



## YINSON HOLDINGS BERHAD

Company No: 259147-A (Incorporated in Malaysia)



# CONTENTS

Notice of Annual General Meeting	02
Statement Accompanying Notice of AGM	05
Corporate Information	06
Group Structure	07
Profile of Board of Directors	08
Chairman's Statement	10
Group Financial Highlights	12
Statement on Corporate Governance	13
Corporate Social Responsibility	21
Statement on Internal Control	22
Report on Audit Committee	23
Statement of Directors' Responsibilities	27
Directors' Report	28
Statement by Directors	32
Statutory Declaration	32
Independent Auditors' Report	33
Income Statements	35
Statements of Comprehensive Income	36
Consolidated Statement of Financial Position	37
Consolidated Statement of Changes in Equity	39
Company Statement of Changes in Equity	40
Statements of Cash Flows	41
Notes to the Financial Statements	43
Analysis of Shareholdings	98
List of Properties	100
Proxy Form	





# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Eighteenth Annual General Meeting of the Company will be held at Level 6, Orchid Room, The Zon Regency Hotel By The Sea, 88, Jalan Ibrahim Sultan, Stulang Laut, 80720 Johor Bahru, Johor Darul Takzim on Thursday, 28 July 2011 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 2011 together with the Directors' and Auditors' Reports thereon. **Resolution 1**
2. To declare a first and final dividend of 2.5 sen per share less tax at 25% for the financial year ended 31 January 2011. **Resolution 2**
3. To approve the payment of Directors' Fees of RM210,000.00 for the financial year ended 31 January 2011. **Resolution 3**
4. 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 4**
  - (ii) KAM CHAI HONG (*Independent Non-Executive Director*) **Resolution 5**
5. 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 6**
6. 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 :-

## ORDINARY RESOLUTION

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

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

**Resolution 7**
8. **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 2011, provided that such transactions are of a

**Resolution 8**

# Notice of Annual General Meeting *(cont'd)*



revenue or trading nature which are necessary for the YINSON Group's day-to-day operations, made at arm's length basis and on normal commercial terms which are no more favourable to the related parties than those extended to the public and are not detrimental to the minority shareholders of the Company ; AND

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

- (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."

## **SPECIAL RESOLUTION**

### **9. Proposed Amendment to Article 144 of the Articles of Association of YINSON**

"THAT the existing Article 144 of the Articles of Association of the Company be deleted in its entirety and be substituted thereof with a new Article 144 as follows :-

**Resolution 9**

#### **Existing Article 144**

Any dividend may be paid by cheque sent through the post to the registered address of the member or person entitled thereto. Every such cheque shall be made payable to the order of the person to whom it is sent and payment of the cheque shall be a good discharge to the Company of the dividend to which it relates.

#### **New Article 144**

Any dividend may be paid by cheque sent through the post to the registered address of the member or person entitled thereto **or paid by direct transfer or such other electronic means to the bank account provided by the Member whose name appears in the Record of Depositors.** Every such cheque **or the payment by direct transfer or such other electronic means to the bank account provided by the Member whose name appears in the Record of Depositors** shall be made payable to the order of the person to whom it is sent and payment of the cheque **or the instruction for the payment by direct transfer or such other electronic means** shall be a good discharge to the Company of the dividend to which it relates.



# Notice of Annual General Meeting *(cont'd)*

## NOTICE OF DIVIDEND ENTITLEMENT

**NOTICE IS ALSO HEREBY GIVEN THAT** subject to the approval of the shareholders at the Eighteenth Annual General Meeting, the First and Final Dividend of 2.5 sen per share less 25% Income Tax in respect of the financial year ended 31 January 2011 will be paid on 15 September 2011 to Depositors registered in the Records of Depositors at the close of business on 18 August 2011.

