

# YINSON HOLDINGS BERHAD

Co. No. : 259147-A (Incorporated in Malaysia)



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# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twelfth Annual General Meeting of the Company will be held at Orchid Room, Level 6, Eden Garden Hotel, 88, Jalan Ibrahim Sultan, Stulang Laut, 80720 Johor Bahru, Johor Darul Takzim on Thursday, 28 July 2005 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 2005 together with the Directors' and Auditors' Reports thereon. **(Resolution 1)**
2. To declare a first and final dividend of 2% less tax at 28% for the financial year ended 31 January 2005. **(Resolution 2)**
3. To approve the payment of Directors' Fees of RM200,000.00 for the financial year ended 31 January 2005. **(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. Lim Han Joeh (Executive Director) **(Resolution 5)**
  - ii. Adi Azmari bin B.K. Koya Moideen Kutty (Non-Executive Director) **(Resolution 6)**
  - iii. Tuan Haji Hassan bin Ibrahim (Independent Non-Executive Director) **(Resolution 7)**
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 8)**
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** **(Resolution 9)**

"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."

## NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

9. "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 10)**

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 Section 3.2 of the Circular to Shareholders dated 5 July 2005, 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

**(Resolution 11)**

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

- (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 Twelfth Annual General Meeting, the First and Final Dividend of 2% less 28% Income Tax in respect of the financial year ended 31 January 2005 will be paid on 30 August 2005 to Depositors registered in the Records of Depositors at the close of business on 1 August 2005.

## NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

### NOTICE OF DIVIDEND ENTITLEMENT (Cont'd)

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 1 August 2005 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

5 July 2005

### 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 9

- (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 10

- (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 11

- (iii) Please refer to Circular to Shareholders dated 4 July 2005 in relation to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature.

# STATEMENT ACCOMPANYING NOTICE OF AGM

## 1. Directors Standing for Re-election

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

- YBhg. Tan Sri Dato' Jaffar bin Abdul (73), 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 Joeh (46), Malaysian  
*Executive Director*  
- Interest in securities in the Company: 347,470 fully paid ordinary shares of RM1.00 each (Direct) and 2,306,556 fully paid ordinary shares of RM1.00 each (Indirect)
- Encik Adi Azmari bin B.K. Koya Moideen Kutty (41), Malaysian  
*Independent, Non-Executive Director*  
- Interest in securities in the Company: 45,800 fully paid ordinary shares of RM1.00 each (Direct)
- Tuan Haji Hassan bin Ibrahim (55), Malaysian  
*Independent Non-Executive Director, Member of Audit Committee*  
- Interest in securities in the Company: Nil

The details of the above Directors who are standing for re-election are set out in the Directors' Profile on pages 7 to 9 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 2005. 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	4/5
Mr Kam Chai Hong	5/5
Ms Bah Kim Hoon	5/5
Encik Adi Azmari bin B.K. Koya Moideen Kutty	5/5
Mr Bah Koon Chye	5/5
Tuan Haji Hassan bin Tan Sri Ibrahim	5/5

## 3. Place, Date and Time of the Twelfth Annual General Meeting

The Twelfth Annual General Meeting is scheduled to be held on Thursday, 28 July 2005 at Orchid Room, Level 6, Eden Garden Hotel, 88, Jalan Ibrahim Sultan, Stulang Laut, 80720 Johor Bahru, Johor Darul Takzim at 12.00 noon.

## CORPORATE INFORMATION



**Standing from left to right:**

Mr. Lim Han Joe  
Tuan Haji Hassan bin Ibrahim  
Encik Adi Azmari bin B.K. Koya Moideen Kutty  
Mr. Bah Koon Chye  
Mr. Kam Chai Hong

**Sitting from left to right:**

Miss Bah Kim Hoon  
YBhg Tan Sri Dato' Jaffar bin Abdul (Chairman)  
Mr. Lim Han Weng  
Madam Bah Kim Lian

### BOARD OF DIRECTORS

YBhg Tan Sri Dato' Jaffar bin Abdul  
Mr. Lim Han Weng  
Mr. Lim Han Joe  
Miss Bah Kim Hoon  
Madam Bah Kim Lian  
Mr. Bah Koon Chye  
Encik Adi Azmari bin B.K. Koya Moideen Kutty  
Mr. Kam Chai Hong  
Tuan Haji Hassan bin Ibrahim

*Chairman, Independent Non-Executive Director*  
*Managing Director*  
*Executive Director*  
*Executive Director*  
*Executive Director*  
*Executive Director*  
*Non-Executive Director*  
*Independent Non-Executive Director*  
*Independent Non-Executive Director*

### SECRETARY

Tan Soo Leong (LS 02389)

### 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  
Bumiputra Commerce 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  
Bank Pembangunan & Infrastruktur Malaysia Berhad

### AUDITORS

Ernst & Young  
Suite 11.2A, 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

### 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 73, 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.

### **LIM HAN WENG** *Managing Director*

Mr Lim Han Weng, a Malaysian, aged 53, 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.

### **LIM HAN JOEH** *Executive Director*

Mr Lim Han Joeh, a Malaysian, aged 46, 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 53, 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.



## PROFILE OF BOARD OF DIRECTORS (Cont'd)

### **ENCIK ADI AZMARI BIN BK KOYA MOIDEEN KUTTY** *Non-Executive Director*

Encik Adi Azmari bin BK Koya Moideen Kutty, a Malaysian, aged 41, 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.

### **MISS BAH KIM HOON** *Executive Director*

Miss Bah Kim Hoon, a Malaysian, aged 50, was appointed to the Board of Yinson on 30 January 1996. She is trained in office organisation and secretarial duties and has additional experience gained from external exposures to the transport industry during her engagements with United Motor Works (Malaya) Sdn Bhd. This is one of the subsidiaries of UMW (M) Holdings Bhd, a distributor of backhoe loader equipment. She has worked in this department as Administration Officer/Assistant to Parts Manager during the period of January 1983 to June 1984.

She joined Malaysia Air Charter Co Sdn Bhd ("MAC") from July 1984 to September 1986 as the Secretary to the Operations Manager. MAC is commuter/general aviation company mainly catering to scheduled and unscheduled passenger and cargo-air transport services as well as other services including aerial photography, weather modification and off shore oil exploration.

Miss Bah joined the team of YTSB in 1987 as the Administration Manageress/Secretary to the Managing Director and to-date remains in the heartline of the administration. She is the sister-in-law of Mr Lim Han Weng and the sister of Mr. Bah Koon Chye and Madam Bah Kim Lian.



## PROFILE OF BOARD OF DIRECTORS (Cont'd)

### **MR BAH KOON CHYE** *Executive Director*

Mr Bah Koon Chye, a Malaysian, aged 41, 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 56, 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 55, 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.

# 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 extent of compliance with the Best Practices of good governance as set out in Part 1 & 2 respectively of the Code.

The Board fully appreciates 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 Board is pleased to provide the following statement, which outlines the main corporate governance practices that were in place throughout the financial year unless otherwise stated.

## PRINCIPLE STATEMENT

The following statements set out how the Company has applied the principles in Part 1 of 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 nine members, comprising five executive directors and four non-executive directors, three of whom are independent. No individual dominates the Board’s decision making. The profile of the Board members are set out on pages 7 to 9.

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 comprise 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.

## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

### Section 1: DIRECTORS (Cont'd)

#### 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 21), a Nomination Committee and a Remuneration Committee.

#### 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	4/5	80
Bah Kim Hoon	Executive Director	5/5	100
Bah Kim Lian	Executive Director	5/5	100
Bah Koon Chye	Executive Director	5/5	100
Adi Azhari 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	5/5	100

#### 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.

# STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

## Section 1: DIRECTORS (Cont'd)

### Appointments of the Board and Re-election

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 BMSB 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.

### Directors' Training

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. All directors have attended and successfully completed the Mandatory Accreditation Programme, a training prescribed by Bursa Securities. The directors will continue to undergo other relevant training programmes to further enhance their skills and knowledge where relevant.

## 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

## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

### Section 2: DIRECTORS' REMUNERATION (Cont'd)

#### Remuneration Policy and Procedure (Cont'd)

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 2005 are as follows :

	Executive Directors RM	Non-Executive Directors RM
Salaries and other emoluments	1,150,491	20,700
Bonus	210,106	–
Fees	110,000	90,000
Total	1,470,597	110,700

# STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

## Section 2: DIRECTORS' REMUNERATION (Cont'd)

### Directors' Remuneration (Cont'd)

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

	Executive Directors No.	Non-Executive Directors No.
Less than RM50,000	–	4
RM100,001 to RM150,000	2	–
RM150,001 to RM200,000	1	–
RM450,001 to RM500,000	1	–
RM600,001 to RM650,000	1	–

Details of the remuneration of each director are not disclosed as it is deemed private and confidential due to security reason.

## 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.

## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

### 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 32 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 21.

### 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 (BMSB)

#### Share Buybacks

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

#### Options or Warrants

No options or warrants were exercised during the financial year.



## STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

### OTHER INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD (BMSB) (Cont'd)

#### 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 RM116,695.

#### Variation in Results

There was no variance of 10% between the results for the financial year ended 31 January 2005 and the unaudited results previously announced.

