Yinson Holdings Berhad

Company No: 259147-A (Incorporated in Malaysia)

ANNUAL REPORT **2007**

Contents 2007

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fourteenth Annual General Meeting of the Company will be held at Mutiara Hotel Johor Bahru, Dewan Johor, 2nd Floor, Jalan Dato Sulaiman, Taman Century, 80990 Johor Bahru, Johor Darul Takzim on Friday, 27 July 2007 at 12.00 noon for the following purposes:-

AGENDA

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 January 2007 together with the Directors' and Auditors' Reports thereon. **Resolution 1**

2. To declare a first and final dividend of 2% less tax at 27% for the financial year ended 31 January 2007. **Resolution 2**

3. To approve the payment of Directors' Fees of RM180,000 for the financial year ended 31 January 2007. **Resolution 3**

4. To re-appoint YBHG. TAN SRI DATO' JAFFAR BIN ABDUL who is retiring in accordance with Section 129 of the Companies Act, 1965 as a Director of the Company to hold office until the conclusion of the next Annual General Meeting. **Resolution 4**

5. To re-elect the following Directors who retire in accordance with Article 107 of the Company's Articles of Association:-

   i. MR LIM HAN WENG *(Managing Director)* **Resolution 5**
   ii. MR KAM CHAI HONG *(Independent Non-Executive Director)* **Resolution 6**

6. To re-appoint MESSRS ERNST & YOUNG as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Directors. **Resolution 7**

7. To transact any other ordinary business of which due notice shall have been given in accordance with the Companies Act, 1965 and the Company's Articles of Association.

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications, the following resolutions as Ordinary Resolutions:-

8. Proposed Authority to Directors to issue new shares under Section 132D of the Companies Act, 1965

   "THAT the Directors of the Company be and are hereby authorised, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10 percent of the issued share capital of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotments and issues." **Resolution 8**

9. Proposed Authority to allot and issue shares pursuant to the Employees Share Option Scheme

   "THAT pursuant to the Company's Employees Share Option Scheme ("the ESOS") as approved at the Extraordinary General Meeting of the Company held on 25 September 2002, the Directors of the Company be and are hereby authorised, in accordance with Section 132D of the Companies Act, 1965, to allot and issue shares in the Company from time to time in accordance with the ESOS." **Resolution 9**

10. Proposed Renewal of Shareholders' Mandate for Recurrent Transactions of a Revenue or Trading Nature

    "THAT approval be and is hereby given pursuant to paragraph 10.09 of Chapter 10 of the Listing Requirements of Bursa Malaysia Securities Berhad, for the Company's subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are set out in the Circular to Shareholders dated 4 July 2007, provided that such transactions are of a revenue or trading nature which are necessary for the YINSON Group's day-to-day operations, made at arm's length basis and on normal commercial terms which are no more favourable to the related parties than those extended to the public and are not detrimental to the minority shareholders of the Company; AND

    THAT such approval is subject to annual renewal and shall commence upon the passing of this resolution and shall continue to be in force until:- **Resolution 10**

    (a) the conclusion of the next annual general meeting of the Company, at which time it will lapse, unless by a resolution passed at the general meeting, the authority is renewed;

(b) the expiration of the period within which the next annual general meeting after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (“Act”) (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(c) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever occurs first; AND

THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this ordinary resolution.”

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the shareholders at the Fourteenth Annual General Meeting, the First and Final Dividend of 2% less 27% Income Tax in respect of the financial year ended 31 January 2007 will be paid on 18 September 2007 to Depositors registered in the Records of Depositors at the close of business on 20 August 2007.

A Depositor shall qualify for entitlement only in respect of:-

(a) Shares transferred into the Depositor’s securities account before 4.00 p.m. on 20 August 2007 in respect of ordinary transfers;

(b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

TAN SOO LEONG
Company Secretary

Johor Bahru
4 July 2007

Notes:-

(1) A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.

(2) The instrument appointing a proxy, in the case of an individual shall be signed by the appointer or his attorney, and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised.

(3) The instrument appointing a proxy must be deposited at the Registered Office of the Company at 25, Jalan Firma 2, Kawasan Perindustrian Tebrau IV, 81100 Johor Bahru, Johor not less than 48 hours before the time for holding the meeting or any adjournment thereof.

Explanatory Notes on Special Business

Resolution 8

(i) The proposed ordinary resolution under Item 8 above, if passed, will empower the Directors of the Company from the date of the above Annual General Meeting, authority to allot and issue shares in the Company up to an amount not exceeding in total 10% of the issued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied at a General Meeting will expire at the next Annual General Meeting.

Resolution 9

(ii) The proposed ordinary resolution under Item 9 above, if passed, will enable the Directors of the Company, from the date of the General Meeting, to allot and issue ordinary shares of the Company to those employees who have exercised their options under the Employees' Share Option Scheme. This authority unless revoked or varied at a General Meeting will expire at the next Annual General Meeting.

Resolution 10

(iii) Please refer to Circular to Shareholders dated 4 July 2007 in relation to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature.

Statement Accompanying Notice of Annual General Meeting

1. Directors standing for re-election

   The Directors who are offering themselves for re-election are:-

   YBhg Tan Sri Dato' Jaffar bin Abdul (75), *Malaysian*
   Chairman, Independent Non-Executive Director, Chairman of Audit Committee
   - Interest in securities in the Company: 17,600 fully paid ordinary shares of RM1.00 each (Direct)

   Mr Lim Han Weng (55), *Malaysian*
   Managing Director
   - Interest in securities in the Company: 1,698,495 fully paid ordinary shares of RM1.00 each (Direct) and 16,106,027 fully paid ordinary shares of RM1.00 each (Indirect)

   Mr Kam Chai Hong (58), *Malaysian*
   Independent Non-Executive Director
   - Interest in securities in the Company: 17,600 fully paid ordinary shares of RM1.00 each (Direct)

   The details of the above Directors who are standing for re-election are set out in the Directors' Profile on Page 6 to 7 of this Annual Report.

2. Details of Attendance of Directors at Board of Directors' Meetings

   There were 5 Board of Directors' Meetings held during the financial year ended 31 January 2007. The details of the attendance of the Directors are as follows:-

Name of Directors	Attendance
YBhg. Tan Sri Dato' Jaffar bin Abdul	5/5
Mr Lim Han Weng	5/5
Madam Bah Kim Lian	5/5
Mr Lim Han Joeh	5/5
Mr Kam Chai Hong	5/5
Dato' Adi Azmari bin B.K. Koya Moideen Kutty	5/5
Mr Bah Koon Chye	5/5
Tuan Haji Hassan bin Tan Sri Ibrahim	4/5

3. Place, date and time of the Fourteenth Annual General Meeting

   The Fourteenth Annual General Meeting is scheduled to be held on Friday, 27 July 2007 at Mutiara Hotel Johor Bahru, Dewan Johor, 2nd Floor, Jalan Dato Sulaiman, Taman Century, 80990 Johor Bahru, Johor Darul Takzim at 12.00 noon.

Corporate Information

BOARD OF DIRECTORS

1. YBhg Tan Sri Dato' Jaffar bin Abdul
   Chairman, Independent Non-Executive Director

2. Mr. Lim Han Weng
   Managing Director

3. Mr. Lim Han Joeh
   Executive Director

Miss Bah Kim Hoon *(resigned 24 May 2006)*
Executive Director

4. Madam Bah Kim Lian
   Executive Director

5. Mr. Bah Koon Chye
   Executive Director

6. Dato' Adi Azmari bin B.K. Koya Moideen Kutty
   Non-Executive Director

7. Mr. Kam Chai Hong
   Independent Non-Executive Director

8. Tuan Haji Hassan bin Ibrahim
   Independent Non-Executive Director

SECRETARY
Tan Soo Leong (LS 02389)

AUDITORS
Ernst & Young
Suite 11.2 Level 11, Menara Pelangi
No. 2, Jalan Kuning, Taman Pelangi
80400 Johor Bahru
Johor Darul Takzim

REGISTERED OFFICE
No. 25, Jalan Firma 2
Kawasan Perindustrian Tebrau IV
81100 Johor Bahru, Johor Darul Takzim
Tel: 07-355 2244 Fax: 07-355 2277
E-mail: yinsonjb.tm.net.my
Website: www.yinson.com.my

REGISTRAR
Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel: 03-2084 9000 Fax: 03-2094 9940

PRINCIPAL BANKERS
Malayan Banking Berhad
CIMB Bank Berhad
RHB Bank Berhad
Public Bank Berhad
Hong Leong Bank Berhad
Bangkok Bank Berhad
PLC Leasing & Factoring Sdn Bhd
Bank Muamalat Malaysia Berhad
EON Bank Berhad
AmBank Berhad
Malaysian Industrial Development Finance Berhad
SME Bank Berhad

STOCK EXCHANGE LISTING
The Bursa Malaysia Securities Berhad ("Bursa Securities")
Second Board

Profile of Board of Directors

YBHG TAN SRI DATO' JAFFAR BIN ABDUL *Chairman, Non-Executive Independent Director*

YBhg Tan Sri Dato' Jaffar bin Abdul, a Malaysian, aged 75, was appointed as the Chairman of Yinson on 9 February 1995 and has served in the Royal Malaysian Police for 38 years from the rank of Probation Asiatic Inspector and rose to become the Deputy Inspector General of Police before retiring from the Civil Service in May 1989. He has vast experience especially in Management and Development of Human Resources and specialises in Senior Command and Administration including Policy Analysis and Development of Organisation/Institution.

He also has vast experience in banking and finance matters after having been appointed as Chairman of both Oriental Bank Berhad and Malaysian International Merchant Bankers Berhad from 1989 to 1992. He is currently the director of several other public listed companies such as Berjaya Sports Toto Berhad, Mycom Berhad, Olympia Industries Berhad, Amalgamated Containers Berhad, Angkasa Marketing Berhad and Cosway Corporation Berhad.

MR LIM HAN WENG *Managing Director*

Mr Lim Han Weng, a Malaysian, aged 55, was appointed as the Managing Director of Yinson on 9 March 1993. He has been a director of Yinson Transport (M) Sdn Bhd (YTSB) since the date of incorporation on 5 April 1984 and was appointed as a director of Yinson Corporation Sdn Bhd (YCSB) on 1 March 1986. Armed with the experience gained while working with Lori Malaysia Bhd, a transport company, he embarked into the transport and trading business in 1984 under the partnership with his wife. In 1985, the business was transferred to YTSB. Mr Lim is the driving force in the formulation and implementation of the Yinson Group corporate strategy. In addition to planning the business strategy and taking care of the financial aspects, he also oversees and supervises the operations of the branches. Being the prime mover of the Group's excellent achievements, Mr Lim maintains close relationship with customers by entertaining and securing corporate clients. He is the one primarily responsible for the success currently enjoyed by the Group.

MR LIM HAN JOEH *Executive Director*

Mr Lim Han Joeh, a Malaysian, aged 48, was appointed as a director on 30 January 1996. He is a graduate with a Bachelor Degree in Civil Engineering from Monash University in Melbourne, Australia. Upon graduation in the year 1984, he took up the position of Operations Manager in YTSB before he assumed the position of Executive Director of YCSB in 1986. He is primarily responsible for the overall management of the YCSB and is the brother of Mr Lim Han Weng.

MADAM BAH KIM LIAN *Executive Director*

Madam Bah Kim Lian, a Malaysian, aged 55, is the wife of Mr Lim Han Weng. She was appointed to the Board of Yinson on 9 March 1993. She assisted Mr Lim in the general administration of the Group's operations. Madam Bah is also responsible for the customers services of the Company, maintaining close relationship with the customers.

DATO' ADI AZMARI BIN BK KOYA MOIDEEN KUTTY *Non-Executive Director*

Dato' Adi Azmari bin BK Koya Moideen Kutty, a Malaysian, aged 43, was appointed to the Board of Yinson on 30 January 1996. He obtained a Diploma in Civil Engineering from Institut Teknologi Mara Shah Alam in 1984 and obtained a Bachelor in Engineering (Hons) Civil Engineering from Brighton Polytechnic, United Kingdom in 1987. Subsequently in 1999, he obtained a Master of IT in Business from the University of Lincolnshire & Humberside.

From July 1984 to July 1985, he worked with Pahang State Development Corporation as a technical assistant, responsible for general supervision, contract administration and liaising with the local authorities. He worked with Perunding Budiman Sdn Bhd from 1987 to 1989 functioning as Resident Engineer, assisting head office on liaison with local authority and some design office works beside being fulltime at site for project administration.

He later moved on to Pembinaan Ratim Sdn Bhd in 1989 as a Project Engineer. He managed the project site independently for a year, responsible for negotiation with subcontractor, liaising with local authorities, clients as well as consultants. In 1990, he joined Bescorp Construction Sdn Bhd (previously known as Multi Piling & Construction Sdn Bhd) as Project Engineer and was later promoted to Project Manager. From 1992 to July 1996, he was appointed to the post of Project Director of Bescorp Construction Sdn Bhd, Bescorp Geotechnique Sdn Bhd and Bescorp Piling Sdn Bhd. He is a young entrepreneur with Civil Engineering education background, many years of track record in piling and construction business and active involvement in public listed companies.

MR BAH KOON CHYE *Executive Director*

Mr Bah Koon Chye, a Malaysian, aged 43, was appointed to the Board of Yinson on 30 January 1996. He completed his Diploma in Management Program (DIMP) in 1995 and is an associate member of Malaysian Institute of Management. He obtained his Diploma in Management (MIM) in 1997, and is also a member of the Chartered Institute of Transport (MCIT). Subsequently, he obtained his Master in Business Administration (MBA) from the University of Strathclyde, United Kingdom in 2000 and Advance Diploma in Transport from the Chartered Institute of Transport, United Kingdom in 2001.

He joined YTSB in 1989 as the Operation Manager. He is in charge of the entire operations of Yinson covering mainly the planning of fleet maintenance, sales, marketing, customer service. Additionally, he also handles the drivers as well as assignment of lorries and destination. He was appointed a Director of YTSB on 28 November 1991 and is the brother-in-law of Mr Lim Han Weng and brother of Miss Bah Kim Hoon and Madam Bah Kim Lian.

MR KAM CHAI HONG *Independent Non-Executive Director*

Mr Kam Chai Hong, a Malaysian, aged 58, was appointed as a Director of Yinson on 30 January 1996. He is a fellow of the Chartered Association of Certified Accountants. In 1980, he was admitted as a Public Accountant by Malaysian Institute of Accountants and as a Registered Accountant by Institute of Certified Public Accountants of Singapore. He is also currently a member of the Malaysian Institute of Certified Public Accountants.

In 1972, Mr Kam worked as an audit clerk with M/s Yeoh Eng Chong & Co. He later joined M/s Hanafiah Raslan & Mohd in 1973 and left the firm in 1980 as a qualified accountant. From 1981 until now, Mr Kam has been practising as Public Accountant under the name of Syarikat C.H. Kam.