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 18 August 2011 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 (f)  
(MACS 01516)  
Company Secretary

Johor Bahru  
Date : 5 July 2011

### 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 7

- (i) *The proposed ordinary resolution under Item 7 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.*

*The general mandate sought for the issue of shares up to 10% of the issued capital of the Company is a renewal of the general mandate that was approved by the shareholders on 28 July 2010. As at the date of this Notice, the Company did not utilize the mandate that was approved last year. The renewal of the general mandate is to provide flexibility to the Company to issue new shares for possible fund raising exercise including but not limited to further placement of shares for purpose of funding current and / or future investment projects, working capital and / or acquisition.*

*On 15 June 2011, the Company had announced a Proposed Private Placement ("PPP") of up to 6,849,750 new ordinary shares of RM1.00 each to third party investors to be identified. As at the date of this Annual Report, the PPP has not been completed.*

#### Resolution 8

- (ii) *Please refer to Circular to Shareholders dated 5 July 2011 in relation to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.*

#### Resolution 9

- (iii) *The proposed Resolution 9, if passed, will align Article 144 of the Company's Articles of Association with Bursa Malaysia Securities Berhad's requirement that cash dividend must be paid to shareholders by direct credit into their bank accounts as provided to Bursa Malaysia Depository Sdn. Bhd.*



# Statement Accompanying Notice of Annual General Meeting

## 1. Directors standing for re-election

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

- Mr Lim Han Joeh (52), Malaysian  
*Executive Director*  
- Interest in securities in the Company : 4,131,039 fully paid ordinary shares of RM1.00 each (Direct);
- Mr Kam Chai Hong (62), Malaysian  
*Independent Non-Executive Director*  
- Interest in securities in the Company : 26,400 fully paid ordinary shares of RM1.00 each (Direct);

The details of the above Directors who are standing for re-election are set out in the Directors' Profile on Page 8 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 2011. The details of the attendance of the Directors are as follows :-

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

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

The Eighteenth Annual General Meeting is scheduled to be held on Thursday, 28 July 2011 at Level 6, Orchid Room, The Zon Regency Hotel by The Sea, 88, Jalan Ibrahim Sultan, Stulang Laut, 80720 Johor Bahru, Johor Darul Takzim at 12 noon.



# Corporate Information

## BOARD OF DIRECTORS



**1. Mr. Lim Han Weng**

*Chairman and Managing Director*

**2. Mr. Lim Han Joeh**

*Executive Director*

**3. Madam Bah Kim Lian**

*Executive Director*

**4. Dato' Adi Azmari bin B.K. Koya Moideen Kutty**

*Independent Non-Executive Director*

**5. Mr. Bah Koon Chye**

*Executive Director*

**6. Mr. Kam Chai Hong**

*Independent Non-Executive Director*

**7. Tuan Haji Hassan bin Ibrahim**

*Independent Non-Executive Director*

**8. Mr. Lim Chern Yuan**

*Executive Director*

### AUDITORS

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

### COMPANY SECRETARY

Tan Soo Leong (f) (MACS 01516)

