

Details of total Group's borrowings as at 31 July 2008 are as follows:

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short term borrowings	3,708	133,606	137,314
Long term borrowings	<u>3,606</u>	<u>-</u>	<u>3,606</u>
	<u>7,314</u>	<u>133,606</u>	<u>140,920</u>

All the borrowings are in Ringgit Malaysia.

## 24. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 31 July 2008.

## 25. Material Litigation

As at 31 July 2008, there was no material litigation against the Group.

## 26. Dividend Payable

On 28 July 2008, the shareholders approved the payment of a first and final dividend of 2.5% less 25% income tax in respect of financial year ended 31 January 2008 (year ended 31 January 2007: 2% less 27% income tax). The dividend was paid on 18 September 2008.

## 27. 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	
	31.07.2008	31.07.2007	31.07.2008	31.07.2007
Profit attributable to equity holders of Company (RM'000)	7,111	2,067	9,261	6,526
Weighted average number of ordinary shares in issue ('000)	68,498	66,661	68,498	66,661
Basic earnings per share (sen)	10.38	3.10	13.52	9.79

### (b) Diluted

For the purpose of calculating diluted earnings per share, the profit for the period attributable to ordinary equity holders of the parent 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.

	3 month-period ended		6 month-period ended	
	31.07.2008	31.07.2007	31.07.2008	31.07.2007
Profit attributable to equity holders of Company (RM'000)	7,111	2,067	9,261	6,526
Weighted average number of ordinary shares in issue ('000)	68,498	66,661	68,498	66,661
Effects of dilution:share options ('000)	794	1,206	794	1,206
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	69,292	67,867	69,292	67,867
Diluted earnings per share (sen)	10.26	3.05	13.37	9.62

The comparative basic and diluted earnings per share have been restated to take into account the effect of the bonus issue.

### BY ORDER OF THE BOARD

Company Secretary

Tan Soo Leong (LS 02389)  
Johor Bahru  
26 September 2008