TUAN HAJI HASSAN BIN IBRAHIM *Independent Non-Executive Director*

Tuan Haji Hassan bin Ibrahim, a Malaysian, aged 57, was appointed as a Director of Yinson on 25 June 2001. He graduated with a Bachelor of Arts Degree, majoring in History (International Relations) from the University of Malaya in 1973. He later studied law at Lincoln's Inn, London, United Kingdom and was subsequently called to the English Bar in 1977. He served in various positions in the Judicial and Legal Service and was called to the Malaysian Bar in 1981. Presently, he has his own legal practice under the name of Hassan Ibrahim & Co. He is currently the director of several private limited companies.

Chairman's Statement

"On behalf of the Board of Directors of Yinson Holdings Berhad, I am pleased to present the Annual Report and Audited Financial Statements of the Group and the Company for the financial year ended 31 January 2007."

INDUSTRY TRENDS AND DEVELOPMENT

In 2006, Malaysia real gross domestic product grew by 5.9% compared with 5.2% in 2005. Domestic activity, particularly driven by private sector, continued to propel economic expansion amidst high export demand for electronics and primary commodities. On the sectoral front, the services, manufacturing and agriculture sectors were the key contributors to growth in Malaysian economy.

The services sector expanded by 6.5%, with growth supported by trade-related activities, finance, insurance , real estates, business services, transport, storage and communication. Underpinned by the continued upturn in global electronics cycle which began in the second half of 2005, the manufacturing sector expanded by 7% (2005: 5.1%), with roughly the same growth rates for export-oriented and domestic-oriented industries. The agriculture sector registered a notable growth of 6.4% (2005: 2.5%), reflecting higher growth in both industrial (including palm oil, rubber and cocoa) and food crops. The robust growth reflected higher yield and strong commodity price. The mining sector registered a slight decline of 0.2% due to lower production of crude oil and natural gas. The construction sector experienced a mild contraction of 0.5% but showed steady improvement with the gradual recovery in the civil engineering segment and increased construction activity in oil and gas industry.

FINANCIAL PERFORMANCE

For financial year ended 31 January 2007, the Group's revenue decreased by 5.7% or RM25.484 million to RM418.951 million compared to RM444.436 million for the preceding year corresponding period. The decrease in revenue was mainly attributable to 10% drop in revenue of the trading segment of business while the transport segment registered 17% increase in revenue.

The Group's net profit before taxation for the financial year ended 31 January 2007 increased by 15.8% or RM2.069 million to RM15.149 million compared to RM13.080 million for the preceding financial year. The improvement was mainly attributable to increase in transport revenue and improvement in the performance of this segment of business which registered a 248% increase in its profit from operation while the trading segment registered a 12.7% declined in profit from operation due to 10% drop in revenue.

Correspondingly, profit after taxation increased to RM11.003 million compared to RM8.681 million achieved in previous financial year. Consequently, basic earnings per share increased from 19.8 sen to 25.1 sen this year and net assets per share as at 31 January 2007 increased to RM1.69 from RM1.44 at previous financial year end.

REVIEW OF OPERATIONS

The Group has 365 trucks in operation as at 31 January 2007 compared to 360 trucks as at 31 January 2006. During the current financial year, the Group also engaged about 200 trucks from other transport operators to supplement its transportation services to its customers.

DIVIDEND

The Board of Directors is pleased to recommend a first and final dividend of 2% less taxation, amounting to 1.46 sen net per share, in respect of current financial year ended 31 January 2007. The recommendation is subject to shareholders' approval at the forthcoming Annual General Meeting.

PROSPECTS

The outlook for global growth in 2007 is forecast to grow at 4.5 percent, with further easing of inflationary pressures and with some moderation in growth of world trade.

Supported by sustained global growth and resilient domestic demand, the Malaysian economy is expected to register solid growth in 2007, with real GDP expanding at 6%. Private investment will continue to be the main impetus to growth. Growth towards the later part of the year would be supported by domestic developments which include the more rapid implementation of projects under the Ninth Malaysia Plan and the intensive promotion of Visit Malaysia Year 2007 to increase tourist arrivals.

The Board foresees the Group’s operating environment to remain 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 next financial year.

APPRECIATION

On behalf of the Board of Directors, I wish to express our appreciation to the management and staff of the Group for their dedication, commitment and diligence. To our value customers, financiers, suppliers, Government and supportive shareholders, I would like to take this opportunity to thank them for their continuous support.

TAN SRI DATO’ JAFFAR BIN ABDUL
Chairman

Statement on Corporate Governance

The Board of Directors of Yinson Holdings Berhad is pleased to report on the manner the Company has applied the Principles of the Malaysian Code of Corporate Governance (the "Code") and the extend of compliance with the Best Practices of good governance as set out in Part 1 & 2 respectively of the Code.

The Board recognises the importance of adopting the principles and best practices as set out in the Code and is committed in ensuring that good corporate governance is observed and practice throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the financial performance of Yinson Holdings Berhad.

COMPLIANCE STATEMENT

The Company has complied with the Principles and Best Practices of the Malaysian code on Corporate Governance as set out in the Code.

PRINCIPLE STATEMENT

The following statements set out how the Company has applied the code. The principles of the Code are divided into four Sections:

Section 1: Directors
Section 2: Directors' Remuneration
Section 3: Shareholders
Section 4: Accountability and Audit

Section 1: DIRECTORS

Composition of the Board

The Company is led by a strong and experienced Board. The Board has eight members, comprising four executive directors and four non-executive directors, three of whom are independent. No individual dominates the Board's decision making. The profiles of the Board members are set out on pages 6 to 7.

Tan Sri Dato' Jaffar bin Abdul is the Chairman of the Board while Mr. Lim Han Weng acts as the Managing Director. There is a clear division of responsibility between these two roles to ensure a balance of power and authority. The Managing Director has overall responsibilities over the operating units, organisational effectiveness and implementation of Board policies and decisions. The Chairman's responsibility is to ensure pivotal role in corporate accountability.

The Company considers that its complement of non-executive directors provides an effective Board with a mix of industry-specific knowledge and broad business and commercial experience. This balance enables the Board to provide clear and effective leadership to the Company and to bring informed and independent judgement to many aspects of the Company's strategy and performance so as to ensure that the highest standards of conduct and integrity are maintained by the Company on a global basis.

More than one-third of the Board comprises non-executive directors since the Company recognises the contribution of non-executive directors as equal Board members to the development of the Company's strategy, the importance of representing the interests of public shareholders and providing a balanced and independent view to the Board. All non-executive directors are independent of management and free from any relationship which could interfere with their independent judgement.

In accordance with the requirements of the Code, Mr. Kam Chai Hong was appointed as a senior Independent Non-Executive Director to be available to deal with concerns regarding the Company where it could be inappropriate for these to be dealt with by the Chairman or the Managing Director.

Board Responsibilities

The Board retains full and effective control of the company. This includes responsibility for determining the Company's overall strategic direction as well as, development and control of the Group. Key matters, such as approval of annual and interim results, acquisitions and disposals, as well as material agreements, major capital expenditures and long range plans are reserved for the Board.

During the financial year, the Board held five regular meetings where it deliberated and considered a variety of matters. At each regularly scheduled meeting, there is a full financial and business review and discussion.

The Board has also delegated certain responsibilities to other Board committees, which operate within clearly defined terms of reference. Standing committees of the Board include the Audit Committee (please refer to the Report on Audit Committee set out on pages 18 to 20, a Nomination Committee and a Remuneration Committee.

Supply of Information

Each Board member receives quarterly operating results, including comprehensive review and analysis. Prior to each Board meeting, directors are sent an agenda and a full set of Board papers for each agenda item to be discussed at the meeting. This is issued in sufficient time to enable the directors to obtain further explanations, where necessary, in order to be briefed properly before the meeting.

Guidelines are in place concerning the content, presentation and delivery of papers to the Board for each meeting, so that the directors have enough information to be properly briefed.
Directors have the right to seek independent professional advice at the Company's expense, in furtherance of their duties.

Directors have access to all information within the Company whether as full board or in their individual capacity, in furtherance of their duties.

Directors also have direct access to the advice and the services of the Group's Company Secretary who is responsible for ensuring that Board procedures are followed.

Directors' Training

All the directors have attended the Mandatory Accreditation Programme and had completed the training requirements under the Continuing Education Programme as stipulated by Bursa Securities. The directors are also encouraged to attend relevant seminars and training programme on continuous basis to keep abreast of latest developments in the market place as well as to enhance their skills and knowledge.

Appointments of the Board and Re-election

The Board through the Nomination Committee ensures that it recruits to its Board only individuals of sufficient caliber, knowledge and experience to fulfil the duties of a director appropriately.

The Nomination Committee was established on 25 September 2001 to assist the Board in the execution of its duties. The Committee is empowered to bring to the Board recommendations as to the appointment of any new executive or non-executive director, provided that the Chairman of the Nomination Committee, in developing such recommendations, consults all directors and reflects that consultation in any recommendation of the Nomination Committee brought forward to the Board.

The Nomination Committee comprises the following members:

Tan Sri Dato' Jaffar bin Abdul	*Independent Non-Executive Director*	*Chairman*
Kam Chai Hong	*Independent Non-Executive Director*	*Member*
Hassan bin Ibrahim	*Independent Non-Executive Director*	*Member*

The directors have direct access to the advice and the services of the Group's Secretary who is responsible for ensuring that all appointments are properly made and all necessary information is obtained from directors, both for the Group's own records and for the purposes of meeting the requirements of the Companies Act 1965, Listing Requirements of Bursa Securities and other regulatory requirements.

On appointment, the Managing Director will brief the directors about the Group, the Board's role, the power which have been delegated to the Company's senior managers and management committees and latest financial information about the Group in an informal manner. Throughout their period in office, they are updated on the Group's business, the competitive and regulatory environments in which it operates and other changes, by meetings with the managing director and senior executives. Directors are also advised on appointment of their legal and other obligations as a director of a listed company, both formally and in face-to-face meetings with the Company Secretary. They are reminded of these obligations each year and encouraged to attend training courses at the Company's expense.

In accordance with the Company's Articles of Association, all directors who are appointed by the Board are subject to election by shareholders at the first opportunity after their appointment. The Articles also provided that at least one-third of the Board including the Managing Director is subject to re-election at regular intervals and at least once every three years. Directors over the age of seventy (70) years are required to offer themselves for re-appointment at each Annual General Meeting in accordance with Section 129 (6) of the Companies Act, 1965.

Section 2: DIRECTORS' REMUNERATION

Remuneration Policy and Procedure

The Remuneration Committee was established on 25 September 2001 to assist the Board in the execution of its duties. The Remuneration Committee comprises the following members:

Tan Sri Dato' Jaffar bin Abdul	*Independent Non-Executive Director*	*Chairman*
Lim Han Weng	*Managing Director*	*Member*
Kam Chai Hong	*Independent Non-Executive Director*	*Member*
Hassan bin Ibrahim	*Independent Non-Executive Director*	*Member*

Under the terms of reference, the Remuneration Committee reviews and recommends to the Board for approval of the remuneration packages and other employment conditions for the executive directors. Appropriate survey data on remuneration practices of comparable companies is taken into consideration.

The Managing Director will not be present when matters affecting his own remuneration arrangements are considered.

The Committee met one time during the financial year.

The determination of remuneration is a matter for the Board as a whole and individuals are required to abstain from discussion of their own remuneration.

The remuneration package for the Chairman, Managing Director and other directors comprises some of the following elements:

- **Basic Salaries and Fees**

  In setting the basic salary and fees for each executive director, the Remuneration Committee takes into account the compensation practices of other companies and the performance of the Group. Salaries are reviewed (although not necessarily increased) annually. Salaries are increased only where the Committee believes that adjustments are appropriate to reflect performance, increased responsibilities and/or market pressures.

  Non-executive directors' fees and executive directors' salaries are determined by the Board with the approval from shareholders at the Annual General Meeting.

- **Bonus**

  At present, the payment of bonus is dependent on the financial performance of the Group. Bonus payable to executive directors were reviewed by the Remuneration Committee and determined by the Board with approval from shareholders at the Annual General Meeting are shown below.

- **Retirement Plan**

  Contributions are made to the Employees Provident Fund for executive directors.

Directors' Remuneration

The details of the directors' remuneration of the Company for the financial year ended 31 January 2007 are as follows:

	Executive Directors RM	Non-Executive Directors RM
Salaries and other emoluments	1,253,752	19,700
Bonus	222,990	–
Fees	90,000	90,000
Total	1,566,742	109,700

The number of directors of the Company whose total remuneration during the year fall within the following bands is as follows:

	Executive Directors No.	Non-Executive Directors No.
Less than RM50,000	–	4
RM100,001 to RM150,000	1	-
RM150,001 to RM200,000	1	-
RM550,001 to RM600,000	1	-
RM700,001 to RM750,000	1	-

Remuneration of each member of the Board of Directors is not shown in detail individually as the directors are of the opinion that there was necessity to safeguard the physical security of the directors and members of their family. The Board is of the opinion that the transparency and accountability aspects of the corporate governance as applicable to directors' remuneration are appropriately served by the disclosure made above.

Section 3: SHAREHOLDERS

Dialogue Between the Company and Investors

As part of the Board's responsibility in developing and implementing an investor relations programme, regular discussion were held between the Managing Director and the investors throughout the year. Presentations based on permissible disclosures are made to explain the Group's performance and major development programmes. Price-sensitive information about the Group is, however, not disclosed in these exchanges until after the prescribed announcement to the BMSB has been made.
The annual and quarterly reports, together with the Company's earnings and other announcements about the Company provides shareholders with an overview of the Group's performance and operations are available at the BMSB's website and information about the Company is available at the Company's website, i.e., http://www.yinson.com.my.

Annual General Meeting

The Chairman and the Board encourage shareholders to attend and participate in the Annual General Meeting ("AGM") held annually. The AGM is the principal forum for dialogue and interaction with shareholders. Notice of the AGM and annual reports are sent to shareholders at least 21 days before the date of the meeting.

Besides the usual agenda for the AGM, the Board presents the progress and performance of the business as contained in the annual report and provides opportunities for shareholders to raise questions pertaining to the business activities of the Group. All directors are available to provide responses to questions from shareholders during these meetings.

For re-election of directors, the Board ensures that full information is disclosed through the notice of meetings regarding directors who are retiring and who are willing to serve if re-elected.

Items of special business included in the notice of the meeting will be accompanied by an explanatory statement to facilitate full understanding and evaluation of the issues involved.

Section 4: ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board always aims to provide and present a balanced and fair assessment of the Group's financial performance and prospects to shareholders, investors and regulatory authorities. This assessment is primarily provided in the Annual Report through the Chairman's Statement, review of operations and the financial statements. The Group also presents the Group's financial results on a quarterly basis via public announcement to BMSB.

The Audit Committee assists the Board in scrutinising information for disclosure to ensure accuracy, adequacy and completeness of the Annual Report and the quarterly financial results prior to release to the BMSB and the public.