### REGISTERED OFFICE

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

### REGISTRAR

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

### PRINCIPAL BANKERS

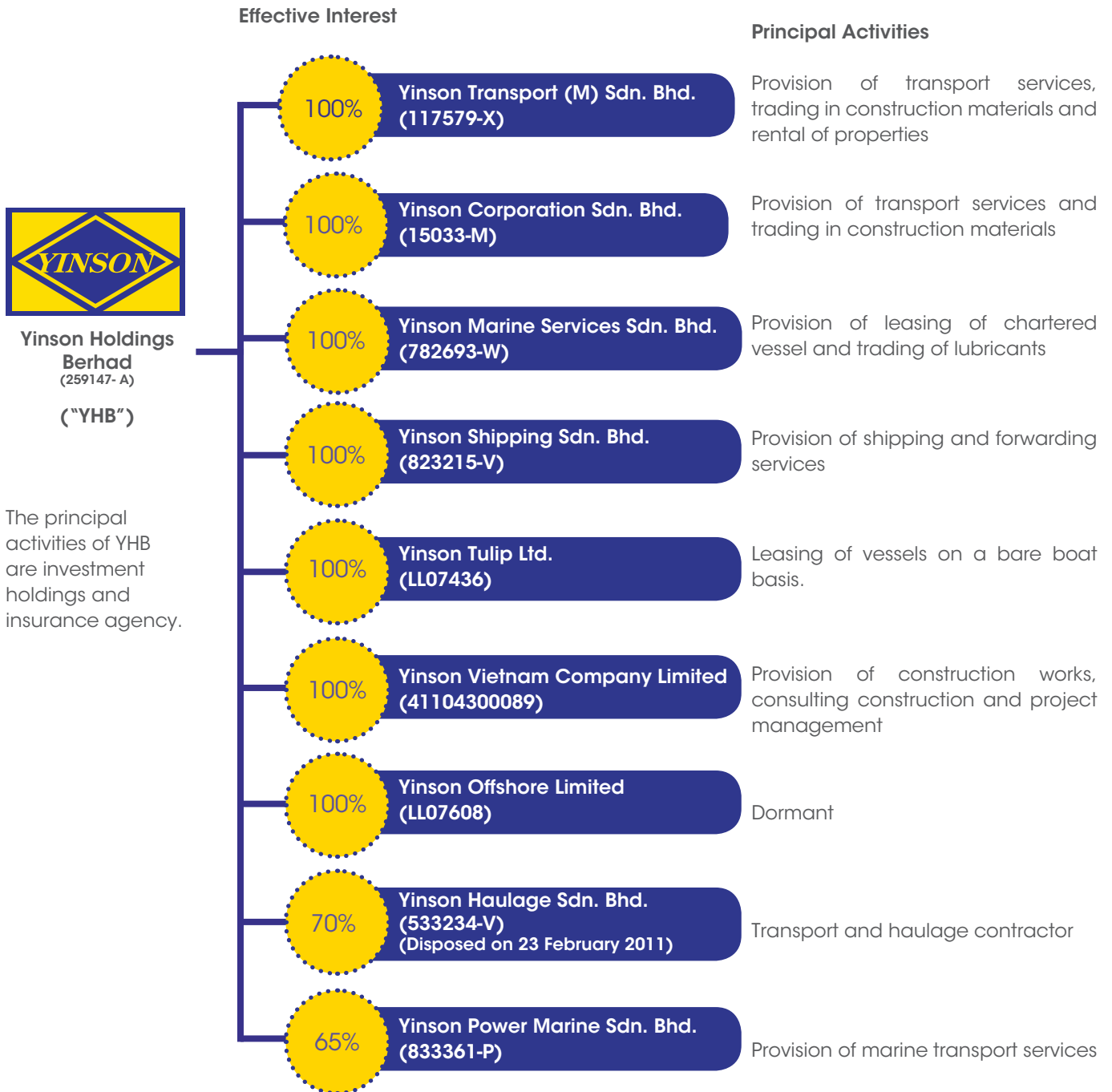
Malayan Banking Berhad  
Asian Finance Bank Berhad  
Bangkok Bank Berhad  
EON Bank Berhad  
Hong Leong Bank Berhad  
CIMB Bank Berhad  
RHB Bank Berhad  
Public Bank Berhad  
PLC Leasing & Factoring Sdn Bhd  
Bank Muamalat Malaysia Berhad  
AmBank Berhad  
SME Bank Berhad  
Hap Seng Credit Sdn Bhd



# Group Structure



The structure of the Yinson Group as at 31 January 2011 is set out below:







# Profile of Board of Directors



## MR LIM HAN WENG

*Chairman and Managing Director*

Mr Lim Han Weng, a Malaysian, aged 59, was appointed as the Managing Director of Yinson on 9 March 1993 and as the Chairman on 28 September 2009. 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, Madam Bah Kim Lian.

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.

Training attended by Mr. Lim during the financial year is as follows:-

Corporate Governance Guide - Towards Boardroom Excellence by KPMG.

## MR LIM HAN JOEH

*Executive Director*



Mr Lim Han Joeh, a Malaysian, aged 52, 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.

Training attended by Mr. Lim during the financial year is as follows:-

Corporate Governance Guide - Towards Boardroom Excellence by KPMG.