#### Profit Guarantee

During the financial year, there were no profit guarantees 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 2005.

#### Revaluation of Landed Properties

The details of the revaluation of landed properties are disclosed on pages 75 to 77 of the Financial Statements.

#### 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 2005 between the Company and/or its subsidiaries companies with related parties are disclosed on page 66 of the Financial Statements.

Statement made in accordance with the resolution of the Board of Directors dated 28 June 2005.

**TAN SRI DATO' JAFFAR BIN ABDUL**  
Chairman

# STATEMENT ON INTERNAL CONTROL

## RESPONSIBILITY

The Board acknowledges its responsibility to maintain a sound system of internal control to safeguard shareholders' investment and the Company's assets. The Board has overall responsibility for the Group's system of internal control and reviewing its adequacy and integrity whilst the role of management is to implement the Board's policies on risk and control.

The system of internal control 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 adequacy and integrity of the system of internal control are as follows :

- 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 Group's management operates a risk management process that identifies the key risks of the Group.
- The Board receives and reviews regular reports from the management of various lines of business, 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 to review financial performance and business operations of the Group. The Group is in the process of setting up a committee to prepare financial budget to enhance its internal control process.
- The Group outsourced its internal audit function to assist the Audit Committee in discharging its duties in respect of the internal controls within the Group. The internal auditor, 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. Four internal audits were carried out during the year under review. The internal audit plan was approved by the Audit Committee.
- 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.
- 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 :

- Setting up a comprehensive budgeting and forecasting system for all business units to further enhance existing financial reporting system.
- Setting up internal audit department.
- The management continues to take measures to strengthen the internal control environment of the Group and efforts are being taken to formalise the internal policies and procedures.

Statement made in accordance with the resolution of the Board of Directors dated 28 June 2005.

**TAN SRI DATO' JAFFAR BIN ABDUL**  
Chairman

# 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.

## REPORT ON AUDIT COMMITTEE (Cont'd)

### TERMS OF REFERENCE (Cont'd)

#### 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;

## REPORT ON AUDIT COMMITTEE (Cont'd)

### TERMS OF REFERENCE (Cont'd)

#### Duties and Responsibilities (Cont'd)

- 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.

## REPORT ON AUDIT COMMITTEE (Cont'd)

### SUMMARY OF ACTIVITIES

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

- Reviewed the financial statements before the unaudited quarterly announcements to BMSB.
- 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.

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	5/5
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.



## CHAIRMAN'S STATEMENT

"On behalf of the Board of Directors of Yinson Holdings Berhad, it is my pleasure to present the Annual Report and Audited Financial Statements of the Group and the Company for the financial year ended 31 January 2005."



### INDUSTRY TRENDS AND DEVELOPMENT

The Malaysian economy expanded by a commendable 7.1% growth in real gross domestic product (GDP) in 2004. The economy benefited from both stronger external and domestic demand with the private sector contributing 6.2 percentage points to the overall economic expansion.

All sectors registered positive growth during the year, except for construction sector. The manufacturing sector expanded strongly, boosted by upturn in global electronics cycle and stronger domestic demand. The services sector experienced a stronger expansion due to higher consumer spending

amidst rising disposable income, a rebound in consumer confidence and higher tourist arrivals. The sustained strong expansion of the agricultural sector was driven by higher production as well as higher prices. Similarly, the mining sector also expanded on stronger domestic and external demand amidst higher prices.

In the construction sector, activities in the residential and non-residential segments expanded but overall activities was subdued by the lower activities in the civil engineering sub-sector following the completion of several large infrastructure projects.



## CHAIRMAN'S STATEMENT (Cont'd)

### FINANCIAL PERFORMANCE

For financial year ended 31 January 2005, the Group achieved a year of record profitability and revenue. The Group's revenue increased by 124% to RM426.309 million compared to RM190.070 million for the preceding year corresponding period. The increase in revenue was mainly attributable to increase in demand for construction materials and metal.

The Group's net profit before taxation for the current financial year ended 31 January 2005 increased to RM12.087 million from RM2.160 million for the preceding financial year.

### REVIEW OF OPERATIONS

The Group has 339 trucks in operation as at 31 January 2005 compared to 299 trucks as at 31 January 2004. 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 1.44 sen net per share, in respect of financial year ended 31 January 2005. The recommendation is subject to shareholders' approval at the forthcoming Annual General Meeting.

### PROSPECTS

For 2005, global economic growth is expected to remain firm at 4% (2004: 4.8%), while world trade





## CHAIRMAN'S STATEMENT (Cont'd)

is expected to expand by 5.8% (2004: 8.8%). The prospects for the Malaysian economy in 2005 remain sound with real GDP expected to expand by 5 to 6% and to be mainly private sector-driven with expansion in all sectors, except construction. The Malaysian economy expanded by 5.7% real GDP growth in the first quarter of 2005.

The near-term outlook for Malaysia remains favourable despite a moderation in global activity amidst high oil prices and the continued downcycle of the global semiconductor industry.



### 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 valued 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

The Board foresees the Group's operating environment to remain challenging and competitive in view of increasing cost of diesel and maintenance. The Group will continue to focus on cost controls, productivity and efficiency to remain competitive and will strive to sustain its performance for the current financial year.



## 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 2005.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding. During the financial year, the Company commenced operation of insurance agency.

The principal activities of the subsidiaries are described in Note 14 to the financial statements.

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

### RESULTS

	GROUP	COMPANY
	RM	RM
Net profit for the year	8,150,214	1,008,899

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.

### DIVIDENDS

The amount of dividend paid by the Company since 31 January 2004 was as follows:

	RM
In respect of the financial year ended 31 January 2004	
Final dividend of 1.5% less 28% taxation on 43,763,000	
ordinary shares paid on 1 September 2004	472,640

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 January 2005, of 2% less 28% taxation, amounting to a dividend of 1.44 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 profits in the financial year ending 31 January 2006.

## DIRECTORS' REPORT (Cont'd)

### 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  
 Adi Azmari bin B.K. Koya Moideen Kutty  
 Bah Kim Hoon  
 Bah Koon Chye  
 Kam Chai Hong  
 Lim Han Joeeh  
 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 to be 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 30 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 in the Company during the financial year were as follows:

THE COMPANY	Number of Ordinary Shares of RM1 Each			
	1 February 2004	Acquired	Sold	31 January 2005
<b>Direct interest:</b>				
Lim Han Weng	1,796,333	–	97,838	1,698,495
Bah Kim Lian	3,137,076	–	1,244,656	1,892,420
Bah Koon Chye	17,600	5,000	–	22,600
Bah Kim Hoon	17,600	–	–	17,600
Adi Azmari bin B.K. Koya Moideen Kutty	60,800	–	15,000	45,800
Lim Han Joeeh	347,470	–	1,870	345,600
Kam Chai Hong	17,600	–	–	17,600
Tan Sri Dato' Jaffar bin Abdul	17,600	–	–	17,600
<b>Indirect interest:</b>				
Lim Han Weng	15,422,889	97,838	–	15,520,727
Bah Kim Lian	4,341,198	1,244,656	–	5,585,854
Lim Han Joeeh	2,306,556	1,870	–	2,308,426

## DIRECTORS' REPORT (Cont'd)

### DIRECTORS' INTERESTS (Cont'd)

	Number of Options Over Ordinary Shares of RM1 Each				
	1 February 2004	Granted	Exercised	Lapsed	31 January 2005
<b>The Company:</b>					
Lim Han Weng	125,000	–	–	–	125,000
Bah Kim Lian	125,000	–	–	–	125,000
Bah Koon Chye	125,000	–	5,000	–	120,000
Bah Kim Hoon	125,000	–	–	–	125,000
Lim Han Joe	125,000	–	–	–	125,000

Lim Han Weng and Bah Kim Lian by virtue of their interests in shares of 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.

### ISSUE OF SHARES

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM43,560,000 to RM43,815,000 by way of the issuance of 255,000 ordinary shares of RM1.00 each for cash pursuant to the Company's Employee Share Option Scheme at the exercise price of RM1.00 per ordinary share.

### 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.

## DIRECTORS' REPORT (Cont'd)

### EMPLOYEE SHARE OPTION SCHEME (Cont'd)

- (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.

Information with respect of the share options outstanding as at the end of the financial year are as follows :

	Number of Share Options	
	2005	2004
At beginning of year	3,846,000	–
Granted	–	3,846,000
Exercised	(255,000)	–
Lapsed	(474,000)	–
At end of year	3,117,000	3,846,000

Details of share options granted during the financial year :

	Number of Share Options	
	2005	2004
<b>Exercise Period</b>		
18 December 2003 - 17 December 2008	–	3,846,000

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of employees who have been granted options to subscribe for less than 80,000 ordinary shares of RM1 each. The list of employees granted options to subscribe for 80,000 or more ordinary shares of RM1 each during the financial year is as follows :

	Grant Date	Expiry Date	Exercised Price	Number of Share Options		
				Granted	Exercised	31.01.05
			RM			
Ding Teng Sooi	18.12.2003	17.12.2008	1.00	85,000	–	85,000
Hamdan Bin Ab. Razak	18.12.2003	17.12.2008	1.00	80,000	–	80,000
Lim Hang Hngoo	18.12.2003	17.12.2008	1.00	85,000	–	85,000
Tan Fang Fing	18.12.2003	17.12.2008	1.00	85,000	–	85,000

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



## DIRECTORS' REPORT (Cont'd)

### 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 provision for doubtful debts in the 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 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 as and 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.