The Board is responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of their results and their cash flows for the financial year ended. The Statement by Directors pursuant to Section 169 of the Companies Act 1965 is set out on page 25 of this annual report.

Internal Control

Information on the Group's internal control is presented in the Statement on Internal Control set out on page 17 of the annual report.

Relationship with Auditors

The Company always maintained a close and transparent relationship with its auditors in seeking professional advice and ensuring compliance with the accounting standards in Malaysia.

The Board has delegated the function of reviewing its relationship with the external auditors to the Audit Committee. The role of the Audit Committee in relation to the external auditors is stated in the Report on Audit Committee set out on pages 18 to 20.

Attendance at Board of Directors' Meetings

The number of Board of Directors' meetings held during the directors' tenure in office in the current financial year and the number of meetings attended by each director are as follows:

Directors	Designation	Number of meetings Attended by Member	%
Tan Sri Dato' Jaffar bin Abdul	Chairman, Independent Non-Executive Director	5/5	100
Lim Han Weng	Managing Director	5/5	100
Lim Han Joeh	Executive Director	5/5	100
Bah Kim Hoon *(resigned 24 May 2006)*	Executive Director	-	-
Bah Kim Lian	Executive Director	5/5	100
Bah Koon Chye	Executive Director	5/5	100
Adi Azmari bin B.K. Koya Moideen Kutty	Non-Executive Director	5/5	100
Kam Chai Hong	Independent Non-Executive Director	5/5	100
Hassan bin Ibrahim	Independent Non-Executive Director	4/5	80

ADDITIONAL INFORMATION ON THE BOARD OF DIRECTORS

Family Relationships With Any Directors and/or Major Shareholder

Save as disclosed under the Profile of Directors, none of the other directors has any other relationship with any directors and/or major shareholder of the Company.

Convictions for Offences (within the past 10 years other than traffic offences)

None of the directors have any convictions for offences other than traffic offences.

OTHER INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD (BS)

Share Buybacks

During the financial year, the Company did not enter into any share buyback transactions.

Options, Warrants or Convertible Securities

During the financial year, no options were exercised in respect of the Company's Employee Share Option Scheme ("ESOS"). There were no warrants or convertible securities issued during the financial year.

Imposition of Sanctions and Penalties

There were no sanctions or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year.

Non-Audit Fees

The amount of non-audit fees paid to the external auditors by the Group for the financial year amounted to RM69,875.

Profit Estimate, Forecast or Projection

The Company did not make any public release on profit estimate, forecast or projection during the financial year.

Variation of Results

There were no variances of 10% or more between the results for the financial year ended 31 January 2007 and the unaudited results for the same period previously announced.

Profit Guarantee

During the financial year, there was no profit guarantee given by the Company.

Material Contracts Involving Directors' and Major Shareholders' Interests

No material contracts involving the directors and major shareholders were entered into since the end of the previous financial year.

Status of Utilisation of Proceeds Raised from Corporate Proposals

The Company did not raise any funds from any corporate proposals during the financial year ended 31 January 2007.

Revaluation of Landed Properties

The details of the revaluation of landed properties are disclosed on pages 66 to 67 of the annual report.

Recurrent Related Party Transactions of Revenue or Trading Nature

The details of the recurrent related party transactions of a revenue or trading nature conducted pursuant to Shareholders' Mandate during the financial year ended 31 January 2007 between the Company and/or its subsidiaries companies with related parties are disclosed on page 59 of the Financial Statements.

Statement made in accordance with the resolution of the Board of Directors dated 29 June 2007.

TAN SRI DATO' JAFFAR BIN ABDUL
Chairman

Statement on Internal Control

INTRODUCTION

The Malaysian Code on Corporate Governance stipulates that the Board of Directors of listed companies should maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. Paragraph 15.27(b) of the Listing Requirements of Bursa Securities requires the Board of Directors to provide a statement on the status of internal control in the annual report of the Group.

RESPONSIBILITY

The Board acknowledges its overall responsibility to maintain a sound system of internal control to safeguard shareholders' investment and the Group's assets. This includes reviewing the effectiveness, adequacy and integrity of financial, operational and compliance controls and risk management procedures.

In view of the inherent limitation in any system of internal control, the system is designed to manage rather than eliminate the risk of failure to achieve business objectives. In pursuing these objectives, internal controls can only provide reasonable and not absolute assurance against material misstatement or loss.

KEY PROCESSES

The key processes that the directors have established in reviewing the effectiveness, adequacy and integrity of the system of internal control are as follows:

- The Board has always regarded risk management as part of business process. It recognises that an important element of a sound system of internal control is to have in place a risk management framework in order to identify, evaluate, report and monitor the significant risks faced by the Group and implement appropriate controls to manage such risks. The Group's risk management principles and procedures are clearly documented, setting out the Board's attitude to risks and the processes in achievement of the business objectives.

- The Board receives and reviews reports from the management on the key operating statistics, legal environment and regulatory matters. The Board approves appropriate responses to the Group's policy.

- There is a comprehensive system of financial reporting to the Board based on quarterly results. The Group has set up a committee to prepare financial budgets for the coming year, which are approved by operations heads and by the Board.

- The Group's internal audit department and outsourced internal auditors, reporting to the Audit Committee performs regular reviews of business processes to assess the effectiveness of internal controls and highlight significant risks impacting the Group. The Audit Committee had approved the internal audit plan.

- The Audit Committee, on behalf of the Board, regularly reviews and holds discussions with management on the action taken on internal control issues identified in reports prepared by internal auditors and the external auditors. During the current financial year, four such reports were received and reviewed by the Audit Committee.

- Close involvement in daily operations of the Group by the Managing Director and the Executive Directors.

A number of internal control weaknesses were identified during the year under review. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report. The Board is currently in the process of enhancing the following areas of the system of internal control of the Group:

- Developing written internal policies and procedures, authority limits, responsibilities and boundaries. All these documents will be subjected to regular review improvement.

CONCLUSION

The above Statement on Internal Control has been review by the External Auditors for inclusion in the annual report the Group for the year ended 31 January 2007.

Report on Audit Committee

The Audit Committee of the Company was established by the Board of Directors on 5 March 1996.

Chairman

YBhg Tan Sri Dato' Jaffar bin Abdul	*(appointed on 5 March 1996)*	*Chairman, Independent Non-Executive Director*

Members

Mr Kam Chai Hong	*(appointed on 25 March 1996)*	*Independent Non-Executive Director*
Tuan Haji Hassan bin Ibrahim	*(appointed on 25 June 2001)*	*Independent Non-Executive Director*
Mr Lim Han Weng	*(appointed on 25 March 1996)*	*Managing Director*

The Audit Committee is formally constituted with written terms of reference. All members of the Committee have a working familiarity with basic finance and accounting practices, and one of its member i.e. Kam Chai Hong, is a member of the Malaysian Institute of Accountants.

TERMS OF REFERENCE

Composition

The Audit Committee shall be appointed by the Board from amongst the directors and shall consist no fewer than 3 members, a majority of whom shall be independent non-executive directors. The member of the Audit Committee shall elect a chairman from among their members who shall be an independent Director. An alternate Director must not be appointed as a member of the Audit Committee.

At least one member of the Audit Committee:

- Must be a member of the Malaysian Institute of Accountants; or
- If he is not a member of the Malaysian Institute of Accountants, he must have at least three years' working experience and;
  - He must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1976; or
  - He must be a member of one of the association of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1976.

If a member of the Committee resigns, dies, or for any reason ceases to be a member with the results that the number of members is reduced to less than three, the Board of Directors shall, within three months of that event, appoint such number of members as may be required to make up the minimum number of three members.

The Company Secretary shall be the Secretary of the Committee.

Meetings

The Committee shall hold at least four regular meetings per year or such additional meetings as the Chairman shall decide in order to fulfil its duties and if requested to do so by any committee member. As part of its duty to foster open communication, the Group Accountant, senior management members and the representative of the internal audit are normally invited to attend the meetings. The representative from the external auditors also attend for part or whole of each meeting and have direct access to the chairman of the committee without the presence of the executive directors for independent discussions. Other Board members may attend meetings upon invitation of the Committee.

Powers

In carrying out its duties and responsibilities, the Audit Committee will have the following rights:

- Have explicit authority to investigate any matter within its terms of reference;
- Have the resources which are required to perform its duties;
- Have full, free and unrestricted access to information, records, properties and personnel of the Company and of any other companies within the Group;
- Have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
- Be able to obtain independent professional or other advice through the assistance of the Company Secretary, to invite outsiders with relevant experience to attend the committee's meetings (if required) and to brief the committee thereof;

- The attendance of any particular Audit Committee meeting by other directors and employees of the Company shall be at the committee's invitation and discretion and must be specific to the relevant meeting; and

- Be able to convene meetings with external auditors, excluding the attendance of the executive members of the committee, whenever deemed necessary.

Duties and Responsibilities

- The following are the main duties and responsibilities of the Audit Committee collectively. These are not exhaustive and can be augmented if necessary by the overall board approval:

  - Recommends to the board, the annual appointment of a suitable accounting firm to act as external auditor, negotiate on the annual audit fee and/or additional fee, consider any letter of resignation or dismissal and evaluate the basis of billings, if requested. Amongst the factors to be considered for the appointment are the adequacy of the experience and resources of the firm; the persons assigned to the audit; and the recommended audit fee payable thereof;

  - Discusses with the external auditor before the audit commences, the nature and scope of the audit, the annual audit plan and ensure co-ordination where more than one audit firm is involved;

- Reviews the quarterly interim results and annual financial statements of the Company, before recommending to the board for deliberation, focusing particularly on:

  - Any changes in accounting policies and practices;

  - Significant adjustments arising from the audit;

  - The going concern assumption;

  - Compliance with accounting standards and other legal requirements.

- Discusses problems and reservations arising from the interim and final audits and any matter the auditor may wish to discuss in the absence of the management where necessary;

- Reviews the external auditor's management letter, management's response and Audit Report;

- Reviews the assistance and co-operation given by the Company and its Group's officers to the external and internal auditors;

- Reviews with the internal and external auditors their evaluations of the systems and standards of internal control and any comments they may have with respect to improving control;

- Considers the major findings of internal investigations and management's response;

- Reviews any related party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity;

- Avail to the external and internal auditors a private, confidential audience at any time they desire and requested it through the Committee Chairman, with or without the prior knowledge of the management;

- Oversees the internal audit function by:

  - Reviewing the internal audit plan;

  - Reviewing the adequacy of the scope, functions and the resources of the internal audit function and that it has the necessary authority to carry out its work;

  - Reviewing the internal audit programme, processes, the results of the internal audit programme, processes or investigations undertaken whether or not appropriate action is taken on the recommendations of the internal audit function;

  - Reviewing appraisal or assessing the performance of members of the internal audit function;

  - Approving any appointment or termination of senior members of the internal audit; and

  - Informing itself of resignations of internal audit staff members and providing the resigning staff member an opportunity to submit his/her reason for resigning;

- Additional Duties and Responsibilities:
  - Reviews the Company's business ethics code, the method of monitoring compliance with the code and the disposition of reported exceptions.
  - Reports to the Board of Directors if there is any breach of the Listing Requirements and recommends corrective measures.
  - Reports to the Bursa Malaysia Securities Berhad if there is any breach of the Listing Requirements, which the Company has failed to satisfactorily correct after due notice.
- Considers other issues as defined by the board.

INTERNAL AUDIT FUNCTION

The Audit Committee is supported by an independent and adequately resourced internal audit function which is outsourced to a professional firm. The Committee is aware of the fact that an independent and adequately resourced internal audit function is essential to assist in obtaining the assurance it requires regarding the effectiveness of the system of internal control.

EMPLOYEES SHARE OPTION SCHEME ("ESOS")

Appendix 9C Part A Item No. 25 of the Listing Requirements of Bursa Malaysia requires a statement by the Audit Committee in relation to the allocation of share options pursuant to any share scheme for employees as required under paragraph 8.21A.

During the financial year ended 31 January 2007, no further share options were allocated pursuant to the Company's ESOS.

SUMMARY OF ACTIVITIES

The Committee met five times during the current financial year for the following purposes:

- Reviewed the unaudited quarterly financial statements of the Group before the announcements to Bursa Securities.
- Reviewed the year-end financial statements together with external auditors' management letter and management's response.
- Discussed with the external auditors the audit plan and scope for the year as well as the audit procedures to be utilised.
- Discussed with the internal auditors on its scope of work, adequacy of resources and co-ordination with external auditors.
- Reviewed the reports prepared by the internal auditors on the state on internal control of the Group.
- Discussed and reviewed risk management framework.
- Reviewed and discussed on corporate proposal matters.
- Reviewed the internal audit plan.
- Reviewed related party transactions for compliance with Bursa Securities's Listing Requirements.

The number of Audit Committee's meetings held during the members' tenure in office in the current financial year and the number of meetings attended by each member are as follows:

		Number of meetings attended
YBhg Tan Sri Dato' Jaffar bin Abdul	*Chairman*	5/5
Mr. Kam Chai Hong	*Member*	5/5
Tuan Haji Hassan bin Ibrahim	*Member*	4/5
Mr. Lim Han Weng	*Member*	5/5

Statement of Directors' Responsibilities

The directors are required to prepare the financial statements which give a true and fair view of the state of affairs of the Group and the Company and of the results of their operations and cash flows of the Group and of the Company as at the end of financial year in accordance with the requirements of the Companies Act, 1965 (the "Act").

In preparing the financial statements the Directors have,

- used appropriate accounting policies that are consistently applied;
- made judgements and estimates that are prudent and reasonable;
- ensured that all applicable approved accounting standards in Malaysia have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Act and applicable approved accounting standards in Malaysia.

The Directors are also responsible for safeguarding the assets of the Group and the Company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 January 2007.

PRINCIPAL ACTIVITIES

The principal activities of the Company is investment holding and insurance agency.

The principal activities of the subsidiaries are described in Note 16 to the financial statements.

There have been no other significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the year	11,003,545	769,336
Attributable to:		
Equity holders of the Company	11,003,545	769,336

There were no material transfers to or from reserves or provisions during the financial year.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the effects arising from the changes in accounting policies due to the adoption of the new and revised Financial Reporting Standards ("FRSs") which has resulted in a decrease in the Group's profit for the year by RM49,813 as disclosed in Note 2.3(e)(ii) to the financial statements.