## MADAM BAH KIM LIAN

*Executive Director*

Madam Bah Kim Lian, a Malaysian, aged 59, is the wife of Mr Lim Han Weng. She was appointed to the Board of Yinson on 9 March 1993. She assisted Mr Lim Han Weng 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.

Training attended by Madam Bah during the financial year is as follows:-

Corporate Governance Guide - Towards Boardroom Excellence by KPMG.

## DATO' ADI AZMARI BIN BK KOYA MOIDEEN KUTTY

*Independent Non-Executive Director*



Dato' Adi Azmari bin B. K. Koya Moideen Kutty, a Malaysian, aged 47, was appointed to the Board of Yinson on 30 January 1996. He is a trained civil engineer and currently the managing director of S. P. C. Engineering Sdn Bhd, a class A PKK registered with P. K. K. and CIDD G7. He has been involved in the construction industry since graduate in 1987, till today in various agencies from Government to consultant firm.

Training attended by Dato' Adi during the financial year is as follows:-

Corporate Governance Guide - Towards Boardroom Excellence by KPMG.



## Profile of Board of Directors *(cont'd)*



### **MR BAH KOON CHYE**

*Executive Director*

Mr Bah Koon Chye, a Malaysian, aged 47, 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 Madam Bah Kim Lian.

Training attended by Mr Bah during the financial year are as follows:-

Corporate Governance Guide - Towards Boardroom Excellence by KPMG.

### **MR KAM CHAI HONG**

*Independent Non-Executive Director*



Mr Kam Chai Hong, a Malaysian, aged 62, 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 Chartered Accountant by Malaysian Institute of Accountants (MIA) and as a non-practising member 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 assistant 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 Chartered Accountant under the name of Syarikat C.H. Kam. He has complied with the Continuing Professional Development (CPD) requirements of MIA.



### **TUAN HAJI HASSAN BIN IBRAHIM**

*Independent Non-Executive Director*

Tuan Haji Hassan bin Ibrahim, a Malaysian, aged 61, 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.

Training attended by En Hassan during the financial year is as follows:-

Corporate Governance Guide - Towards Boardroom Excellence by KPMG.

### **LIM CHERN YUAN**

*Executive Director*



Mr. Lim Chern Yuan, a Malaysian, aged 27, was appointed as a Director of Yinson Holdings Berhad on 28 September 2009. He graduated with a Bachelor of Commerce from University of Melbourne, Australia in 2005. He started his career in March 2005 when he joined the subsidiary company, Yinson Transport (M) Sdn. Bhd. as Business Development Executive and was later transferred to another subsidiary, Yinson Haulage Sdn. Bhd. in January 2006 with the same position. In January 2007, Chern Yuan was promoted to Senior General Manager, a position he has been holding until now. He is also in charge of another three subsidiaries of the Company, namely, Yinson Shipping Sdn Bhd, Yinson Marine Services Sdn Bhd and Yinson Vietnam Co. Ltd. (since November 2008). He is also a director of Yinson Tulip Limited and Yinson Offshore Limited. He is the son of Mr Lim Han Weng and Madam Bah Kim Lian.

His job scope as Senior General Manager includes formulating and implementing comprehensive operational, marketing plan and policies that will ensure sustainable growth of the company's businesses, undertake benchmarking, key performance index and implementation of improvement process with the objective of enhancing customer service resulting in increase market shares and undertake special projects, studies or any assignment as directed by the Managing Director and / or Board of Directors from time to time.

Training attended by Mr. Lim Chern Yuan during the financial year is as follows:-

Corporate Governance Guide - Towards Boardroom Excellence by KPMG.



# Chairman's Statement

**On behalf of the Board of Directors of Yinson Holdings Berhad, I am pleased to present the Annual Report and Audited Financial Statements of the Group and the Company for the financial year ended 31 January 2011.**

## INDUSTRY TRENDS AND DEVELOPMENT

In 2010, the global economy recovered from its sharpest post war economic contraction in the second half of 2009 to register a growth of 5%. The recovery accelerated in the first half of the year but the momentum tapered off in the second half as temporary factors waned. Global economic recovery was uneven and growth was led by strong economic activities in emerging economies while the advanced economies continued to face crisis-induced and structural issues.