## DIRECTORS' REPORT (Cont'd)

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### 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.

**LIM HAN WENG**

**BAH KIM HOON**

Johor Bahru, Malaysia  
25 May 2005

## STATEMENT BY DIRECTORS

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

We, LIM HAN WENG and BAH KIM HOON, 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 34 to 71 are drawn up in accordance with applicable MASB Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2005 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.

**LIM HAN WENG**

**BAH KIM HOON**

Johor Bahru, Malaysia  
25 May 2005

## 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 34 to 71 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 25 May 2005. )

**TAN FANG FING**

Before me,

**K. GOVINDAN**

No: J072

Commissioner for Oaths

# 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 34 to 71. 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 MASB Approved Accounting 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 2005 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 of the Group and of the Company.
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the 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 purpose 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**  
No. 1664/10/06(J)  
Partner

Johor Bahru, Malaysia  
25 May 2005

# INCOME STATEMENTS

For the Year Ended 31 January 2005

	Note	GROUP		COMPANY	
		2005 RM	2004 RM	2005 RM	2004 RM
Revenue	3	<b>426,308,751</b>	190,070,360	<b>2,090,123</b>	1,698,500
Cost of trading goods sold		<b>(346,609,259)</b>	(128,443,955)	–	–
Direct expenses	4	<b>(50,295,566)</b>	(46,200,828)	<b>(85,831)</b>	–
Gross profit		<b>29,403,926</b>	15,425,577	<b>2,004,292</b>	1,698,500
Other operating income	5	<b>162,677</b>	185,490	<b>16,984</b>	4,633
Administrative expenses	6	<b>(12,999,710)</b>	(9,520,720)	<b>(472,145)</b>	(485,257)
Profit from operations		<b>16,566,893</b>	6,090,347	<b>1,549,131</b>	1,217,876
Finance costs, net	9	<b>(4,479,831)</b>	(3,930,358)	<b>(1,199)</b>	(514)
Share of results of associate		<b>44</b>	(364)	–	–
Profit before taxation		<b>12,087,106</b>	2,159,625	<b>1,547,932</b>	1,217,362
Taxation	10	<b>(3,936,892)</b>	(776,269)	<b>(539,033)</b>	(453,000)
Profit after taxation		<b>8,150,214</b>	1,383,356	<b>1,008,899</b>	764,362
Minority interest		–	78,734	–	–
Net profit for the year		<b>8,150,214</b>	1,462,090	<b>1,008,899</b>	764,362
Earnings per share (sen)					
Basic	11(a)	<b>18.6</b>	4.1		
Diluted	11(b)	<b>17.4</b>	3.7		

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

# BALANCE SHEETS

As at 31 January 2005

		GROUP		COMPANY	
	Note	2005 RM	2004 RM	2005 RM	2004 RM
NON-CURRENT ASSETS					
Property, plant and equipment	13	68,236,316	68,644,006	–	–
Investment in subsidiaries	14	–	–	11,289,188	11,289,188
Investment in associates	15	28,589	28,545	30,001	30,001
Other investment	16	100,000	100,000	–	–
Deferred tax asset	28	923,000	641,000	–	–
		69,287,905	69,413,551	11,319,189	11,319,189
CURRENT ASSETS					
Inventories	17	233,469	289,852	–	–
Trade receivables	18	151,761,544	60,165,768	–	–
Other receivables	19	2,028,905	2,628,425	1,611	1,000
Due from subsidiaries	20	–	–	34,981,467	32,433,788
Tax recoverable		380,713	304,896	151,210	130,243
Marketable securities	21	69,000	–	–	–
Cash and bank balances	22	3,199,430	2,737,640	14,790	2,047,353
		157,673,061	66,126,581	35,149,078	34,612,384
CURRENT LIABILITIES					
Short term borrowings	23	89,370,272	54,946,034	–	–
Trade payables	25	66,812,033	15,446,141	–	–
Other payables	26	4,259,023	4,221,192	272,470	527,035
Taxation		2,297,765	860,110	–	–
		162,739,093	75,473,477	272,470	527,035
NET CURRENT (LIABILITIES)/ASSETS		(5,066,032)	(9,346,896)	34,876,608	34,085,349
		64,221,873	60,066,655	46,195,797	45,404,538
FINANCED BY :					
Share capital	27	43,815,000	43,560,000	43,815,000	43,560,000
Reserves		11,207,483	3,529,909	2,380,797	1,844,538
Shareholders' equity		55,022,483	47,089,909	46,195,797	45,404,538
Long term borrowings	23	6,557,390	9,978,746	–	–
Deferred tax liabilities	28	2,642,000	2,998,000	–	–
Non-current liabilities		9,199,390	12,976,746	–	–
		64,221,873	60,066,655	46,195,797	45,404,538

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 January 2005

		Share Capital	Non- Distributable Share Premium	Distributable Retained Profits	Total
	Note	RM	RM	RM (Note 29)	RM
<b>GROUP</b>					
<b>At 1 February 2003</b>		19,800,000	4,831,886	13,574,598	38,206,484
Issue of share capital					
- Bonus issue		11,880,000	-	(11,880,000)	-
- Rights issue		11,880,000	(3,564,000)	-	8,316,000
- Shares issue expenses		-	(680,825)	-	(680,825)
Net profit for the year		-	-	1,462,090	1,462,090
Dividend	12	-	-	(213,840)	(213,840)
<b>At 31 January 2004</b>		43,560,000	587,061	2,942,848	47,089,909
Issue of share capital					
- ESOS		255,000	-	-	255,000
Net profit for the year		-	-	8,150,214	8,150,214
Dividend	12	-	-	(472,640)	(472,640)
<b>At 31 January 2005</b>		<b>43,815,000</b>	<b>587,061</b>	<b>10,620,422</b>	<b>55,022,483</b>

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



# COMPANY STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 January 2005

		Share Capital	Non- Distributable Share Premium	Distributable Retained Profits	Total
	Note	RM	RM	RM (Note 29)	RM
<b>COMPANY</b>					
<b>At 1 February 2003</b>		19,800,000	4,831,886	12,586,955	37,218,841
Issue of share capital					
- Bonus issue		11,880,000	-	(11,880,000)	-
- Rights issue		11,880,000	(3,564,000)	-	8,316,000
- Shares issue expenses		-	(680,825)	-	(680,825)
Net profit for the year		-	-	764,362	764,362
Dividend	12	-	-	(213,840)	(213,840)
<b>At 31 January 2004</b>		43,560,000	587,061	1,257,477	45,404,538
Issue of share capital					
- ESOS		255,000	-	-	255,000
Net profit for the year		-	-	1,008,899	1,008,899
Dividend	12	-	-	(472,640)	(472,640)
<b>At 31 January 2005</b>		<b>43,815,000</b>	<b>587,061</b>	<b>1,793,736</b>	<b>46,195,797</b>

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

# CASH FLOW STATEMENTS

For the Year Ended 31 January 2005

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before taxation	<b>12,087,106</b>	2,159,625	<b>1,547,932</b>	1,217,362
Adjustments for :				
Bad and doubtful debts	<b>2,287,227</b>	927,733	—	—
Depreciation	<b>6,384,843</b>	5,820,983	—	—
Impairment loss of investment in an associate	—	10,113	—	10,113
Interest expenses	<b>4,268,010</b>	3,831,776	—	—
Interest income	<b>(23,648)</b>	(4,696)	<b>(16,984)</b>	(4,633)
Loss/(Gain) on disposal of property, plant and equipment	<b>14,547</b>	(53,272)	—	—
Plant and equipment written off	<b>1,094,405</b>	—	—	—
Share of result in associate	<b>(44)</b>	364	—	—
Dividend income (gross)	—	—	<b>(2,000,000)</b>	(1,698,500)
Operating profit/(loss) before working capital changes	<b>26,112,446</b>	12,692,626	<b>(469,052)</b>	(475,658)
Receivables	<b>(93,330,159)</b>	(7,762,312)	<b>(611)</b>	242,254
Inventories	<b>56,383</b>	642,110	—	—
Payables	<b>51,450,399</b>	(3,136,498)	<b>(254,565)</b>	234,792
Cash (used in)/generated from operations	<b>(15,710,931)</b>	2,435,926	<b>(724,228)</b>	1,388
Interest received	<b>23,648</b>	4,696	<b>16,984</b>	4,633
Interest paid	<b>(4,268,010)</b>	(3,831,776)	—	—
Tax paid	<b>(3,213,054)</b>	(1,130,881)	—	(1,000)
Net cash (used in)/from operating activities	<b>(23,168,347)</b>	(2,522,035)	<b>(707,244)</b>	5,021
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Dividend received	—	—	<b>1,440,000</b>	1,222,920
Increase in subsidiaries balances	—	—	<b>(2,547,679)</b>	(6,611,825)
Proceeds from disposal of property, plant and equipment	<b>22,000</b>	170,958	—	—
Purchase of property, plant and equipment	<b>(6,543,005)</b>	(4,675,608)	—	—
Net cash used in investing activities	<b>(6,521,005)</b>	(4,504,650)	<b>(1,107,679)</b>	(5,388,905)