DIVIDENDS

The amount of dividend paid by the Company since 31 January 2006 was as follows:

	RM
In respect of the financial year ended 31 January 2006	
Final dividend of 2.0% less 28% taxation on 43,828,000 ordinary shares paid on 15 September 2006	631,123

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 January 2007, of 2.0% less 27% taxation, amounting to a dividend of 1.46 sen net per share will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 January 2008.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Dato' Jaffar bin Abdul
Lim Han Weng
Bah Kim Lian
Dato' Adi Azmari bin B.K. Koya Moideen Kutty
Bah Koon Chye
Kam Chai Hong
Lim Han Joeh
Hassan bin Ibrahim

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under the Employee Share Option Scheme.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 8 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 31 to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares and options over shares in the Company during the financial year were as follows:

	Number of Ordinary Shares of RM1 Each			
The Company	1 February 2006	Acquired	Sold	31 January 2007
Direct interest:				
Lim Han Weng	1,698,495	-	-	1,698,495
Bah Kim Lian	1,892,420	-	-	1,892,420
Bah Koon Chye	22,600	-	-	22,600
Dato' Adi Azmari bin B.K. Koya Moideen Kutty	45,800	-	-	45,800
Lim Han Joeh	345,600	-	-	345,600
Kam Chai Hong	17,600	-	-	17,600
Tan Sri Dato' Jaffar bin Abdul	17,600	-	-	17,600
Indirect interest:				
Lim Han Weng	15,520,727	585,300	-	16,106,027
Bah Kim Lian	5,585,854	-	-	5,585,854
Lim Han Joeh	2,308,426	-	-	2,308,426

	Number of Options Over Ordinary Shares of RM1 Each				
	1 February 2006	Granted	Exercised	Lapsed	31 January 2007
Direct interest:					
Lim Han Weng	125,000	-	-	-	125,000
Bah Kim Lian	125,000	-	-	-	125,000
Bah Koon Chye	120,000	-	-	-	120,000
Lim Han Joeh	125,000	-	-	-	125,000

Lim Han Weng and Bah Kim Lian by virtue of their interests in shares in the Company are also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

Other than as stated above, the other director in office at the end of the financial year did not have any interest in shares in the Company or its related corporations during the financial year.

EMPLOYEE SHARE OPTIONS SCHEME

The Yinson Holdings Berhad Employee Share Options Scheme ("ESOS") is governed by-laws approved by the shareholders at an Extraordinary General Meeting held on 25 September 2002. The ESOS was implemented on 18 December 2003 and is to be in force for a period fo 5 years from the date of implementation.

The salient features and other terms of the ESOS are disclosed in Note 25 to the financial statements.

Details of options granted to directors are disclosed in the section on Directors' Interests in this report.

OTHER STATUTORY INFORMATION

(a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) the amount written off for bad debts or the amount of the provision for doubtful debts in financial statements of the Group and of the Company inadequate to any substantial extent; and

(ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet its obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SUBSEQUENT EVENT

Details of the subsequent event are disclosed in Note 34 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 May 2007

LIM HAN WENG

BAH KIM LIAN

Statement by Directors
Pursuant to Section 169(15) of the Companies Act, 1965

We, LIM HAN WENG and BAH KIM LIAN, being two of the directors of YINSON HOLDINGS BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 27 to 63 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2007 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 May 2007.

LIM HAN WENG BAH KIM LIAN

Statutory Declaration
Pursuant to Section 169(16) of the Companies Act, 1965

I, TAN FANG FING, being the officer primarily responsible for the financial management of YINSON HOLDINGS BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 27 to 63 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed TAN FANG FING)
at Johor Bahru in the State of Johor)
on 28 May 2007) TAN FANG FING

Before me,

ON B. HARON
No: J113

Commisioner of Oath

Report of The Auditors
to the Members of Yinson Holdings Berhad (Incorporated In Malaysia)

We have audited the accompanying financial statements set out on pages 27 to 63. These financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

(a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of:

   (i) the financial position of the Group and of the Company as at 31 January 2007 and of the results and the cash flows of the Group and of the Company for the year then ended; and

   (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and

(b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' report on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

ERNST & YOUNG
AF: 0039
Chartered Accountants

ABRAHAM VERGHESE A/L T.V. ABRAHAM
1664/10/08(J)
Partner

Johor Bahru, Malaysia
Date: 28 May 2007

Income Statements
for the year ended 31 January 2007

	Note	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Revenue	3	418,951,381	444,435,692	3,882,290	2,219,335
Cost of sales	4	(384,994,988)	(414,215,366)	(2,245,740)	(684,016)
Gross profit		33,956,393	30,220,326	1,636,550	1,535,319
Other income	5	326,284	278,190	597,020	-
Administrative expenses	6	(11,851,446)	(10,974,971)	(482,499)	(460,255)
Operating profit		22,431,231	19,523,545	1,751,071	1,075,064
Finance costs	9	(7,281,857)	(6,443,447)	(596,110)	(472)
Profit before tax		15,149,374	13,080,098	1,154,961	1,074,592
Income tax expense	10	(4,145,829)	(4,398,827)	(385,625)	(330,662)
Profit for the year		11,003,545	8,681,271	769,336	743,930
Attributable to:					
Equity holders of the Company		11,003,545	8,681,271	769,336	743,930
Earnings per share attributable to equity holders of the Company (sen):					
Basic	11(a)	25.1	19.8		
Diluted	11(b)	23.6	18.6		

The accompanying notes form an integral part of the financial statements.

Balance Sheets
as at 31 January 2007

	Note	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
ASSETS					
Non-current assets					
Property, plant and equipment	13	48,339,830	51,087,832	-	-
Investment properties	14	18,965,000	16,098,591	-	-
Intangible assets	15	79,203	163,454	-	-
Investment in subsidiaries	16	-	-	16,289,188	16,289,188
Investment in associate	17	1	1	1	1
Other investment	18	100,000	100,000	-	-
Deferred tax asset	29	-	710,000	-	-
		67,484,034	68,159,878	16,289,189	16,289,189
Current assets					
Inventories	19	345,823	396,718	-	-
Trade and other receivables	20	117,530,602	173,442,562	38,369,428	39,725,122
Current tax recoverable		259,923	307,548	259,923	240,548
Marketable securities	21	69,000	69,000	-	-
Cash and bank balances	22	4,553,047	2,311,051	17,985	24,371
		122,758,395	176,526,879	38,647,336	39,990,041
Non-current asset held for sale	23	5,301,176	-	-	-
		128,059,571	176,526,879	38,647,336	39,990,041
TOTAL ASSETS		195,543,605	244,686,757	54,936,525	56,279,230
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	24	43,828,000	43,828,000	43,828,000	43,828,000
Reserves	26	30,221,462	19,257,631	2,631,817	2,493,604
Total equity		74,049,462	63,085,631	46,459,817	46,321,604
Non-current liabilities					
Long term borrowings	27	5,059,485	6,814,375	-	-
Deferred tax liabilities	29	2,050,000	2,372,000	-	-
		7,109,485	9,186,375	-	-
Current liabilities					
Short term borrowings	27	89,513,666	138,076,227	-	-
Trade and other payables	30	23,778,083	32,753,431	8,476,708	9,957,626
Current tax payables		1,092,909	1,585,093	-	-
		114,384,658	172,414,751	8,476,708	9,957,626
Total liabilities		121,494,143	181,601,126	8,476,708	9,957,626
TOTAL EQUITY AND LIABILITIES		195,543,605	244,686,757	54,936,525	56,279,230

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity
for the year ended 31 January 2007

	Note	Share Capital RM	Non-Distributable Share Premium RM (Note 26)	Distributable Retained Earnings RM (Note 26)	Total RM
Group					
At 1 February 2005		43,815,000	587,061	10,620,422	55,022,483
Issue of share capital					
- ESOS		13,000	-	-	13,000
Profit for the year		-	-	8,681,271	8,681,271
Dividend	12	-	-	(631,123)	(631,123)
At 31 January 2006		43,828,000	587,061	18,670,570	63,085,631
At 1 February 2006		43,828,000	587,061	18,670,570	63,085,631
Effects of adopting FRS 140					
- Fair value adjustment		-	-	846,409	846,409
- Deferred tax		-	-	(255,000)	(255,000)
Profit for the year		-	-	11,003,545	11,003,545
Dividend	12	-	-	(631,123)	(631,123)
At 31 January 2007		43,828,000	587,061	29,634,401	74,049,462

The accompanying notes form an integral part of the financial statements.

Company Statement of Changes in Equity
for the year ended 31 January 2007

	Note	Share Capital RM	Non-Distributable Share Premium RM (Note 26)	Distributable Retained Earnings RM (Note 26)	Total RM
Company					
At 1 February 2005		43,815,000	587,061	1,793,736	46,195,797
Issue of share capital - ESOS		13,000	-	-	13,000
Profit for the year		-	-	743,930	743,930
Dividend	12	-	-	(631,123)	(631,123)
At 31 January 2006		43,828,000	587,061	1,906,543	46,321,604
Profit for the year		-	-	769,336	769,336
Dividend	12	-	-	(631,123)	(631,123)
At 31 January 2007		43,828,000	587,061	2,044,756	46,459,817

The accompanying notes form an integral part of the financial statements.

Cash Flow Statements
for the year ended 31 January 2007

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	15,149,374	13,080,098	1,154,961	1,074,592
Adjustments for:				
Amortisation of intangible assets	37,563	-	-	-
Bad and doubtful debts	363,585	647,875	-	-
Depreciation	6,290,837	6,647,065	-	-
Interest expenses	7,168,543	6,284,566	595,534	-
Fair value adjustment of investment properties	359,075	-	-	-
Loss on disposal of intangible assets	38,628	-	-	-
(Gain)/Loss on disposal of property, plant and equipment	(201,728)	19,556	-	-
Loss on disposal of investment in associate	-	1,588	-	3,000
Plant and equipment written off	543,966	711,820	-	-
Dividend income (gross)	(1,468)	-	(1,500,000)	(1,500,000)
Interest income	(16,447)	(9,556)	(595,534)	-
Operating profit/(loss) before working capital changes	29,731,928	27,383,012	(345,039)	(422,408)
Receivables	55,548,375	(20,375,976)	15,808	(28,389)
Inventories	50,895	(163,249)	-	-
Payables	(8,975,348)	(38,317,625)	(55,283)	29,185
Cash generated from/(used in) operations	76,355,850	(31,473,838)	(384,514)	(421,612)
Interest received	16,447	9,556	595,534	-
Interest paid	(7,168,543)	(6,284,566)	(595,534)	-
Tax paid	(4,456,987)	(5,095,334)	-	-
Net cash (used in)/generated from operating activities	64,746,767	(42,844,182)	(384,514)	(421,612)
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividend received	1,067	-	1,095,000	1,080,000
(Decrease)/Increase in subsidiaries balances	-	-	(85,749)	4,942,316
Additional investment in subsidiary	-	-	-	(5,000,000)
Proceeds from disposal of property, plant and equipment	351,688	54,800	-	-
Proceeds from disposal of intangible assets	10,500	-	-	-
Proceeds from disposal of associate	-	27,000	-	27,000
Purchase of intangible assets	(2,440)	-	-	-
Purchase of investment properties	(2,379,075)	-	-	-
Purchase of property, plant and equipment	(6,512,061)	(2,876,277)	-	-
Net cash (used in)/generated from investing activities	(8,530,321)	(2,794,477)	1,009,251	1,049,316
CASH FLOWS FROM FINANCING ACTIVITIES				
(Decrease)/Increase in bankers' acceptances and revolving credits	(49,125,019)	51,156,611	-	-
Dividend paid	(631,123)	(631,123)	(631,123)	(631,123)
Drawdown of term loans	686,494	1,000,000	-	-
Proceeds from issuance of ordinary shares	-	13,000	-	13,000
Repayment of hire purchase payables	(2,700,476)	(4,048,130)	-	-
Repayment of term loans	(1,231,218)	(1,356,665)	-	-
Net cash (used in)/generated from financing activities	(53,001,342)	46,133,693	(631,123)	(618,123)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3,215,104	495,034	(6,386)	9,581
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(14,006,974)	(14,502,008)	24,371	14,790
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 22)	(10,791,870)	(14,006,974)	17,985	24,371

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements
31 January 2007

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Second Board of Bursa Malaysia Securities Berhad. The principal place of business of the Company is located at No. 25, Jalan Firma Dua, Kawasan Perindustrian Tebrau IV, 81100 Johor Bahru, Johor Darul Ta'zim.

The principal activities of the Company is investment holding and insurance agency. The principal activities of the subsidiaries are described in Note 16. There have been no other significant changes in the nature of these principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 May 2007.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia. At the beginning of the current financial year, the Group and the Company had adopted new and revised FRSs which are mandatory for financial periods beginning on and after 1 January 2006 as fully described in Note 2.3.

The financial statements of the Group and of the Company have also been prepared on a historical basis, except for investment properties that have been measured at their fair values.

The financial statements are presented in Ringgit Malaysia (RM).

2.2 Summary of Significant Accounting Policies

(a) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entitities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investment in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Subsidiaries and businesses acquired under common control are accounted for in the consolidated financial statements by way of the application of merger principles of accounting. The common control transfers are acquisitions of entities, or businesses controlled by such entities, at book values as recorded in these entities whereby these entities and the Group have common ultimate controlling parties prior to and immediately after such transfers. The results of such subsidiaries and businesses are presented as if the "merger" had been effected throughout the current and previous financial periods.

In other case of acquisition, the acquisitions of subsidiaries are accounted for using the purchase method. The purchase method of accounting involves allocating the cost of acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Minority interests in the consolidated balance sheet consist of the minorities' share of the fair value of the identifiable assets and liabilities of the acquiree as at acquisition date and the minorities' share of movement in the acquiree's equity since then.

(b) **Associates**

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policies decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognised its share of such changes. In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(c) **Property, Plant and Equipment and Depreciation**

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

Certain landed properties of the Group have not been revalued since they were first revalued in 1995. The directors have not adopted a policy of regular regulations of such assets. As permitted under the transitional provisions of International Accounting Standards (IAS) 16 (Revised): Property, Plant and Equipment which was the applicable accounting standards when the first revalaution was done, these assets continue to be stated at their 1995 valuation less accumulated depreciation.

Surplus arising from revaluation is credited to the revaluation reserve account included within equity. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property and the balance thereafter is recognised in profit and loss. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained earnings.

2.2 **Summary of Significant Accounting Policies** (cont'd)

(c) **Property, Plant and Equipment and Depreciation** (cont'd)

Freehold land has an unlimited useful life and therefore is not depreciated. Long term leasehold land are amortised over the period of the respective leases of 60 years. Building in-progress and motor vehicles in-progress are also not depreciated as these assets are not available for use. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Long term leasehold land and buildings	Over 60 years
Other buildings	2%
Electrical installation	20%
Motor vehicles	10%
Renovation, equipment, furniture and fittings	10%

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

(d) **Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date.

Intangible assets with indefinite useful lives are not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

(e) **Investment Properties**

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Gain or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

(f) **Impairment of Non-Financial Assets**

The carrying amounts of assets, other than investment properties, inventories, deferred tax assets and non-current assets (or disposal groups) held for sale, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(g) **Inventories**

Inventories are stated at lower of cost and net realisable value determined using the first in, first out method.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) **Financial Instruments**

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) **Cash and Cash Equivalents**

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank, deposits at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(ii) **Other Non-Current Investments**

Non-current investments other than investment in subsidiaries and associates are stated at cost less impairment losses. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statement.