In 2010, the Malaysian economy experienced a strong resumption of growth, recording an expansion of 7.2% following a 1.7% contraction in 2009. Growth was mainly driven by robust domestic demand and primarily by private sector activity. The services sector registered a higher growth of 6.8% in 2010 (2009: 2.6%), with robust growth across all sub-sectors, amid the strengthening of both domestic and external demand. The transport and storage sub-sector turned around to register a growth of 6.9% (2009:2.8%). The manufacturing sector rebounded strongly in 2010, driven largely by the strong growth in the first half of the year. The agriculture sector benefitted from higher prices and higher production of food crops in 2010 and expanded at a stronger pace of 1.7% (2009: 0.4%). The construction sector expanded by 5.2% (2009: 5.8%), with some moderation in the second half due partly to completion of projects financed by the second stimulus package.

## CORPORATE DEVELOPMENT

On 25 March 2010, Aminvestment Bank Berhad had on behalf of the Company made an application to the Securities Commission ("SC") seeking a waiver from deeming that the Proposed Expansion of Business in the Marine Transport Services Sector as a significant change in business direction pursuant to Chapter 2.01 of the SC Equity Guidelines.

On 11 May 2010, the shareholders have approved the proposed expansion of business in the marine transport services sector.

On 9 July 2010, the Company announced that approval from the Securities Commission has been obtained vide its letter dated 6 July 2010 for the exemption from deeming the Proposed Acquisition as an acquisition which results in a significant change in business direction.

On 19 April 2010, the Company incorporated a 100% subsidiary, Yinson Offshore Limited ("YOL") with a paid-up share capital of US\$1. The principal activity of YOL is that of shipping business in Labuan and to conduct shipping business on time-charter basis with non Malaysian. YOL has not commenced operations during the financial period.

On 23 February 2011, the Company entered into a Share Sales Agreement with Persada Bina Sdn Bhd to dispose of 700,000 ordinary shares of RM1.00 each, representing 70% of the total issued and paid-up share capital in Yinson Haulage Sdn Bhd for a total cash consideration of RM1.00. The disposal of the subsidiary is part of the Group's streamlining exercise to divest under-performing and loss-making subsidiary and business

On 24 April 2011, the Board of Directors announced that consent has been obtained from the relevant authority and the disposal of the subsidiary is completed.

On 25 May 2011, the Company announced that it had entered into a consortium agreement with Petrovietnam Technical Services Corporations ("PTSC"), a company incorporated in Vietnam, for the extension and performance of bareboat charter for a floating storage and off-loading facility ("FSO"). The consortium agreement is subject to the approval of the shareholders of the Company and PTSC's board of directors.

On 27 May 2011, the Company further announced that the Consortium is in the negotiation stage with PTSC to secure the Bareboat Charter and in the event that the Consortium is successful in securing the Bareboat Charter, the Company will undertake to form a Joint Venture with PTSC to perform the contractual obligations of the Bareboat Charter. Upon successfully securing the Bareboat Charter, the Company will announce details of the charter and joint venture and will seek shareholders' approval for the Proposed Consortium Agreement.

On 10 June 2011, the Company incorporated a 100% subsidiary, Yinson Maritime Pte. Ltd. ("YMPL") with a paid-up share capital of S\$1 in Singapore. The proposed principal activity of YMPL is the provision of marine assets for chartering.

On 15 June 2011, the Company announced that it proposes to undertake a Proposed Private Placement of new ordinary shares of RM1.00 each in the Company of up to 6,849,750 Placement Shares, representing up to 10% of its issued and paid-up share capital. The rationale for the Proposed Private Placement is to enable the Company to fund its investment pursuant to the Proposed Consortium Agreement. The Proposed Private Placement will allow the Company to strengthen its consolidated balance sheet position. The Board believes that raising funds by way of the Proposed Private Placement is the most expeditious way to partially fund the Company's investment obligation pursuant to the Proposed Consortium Agreement, without incurring interest cost.