# CASH FLOW STATEMENTS (Cont'd)

For the Year Ended 31 January 2005

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase in bankers' acceptances and revolving credits	32,516,584	8,024,000	—	—
Purchase of marketable securities	(69,000)	—	—	—
Dividend paid	(472,640)	(213,840)	(472,640)	(213,840)
Drawdown of term loans	—	8,411	—	—
Proceeds from issuance of ordinary share	255,000	8,316,000	255,000	8,316,000
Repayment of hire purchase payables	(3,595,370)	(4,096,980)	—	—
Repayment of term loans	(2,081,111)	(3,844,876)	—	—
Shares issue expenses	—	(680,825)	—	(680,825)
Net cash from/(used in) financing activities	26,553,463	7,511,890	(217,640)	7,421,335
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>				
	(3,135,889)	485,205	(2,032,563)	2,037,451
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>				
	(11,366,119)	(11,851,324)	2,047,353	9,902
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 22)</b>				
	(14,502,008)	(11,366,119)	14,790	2,047,353

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

# NOTES TO THE FINANCIAL STATEMENTS

31 January 2005

## 1. CORPORATE INFORMATION

The principal activity of the Company is investment holding. During the financial year, the Company commenced operation of insurance agency. The principal activities of the subsidiaries are described in Note 14. There have been no other significant changes in the nature of these principal activities during the financial year.

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 Takzim.

The number of employees in the Group at the end of the financial year was 163 (2004 : 159). There were no employees on the payroll of the Company.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 May 2005.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention except for the revaluation of certain freehold and leasehold properties.

The financial statements comply with the provisions of the Companies Act 1965 and applicable MASB Approved Accounting Standards in Malaysia.

### (b) Basis of Consolidation

#### (i) Subsidiaries

The consolidated financial statements include the financial statements of the Company and all its subsidiaries. Subsidiaries are those entities in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiaries are consolidated using the merger method of accounting except for a subsidiary (as disclosed in Note 14) which is consolidated using the acquisition method of accounting.

Subsidiaries which meet the criteria for merger accounting under the Malaysian Accounting Standard 2 (MAS 2), Accounting for Acquisitions and Mergers, when MAS 2 was the applicable accounting standard are accounted for using merger accounting principles. When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued and the merger deficit arising from the difference between the carrying value of the investment and the nominal value of share capital of the subsidiaries is set off against revaluation reserve and retained profits of the Group. The results of the companies being merged are included as if the merger had been effected throughout the year of the merger and prior financial years.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

## 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (b) Basis of Consolidation (Cont'd)

#### (i) Subsidiaries (Cont'd)

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of the subsidiary are measured at their fair values at the date of acquisition. The difference between the cost of an acquisition and the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition is included in the consolidated balance sheet as goodwill or negative goodwill arising on consolidation.

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill and exchange differences.

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.

#### (ii) Associates

Associates are those entities in which the Group exercises significant influence but not control, through participation in the financial and operating policy decisions of the entities.

Investments in associates are accounted for in the consolidated financial statements by the equity method of accounting based on the audited or management financial statements of the associates. Under the equity method of accounting, the Group's share of profits less losses of associates during the financial year is included in the consolidated income statement. The Group's interest in associates is carried in the consolidated balance sheet at cost plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves.

Unrealised gains on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are eliminated unless cost cannot be recovered.

### (c) Investments in Subsidiaries and Associates

The Company's investments in subsidiaries and associates are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(m).

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in the income statement.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

## 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (d) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(m).

Freehold land, building-in-progress and motor vehicles in progress are not depreciated. Leasehold land is depreciated over the period of the lease of 60 years. 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 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 revaluations 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 standard when the first revaluation was done, these assets continue to be stated at their 1995 valuation less accumulated depreciation.

Upon the disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement and the unutilised portion of the revaluation surplus is taken directly to retained profits.

### (e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

### (f) 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.

### (g) 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 are classified as operating leases.



# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

## 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (g) Leases (Cont'd)

#### (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(d).

#### (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.

### (h) Provision for Liabilities

Provisions for liabilities 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, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

### (i) 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.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

## 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (i) Income Tax (Cont'd)

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.

### (j) 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 of the Group. 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

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred.

### (k) 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.

#### (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.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

## 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (k) Revenue Recognition (Cont'd)

#### (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 a receivable basis.

#### (iv) Dividend income

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

#### (v) Rental and insurance income

Revenue from rental and insurance agency are recognised on a receivable basis.

### (l) Foreign Currencies

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at rates of exchange ruling at the date of the transaction. At each balance sheet date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at that date. Non-monetary items initially denominated in foreign currencies which are carried at historical cost are translated using the historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined.

All exchange rate differences are taken to the income statement.

The principal exchange rate for every unit of foreign currency ruling at balance sheet date used is as follows :

	2005 RM	2004 RM
Singapore Dollar	2.32	2.21

### (m) Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in the income statement immediately, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same asset.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

## 2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### (n) 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) 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.

#### (ii) 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.

#### (iii) 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.

#### (iv) Interest-Bearing Borrowings

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs.

All borrowing costs are recognised as an expense in the financial statements in the period in which they are incurred.

#### (v) 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.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

## 3. REVENUE

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

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
Transport services	<b>59,830,216</b>	41,603,786	—	—
Trading in construction materials	<b>365,635,086</b>	147,847,413	—	—
Rental of properties	<b>843,449</b>	619,161	—	—
Insurance income	—	—	<b>90,123</b>	—
Dividend income from subsidiary	—	—	<b>2,000,000</b>	1,698,500
	<b>426,308,751</b>	190,070,360	<b>2,090,123</b>	1,698,500

## 4. DIRECT EXPENSES

Included in direct expenses are :

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
Depreciation	<b>5,303,447</b>	4,792,161	—	—
Drivers' commission	<b>5,706,362</b>	5,445,578	—	—
Rental of lorries	<b>150</b>	1,071	—	—
Staff costs	<b>1,152,984</b>	1,143,717	—	—
Transport agents' charges	<b>17,851,118</b>	17,866,710	—	—
Upkeep of vehicles	<b>16,591,233</b>	15,479,261	—	—

## 5. OTHER OPERATING INCOME

Included in other operating income are :

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
Bad debts recovered	<b>56,486</b>	47,152	—	—
Exchange gain/(loss)				
- realised	<b>122</b>	(80,000)	—	—
(Loss)/Gain on disposal of property, plant and equipment	<b>(14,547)</b>	53,472	—	—
Interest income	<b>23,648</b>	4,696	<b>16,984</b>	4,633

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

## 6. ADMINISTRATIVE EXPENSES

Included in administrative expenses are :

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
Auditors' remuneration:				
Statutory audit				
- Current year	66,000	60,000	13,000	13,000
- (Over)/Underprovision in prior year	(1,000)	3,000	(1,000)	-
Other services	116,695	235,721	-	-
Bad and doubtful debts	2,287,227	927,733	-	-
Depreciation	1,081,396	1,028,822	-	-
Impairment loss of investment in an associate	-	10,113	-	10,113
Loss on disposal of property, plant and equipment	-	200	-	-
Plant and equipment written off	1,094,405	-	-	-
Rental of premises	358,689	187,396	-	-
Staff costs (Note 7)	5,118,311	4,403,843	-	-

## 7. STAFF COSTS

Included in staff costs of the Group is directors' remuneration amounting to RM1,341,597 (2004 : RM1,191,125) as detailed in Note 8.

## 8. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2005	2004	2005	2004
	RM	RM	RM	RM
<b>Directors of the Company</b>				
<b>Executive :</b>				
- Salaries and other emoluments	1,150,491	1,078,925	19,000	23,000
- Fees	110,000	110,000	110,000	110,000
- Bonus	210,106	135,200	-	-
	1,470,597	1,324,125	129,000	133,000
<b>Non-Executive :</b>				
- Allowances	20,700	23,900	20,700	23,900
- Fees	90,000	90,000	90,000	90,000
	110,700	113,900	110,700	113,900
Total	1,581,297	1,438,025	239,700	246,900

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

## 8. DIRECTORS' REMUNERATION (Cont'd)

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

	Number of Directors	
	2005	2004
<b>Executive :</b>		
RM50,001 - RM100,000	–	1
RM100,001 - RM150,000	2	1
RM150,001 - RM200,000	1	1
RM350,001 - RM400,000	–	1
RM450,001 - RM500,000	1	–
RM550,001 - RM600,000	–	1
RM600,001 - RM650,000	1	–
<b>Non-Executive directors :</b>		
Below RM50,000	4	4

## 9. FINANCE COSTS

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Bank charges	211,821	98,582	1,199	514
Interest expenses	4,268,010	3,831,776	–	–
	<b>4,479,831</b>	3,930,358	<b>1,199</b>	514

## 10. TAXATION

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Malaysian income tax :				
Tax expense for the year	4,535,000	1,613,420	539,000	453,000
Deferred tax :				
Relating to origination and reversal of timing differences (Note 28)	(638,000)	(657,000)	–	–
	<b>3,897,000</b>	956,420	<b>539,000</b>	453,000
Tax expense for prior years :				
Malaysian income tax	39,892	(180,151)	33	–
	<b>3,936,892</b>	776,269	<b>539,033</b>	453,000



# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

## 10. TAXATION (Cont'd)

Domestic income tax is calculated at the Malaysian statutory tax rate of 28% (2004 : 28%) of the estimated assessable profit for the year. As proposed in Malaysian Fiscal Budget 2004, which has been gazetted as Finance Act 2003, the income tax rate on the first RM500,000 (2004 : RM500,000) of chargeable income for qualified small and medium enterprises which certain of the subsidiaries are qualified as one, have been further reduced to 20%.