2.2 **Summary of Significant Accounting Policies** (Cont'd)

(h) **Financial Instruments** (Cont'd)

(iii) **Marketable Securities**

Marketable securities are carried at the lower of cost and market value, determined on an aggregate basis. Cost is determined on the weighted average basis while market value is determined based on quoted market values. Increases or decreases in the carrying amount of marketable securities are recognised in profit or loss. On disposal of marketable securities, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

(iv) **Trade Receivables**

Trade receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(v) **Trade Payables**

Trade payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(vi) **Interest-Bearing Borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

(vii) **Equity Instrument**

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which the obligation to pay is established.

(i) **Leases**

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership. All other leases that do not transfer substantially all the risks and rewards are classified as operating leases.

(i) **Finance leases**

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment as described in Note 2.2(c).

(ii) **Operating leases**

Operating lease payments are recognised as expense in the income statement on a straight-line basis over the term of the relevant lease.

(j) **Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(k) **Income Tax**

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(l) **Employee Benefits**

(i) **Short Term Benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) **Defined Contribution Plans**

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

(iii) **Share-based Compensation**

The Company's Employee Share Options Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Group's employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non -market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the options expires, upon which it will be transferred directly to retained earning.

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

The Group has applied the transitional provision for share-based payment, in particular, for ESOS which was granted before 31 December 2004 and vested before 1 January 2006.

2.2 **Summary of Significant Accounting Policies** (cont'd)

(m) **Revenue Recognition**

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

(i) **Sale of goods**

Revenue relating to sale of goods is recognised net of sales taxes and discounts upon the transfer of risks and rewards.

(ii) **Revenue from services**

Revenue from services rendered is recognised net of discounts as and when the services are performed.

(iii) **Interest income**

Interest income is recognised on an accrual basis using the effective interest method.

(iv) **Rental income**

Rental income from investment properties is recognised on a straight-line basis over the term of the lease.

(v) **Dividend income**

Dividend income is recognised when the right to receive payment is established.

(vi) **Insurance income**

Revenue from insurance agency is recognised on a receivable basis.

(n) **Foreign Currencies**

(i) **Functional and Presentation Currency**

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(ii) **Foreign Currency Transactions**

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(o) **Non-current Assets (or Disposal Groups) Held for Sale and Discounted Operation**

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current assets (or all the assets and liabilities in a disposal group) is brought up-to-date in accordance with applicable FRSs. Then, on initial classification as held for sale, non-current assets or disposal groups (other than investment properties, deferred tax assets, employee benefits assets, financial assets and inventories) are measured in accordance with FRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

2.3 Changes in Accounting Policies and Effects Arising from Adoption of New and Revised FRS

On 1 February 2006, the Group and the Company adopted the following FRSs mandatory for financial periods beginning on or after 1 January 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

In addition, the Group has not early adopted the following deferred FRSs:

FRS 117	Leases
FRS 124	Related Party Disclosures
FRS 139	Financial Instruments: Recognition and Measurement

As at the date of authorisation of these financial statements, the following FRSs, Amendments of FRSs and Interpretations were issued but not yet effective:

FRS 6	Exploration for Evaluation of Mineral Resources
Amendment to FRS 119_{2004}	Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures
Amendments to FRS 121	The Effects of Changes in Foreign Exchange Rates - Net Investment in a foreign Operation
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 Environmental 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_{2004} Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

The adoption of the new and revised FRSs and does not result in significant changes in accounting policies of the Group. The principal changes in accounting policies and their effects resulting from the adoption of the other new and revised FRSs are discussed below:

(a) **FRS 5: Non-current Assets Held for Sale and Discontinued Operations**

Prior to 1 February 2006, non-current assets (or disposal groups) held for sale were neither classified nor presented as current assets or liabilities. There were no differences in the measurement of non-current assets (or disposal groups) held for sale and those for continuing use. Upon the adoption of FRS 5, non-current assets (or disposal groups) held for sale are classified as current assets (and current liabilities, in the case of non-current liabilities included within disposal groups) and are stated at the lower of carrying amount and fair value less costs to sell.

2.3 **Changes in Accounting Policies and Effects Arising from Adoption of New and Revised FRS** (cont'd)

(a) **FRS 5: Non-current Assets Held for Sale and Discontinued Operations** (cont'd)

FRS 5 requires a component of an entity to be classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

The Group has applied FRS 5 prospectively in accordance with the transitional provisions. This change has no impact on the Group's and the Company's balance sheets as at 31 January 2007 and income statements for the year ended 31 January 2007.

(b) **FRS 101: Presentation of Financial Statements**

Prior to 1 February 2006, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and equity. Upon the adoption of the revised FRS 101, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the year. A similar requirement is also applicable to the statement of changes in equity. The revised FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the year, showing separately the amounts attributable to equity holders of the Company and to minority interests.

Prior to 1 February 2006, the Group's share of taxation of associates accounted for using the equity method was included as part of the Group's income tax expense in the consolidated income statement. Upon the adoption of the revised FRS 101, the share of taxation of associates and jointly controlled entities accounted for using the equity method are now included in the respective shares of profit or loss reported in the consolidated income statement before arriving at the Group's profit or loss before tax. This change has no impact on the Group's balance sheet as at 31 January 2007 and income statement for the year ended 31 January 2007 since the Group's share of losses have been restricted to its interest in the associates.

(c) **FRS 138: Intangible Assets**

Prior to 1 February 2006, all intangible assets were considered to have a finite useful life and were stated at cost less accumulated amortisation and impairment losses. Upon the adoption of FRS 138, the useful lives of intangible assets are now assessed at the individual asset level as having either a finite or indefinite life. Intangible assets which have finite useful lives continue to be stated at cost less accumulated amortisation and impairment losses.

Except for the reclassification of the of comparatives, the change has had no impact on amounts reported for financial year ended 31 January 2006 or prior periods.

(d) **FRS 140: Investment Property**

Prior to 1 February 2006, are classified as Property, Plant and Equipment and are stated at cost or valuation. Certain investment properties of the Group have not been revalued since they were first revalued in 1995. The directors have not adopted a policy of regular revaluations of such assets. As permitted under the transitional provisions of International Accounting Standards (IAS) 16 (Revised): Property, Plant and Equipment which were the applicable accounting standard when the first revaluation was done, these assets continue to be stated at their 1995 valuation less accumulated depreciation. Surplus arising from revaluation is credited to the revaluation reserve account included within equity.

Upon the adoption of FRS 140, investment properties are now reclassified as Investment Properties and are stated at fair value and gains and losses arising from changes in fair values are recognised in profit or loss in the year in which they arise.

The Group has applied FRS 140 in accordance with the transitional provisions. The change in accounting policy has had no impact on amounts reported for financial year ended 31 January 2006 or prior periods. Instead, the changes have been accounted for by restating the following opening balances of the Group as at 1 February 2006:

	As at 1.2.2006 RM'000
Decrease in property, plant and equipment	(16,262,043)
Increase in investment properties	16,098,589
Increase in retained earnings	591,409
Increase in deferred tax liabilities	255,000

The effects on the consolidated balance sheet as at 31 January 2007 are set out in Note 2.3(e)(i). The effects on the consolidated income statement for the year ended 31 January 2007 are set out in Note 2.3(e)(ii). There were no effects on the Company's financial statements for the year ended 31 January 2007.

(e) **Summary of effects of adopting new and revised FRSs on the current year's financial statements**

The following tables provide estimates of the extent to which each of the line items in the balance sheets and income statements for the year ended 31 January 2007 is higher or lower than it would have been had the previous policies been applied in the current year.

(i) **Effects on consolidated balance sheet as at 31 January 2007**

	Increase / (Decrease)			
	FRS 5 Note 2.3(a)	FRS 138 Note 2.3(c)	FRS 140 Note 2.3(d)	Total
Description of Change	RM	RM	RM	RM
Property, plant and equipment	5,301,176	79,203	18,168,404	23,548,783
Retained earnings	-	-	(541,596)	(541,596)
Deferred tax liabilities	-	-	(255,000)	(255,000)

(ii) **Effects on consolidated income statement for the year ended 31 January 2007**

	Increase / (Decrease)			
	FRS 5 Note 2.3(a)	FRS 138 Note 2.3(c)	FRS 140 Note 2.3(d)	Total
Description of Change	RM	RM	RM	RM
Administrative expenses	-	-	(49,813)	(49,813)
Profit before tax	-	-	49,813	49,813
Profit for the year	-	-	49,813	49,813
Earnings per share (sen):				
Basic, for profit for the year	-	-	0.1	0.1
Diluted, for profit for the year	-	-	0.1	0.1

(iii) **Restatement of comparatives**

		Increase / (Decrease)		
	Previously Stated	FRS 138 Note 2.3(c)	FRS 140 Note 2.3(d)	Restated
Description of Change		RM	RM	RM
Group				
At 1 February 2006				
Property, plant and equipment	67,349,877	(16,098,591)	(163,454)	51,087,832
Investment properties	-	-	16,098,591	16,098,591
Intangible assets	-	163,454	-	163,454

2.4 Significant Accounting Estimates and Judgements

(a) Key Sources of Estimation Uncertainty

The judgement made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements is as follows:

Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(b) Critical Judgements Made in Applying Accounting Policies

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Depreciation of plant and machinery

The cost of transportation vehicles for the provision of transport services is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these transportation vehicles to be within 10 years. These are common life expectancies applied in the transport industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

3. REVENUE

Revenue of the Group and of the Company consist of the following:

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
Transport services	79,654,129	68,024,253	-	-
Trading in construction materials	337,125,933	375,185,433	-	-
Rental of properties	602,332	818,193	-	-
Insurance income	1,568,987	407,813	2,382,290	719,335
Dividend income from subsidiary	-	-	1,500,000	1,500,000
	418,951,381	444,435,692	3,882,290	2,219,335

4. **COST OF SALES**

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Cost of trading goods sold	318,274,992	356,071,768	-	-
Cost of services rendered	1,525,700	675,364	-	-
Other direct expenses	65,194,296	57,468,234	2,245,740	684,016
	384,994,988	414,215,366	2,245,740	684,016

Included in cost of sales are:

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Depreciation	5,501,134	5,760,879	-	-
Drivers' commission	6,368,092	5,944,060	-	-
Rental of lorries	55,200	57,600	-	-
Employee benefits expenses	2,444,220	1,771,946	-	-
Transport agents' charges	20,525,535	19,141,236	-	-
Upkeep of vehicles	24,853,240	20,035,062	-	-

5. **OTHER INCOME**

Included in other income are:

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Bad debts recovered	49,831	26,481	-	-
Dividend income (gross)	1,468	-	-	-
Exchange gain - realised	1,893	-	-	-
Gain on disposal of property, plant and equipment	201,728	-	-	-
Interest income	16,447	9,556	595,534	-

6. **ADMINISTRATIVE EXPENSES**

Included in administrative expenses are:

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Auditors' remuneration:				
Statutory audit				
- Current year	72,000	65,000	15,000	13,000
- Under/(Over) provision in prior year	8,600	(1,000)	4,100	1,000
Other services	69,875	83,796	50,000	38,610
Amortisation of intangible assets	37,563	-	-	-
Bad and doubtful debts	363,585	647,875	-	-
Depreciation	789,703	886,186	-	-
Fair value adjustment of investment properties	359,075	-	-	-
Loss on disposal of associate	-	1,588	-	3,000
Loss on disposal of property, plant and equipment	-	19,556	-	-
Plant and equipment written off	543,966	711,820	-	-
Loss on disposal of intangible assets	38,628	-	-	-
Loss on foreign exchange - Realised	-	4,088	-	-
Rental of premises	406,340	368,592	-	-
Employee benefits expenses	6,130,724	5,499,428	26,419	9,137

7. EMPLOYEE BENEFITS EXPENSE

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Included in:				
Cost of sales (Note 4)	2,444,220	1,771,946	-	-
Administrative expenses (Note 6)	6,130,724	5,499,428	26,419	9,137
	8,574,944	7,271,374	26,419	9,137
Analysed as follows:				
Wages and salaries	7,578,210	6,500,957	23,240	8,050
Social security contributions	83,245	66,551	371	112
Contributions to defined contribution plan	849,207	712,453	2,808	975
Other benefits	64,282	(8,587)	-	-
	8,574,944	7,271,374	26,419	9,137

Included in employee benefits expenses of the Group is executive directors' employee benefit expenses amounting to RM1,461,042 (2006: RM1,450,735) as further disclosed in Note 8.

8. DIRECTORS' REMUNERATION

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Executive directors' remuneration:				
- Fees	90,000	110,000	90,000	110,000
- Executive employee benefits expenses (Note 7)	1,461,042	1,450,735	-	-
- Other emoluments	15,700	18,500	15,700	18,500
	1,566,742	1,579,235	105,700	128,500
Non-executive directors' remuneration:				
- Fees	90,000	90,000	90,000	90,000
- Other emoluments	19,700	20,700	19,700	20,700
	109,700	110,700	109,700	110,700
Total directors' remuneration	1,676,442	1,689,935	215,400	239,200

The number of directors of the Company whose total remuneration during the year fall within the following bands is analysed below:

	Number of directors 2007	Number of directors 2006
Executive:		
RM100,001 - RM150,000	1	3
RM150,001 - RM200,000	1	-
RM450,001 - RM500,000	-	1
RM550,001 - RM600,000	1	-
RM600,001 - RM650,000	-	1
RM701,000 - RM750,000	1	-
Non-Executive directors:		
Below RM50,000	4	4

9. FINANCE COSTS

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Bank charges	113,314	158,881	576	472
Interest expenses	7,168,543	6,284,566	595,534	-
	7,281,857	6,443,447	596,110	472

10. INCOME TAX EXPENSE

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Current income tax:				
Malaysian income tax	4,021,543	4,411,000	364,000	327,000
(Over)/Underprovision of income tax in prior years	(8,714)	44,827	21,625	3,662
	4,012,829	4,455,827	385,625	330,662
Deferred tax (Note 29):				
Relating to origination and reversal of temporary differences	466,138	(78,000)	-	-
Relating to changes in tax rates	(91,138)	-	-	-
(Over)/Underprovision in prior years	(242,000)	21,000	-	-
	133,000	(57,000)	-	-
	4,145,829	4,398,827	385,625	330,662

Domestic income tax is calculated at the Malaysian statutory rate of 27% (2006: 28%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 26% from the current year's rate of 27% effective year of assessment 2008. The computation of deferred tax as at 31 January 2007 has reflected these changes.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

Group	2007 RM	2006 RM
Profit before taxation	15,149,374	13,080,098
Taxation at Malaysian statutory tax rate of 27% (2006: 28%)	4,090,331	3,662,427
Effect of tax at 20% (2006: 20%) on the first RM500,000 (2006: RM500,000)	(35,000)	(40,000)
Effect of changes in tax rate on opening balance of deferred tax	(73,878)	-
Deferred tax recognised at different tax rate	(17,260)	-
Income not subject to tax	(12,414)	-
Expenses not deductible for tax purposes	444,764	710,573
Underprovision of tax expense in prior years	(8,714)	44,827
Underprovision of deferred tax in prior years	(242,000)	21,000
Income tax expense for the year	4,145,829	4,398,827
Company		
Profit before taxation	1,154,961	1,074,592
Taxation at Malaysian statutory tax rate of 27% (2006: 28%)	311,839	300,886
Expenses not deductible for tax purposes	52,161	26,114
Underprovision of tax expense in prior year	21,625	3,662
Income tax expense for the year	385,625	330,662

11. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the net profit for the year by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2007	**2006**
Profit attributable to ordinary equity holders of the Company	11,003,545	8,681,271
Weighted average number of ordinary shares in issue	43,828,000	43,826,718
Basic earnings per share (sen)	25.1	19.8

(b) Diluted

For the purpose of calculating diluted earnings per share, the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the effects of dilutive potential ordinary shares from the exercise of the ESOS. The adjusted weighted average number of ordinary shares is the weighted average number of ordinary shares in issue during the financial year plus the number of ordinary shares which would be in issue on the exercise of the outstanding options under the ESOS.