On 22 June 2011, the Company announced that Bursa Malaysia Securities Berhad had vide its letter dated 21 June 2011, approved the application in relation to the listing of and quotation for up to 6,849,750 new ordinary shares of RM1.00



# Chairman's Statement *(cont'd)*



each in Yinson Holdings Berhad, representing approximately ten percent (10%) of the issued and paid up share capital of YHB to be issued pursuant to the Proposed Private Placement, on the Main Market of Bursa Securities.

On 20 June 2011, the Company announced that its wholly owned subsidiary, Yinson Marine Services Sdn Bhd, has secured a service contract from Petro Vietnam Technical Service Corporation, incorporated in the Socialist Republic of Vietnam for the provision of offshore support vessel. The contract is awarded for 2 years with an option to extend for another 5 year period. It is estimated the value of the contract for the 7 years duration to reach RM75 million.

## FINANCIAL PERFORMANCE

For financial year ended 31 January 2011, the Group's revenue increased by 36% or RM170.648 million to RM640.818 million compared to RM470.170 million for the preceding year corresponding period mainly due to increase in volume of sales from trading business due to strong growth in the Malaysian economy and expansion in marine transport business.

The Group's profit before tax for the financial year ended 31 January 2011 increased by 145% or RM14.820 million to RM25.043 million compared to RM10.223 million for the preceding financial year. The increase was mainly attributable to significant increase in sales and profit margin from trading business and increase in contribution from expansion of marine transport business.

Correspondingly, profit net of tax for the financial year ended 31 January 2011 increased by RM10.887 million to RM18.279 million compared to RM7.392 million for preceding financial year. Consequently, basic earnings per share attributable to owners of the Company rose from 11.6 sen to 27.1 sen and net assets per share increased from RM1.55 to RM1.78, as at 31 January 2010 and as at 31 January 2011 respectively.

## REVIEW OF OPERATIONS

The Group has 320 trucks in operation as at 31 January 2011 compared to 300 trucks as at 31 January 2010. During the current financial year, the Group also engaged about 200 trucks from other transport operators to supplement its transportation services to its customers. The Group has 5 tugboats and 2 barges.

During the current financial year, its subsidiary, Yinson Tulip Ltd. has acquired an offshore supply vessel at a cost of US\$22 million. It has commenced its operations of leasing of the vessel on a bareboat basis during the financial period. Going forward, the vessel is expected to contribute positively to the Group's future earnings.

The Group plans to further expand its higher value added marine transport services as the contribution from this segment is expected to provide better and more stable stream of earnings. The Board believes that this segment is likely to contribute positively to the Group's future earnings.

## DIVIDEND

The Board of Directors is pleased to recommend a first and final dividend of 2.5% less 25% taxation on 68,497,500 ordinary shares, amounting to a dividend of RM1,284,328 (1.875 sen net per share), in respect of current financial year ended 31 January 2011. The recommendation is subject to shareholders' approval at the forthcoming Annual General Meeting.

## PROSPECTS

The outlook of the global economy for 2011 is expected to experience uneven economic recovery with overall economic growth likely to be moderate. The continued divergence in growth performance between advanced economies and emerging market economies reflects the continuing impact of the global financial crisis on the potential growth path of the former. Growth in advanced economies remains sluggish as they are mired in persistent unemployment and weak demand. Recent political events in the Middle East and the ruinous earthquake and tsunami in Japan have cast a shadow over the global economy.

The continued expansion in domestic demand, driven mainly by robust private sector activity, is expected to maintain a strong growth momentum and the Malaysian economy is projected to grow at 5 to 6% in 2011. Barring unforeseen circumstances, the Group shall strive to sustain a satisfactory performance for the next financial year.

## CORPORATE GOVERNANCE

The Board and the Management of the Group are committed in carrying out best practices of corporate governance within the Group as a fundamental part of fulfilling its responsibilities to protect shareholders' value and enhance the business prosperity of the Group. The Board believes that sustainable growth and long-term shareholder value are attainable through high standards of transparency, accountability and integrity in managing its activities, business practices, operation effectiveness, efficiency and competitiveness.