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 :

	2005 RM	2004 RM
<b>GROUP</b>		
Profit before taxation	12,087,106	2,159,625
Taxation at Malaysian statutory tax rate of 28% (2004 : 28%)	3,384,390	604,695
Effect of tax at 20% (2004 : 20%) on the first RM500,000 (2004 : RM500,000)	(80,000)	(80,000)
Effect of expenses not deductible for tax purposes	592,623	431,623
Effect of (gain)/loss of associate not subject to tax	(13)	102
Under/(over) provided in prior years	39,892	(180,151)
Tax expense for the year	3,936,892	776,269
<b>COMPANY</b>		
Profit before taxation	1,547,932	1,217,362
Taxation at Malaysian statutory tax rate of 28% (2004 : 28%)	433,421	340,861
Effect of expenses not deductible for tax purposes	105,579	112,139
Underprovision of income tax in prior year	33	–
Tax expense for the year	539,033	453,000

## 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.

	<b>GROUP</b>	
	2005	2004
Net profit for the year (RM)	8,150,214	1,462,090
Weighted average number of ordinary shares in issue	43,749,818	35,694,032
Basic earnings per share (sen)	18.6	4.1

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

## 11. EARNINGS PER SHARE (Cont'd)

### (b) Diluted

For the purpose of calculating diluted earnings per share, the net profit for the year 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	
	2005	2004
Net profit for the year (RM)	<b>8,150,214</b>	1,462,090
Weighted average number of ordinary shares in issue	<b>43,749,818</b>	35,694,032
Adjustment for assumed options taken up	<b>3,117,000</b>	3,846,000
Adjusted weighted average number of ordinary shares in issue and issuable	<b>46,866,818</b>	39,540,032
Diluted earnings per share (sen)	<b>17.4</b>	3.7

## 12. DIVIDENDS

	AMOUNT		DIVIDEND PER SHARE	
	2005 RM	2004 RM	2005 RM	2004 RM
Ordinary final dividend of 1.5% (2004 : 1.5%) less 28% taxation	<b>472,640</b>	213,840	<b>1.08</b>	1.08

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 January 2005, of 2% less 28% taxation amounting to a dividend of 1.44 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 profits in the next financial year ending 31 January 2006.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

## 13. PROPERTY, PLANT AND EQUIPMENT

	(a) Land and Buildings	Motor Vehicles	*Other Assets	Total
GROUP	RM	RM	RM	RM
<b>COST/VALUATION</b>				
At 1 February 2004	37,870,782	53,657,872	3,939,054	95,467,708
Additions	690,444	5,896,878	520,783	7,108,105
Written off	–	(1,450,361)	(125,562)	(1,575,923)
Disposal	–	–	(45,460)	(45,460)
At 31 January 2005	<b>38,561,226</b>	<b>58,104,389</b>	<b>4,288,815</b>	<b>100,954,430</b>
Representing :				
At cost	<b>28,980,391</b>	<b>58,104,389</b>	<b>4,288,815</b>	<b>91,373,595</b>
At valuation	<b>9,580,835</b>	<b>–</b>	<b>–</b>	<b>9,580,835</b>
	<b>38,561,226</b>	<b>58,104,389</b>	<b>4,288,815</b>	<b>100,954,430</b>
<b>ACCUMULATED DEPRECIATION</b>				
At 1 February 2004	2,974,529	22,429,585	1,419,588	26,823,702
Charge for the year	602,708	5,372,121	410,014	6,384,843
Written off	–	(436,693)	(44,825)	(481,518)
Disposal	–	–	(8,913)	(8,913)
At 31 January 2005	<b>3,577,237</b>	<b>27,365,013</b>	<b>1,775,864</b>	<b>32,718,114</b>
Representing :				
At cost	<b>1,426,896</b>	<b>27,365,013</b>	<b>1,775,864</b>	<b>30,567,773</b>
At valuation	<b>2,150,341</b>	<b>–</b>	<b>–</b>	<b>2,150,341</b>
	<b>3,577,237</b>	<b>27,365,013</b>	<b>1,775,864</b>	<b>32,718,114</b>
<b>NET BOOK VALUE</b>				
At 31 January 2005				
At cost	<b>27,553,495</b>	<b>30,739,376</b>	<b>2,512,951</b>	<b>60,805,822</b>
At valuation	<b>7,430,494</b>	<b>–</b>	<b>–</b>	<b>7,430,494</b>
	<b>34,983,989</b>	<b>30,739,376</b>	<b>2,512,951</b>	<b>68,236,316</b>

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

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

	(a) Land and Buildings	Motor Vehicles	*Other Assets	Total
GROUP	RM	RM	RM	RM
<b>NET BOOK VALUE (Cont'd)</b>				
At 31 January 2004				
At cost	27,298,668	31,084,062	2,663,691	61,046,421
At valuation	7,597,585	–	–	7,597,585
	34,896,253	31,084,062	2,663,691	68,644,006
Depreciation charge for 2004	565,805	4,885,418	369,760	5,820,983

### (a) Land and buildings

	Freehold Land	Long Term Leasehold Land	Buildings	Total
	RM	RM	RM	RM

### COST/VALUATION

At 1 February 2004	5,120,888	16,596,015	16,153,879	37,870,782
Additions	200,000	25,992	464,452	690,444
At 31 January 2005	<b>5,320,888</b>	<b>16,622,007</b>	<b>16,618,331</b>	<b>38,561,226</b>
Representing :				
At cost	<b>2,480,888</b>	<b>13,771,172</b>	<b>12,728,331</b>	<b>28,980,391</b>
At valuation	<b>2,840,000</b>	<b>2,850,835</b>	<b>3,890,000</b>	<b>9,580,835</b>
	<b>5,320,888</b>	<b>16,622,007</b>	<b>16,618,331</b>	<b>38,561,226</b>

### ACCUMULATED DEPRECIATION

At 1 February 2004	–	1,262,657	1,711,872	2,974,529
Charge for the year	–	235,911	366,797	602,708
At 31 January 2005	<b>–</b>	<b>1,498,568</b>	<b>2,078,669</b>	<b>3,577,237</b>
Representing :				
At cost	<b>–</b>	<b>696,128</b>	<b>730,768</b>	<b>1,426,896</b>
At valuation	<b>–</b>	<b>802,440</b>	<b>1,347,901</b>	<b>2,150,341</b>
	<b>–</b>	<b>1,498,568</b>	<b>2,078,669</b>	<b>3,577,237</b>

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

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

### (a) Land and buildings (Cont'd)

	Freehold Land	Long Term Leasehold Land	Buildings	Total
	RM	RM	RM	RM
<b>NET BOOK VALUE</b>				
At 31 January 2005				
At cost	2,480,888	13,075,044	11,997,563	27,553,495
At valuation	2,840,000	2,048,395	2,542,099	7,430,494
	5,320,888	15,123,439	14,539,662	34,983,989
At 31 January 2004				
At cost	2,280,888	13,252,159	11,765,621	27,298,668
At valuation	2,840,000	2,081,199	2,676,386	7,597,585
	5,120,888	15,333,358	14,442,007	34,896,253
Depreciation charge for 2004	–	250,958	314,847	565,805

(b) Net book values of motor vehicles of the Group held under hire purchase and finance lease agreements amounted to RM10,957,273 (2004 : RM13,456,160).

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

	GROUP	
	2005 RM	2004 RM
Cash payment	6,543,005	4,675,608
Hire purchase arrangements	565,100	3,777,605
Contra of trade debts	–	3,900,000
	7,108,105	12,353,213

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

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

- (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 23 and Note 24 are as follows :

	GROUP	
	2005 RM	2004 RM
Freehold land	1,898,532	1,898,532
Leasehold land	10,450,351	10,849,459
Building	5,412,829	5,014,364
	17,761,712	17,762,355
Motor vehicles	10,957,273	13,456,160
	28,718,985	31,218,515

- (e) Included in property, plant and equipment of the Group are cost of the following fully depreciated assets which are still in use :

	GROUP	
	2005 RM	2004 RM
Motor vehicles	2,062,643	1,500,339
Other assets	911,364	370,786
	2,974,007	1,871,125

- (f) Details of independent professional valuations of freehold and leasehold properties owned by the Group at 31 January 2005 are as follows :

Year of Valuation	Description of Property	Amount RM	Basis of Valuation
1995	Long term leasehold industrial land and factory at Johor Bahru	6,000,000	Comparison method
1995	Freehold land at Johor Bahru	350,000	Comparison method
1995	Freehold land and office building at Johor Bahru	1,000,000	Comparison method
1995	Freehold industrial land in the district of Petaling	1,780,000	Comparison method
		9,130,000	

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

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

- (f) Details of independent professional valuations of freehold and leasehold properties owned by the Group at 31 January 2005 are as follows : (Cont'd)

Had the revalued freehold land and leasehold properties been carried at historical cost less accumulated depreciation, the net book value of the freehold and leasehold properties that would have been included in the financial statements of the Group as at 31 January 2005 would be as follows :

	GROUP	
	2005 RM	2004 RM
Freehold land and buildings	1,935,959	1,939,959
Long term leasehold land and buildings	2,242,737	2,359,209
	<b>4,178,696</b>	4,299,168

- (g) Included in property, plant and equipment are motor vehicles with a carrying value of RM1,898,023 (2004 : RM2,471,690) 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.
- (h) Included in the Group's property, plant and equipment are cost of the following assets in progress which are not depreciated :

	2005 RM	2004 RM
Motor vehicles in progress	2,193,998	1,238,203
Buildings in progress	317,261	840,039
	<b>2,511,259</b>	2,078,242

## 14. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2005 RM	2004 RM
Unquoted shares, at cost	11,289,188	11,289,188



# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

## 14. INVESTMENT IN SUBSIDIARIES (Cont'd)

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

Name of Subsidiaries	Country of Incorporation	Effective Interest (%)		Principal Activities
		2005	2004	
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.