	Group	
	2007	**2006**
Profit attributable to ordinary equity holders of the Company (RM)	11,003,545	8,681,271
Weighted average number of ordinary shares in issue	43,828,000	43,826,718
Adjustment for assumed options taken up	2,783,000	2,968,000
Adjusted weighted average number of ordinary shares in issue and issuable	46,611,000	46,794,718
Diluted earnings per share (sen)	23.6	18.6

12. DIVIDENDS

	Amount		Dividend Per Share	
	2007 RM	**2006 RM**	**2007 RM**	**2006 RM**
Ordinary final dividend of 2.0% less 28% taxation (2006: 2.0% less 28% taxation)	631,123	631,123	1.44	1.44

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 January 2007, of 2.0% less 27% taxation amounting to a dividend of 1.46 sen net per share will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained earnings in the next financial year ending 31 January 2008.

13. PROPERTY, PLANT AND EQUIPMENT

GROUP 2007	LAND AND BUILDINGS RM	MOTOR VEHICLES RM	*OTHER ASSETS RM	TOTAL RM
Cost of valuation				
At 1 February 2006, as previously stated	38,731,168	61,198,731	4,398,362	104,328,261
Reclassified as investment properties	(19,053,549)	-	-	(19,053,549)
Reclassified as intangible assets	-	-	(310,363)	(310,363)
At 1 February 2006, restated	19,677,619	61,198,731	4,087,999	84,964,349
Additions	823,792	8,407,918	306,227	9,537,937
Written off	(317,261)	(1,719,513)	(242,281)	(2,279,055)
Disposal	(33,138)	(1,805,406)	(3,861)	(1,842,405)
Transferred to non-current asset held for sale	(5,526,855)	-	-	(5,526,855)
At 31 January 2007	14,624,157	66,081,730	4,148,084	84,853,971
Accumulated Depreciation				
At 1 February 2006, as previously stated	4,175,502	30,633,552	2,169,330	36,978,384
Reclassified as investment properties	(2,954,958)	-	-	(2,954,958)
Reclassified as intangible assets	-	-	(146,909)	(146,909)
At 1 February 2006, restated	1,220,544	30,633,552	2,022,421	33,876,517
Charge for the year	287,352	5,634,138	369,347	6,290,837
Written off	-	(1,549,309)	(185,780)	(1,735,089)
Disposal	-	(1,691,529)	(916)	(1,692,445)
Transferred to non-current asset held for sale	(225,679)	-	-	(225,679)
At 31 January 2007	1,282,217	33,026,852	2,205,072	36,514,141
Net Book Value	13,341,940	33,054,878	1,943,012	48,339,830

13. **PROPERTY, PLANT AND EQUIPMENT** (cont'd)

Group 2006	Land and Buildings RM	Motor Vehicles RM	*Other Assets RM	Total RM
Cost or valuation				
At 1 February 2005	38,561,226	58,104,389	4,288,815	100,954,430
Additions	169,942	6,230,665	146,195	6,546,802
Written off	-	(3,062,223)	(27,080)	(3,089,303)
Disposal	-	(74,100)	(9,568)	(83,668)
At 31 January 2006, as previously stated	38,731,168	61,198,731	4,398,362	104,328,261
Reclassified as investment properties	(19,053,549)	-	-	(19,053,549)
Reclassified as intangible assets	-	-	(310,363)	(310,363)
At 31 January 2006, restated	19,677,619	61,198,731	4,087,999	84,964,349
Accumulated Depreciation				
At 1 February 2005	3,577,237	27,365,013	1,775,864	32,718,114
Charge for the year	598,265	5,645,650	403,150	6,647,065
Written off	-	(2,374,028)	(3,455)	(2,377,483)
Disposal	-	(3,083)	(6,229)	(9,312)
At 31 January 2006, as previously stated	4,175,502	30,633,552	2,169,330	36,978,384
Reclassified as investment properties	(2,954,958)	-	-	(2,954,958)
Reclassified as intangible assets	-	-	(146,909)	(146,909)
At 31 January 2006, restated	1,220,544	30,633,552	2,022,421	33,876,517
Net Book Value	18,457,075	30,565,179	2,065,578	51,087,832

** Other assets comprise office equipment, computers, signboard, renovation, electrical installation, plant and equipment and furniture and fittings.*

(a) **Land and buildings**

2007	Freehold Land RM	Long Term Leasehold Land RM	Buildings RM	Total RM
Cost				
At 1 February 2006, as previously stated	5,320,888	16,657,123	16,753,157	38,731,168
Reclassified as investment properties	(5,320,888)	(2,857,781)	(10,874,880)	(19,053,549)
At 1 February 2006, restated	-	13,799,342	5,878,277	19,677,619
Additions	-	822,792	1,000	823,792
Written off	-	-	(350,399)	(350,399)
Transferred to non-current asset held for sale	-	(5,526,855)	-	(5,526,855)
At 31 January 2007	-	9,095,279	5,528,878	14,624,157
Accumulated Depreciation				
At 1 February 2006, as previously stated	-	1,726,593	2,448,909	4,175,502
Reclassified as investment properties	-	(846,882)	(2,108,076)	(2,954,958)
At 1 February 2006, restated	-	879,711	340,833	1,220,544
Charge for the year	-	185,749	101,603	287,352
Transferred to non-current asset held for sale	-	(225,679)	-	(225,679)
At 31 January 2007	-	839,781	442,436	1,282,217
Net Book Value	-	8,255,498	5,086,442	13,341,940

2006	Freehold Land RM	Long Term Leasehold Land RM	Buildings RM	Total RM
Cost / Valuation				
At 1 February 2005	5,320,888	16,622,007	16,618,331	38,561,226
Additions	-	35,116	134,826	169,942
At 31 January 2006	5,320,888	16,657,123	16,753,157	38,731,168
Reclassified as investment properties	(5,320,888)	(2,857,781)	(10,874,880)	(19,053,549)
At 31 January 2006, restated	-	13,799,342	5,878,277	19,677,619
Accumulated Depreciation				
At 1 February 2005	-	1,498,568	2,078,669	3,577,237
Charge for the year	-	228,025	370,240	598,265
At 31 January 2006, as previously stated	-	1,726,593	2,448,909	4,175,502
Reclassified as investment properties	-	(846,882)	(2,108,076)	(2,954,958)
At 31 January 2006, restated	-	879,711	340,833	1,220,544
Net Book Value	-	12,919,631	5,537,444	18,457,075

13. **PROPERTY, PLANT AND EQUIPMENT** (Cont'd)

(b) Net book values of motor vehicles of the Group held under hire purchase agreements amounted to RM8,079,878 (2006: RM9,425,105).

(c) The additions of property, plant and equipment were acquired by means of:

	Group 2007 RM	Group 2006 RM
Cash payment	6,512,061	2,876,277
Hire purchase arrangements	3,025,876	3,594,537
Contra of trade debts	-	75,988
	9,537,937	6,546,802

(d) The net book value of property, plant and equipment pledged to financial institutions for banking facilities granted to the Group, as referred to in Note 27 and Note 28 are as follows:

	Group 2007 RM	Group 2006 RM
Leasehold land	7,185,033	11,828,592
Buildings	4,978,543	5,080,144
	12,163,576	16,908,736
Motor vehicles	7,845,876	9,425,105
	20,009,452	26,333,841

(e) Included in property, plant and equipment are motor vehicles with a carrying value of RM1,115,222 (2006: RM1,416,315) registered in the name of third parties, a director (Lim Han Weng) and companies in which certain directors (Lim Han Weng and Bah Kim Lian) have an interest.

(f) Included in the Group's property, plant and equipment are cost of the following assets in progress which are not depreciated:

	2007 RM	2006 RM
Motor vehicles in progress	2,140,500	1,166,949
Buildings in progress	140,039	317,261
	2,280,539	1,484,210

14. **INVESTMENT PROPERTIES**

	Group 2007	Group 2006
At beginning of year	16,098,591	-
Reclassified from property, plant and equipment	-	16,098,591
Effects of adopting FRS 140	846,409	-
Addition during the year	2,379,075	-
Fair value adjustments	(359,075)	-
At end of year	18,965,000	16,098,591

The following investment properties are held under lease terms:

	2007	2006
Leasehold land	2,400,000	2,010,899
Buildings	3,470,000	2,727,349
	5,870,000	4,738,248

Investment properties with an aggregate carrying value of RM3,800,000 (2006: RM1,898,532) are pledged as securities for borrowings as referred to in Note 27.

15. INTANGIBLE ASSETS

	Group 2007	Group 2006
Cost		
At beginning of year	310,363	-
Reclassified from property, plant and equipment	-	310,363
Additions	2,440	-
Disposal	(154,457)	-
At end of year	158,346	310,363
Accumulated amortisation		
At beginning of year	146,909	-
Reclassified from property, plant and equipment	-	120,470
Amortisation	37,563	26,439
Disposal	(105,329)	-
At end of year	79,143	146,909
Net carrying amount	79,203	163,454

16. INVESTMENT IN SUBSIDIARIES

	Group 2007	Group 2006
Unquoted shares, at cost	16,289,188	16,289,188

Details of the subsidiaries which were incorporated in Malaysia are as follows:

Name of Subsidiaries	Country of Incorporation	Effective Interest (%) 2007	Effective Interest (%) 2006	Principal Activities
Yinson Transport (M) Sdn. Bhd.*	Malaysia	100	100	Provision of transport services, trading in construction materials and rental of properties.
Yinson Corporation Sdn. Bhd.*	Malaysia	100	100	Provision of transport services and trading in construction materials.
Yinson Haulage Sdn. Bhd.**	Malaysia	70	70	Transport and haulage contractor.

** Subsidiaries consolidated using merger method of accounting.*
*** Subsidiary consolidated using acquisition method of accounting.*

17. INVESTMENT IN ASSOCIATE

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
At cost:				
Unquoted shares outside Malaysia, at cost	10,114	10,114	10,114	10,114
Share of post acquisition reserves	-	-	-	-
	10,114	10,114	10,114	10,114
Less: Impairment losses	(10,113)	(10,113)	(10,113)	(10,113)
	1	1	1	1
Represented by:				
Share of net tangible assets	1	1		

The associates are:

Name of Associate	Country of Incorporation	Effective Interest (%) 2007	Effective Interest (%) 2006	Principal Activities
Yinson Transport (Thailand) Co. Ltd.*	Thailand	49	49	Dormant

** The results of the associate have not been equity accounted as there were no accounts prepared since the date of its incorporation.*

18. OTHER INVESTMENT

	Group 2007	Group 2006
Unquoted shares at cost	100,000	100,000

19. INVENTORIES

	Group 2007	Group 2006
At cost:		
Consumable	322,857	389,662
Trading goods	22,966	7,056
	345,823	396,718

20. TRADE AND OTHER RECEIVABLES

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Trade receivables				
Thrid parties	117,723,763	174,444,978	-	-
Related parties	2,469	747	-	-
	117,726,232	174,445,725	-	-
Provision for doubtful debts	(3,717,449)	(3,685,502)	-	-
	114,008,783	170,760,223	-	-
Other receivables				
Due from subsidiaries	-	-	38,355,236	39,695,122
Deposits	652,914	460,719	1,000	1,000
Prepayments	1,767,450	1,857,258	-	2,000
Sundry receivables	1,668,751	854,461	13,192	27,000
	4,089,115	3,172,438	38,369,428	39,725,122
Provision for doubtful debts	(567,296)	(490,099)	-	-
	3,521,819	2,682,339	38,369,428	39,725,122
	117,530,602	173,442,562	38,369,428	39,725,122

(a) **Credit risks**

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally for a period of one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest bearing.

Included in trade receivables are amounts due from companies substantially owned by certain directors, namely Lim Han Weng and Bah Kim Lian, as follows:

	Group 2007	Group 2006
Handal Indah Sdn. Bhd.	1,169	-
Liannex Corporation Sdn. Bhd.	1,300	747
	2,469	747

(b) **Other receivables**

The amounts due from subsidiaries and all related parties are non-interest bearing and are repayable on demand. These are unsecured and are to be settled in cash.

Further details on related party transactions are disclosed in Note 31.

Other information on financial risks of other receivables is disclosed in Note 35.

21. MARKETABLE SECURITIES

	Group 2007	Group 2006
At cost:		
Shares quoted in Malaysia	69,000	69,000
Market value of quoted shares	69,940	77,440

22. **CASH AND CASH EQUIVALENTS**

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Cash on hand and at banks	4,163,663	1,864,385	17,985	24,371
Deposits with licensed banks	389,384	446,666	-	-
Cash and bank balances	4,553,047	2,311,051	17,985	24,371
Bank overdrafts (Note 27)	(15,344,917)	(16,318,025)	-	-
	(10,791,870)	(14,006,974)	17,985	24,371

(a) Deposit with licensed bank of the Group amounting to RM240,000 (2006: RM300,000) is registered in the name of a director and held in trust for a subsidiary.

(b) Deposits with licensed banks of the Group amounting to RM389,384 (2006: RM446,666) are pledged as securities for bank guarantee granted to the subsidiaries.

Other information on financial risks of cash and cash equivalents is disclosed in Note 35.

23. **NON-CURRENT ASSET HELD FOR SALE**

Non-current asset classified as held for sale on the Group's balance sheet as at 31 January 2007 is as follows:

	Carrying amount immediately before classification RM	Allocation of re-measurement RM	Carrying amount as at 31.01.2007 RM
Assets			
Leasehold land	5,301,176	-	5,301,176

The leasehold land is pledged to a licensed bank for borrowings granted to the Group as referred to in Note 27.