The measures to this effect are detailed in the Corporate Governance Statement in this Annual Report

## APPRECIATION

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

**MR. LIM HAN WENG**  
Chairman.



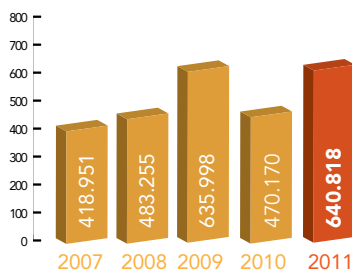
# Group Financial Highlights

Financial year ended 31 January	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000
Revenue	418,951	483,255	635,998	470,170	<b>640,818</b>
Profit before tax	15,149	18,571	17,423	10,223	<b>25,043</b>
Profit after tax and minority interests	11,004	13,000	12,811	7,950	<b>18,542</b>
Paid-up capital	43,828	68,498	68,498	68,498	<b>68,498</b>
Shareholders' equity	74,049	88,226	99,753	105,552	<b>121,938</b>
Net assets	74,049	88,891	100,588	105,829	<b>121,953</b>
Weighted number of ordinary shares in issue	66,661	67,585	68,498	68,498	<b>68,498</b>
Total assets	195,544	237,249	206,080	241,373	<b>385,131</b>
Total borrowings	94,573	125,263	76,853	98,134	<b>189,956</b>
Basic earnings per share (sen)	16.5 #	19.2	18.7	11.6	<b>27.1</b>
Dividends rate (%)	2.0	2.5	2.5	2.5	<b>2.5</b>
Net assets backing per share (RM) ^	1.69	1.30	1.47	1.55	<b>1.78</b>
Borrowings to equity (%)	128	142	77	93	<b>156</b>

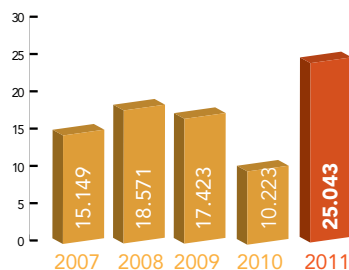
# - computed based on enlarged capital after 1:2 bonus issue.

^ - computed based on share capital as at year end

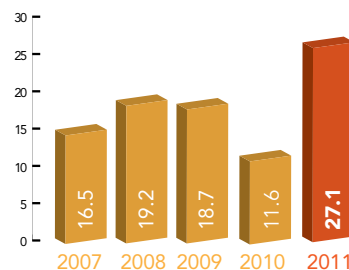
TURNOVER (RM'MILLION)



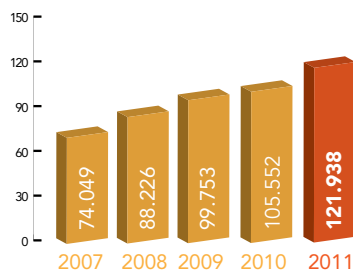
PROFIT BEFORE TAX (RM'MILLION)



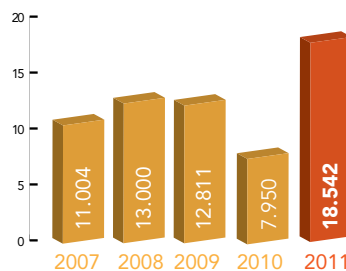
EARNING PER SHARE (sen)



SHAREHOLDERS' EQUITY (RM'MILLION)



PROFIT AFTER TAX AND  
MINORITY INTERESTS (RM'MILLION)



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

## COMPLIANCE STATEMENT

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

## PRINCIPLE STATEMENT

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

Section 1: Directors

Section 2: Directors' Remuneration

Section 3: Shareholders

Section 4: Accountability and Audit

## Section 1: DIRECTORS

### Composition of the Board

The Company is led by a strong and experienced Board. The Board has eight members, comprising five executive directors and three non-executive directors, all of whom are independent. No individual dominates the Board's decision making. The profiles of the Board members are set out on pages 8 to 9.