## 15. INVESTMENT IN ASSOCIATES

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM

At cost :

Unquoted investment :

In Malaysia	30,000	30,000	30,000	30,000
Outside Malaysia	10,114	10,114	10,114	10,114
	40,114	40,114	40,114	40,114
Share of post acquisition losses	(1,412)	(1,456)	—	—
	38,702	38,658	40,114	40,114
Less: Impairment losses	(10,113)	(10,113)	(10,113)	(10,113)
	28,589	28,545	30,001	30,001

Represented by :

Share of net tangible assets	28,589	28,545
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# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

## 15. INVESTMENT IN ASSOCIATES (Cont'd)

The associates are :

Name of Associates	Country of Incorporation	Effective Interest (%)		Principal Activities
		2005	2004	
DK Yinson Sdn. Bhd.	Malaysia	30	30	Dormant
Yinson Transport (Thailand) Co. Ltd.*	Thailand	49	49	Dormant

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

## 16. OTHER INVESTMENT

	GROUP	
	2005 RM	2004 RM
Unquoted shares at cost, in Malaysia	100,000	100,000

## 17. INVENTORIES

	GROUP	
	2005 RM	2004 RM
At cost :		
Consumable	203,058	285,151
Trading goods	30,411	4,701
	233,469	289,852

## 18. TRADE RECEIVABLES

	GROUP	
	2005 RM	2004 RM
Trade receivables	154,885,159	64,080,621
Provision for doubtful debts	(3,123,615)	(3,914,853)
	151,761,544	60,165,768

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

## 18. TRADE RECEIVABLES (Cont'd)

The Group's normal credit term ranges from 30 to 120 days. Other credit terms are assessed and approved on a case-by-case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

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	
	2005 RM	2004 RM
Handal Indah Sdn. Bhd.	–	225,327
Liannex Corporation (S) Pte. Ltd.	541,005	2,919,705
	<b>541,005</b>	<b>3,145,032</b>

## 19. OTHER RECEIVABLES

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Deposits	510,363	856,124	1,000	1,000
Prepayments	1,408,205	1,288,451	611	–
Sundry receivables	563,120	883,412	–	–
	<b>2,481,688</b>	<b>3,027,987</b>	<b>1,611</b>	<b>1,000</b>
Provision for doubtful debts	(452,783)	(399,562)	–	–
	<b>2,028,905</b>	<b>2,628,425</b>	<b>1,611</b>	<b>1,000</b>

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

## 20. DUE FROM SUBSIDIARIES

Amount due from subsidiaries are non-trade in nature, unsecured, interest free and have no fixed terms of repayment.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

## 21. MARKETABLE SECURITIES

	GROUP	
	2005 RM	2004 RM
At cost :		
Quoted shares in Malaysia	69,000	–
Market value of quoted shares	81,130	–

## 22. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Cash on hand and at banks	3,000,217	612,399	14,790	47,353
Deposits with licensed banks	199,213	2,125,241	–	2,000,000
Cash and bank balances	3,199,430	2,737,640	14,790	2,047,353
Bank overdraft (Note 23)	(17,701,438)	(14,103,759)	–	–
	(14,502,008)	(11,366,119)	14,790	2,047,353

Deposit with licensed bank of the Group amounting to RM60,000 (2004 : RM15,000) is registered in the name of a director and held in trust for a subsidiary.

Deposits with licensed banks of the Group amounting to RM139,213 (2004 : RM125,241) are pledged as securities for bank guarantee granted to the subsidiaries.

The interest rates and the maturity days for the deposits as at 31 January 2005 were as follows :

	GROUP		COMPANY	
	2005	2004	2005	2004
Interest rates (%)	3.0 to 3.7	3.0 to 4.0	–	–
Maturities (days)	12 to 365	12 to 365	–	–

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

## 23. BANK BORROWINGS

	GROUP	
	2005 RM	2004 RM
<b>Short term borrowings</b>		
Secured :		
Bank overdrafts	4,808,691	4,396,803
Hire purchase payables (Note 24)	3,497,154	4,346,987
Term loans	156,512	950,828
	<b>8,462,357</b>	9,694,618
Unsecured :		
Bank overdrafts	12,892,747	9,706,956
Bankers' acceptances	57,418,584	24,902,000
Revolving credits	9,500,000	9,500,000
Term loans	1,096,584	1,142,460
	<b>80,907,915</b>	45,251,416
	<b>89,370,272</b>	54,946,034
<b>Long Term Borrowings</b>		
Secured :		
Term loans	4,929,018	150,614
Hire purchase payables (Note 24)	1,628,372	3,808,809
	<b>6,557,390</b>	3,959,423
Unsecured :		
Term loans	–	6,019,323
	–	6,019,323
	<b>6,557,390</b>	9,978,746
<b>Total Borrowings</b>		
Bank overdrafts (Note 22)	17,701,438	14,103,759
Hire purchase payables (Note 24)	5,125,526	8,155,796
Term loans	6,182,114	8,263,225
Bankers' acceptances	57,418,584	24,902,000
Revolving credits	9,500,000	9,500,000
	<b>95,927,662</b>	64,924,780
<b>Maturity of Borrowings (except hire purchase payables)</b>		
Not later than 1 year	85,873,118	50,599,047
Later than 1 year and not later than 2 years	1,120,952	1,228,124
Later than 2 years and not later than 5 years	3,011,846	3,580,082
More than 5 years	796,220	1,361,731
	<b>90,802,136</b>	56,768,984

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

## 23. BANK BORROWINGS (Cont'd)

The ranges of the interest rates as at the balance sheet date for borrowings, excluding hire purchase payables, were as follows :

	GROUP	
	2005	2004
	%	%
Bank overdrafts	7.4 to 8.9	7.4 - 8.9
Revolving credits	5.1 to 6.05	5.1 - 6.05
Bankers' acceptances	3.2 to 4.75	3.2 - 4.75
Term loans	6.5 to 7.0	4.88 - 7.40

The secured borrowings of the Group are secured by certain assets of the Group as disclosed in Note 13 and fixed deposits of the Group as disclosed in Note 22.

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.

## 24. HIRE PURCHASE PAYABLES

	GROUP	
	2005	2004
	RM	RM
<b>Minimum hire purchase payments :</b>		
Not later than 1 year	3,726,130	4,792,848
Later than 1 year and not later than 2 years	1,376,144	3,189,891
Later than 2 years and not later than 5 years	354,257	804,189
	<b>5,456,531</b>	8,786,928
Less: Future finance charges	(331,005)	(631,132)
	<b>5,125,526</b>	8,155,796
<b>Present value of hire purchase liabilities :</b>		
Not later than 1 year	3,497,154	4,346,987
Later than 1 year and not later than 2 years	1,288,474	3,007,376
Later than 2 years and not later than 5 years	339,898	801,433
	<b>5,125,526</b>	8,155,796
<b>Analysed as :</b>		
Due within 12 months (Note 23)	3,497,154	4,346,987
Due after 12 months (Note 23)	1,628,372	3,808,809
	<b>5,125,526</b>	8,155,796

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

The hire purchase liabilities bore interest at the balance sheet date at rates of between 4.0% and 4.26% (2004 : 4.04% and 4.26%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

## 25. TRADE PAYABLES

The normal trade credit term granted to the Group ranges from 30 to 120 days.

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

	GROUP	
	2005 RM	2004 RM
Yinson Tyres Sdn. Bhd.	14,647	946,650
Liannex Corporation (S) Pte. Ltd.	29,716,795	–
	<b>29,731,442</b>	946,650

## 26. OTHER PAYABLES

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Due to director, Lim Han Weng	200,115	200,115	200,115	200,115
Due to an associate, D.K. Yinson Sdn. Bhd.	955	–	–	–
Due to related parties	55,047	47,641	–	–
Sundry payables	2,073,896	1,905,638	3,271	2,926
Accruals	1,929,010	2,067,798	69,084	323,994
	<b>4,259,023</b>	4,221,192	<b>272,470</b>	527,035

Amount due to related parties comprised the following :

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Kargo Indera Sdn. Bhd.	13,649	13,649	–	–
Tuck Seng Loong Sdn. Bhd.	41,398	33,992	–	–
	<b>55,047</b>	47,641	–	–

Amounts due to director and related parties are unsecured, interest free and have no fixed terms of repayments.



# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

## 27. SHARE CAPITAL

	NUMBER OF ORDINARY SHARES OF RM1 EACH		AMOUNT	
	2005	2004	2005 RM	2004 RM
Authorised	100,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid :				
At beginning of year	43,560,000	19,800,000	43,560,000	19,800,000
Bonus issue	–	11,880,000	–	11,880,000
Rights issue	–	11,880,000	–	11,880,000
ESOS	255,000	–	255,000	–
At end of year	43,815,000	43,560,000	43,815,000	43,560,000

### (a) Employee Share Option Scheme ("ESOS")

Details of share options exercised during the financial year and the fair value, at the exercise date of ordinary shares issued are as follows :

	Exercise Price	Fair Value of Ordinary Shares	Number of Share Options	Consideration Received
	RM	RM		RM
<b>2005</b>				
17 February 2004	1.00	1.38-1.39	53,000	53,000
15 March 2004	1.00	1.44-1.51	147,000	147,000
14 April 2004	1.00	1.30	2,000	2,000
16 June 2004	1.00	1.20	1,000	1,000
14 September 2004	1.00	1.25	2,000	2,000
15 October 2004	1.00	1.32-1.36	5,000	5,000
10 November 2004	1.00	1.26-1.45	5,000	5,000
9 December 2004	1.00	1.33-1.37	14,000	14,000
13 January 2005	1.00	1.31-1.33	26,000	26,000
			255,000	255,000

There were no share options exercised in the previous financial year.

The terms of share options outstanding as at the end of the year are as follows :

Exercise Period	Exercise Price	Number of Share Options Options Outstanding
	RM	
18 December 2003 - 17 December 2008	1.00	3,117,000

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

## 28. DEFERRED TAX

	GROUP	
	2005 RM	2004 RM
At beginning of year	2,357,000	3,014,000
Recognised in the income statement (Note 10)	(638,000)	(657,000)
At end of year	1,719,000	2,357,000
Presented after appropriate offsetting as follows :		
Deferred tax asset	(923,000)	(641,000)
Deferred tax liabilities	2,642,000	2,998,000
	1,719,000	2,357,000

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

	Accelerated Capital Allowances	Unutilised Tax Losses	Unabsorbed Capital Allowances	Provision	Total
	RM	RM	RM	RM	RM
At 1 February 2004	4,046,000	(15,000)	(1,674,000)	–	2,357,000
Recognised in income statement	442,000	–	(935,000)	(145,000)	(638,000)
At 31 January 2005	4,488,000	(15,000)	(2,609,000)	(145,000)	1,719,000

## 29. RETAINED PROFITS

As at 31 January 2005, 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 profits.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

## 30. SIGNIFICANT RELATED PARTY TRANSACTIONS

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 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.	360,000	320,000	—	—
Transport income from Liannex Corporation (S) Pte. Ltd.	13,970,437	10,677,480	—	—
Transport charges from Handal Indah Sdn. Bhd.	15,353	39,750	—	—
Transport charges to Tuck Seng Loong (JB) Sdn. Bhd. and Kargo Indera Sdn. Bhd.	26,000	36,000	—	—
Purchases from Yinson Tyres Sdn. Bhd.	2,966,846	2,654,832	—	—
Purchases from Liannex Corporation (S) Pte. Ltd.	30,469,535	—	—	—

With subsidiaries :

Dividend income (gross)	—	—	2,000,000	1,698,500
Insurance income	—	—	90,123	—

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

## 31. COMMITMENTS

	2005 RM	2004 RM
<b>GROUP</b>		
Rental :		
Payable within one year	229,200	89,400
Payable within two to five years	60,200	110,400
	<b>289,400</b>	<b>199,800</b>

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

## 32. CONTINGENT LIABILITIES

	2005 RM	2004 RM
<b>COMPANY</b>		
Corporate guarantees given to financial institutions in respect of facilities granted to subsidiaries :		
Unsecured	<b>80,622,512</b>	51,889,000
Secured	<b>15,959,818</b>	13,634,000
	<b>96,582,330</b>	65,523,000

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

## 33. 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, foreign exchange, liquidity and credit risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is to not engage in speculative transactions.

### (b) Interest Rate Risk

The Group's primary interest rate risk relates to interest-bearing debt; the Group had no substantial long term interest-bearing assets as at 31 January 2005. The investments in financial assets are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits or occasionally, in short term commercial papers which yield better returns than cash at bank.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The information on maturity dates and interest rates of financial assets and liabilities are disclosed in their respective notes.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

## 33. FINANCIAL INSTRUMENTS (Cont'd)

### (c) Foreign Exchange Risk

The Group is mainly exposed to foreign exchange risk in respect of Singapore Dollars. As at 31 January 2005, the net unhedged financial asset of the Group that is not denominated in Ringgit Malaysia is as follows :

	2005 RM	2004 RM
<b>GROUP</b>		
Trade receivables	38,608	822,293
Trade payables	(100,810)	(3,975,085)

### (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

Credit risks, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

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 instruments.

### (f) Fair Values

The aggregate net fair values of financial assets which are not carried at fair value on the balance sheets of the Group and of the Company are represented as follows :

	GROUP		COMPANY	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
<b>2005</b>				
Investment in associates	28,589	*	30,001	*
Other investment	100,000	*	—	—
Marketable securities	69,000	81,130	—	—

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

## 33. FINANCIAL INSTRUMENTS (Cont'd)

### (f) Fair Values (Cont'd)

	GROUP		COMPANY	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
<b>2004</b>				
Investment in associates	28,545	*	30,001	*
Other investment	100,000	*	—	—

\* 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.

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

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments :

#### (i) Cash and Cash Equivalents, Trade and Other Receivables/Payables and Short Term Borrowings

The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

#### (ii) Borrowings

The carrying values of borrowings are estimated to approximate their fair values since interest on these borrowings vary with the prevailing market interest rates.

#### (iii) Marketable Securities

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

## 34. SEGMENT INFORMATION

### (a) Business segments:

The Group is organised into two major business segments :

- (i) Transport
- (ii) Trading

Other business segments include rental, insurance and investment income.

# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

## 34. SEGMENT INFORMATION (Cont'd)

### (a) Business segments : (Cont'd)

	Transport	Trading	Other Operations	Elimination	Consolidated
	RM	RM	RM	RM	RM

2005

#### REVENUE AND EXPENSES

Revenue					
External sales	61,147,148	390,338,028	933,572	(26,109,997)	426,308,751
Result					
Segment results	544,383	15,633,091	389,419	–	16,566,893
Finance costs, net					(4,479,831)
Share of results of associated company					44
Taxation					(3,936,892)
Profit after taxation					8,150,214
Minority interests					–
Net profit for the year					8,150,214

#### ASSETS AND LIABILITIES

Segment assets	85,050,103	132,954,678	8,956,185	–	226,960,966
Segment liabilities	106,595,294	65,070,719	272,470	–	171,938,483

#### OTHER INFORMATION

Capital expenditure	5,929,709	1,153,955	24,441	–	7,108,105
Depreciation	3,729,717	2,628,722	26,404	–	6,384,843
Non-cash expenses other than depreciation and amortisation	1,873,135	1,516,397	6,603	–	3,396,135



# NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 January 2005

## 34. SEGMENT INFORMATION (Cont'd)

### (a) Business segments : (Cont'd)

	Transport	Trading	Other Operations	Elimination	Consolidated
	RM	RM	RM	RM	RM

#### 2004

#### REVENUE AND EXPENSES

Revenue					
External sales	55,649,242	142,952,830	2,455,021	(10,986,733)	190,070,360
Result					
Segment results	1,245,633	4,705,680	139,034	–	6,090,347
Finance costs, net					(3,930,358)
Share of results of associated company					(364)
Taxation					(776,269)
Profit after taxation					1,383,356
Minority interests					78,734
Net profit for the year					1,462,090

#### ASSETS AND LIABILITIES

Segment assets	58,857,783	63,647,236	13,035,113	–	135,540,132
Segment liabilities	46,009,374	41,913,814	527,035	–	88,450,223

#### OTHER INFORMATION

Capital expenditure	6,653,340	1,693,035	4,006,838	–	12,353,213
Depreciation	3,069,440	2,722,507	29,036	–	5,820,983
Non-cash expenses other than depreciation and amortisation	271,832	601,100	12,006	–	884,938

### (b) Geographical segments :

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

# ANALYSIS OF SHAREHOLDINGS

As at 16 June 2005

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 16 June 2005)

Range	No. of Holders	% of Holders	No. of Shares	% of Shares
Less than 100	100	5.72	2,056	0.00
100 to 1,000	94	5.38	74,484	0.17
1,001 to 10,000	1,325	75.80	4,441,355	10.13
10,001 to 100,000	196	11.21	4,850,200	11.07
100,001 to 2,191,399 (*)	28	1.60	15,901,138	36.28
2,191,400 and above (**)	5	0.29	18,558,767	42.34
	1,748	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 16 June 2005)

Name	No. of Shares	%
1. Lim Han Weng	17,219,222	39.29
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 extent the Company has an interest.