24. **SHARE CAPITAL**

	Number of Ordinary Shares of RM1 Each 2006	Number of Ordinary Shares of RM1 Each 2005	Amount 2006 RM	Amount 2005 RM
Authorised	100,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid:				
At beginning of year	43,828,000	43,815,000	43,828,000	43,815,000
Issued during the year - ESOS	-	13,000	-	13,000
At end of year	43,828,000	43,828,000	43,828,000	43,828,000

25. **EMPLOYEE SHARE OPTION SCHEME**

The Company's Employee Share Option Scheme ("ESOS") is governed by the by-laws approved by the shareholders at the Annual General Meeting held on 25 September 2002.

The main features of the ESOS are as follows:

(a) The ESOS shall be in force for a period of five years from the date of the receipt of the last of the requisite approvals.

(b) Eligible person are employees of the Group (including executive directors) who have been confirmed in the employment of the Group and have served for at least one year before the date of the offer. The eligibility for participation in the ESOS shall be at the discretion of the Option Committee appointed by the Board of Directors.

(c) The total number of shares to be issued under the ESOS shall not exceed in aggregate 10% of the issued and paid-up share capital of the Company at any point of time during the tenure of the ESOS.

(d) The option price shall be the higher of the price at a discount of not more than 10% from the weighted average market price of the shares of the Company as shown on the official list issued by the Bursa Malaysia Securities Berhad for the five market days immediately preceding the date of offer, or at par value of the shares of the Company of RM1.00.

(e) No option shall be granted for less than 1,000 shares nor more than 125,000 shares to any eligible employee and shares to be offered shall be in the multiples of 1,000 new shares.

(f) An option granted under the ESOS shall be capable of being exercised by the grantee by notice in writing to the Company commencing from the date of the offer but before the expiry of the five years from the date of the receipt of the last of the requisite approvals.

(g) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company other than as may be specified in a resolution approving the distribution of dividends prior to their exercise dates.

(h) The person to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

No share options were exercised in the current financial year. Details of share options exercised during the previous financial year and the fair value, at the exercise date of ordinary shares issued was as follows:

2006	Exercise Price RM	Fair Value of Ordinary Shares RM	Number of Share Options	Consideration Received RM
9 March 2005	1.00	1.29	13,000	13,000

(i) The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	Number of Share Options 2007	Number of Share Options 2006
At beginning of year	2,968,000	3,117,000
Exercised	-	(13,000)
Lapsed	-	(136,000)
At end of year	2,968,000	2,968,000
WAEP	-	1.29

(ii) Details of share options outstanding at the end of the year:

Exercise Period	WAEP RM	Number of Share Options Outstanding RM
2007		
18 December 2003 - 17 December 2008	-	2,968,000
2006		
18 December 2003 - 17 December 2008	1.29	2,968,000

26. **RESERVES**

	Group 2007 RM	Group 2006 RM	Company 2007 RM	Company 2006 RM
Share premium	587,061	587,061	587,061	587,061
Retained earnings	29,634,401	18,670,570	2,044,756	1,906,543
	30,221,462	19,257,631	2,631,817	2,493,604

As at 31 January 2007, the Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of dividends out of its entire retained earnings.

27. **BANK BORROWINGS**

	Group 2007 RM	Group 2006 RM
Short term borrowings		
Secured:		
Bank overdrafts	3,028,037	3,009,802
Term loans	2,714,345	1,242,051
Hire purchase payables (Note 28)	2,504,228	2,440,956
	8,246,610	6,692,809
Unsecured:		
Bank overdrafts	12,316,880	13,308,223
Bankers' acceptances	61,450,176	108,575,195
Revolving credits	7,500,000	9,500,000
	81,267,056	131,383,418
	89,513,666	138,076,227
Long Term Borrowings		
Secured:		
Term loans	2,566,380	4,583,398
Hire purchase payables (Note 28)	2,493,105	2,230,977
	5,059,485	6,814,375
Total Borrowings		
Bank overdrafts (Note 22)	15,344,917	16,318,025
Bankers' acceptances	61,450,176	108,575,195
Revolving credits	7,500,000	9,500,000
Term loans	5,280,725	5,825,449
	89,575,818	140,218,669
Hire purchase payables (Note 28)	4,997,333	4,671,933
	94,573,151	144,890,602

(a) The secured borrowings of the Group are secured by certain assets of the Group as disclosed in Note 13, Note 14 and Note 23 and fixed deposits of the Group as disclosed in Note 22.

(b) All unsecured borrowings are guaranteed by the Company and certain unsecured borrowings were additionally guaranteed jointly and severally by two of the directors namely, Lim Han Weng and Lim Han Joeh.

Other information on financial risks of borrowings is disclosed in Note 35.

28. HIRE PURCHASE PAYABLES

	Group 2007 RM	Group 2006 RM
Minimum hire purchase payments:		
Not later than 1 year	2,797,950	2,694,955
Later than 1 year and not later than 2 years	1,853,468	1,643,166
Later than 2 years and not later than 5 years	784,516	714,503
	5,435,934	5,052,624
Less: Future finance charges	(438,601)	(380,691)
	4,997,333	4,671,933
Present value of hire purchase liabilities:		
Not later than 1 year	2,504,228	2,440,956
Later than 1 year and not later than 2 years	1,734,384	1,533,811
Later than 2 years and not later than 5 years	758,721	697,166
	4,997,333	4,671,933
Analysed as:		
Due within 12 months (Note 27)	2,504,228	2,440,956
Due after 12 months (Note 27)	2,493,105	2,230,977
	4,997,333	4,671,933

The hire purchase are supported by a corporate guarantee from the Company and a subsidiary.

Other information on financial risks of hire purchase payables is disclosed in Note 35.

29. DEFERRED TAX

	Group 2007 RM	Group 2006 RM
At beginning of year	1,662,000	1,719,000
Recognised in retained earnings	255,000	-
Recognised in the income statement (Note 10)		
- Current year	375,000	(78,000)
- Underprovision in prior year	(242,000)	21,000
	133,000	(57,000)
At end of year	2,050,000	1,662,000
Presented after appropriate offsetting as follows:		
Deferred tax asset	-	(710,000)
Deferred tax liabilities	2,050,000	2,372,000
	2,050,000	1,662,000

29. **DEFERRED TAX** (Cont'd)

The components and movements of deferred tax liabilities and asset during the financial year are as follows:

	Accelerated Capital Allowances RM	Unutilised Tax Losses and Unabsorbed Capital Allowances RM	Investment Properties RM	Provision RM	Total RM
2007					
At 1 February 2006	4,601,000	(2,907,000)	-	(32,000)	1,662,000
Effect of adopting FRS 140	-	-	255,000	-	255,000
Recognised in income statement	(20,000)	203,000	-	(50,000)	133,000
At 31 January 2007	4,581,000	(2,704,000)	255,000	(82,000)	2,050,000
2006					
At 1 February 2005	4,488,000	(2,624,000)	-	(145,000)	1,719,000
Recognised in income statement	113,000	(283,000)	-	113,000	(57,000)
At 31 January 2006	4,601,000	(2,907,000)	-	(32,000)	1,662,000

30. **TRADE AND OTHER PAYABLES**

	Group		Company	
	2007 RM	**2006 RM**	**2007 RM**	**2006 RM**
Trade payables				
Third parties	14,670,851	30,158,544	-	-
Related party	3,098,647	-	-	-
	17,769,498	30,158,544	-	-
Other payables				
Due to directors	180,000	200,115	180,000	200,115
Due to a former associate, D.K. Yinson Sdn. Bhd.	-	402	-	-
Due to related parties	-	65,197	-	-
Due to subsidiary	-	-	8,230,336	9,655,971
Sundry payables	3,449,540	1,218,232	5,919	5,751
Accruals	2,379,045	1,110,941	60,453	95,789
	6,008,585	2,594,887	8,476,708	9,957,626
	23,778,083	32,753,431	8,476,708	9,957,626

(a) **Trade payables**

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company range from one month to four months.

Trade payable to related party is amount due to Liannex Corporation (S) Pte. Ltd., company substantially owned by two of the directors of the Company, namely Lim Han Weng and Bah Kim Lian.

(b) **Other payables**

Amounts due to director, a former associate, related parties and subsidiary are non-interest bearing and repayable on demand. These amounts are unsecured and are to be settled in cash.

Due from related parties comprise the following:

	Group		Company	
	2007 RM	**2006 RM**	**2007 RM**	**2006 RM**
Kargo Indera Sdn. Bhd.	-	13,649	-	-
Tuck Seng Loong Sdn. Bhd.	-	51,548	-	-
	-	65,197	-	-

Further details on related party transactions are disclosed in Note 31.

Other information on financial risks of other payables is disclosed in Note 35.

31. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2007 RM	2006 RM	2007 RM	2006 RM
With companies substantially owned by directors, Lim Han Weng and Bah Kim Lian:				
Rental income from Yinson Tyres Sdn. Bhd.	60,000	60,000	-	-
Rental income from Handal Indah Sdn. Bhd.	-	255,000	-	-
Transport income from Liannex Corporation (S) Pte. Ltd.	11,171,870	16,189,400	-	-
Transport income from Liannex Corporation Sdn. Bhd.	8,800	800	-	-
Transport charges from Handal Indah Sdn. Bhd.	18,530	22,510	-	-
Transport charges to Tuck Seng Loong (JB) Sdn. Bhd. and Kargo Indera Sdn. Bhd.	6,000	6,500	-	-
Sales of goods to Handal Indal Sdn Bhd	16,695	-	-	-
Purchases from Yinson Tyres Sdn. Bhd.	3,453,456	3,609,913	-	-
Purchases from Liannex Corporation (S) Pte. Ltd.	3,587,474	26,973,237	-	-
Insurance income from Handal Indah Sdn. Bhd.	774,321	401,775	774,321	401,775
Insurance income from Handal Ceria Sdn. Bhd.	772,274	-	772,274	-
Insurance income from Liannex Corporation (S) Pte Ltd	584	-	584	-
Insurance income from Yinson Tyres Sdn. Bhd.	505	631	505	631
With subsidiaries:				
Dividend income (gross)	-	-	1,500,000	1,500,000
Interest income	-	-	595,534	-
Interest expense	-	-	595,534	-
Insurance income	-	-	813,304	311,522

Information regarding outstanding balances arising from related party transactions as at 31 January 2007 is disclosed in Note 20 and Note 30.

32. COMMITMENTS

Group	2007 RM	2006 RM
Capital expenditure:		
Approved and contracted		
- Property, plant and equipment	3,407,000	-
Rental:		
Payable within one year	216,100	136,400
Payable within two to five years	53,600	16,000
	269,700	152,400

33. CONTINGENT LIABILITIES

Company	2007 RM	2006 RM
Corporate guarantees given to financial institutions in respect of facilities granted to subsidiaries:		
- Unsecured	81,897,055	131,383,418
- Secured	13,374,096	13,507,184
Corporate guarantees given to a third party - Unsecured	630,538	128,288
	95,901,689	145,018,890

The secured corporate guarantees are secured with the subsidiaries motor vehicles under the hire purchase financing.

34. **SUBSEQUENT EVENT**

On 13 February 2007, a subsidiary, Yinson Transport (M) Sdn. Bhd. entered into a Sale and Purchase Agreement to dispose its non-current asset held for sale for a cash consideration of RM8,102,160.

35. **FINANCIAL INSTRUMENTS**

(a) **Financial Risk Management Objectives and Policies**

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risk (both fair value and cash flow), foreign currency risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and these are summarised below. It is, and has been throughout the financial year review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

(b) **Interest Rate Risk**

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits or occasionally, in short term commercial papers.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

The following tables set out the carrying amounts, the weighted average effective interest rates (WAEIR) as at the balance sheet date and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk:

	Note	WAEIR %	Within 1 Year RM	1 - 2 Years RM	2 - 3 Years RM	3 - 4 Years RM	4 - 5 Years RM	More Than 5 Years RM	Total RM
At 31 January 2007									
Group									
Fixed rate									
Hire purchase payables	27	3.94-4.20	2,504,228	1,734,384	758,721	-	-	-	4,997,333
Floating rate									
Deposits with licensed banks	22	3.0-3.7	389,384	-	-	-	-	-	389,384
Bank overdrafts	26	7.80-8.60	15,344,917	-	-	-	-	-	15,344,917
Bankers' acceptances	26	4.21-4.61	61,450,176	-	-	-	-	-	61,450,176
Revolving credits	26	5.92	7,500,000	-	-	-	-	-	7,500,000
Term loans	26	7.88	2,714,345	1,240,109	516,991	247,856	268,587	292,837	5,280,725

	Note	WAEIR %	Within 1 Year RM	1 - 2 Years RM	2 - 3 Years RM	3 - 4 Years RM	4 - 5 Years RM	More Than 5 Years RM	Total RM
At 31 January 2006									
Group									
Fixed rate									
Hire purchase payables	27	3.93-4.06	2,440,956	1,533,818	697,159	-	-	-	4,671,933
Floating rate									
Deposits with licensed banks	22	3.0-3.7	446,666	-	-	-	-	-	446,666
Bank overdrafts	26	7.55-8.50	16,318,025	-	-	-	-	-	16,318,025
Bankers' acceptances	26	3.48-3.39	108,575,195	-	-	-	-	-	108,575,195
Revolving credits	26	5.30-6.65	9,500,000	-	-	-	-	-	9,500,000
Term loans	26	7.15	1,242,051	1,336,874	1,430,881	664,911	454,944	695,788	5,825,449

Interest on financial instruments subject to floating interest rates are repriced annually. Interest on financial instruments at fixed rates are fixed until the maturity of the instrument. The other financial instruments of the Group that are not included in the above tables are not subject to interest rate risks.

(c) **Foreign Currency Risk**

The Group is mainly exposed to foreign exchange risk in respect of Singapore Dollars and US Dollars. As at 31 January 2007, the net unhedged financial asset of the Group that is not denominated in Ringgit Malaysia is as follows:

Group	2007 RM	2006 RM
Cash at bank (SGD)	166,600	8,733
Trade receivables (USD)	67,309	-

(d) **Liquidity Risk**

The Group actively manages its debts maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

(e) **Credit Risk**

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, marketable securities and non-current investments, rises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets.

(f) **Fair Values**

The carrying amounts of financial assets and liabilities of the Group and of the Company at the balance sheet date approximated their fair values except for the followings:

	Group		Company	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
2007				
Investment in associates	1	*	1	*
Other investment	100,000	*	-	-
Marketable securities	69,000	69,940	-	-
2006				
Investment in associates	1	*	1	*
Other investment	100,000	*	-	-
Marketable securities	69,000	77,440	-	-

**It is not practicable to estimate the fair value of the Group's non-current unquoted shares because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs.*

(i) **Non-current unquoted shares**

Fair value of these unquoted shares has been estimated using a valuation technique based on assumptions of certain dividend yield and discount rate that are not supported by observable market prices or rates. Management believes the estimated fair values resulting from the valuation technique are reasonable and the most appropriate at the balance sheet date.

(ii) **Marketable securities**

The fair value of quoted shares is determined by reference to stock exchange quoted market bid prices at the close of the business on the balance sheet date.

It is not practicable to estimate the fair value of contingent liabilities reliably due to the uncertainties of timing, costs and eventual outcome.

36. **SEGMENT INFORMATION**

(a) **Reporting format**

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(b) **Business segments**:

The Group is comprises the following main business segments:

(i) Transport
(ii) Trading

Other business segments include rental, insurance and investment income.

(c) **Geographical segments**

Segment information by geographical location has not been prepared as the Group's operations are predominantly located in Malaysia.

(d) **Allocation basis and transfer pricing**

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

2007	Transport RM	Trading RM	Other operations RM	Elimination RM	Consolidated RM
REVENUE AND EXPENSES					
Revenue					
External sales	80,853,167	346,950,000	5,080,156	(13,931,942)	418,951,381
Result					
Segment results	7,506,187	15,082,318	(157,274)	-	22,431,231
Finance costs, net					(7,281,857)
Share of results of associated company					-
Taxation					(4,145,829)
Profit after taxation					11,003,545
Minority interests					-
Net profit for the year					11,003,545
ASSETS AND LIABILITIES					
Segment assets	78,095,995	92,687,238	24,760,372	-	195,543,605
Segment liabilities	25,513,136	93,260,090	2,720,917	-	121,494,143
OTHER INFORMATION					
Capital expenditure	9,540,377	-	2,379,075	-	11,919,452
Amortisation and depreciation	6,272,573	-	55,827		6,328,400
Non-cash expenses other than depreciation and amortisation	705,823	-	397,703	-	1,103,526

2006	Transport RM	Trading RM	Other operations RM	Elimination RM	Consolidated RM
REVENUE AND EXPENSES					
Revenue					
External sales	69,202,194	378,386,619	3,037,528	(6,190,649)	444,435,692
Result					
Segment results	2,159,481	17,285,941	78,123	-	19,523,545
Finance costs, net					(6,443,447)
Share of results of associated company					-
Taxation					(4,398,827)
Profit after taxation					8,681,271
Minority interests					-
Net profit for the year					8,681,271
ASSETS AND LIABILITIES					
Segment assets	80,899,629	154,732,223	9,054,905	-	244,686,757
Segment liabilities	139,632,772	32,010,728	9,957,626	-	181,601,126
OTHER INFORMATION					
Capital expenditure	4,784,439	1,762,363	-	-	6,546,802
Depreciation	4,192,921	2,454,144	-	-	6,647,065
Non-cash expenses other than depreciation and amortisation	1,116,960	263,879	-	-	1,380,839

Analysis of Shareholdings
as at 18 June 2007

Authorised Share Capital	:	RM100,000,000 ordinary shares of RM1.00 each
Issued and Fully Paid-up Capital	:	RM43,828,000 ordinary shares of RM1.00 each
Voting Rights	:	One vote per share

ANALYSIS OF SHAREHOLDINGS (According to the record of Depositors as at 18 June 2007)

Range	No. of Holders	% of Holders	No. of Shares	% of Shares
Less than 100	93	5.43	2,040	0.00
100 to 1,000	118	6.89	95,484	0.22
1,001 to 10,000	1,267	74.01	4,374,471	9.98
10,001 to 100,000	197	11.51	4,986,500	11.38
100,001 to 2,191,399 (*)	32	1.87	15,810,738	36.07
2,191,400 and above (**)	5	0.29	18,558,767	42.34
	1,712	100.00	43,828,000	100.00

*Remark: * - Less than 5% of issued shares*
*** - 5% and above of issued shares*

SUBSTANTIAL SHAREHOLDERS (According to the Company's Register of Substantial Shareholders as at 18 June 2007)

	Name	No. of Shares	%
1	Lim Han Weng	17,804,522	40.62
2	Bah Kim Lian	7,478,274	17.06
3	Lim Han Joeh	2,654,026	6.06

Lim Han Weng and Bah Kim Lian by virtue of their interests in the shares of the Company are also deemed interested in shares of all the Company's subsidiaries to the extend the Company has an interest.

DIRECTORS SHAREHOLDINGS (As per Register of Director's Shareholdings as at 18 June 2007)

	Direct Interest		Indirect Interest	
Name	No. of Shares	%	No. of Shares	%
Lim Han Weng	1,698,495	3.88	16,106,027	36.75
Bah Kim Lian	1,892,420	4.32	5,585,854	12.74
Lim Han Joeh	345,600	0.79	2,308,426	5.27
Adi Azmari bin Koya Moideen Kutty	45,800	0.10	-	-
Bah Koon Chye	22,600	0.05	-	-
Tan Sri Dato' Jaffar bin Abdul	17,600	0.04	-	-
Kam Chai Hong	17,600	0.04	-	-

30 LARGEST SHAREHOLDERS (According to the Record of Depositors as at 18 June 2007)

	Name	No. of Shares	%
1	HDM Nominees (Tempatan) Sdn Bhd - *Eon Finance Berhad for Lim Han Weng*	4,205,000	9.59
2	HDM Nominees (Tempatan) Sdn Bhd - *Eon Finance Berhad for Bah Kim Lian*	4,191,700	9.56
3	Ambank (M) Berhad - *Pledged securities account for Lim Han Weng*	3,800,000	8.67
4	ABB Nominees (Tempatan) Sdn Bhd - *Pledged securities account for Lim Han Weng*	3,210,921	7.33
5	MIDF Sisma Nominees (Tempatan) Sdn Bhd - *MIDF Sisma Holdings Sdn Bhd for Lim Han Weng*	3,151,146	7.19
6	Bah Kim Lian	1,694,000	3.87
7	Lim Han Weng	1,680,895	3.84
8	Alliancegroup Nominees (Tempatan) Sdn Bhd - *Pledged securities account for Lim Han Joeh*	1,511,105	3.45
9	Tan Ching Ching	1,014,400	2.31
10	Alliancegroup Nominees (Tempatan) Sdn Bhd - *Pledged securities account for Tan Choon Hoe*	992,083	2.26
11	MIDF Sisma Nominees (Tempatan) Sdn Bhd - *MIDF Sisma Holdings Sdn Bhd for Bah Kim Lian*	848,854	1.94
12	Mersec Nominees (Tempatan) Sdn Bhd - *Pledged securities account for Siow Wong Yen @ Siow Kwang Hwa*	717,400	1.64
13	HLB Nominees (Tempatan) Sdn Bhd - *Pledged securities account for Siow Wong Yen @ Siow Kwang Hwa*	631,600	1.44
14	EB Nominees (Tempatan) Sendirian Berhad - *Pledged securities account for Lim Han Joeh*	599,321	1.37
15	Liannex Corporation (S) Pte. Ltd.	585,300	1.34
16	Citicorp Nominees (Tempatan) Sdn Bhd - *Pledged securities account for Bah Kim Lian*	512,300	1.17
17	Citicorp Nominees (Tempatan) Sdn Bhd - *Pledged securities account for Lim Han Weng*	512,300	1.17
18	Citicorp Nominees (Tempatan) Sdn Bhd - *Pledged securities account for Wai Mun Tuck*	468,600	1.07
19	Public Nominees (Tempatan) Sdn Bhd - *Pledged securities account for Yeo Guik Hiang*	457,100	1.04
20	TA Nominees (Tempatan) Sdn Bhd - *Pledged securities account for Lim Han Weng*	412,560	0.94
21	Lim Han Joeh	306,000	0.70
22	Citicorp Nominees (Tempatan) Sdn Bhd - *Pledged securities account for Chai Shwu Huey*	300,000	0.68
23	Kenanga Nominees (Tempatan) Sdn Bhd - *Pledged securities account for Siow Wong Yen @ Siow Kwang Hwa*	252,000	0.57
24	Tan Choon Hoe	249,000	0.57
25	Harmony Chime Sdn Bhd	248,000	0.57
26	Amsec Nominees (Tempatan) Sdn Bhd - *Amequities Sdn Bhd for Lim Han Weng*	228,800	0.52
27	Mayban Securities Nominees (Tempatan) Sdn Bhd - *Pledged securities account for Lim Han Joeh*	198,000	0.45
28	Bah Kim Lian	180,820	0.41
29	Ng Chin Tiong	165,100	0.38
30	Ho Chu Chai	154,500	0.35
		33,478,805	76.39

List of Properties

Details of all the landed properties owned by the Group and the Company as at 31 January 2007 are set out as follows:-

Location	Description of Existing Use	Tenure (expiry date / years)	Age of Building (years)	Land Areas (sq.m) / Gross Built-up Area (sq.m)	Fair Value / Net Book Value (RM'000)	Last Date of Revaluation (R) / Acquisition (A)
PROPERTIES						
PLO 248 Mukim of Tebrau Kawasan Perindustrian Tebrau IV Johor Bahru	Office building and warehouse	Leasehold land expiring 31.1.2060	5	23,310/ 5,069	10,123	A: 24.11.1997
Plot 124, H.S. (D) 1915 P.T. 324, Mukim 13 Seberang Perai Tengah	Vacant land	Leasehold land expiring 25.1.2059	–	10,122/-	1,070	A: 16.5.1997
Lot 212 Kawasan Perindustrian Bukit Kayu Hitam Fasa 11 Kedah Darul Aman	Vacant land	Leasehold land expiring 28.4.2063	–	23,512/-	1,326	A: 28.4.2003
PLO 729 Jalan Keluli Pasir Gudang Industrial Estate 81700 Pasir Gudang, Johor	Yard and office building (in progress)	Leasehold land 60 years (expiration date pending confirmation)	–	6,070	823	A: 24.5.2006
INVESTMENT PROPERTIES						
PTD 64022 Jalan Angkasamas Satu Mukim of Tebrau Johor Bahru	Office building and warehouse	Leasehold land expiring 14.3.2053	12	11,048/ 4752	5,000	R: 31.1.2006
PTD 17897 Taman Pelangi Johor Bahru	3 storey shophouse	Freehold	21	178/535	850	R: 31.1.2006
Lot No 130 Hicom Glenmarie Industrial Park (Phase 3) Subang Selangor Darul Ehsan	Office building and warehouse	Freehold	9	4,251/ 2199	5,200	R: 31.1.2006
MLO 2754 Mukim of Plentong Johor Bahru	Vacant land	Freehold	–	4,097/-	400	R: 31.1.2006
PTD 34990 Taman Putri Wangsa Johor Bahru	Double storey shop office	Freehold	9	276/143	280	R: 31.1.2006
PTD 34991 Taman Putri Wangsa Johor Bahru	Double storey shop office	Freehold	9	378/195	380	R: 31.1.2006
PTD 66206 Taman Putri Wangsa Johor Bahru	Double storey terrace house	Freehold	9	184/133	200	R: 31.1.2006
G-3-1 Taman Pelangi Apartment H.S. (D) No. 30874 P.T. No. 6110 Mukim Bukit Katil Daerah Melaka Tengah, Melaka	Apartment	Freehold	7	142	90	R: 31.1.2006
H-3-1 Taman Pelangi Apartment H.S. (D) No. 30874 P.T. No. 6110 Mukim Bukit Katil Daerah Melaka Tengah, Melaka	Apartment	Freehold	7	142	100	R: 31.1.2006

Location	Description of existing use	Tenure (expiry date / years)	Age of building (years)	Land areas (sq.m) / Gross built-up area (sq.m)	Fair Value / Net book value (RM'000)	Last date of Revaluation (R) / Acquisition (A)
P.T. No. 31733 H.S. (D) 119798 Pekan Baru Sungai Buloh Damansara Indah Resort Homes Petaling Jaya	Double storey link house	Leasehold land expiring 28.8.2097	9	178/223	450	R: 31.1.2006
P.T. 9065 HSD 80165 Mukim Sungai Buloh Daerah Petaling Negeri Selangor	4-storey shoplot	Freehold	21	1,650/- 153/612	1,200	R: 31.1.2006
P.T. 9066 H.S. (D) 80166 Mukim Sungai Buloh Daerah Petaling Negeri Selangor	4-storey shoplot	Freehold	21	1,650/- 153/612	1,200	R: 31.1.2006
P.T. 9067 H.S. (D) 1014 Mukim Sungai Buloh Daerah Petaling Negeri Selangor	4-storey shoplot	Freehold	21	1,650/- 153/612	1,200	R: 31.1.2006
PTD No. 37796 H.S. (D) 127433 Mukim of Pulai District of Johor Bahru Johor Darul Ta'zim	1½ storey light industrial building	Freehold	7	326/326	330	R: 31.1.2006
Parcel No 03-25 Melur Mewangi H.S. (D) 3503 P.T. No 1929 (Block 6) Mukim of Ijuk Kuala Selangor Selangor	Apartment	Freehold	2	71	65	R: 31.1.2006
Unit No. 145 Level 5 Block M1-B Lot No. 144 Section 44 City of Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	Office Unit	Freehold	0	432	1,600	R: 31.1.2007
Lot No. D99 (Room 1641/1642 Villa Mayfair, Summerset Colonial Hotel and Villa) Summerset of Rompin 26800 Kuala Rompin Pahang Darul Makmul	Vacation Resort Villa	Leasehold Building expiring 15.1.2094	12	608/135	420	R: 31.1.2007
ASSET HELD FOR SALE						
Lot 40A, Section 4 Phase 2A Pulau Indah Industrial Park West Port, Klang Selangor	Vacant land	Leasehold land expiring 24.2.2097	–	25,090	5,301	A: 7.2.2002

Yinson Holdings Berhad
Company No. 259147-A (Incorporated In Malaysia)

Proxy Form

I/We ______________________________

of ______________________________

being a member/members of YINSON HOLDINGS BERHAD hereby appoint ______________________________

____

of ______________________________

or failing him ______________________________

of ______________________________

as my/our proxy to vote for me/us on my/our behalf at the Fourteenth Annual General Meeting of the Company to be held on Friday, 27th July, 2007 at 12.00 noon and at any adjournment thereof.

Please indicate with an "X" in the space below how you wish your votes to be cast.
In the absence of specific directions, your proxy will vote or abstain as he thinks fit.

RESOLUTIONS	FOR	AGAINST
1. Adoption of Reports & Financial Statements		
2. Declaration of Final Dividend		
3. Payment of Directors' Fees		
4. Re-election of Directors:- YBhg Tan Sri Dato' Jaffar bin Abdul		
5. Mr Lim Han Weng		
6. Mr Kam Chai Hong		
7. To re-appoint Messrs Ernst & Young as Auditors		
8. To approve allotment of shares (under Section 132D)		
9. To allot and issue shares in accordance with ESOS		
10. To approve the renewal of Shareholders' Mandate for recurrent transactions		

No. of Shares Held ______________________________

As witness my/our hand this __________ day of ______________________________ 2007.

____
Signature of Shareholder

NOTES:

i) A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.

ii) The instrument appointing a proxy, in the case of an individual shall be signed by the appointer or his attorney, and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised.

iii) The instrument appointing a proxy must be deposited at the Registered Office of the Company at 25, Jalan Firma 2, Kawasan Perindustrian Tebrau IV, 81100 Johor Bahru, Johor not less than 48 hours before the time for holding the meeting or any adjournment thereof.

www.yinson.com.my