## DIRECTORS SHAREHOLDINGS (As per Register of Directors' Shareholdings as at 16 June 2005)

Name	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Lim Han Weng	1,698,495	3.88	15,520,727	35.41
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	—	—
Bah Kim Hoon	17,600	0.04	—	—
Kam Chai Hong	17,600	0.04	—	—

# ANALYSIS OF SHAREHOLDINGS (Cont'd)

As at 16 June 2005

## 30 LARGEST SHAREHOLDERS (According to the Record of Depositors as at 16 June 2005)

Name	No. of Shares	%
1. HDM Nominees (Tempatan) Sdn Bhd <i>Eon Finance Berhad for Lim Han Weng</i>	4,205,000	9.59
2. HDM Nominees (Tempatan) Sdn Bhd <i>Eon Finance Berhad for Bah Kim Lian</i>	4,191,700	9.56
3. Ambank (M) Berhad <i>Pledged securities account for Lim Han Weng</i>	3,800,000	8.67
4. Affin-ACF Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Lim Han Weng</i>	3,210,921	7.33
5. MIDF Sisma Nominees (Tempatan) Sdn Bhd <i>MIDF Sisma Holdings Sdn Bhd for Lim Han Weng</i>	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 <i>Pledged securities account for Lim Han Joe</i>	1,511,105	3.45
9. Tan Ching Ching	1,047,900	2.39
10. Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Tan Choon Hoe</i>	992,083	2.26
11. MIDF Sisma Nominees (Tempatan) Sdn Bhd <i>MIDF Sisma Holdings Sdn Bhd for Bah Kim Lian</i>	848,854	1.94
12. Tekun Usaha Sdn Bhd	800,000	1.83
13. HLB Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Siow Wong Yen @ Siow Kwang Hwa</i>	631,600	1.44
14. EB Nominees (Tempatan) Sendirian Berhad <i>Pledged securities account for Lim Han Joe</i>	599,321	1.37
15. JB Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Siow Wong Yen @ Siow Kwang Hwa</i>	551,800	1.26
16. HLB Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Pauline Koh Siok Huang</i>	544,000	1.24
17. Citicorp Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Bah Kim Lian</i>	512,300	1.17
18. Citicorp Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Lim Han Weng</i>	512,300	1.17
19. Citicorp Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Wai Mun Tuck</i>	468,600	1.07
20. Tan Han Chuan	418,000	0.95

## ANALYSIS OF SHAREHOLDINGS (Cont'd)

As at 16 June 2005

### 30 LARGEST SHAREHOLDERS (According to the Record of Depositors as at 16 June 2005) (Cont'd)

Name	No. of Shares	%
21. TA Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Lim Han Weng</i>	412,560	0.94
22. Citicorp Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Pauline Koh Siok Huang</i>	315,200	0.72
23. Lim Han Joeh	306,000	0.70
24. Kenanga Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Siow Wong Yen @ Siow Kwang Hwa</i>	270,000	0.62
25. JB Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Pauline Koh Siok Huang</i>	264,000	0.60
26. Tan Choon Hoe	249,000	0.57
27. A.A. Assets Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Ang Poon Aik</i>	233,100	0.53
28. Amsec Nominees (Tempatan) Sdn Bhd <i>Amequities Sdn Bhd for Lim Han Weng</i>	228,800	0.52
29. Mayban Securities Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Lim Han Joeh</i>	198,000	0.45
30. Bah Kim Lian	180,820	0.41
	34,029,005	77.65

## LIST OF PROPERTIES

### PROPERTIES

Details of all the landed properties owned by the Group and the Company as at 31st January 2005 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)	Net book value (RM'000)	Last date of Revaluation (R)/ Acquisition (A)
PTD 64022 Jalan Angkasamas Satu Mukim of Tebrau Johor Bahru	Office building and warehouse	Leasehold land expiring 14.3.2053	10	11,048/4752	4,485	R: 25.1.1995
PTD 17897 Taman Pelangi Johor Bahru	3 storey shophouse	Freehold	19	178/535	939	R: 25.1.1995
Lot No 130 Hicom Glenmarie Industrial Park (Phase 3) Subang Selangor Darul Ehsan	Office building and warehouse	Freehold	7	4,251/2199	4,663	R: 25.1.1995
MLO 2754 Mukim of Plentong Johor Bahru	Vacant land	Freehold	–	4,097/-	350	R: 25.1.1995
PLO 248 Mukim of Tebrau Kawasan Perindustrian Tebrau IV, Johor Bahru	Office building and warehouse	Leasehold land expiring 31.1.2060	3	23,310/5,069	10,495	A: 24.11.1997
PTD 34990 Taman Putri Wangsa Johor Bahru	Double storey shop office	Freehold	7	276/143	299	A: 15.8.1998
PTD 34991 Taman Putri Wangsa Johor Bahru	Double storey shop office	Freehold	7	378/195	421	A: 15.8.1998
PTD 66206 Taman Putri Wangsa Johor Bahru	Double storey terrace house	Freehold	7	184/133	203	A: 15.8.1998

## LIST OF PROPERTIES (Cont'd)

Location	Description of existing use	Tenure (expiry date/years)	Age of building (years)	Land areas (sq.m)/ Gross built-up area (sq.m)	Net book value (RM'000)	Last date of Revaluation (R)/ Acquisition (A)
Lot 91028 Block 1-1-3A Skudaiville Apartment Mukim of Pulau Johor Bahru	Apartment (in progress)	Freehold	–	100	149	A: 14.8.1998
Lot 40A, Section 4 Phase 2A Pulau Indah Industrial Park West Port, Klang Selangor	Vacant land	Leasehold land expiring 24.2.2097	–	25,090	5,413	A: 7.2.2002
Lot 91028 Block 2-2-03 Skudaiville Apartment Mukim of Pulau Johor Bahru	Apartment (in progress)	Freehold	–	113	168	A: 17.8.1998
Plot 124 H.S. (D) 1915 P.T. 324 Mukim 13 Seberang Perai Tengah	Vacant land	Leasehold land expiring 25.1.2059	–	10,122/-	1,112	A: 16.5.1997
G-3-1 Taman Pelangi Apartment H.S. (D) No. 30874 P.T. No. 6110 Mukim Bukit Katil Daerah Melaka Tengah Melaka	Apartment	Freehold	5	142	124	A: 2.7.1999
H-3-1 Taman Pelangi Apartment H.S. (D) No. 30874 P.T. No. 6110 Mukim Bukit Katil Daerah Melaka Tengah Melaka	Apartment	Freehold	5	142	130	A: 2.7.1999

## LIST OF PROPERTIES (Cont'd)

Location	Description of existing use	Tenure (expiry date/years)	Age of building (years)	Land areas (sq.m)/ Gross built-up area (sq.m)	Net book value (RM'000)	Last date of Revaluation (R)/ Acquisition (A)
Lot 212 Kawasan Perindustrian Bukit Kayu Hitam Fasa 11, Kedah Darul Aman	Vacant land	Leasehold land expiring 28.4.2063	–	23,512/-	1,288	A: 28.4.2003
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	7	178/223	460	A: 5.11.2001
P.T. 9065 HSD 80165 Mukim Sungai Buloh Daerah Petaling Negeri Selangor	4-storey shoplot	Freehold	19	1,650/- 153/612	1,308	A: 11.7.2003
P.T. 9066 H.S. (D) 80166 Mukim Sungai Buloh Daerah Petaling Negeri Selangor	4-storey shoplot	Freehold	19	1,650/- 153/612	1,308	A: 11.7.2003
P.T. 9067 H.S. (D) 1014 Mukim Sungai Buloh Daerah Petaling Negeri Selangor	4-storey shoplot	Freehold	19	1,650/- 153/612	1,308	A: 11.7.2003
PTD No. 37796 H.S. (D) 127433 Mukim of Pulai District of Johor Bahru Johor Darul Ta'zim	1 1/2 storey light industrial building	Freehold	5		361	A: 22.5.2004

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# YINSON HOLDINGS BERHAD

Co. No. : 259147-A (Incorporated in Malaysia)



## PROXY FORM

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a member/members of YINSON HOLDINGS BERHAD hereby appoint \_\_\_\_\_  
\_\_\_\_\_ of \_\_\_\_\_  
of failing him \_\_\_\_\_  
of \_\_\_\_\_  
as my/our proxy to vote for me/us on my/our behalf at the Twelfth Annual General Meeting of the Company to be held on Thursday, 28th July, 2005 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.	Lim Han Joeh		
6.	Adi Azmari Bin B.K. Koya Moideen Kutty		
7.	Tuan Haji Hassan Bin Ibrahim		
8.	To re-appoint Messrs Ernst & Young as Auditors		
9.	To approve allotment of shares (under Section 132D)		
10.	To allot and issue shares in accordance with ESOS		
11.	To approve the renewal of Shareholders' Mandate for recurrent transactions		

No. of Shares Held

As witness my/our hand this \_\_\_\_\_ day of \_\_\_\_\_ 2005

\_\_\_\_\_  
Signature of Shareholder

**Note:**

- 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.
- 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.
- 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 adjustment thereof.