#### Deviation from Best Practice

##### AAll Best Practice

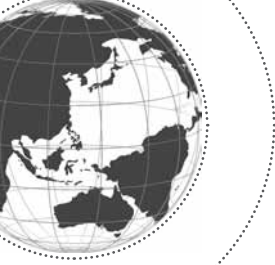
The roles of the Chairman and Chief Executive Officer should be segregated to ensure a balance of power and authority, such that no one individual can dominate the board's decision making.

#### Deviation

The Managing Director, Mr. Lim Han Weng, has also assumed the role of Chairman. The Board is aware of the dual role held and has decided that Mr. Lim Han Weng will hold the dual role in recognition of his contribution as the founder of the Group.

The Managing Director has overall responsibilities over the operating units, organisational effectiveness and implementation of Board policies and decisions.

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.



## Statement On Corporate Governance *(cont'd)*

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

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

### **Board Responsibilities**

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

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

The Board has also delegated certain responsibilities to other Board committees, which operate within clearly defined terms of reference. Standing committees of the Board include the Audit Committee (please refer to the Report on Audit Committee set out on pages 23 to 26), a Nomination Committee and a Remuneration Committee.

### **Supply of Information**

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

Guidelines are in place concerning the content, presentation and delivery of papers to the Board for each meeting, so that the directors have enough information to be properly briefed.

Directors have the right to seek independent professional advice at the Company's expense, in furtherance of their duties.

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

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

### **Directors' Training**

All the directors have attended the Mandatory Accreditation Programme and had completed the training requirements under the Continuing Education Programme as stipulated by Bursa Securities. The directors are also encouraged to attend relevant seminars and training programme on continuous basis to keep abreast of latest developments in the market place as well as to enhance their skills and knowledge. Training attended by the Directors during the financial year is set out in their respective profile on pages 8 to 9 of this Annual Report.

# Statement On Corporate Governance *(cont'd)*



## Appointments to the Board and Re-election

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

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

The Nomination Committee comprises the following members:

Dato' Adi Azmari bin B.K. Koya Moideen Kutty	Independent Non-Executive Director	Chairman
Kam Chai Hong	Independent Non-Executive Director	Member
Hassan bin Ibrahim	Independent Non-Executive Director	Member

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

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

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





# Statement On Corporate Governance *(cont'd)*

## 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:

Dato' Adi Azmari bin B.K. Koya Moideen Kuttly	Independent Non-Executive Director	Chairman
Lim Han Weng	Chairman, Managing Director	Member
Kam Chai Hong	Independent Non-Executive Director	Member
Hassan bin Ibrahim	Independent Non-Executive Director	Member

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

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

The Committee met one time during the financial year.

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

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

- **Basic Salaries and Fees**

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

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

- **Bonus**

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

- **Retirement Plan**

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

# Statement On Corporate Governance *(cont'd)*



## Directors' Remuneration

The details of the directors' remuneration of the Company for the financial year ended 31 January 2011 are as follows:

	Executive Directors RM	Non-Executive Directors RM
Salaries and other emoluments	1,774,809	16,800
Bonus	307,243	-
Fees	110,000	100,000
Total	2,192,052	116,800

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

	Executive Directors RM	Non-Executive Directors RM
Less than RM50,000	-	3
RM100,001 to RM150,000	2	-
RM200,001 to RM250,000	1	-
RM750,001 to RM800,000	1	-
RM900,001 to RM950,000	1	-

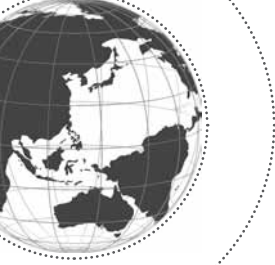
Remuneration of each member of the Board of Directors is not shown in detail individually as the directors are of the opinion that there was necessity to safeguard the physical security of the directors and members of their family. The Board is of the opinion that the transparency and accountability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

## Section 3: SHAREHOLDERS

### Dialogue Between the Company and Investors

As part of the Board's responsibility in developing and implementing an investor relations programme, regular discussion were held between the Managing Director and the investors throughout the year. Presentations based on permissible disclosures are made to explain the Group's performance and major development programmes. Price-sensitive information about the Group is, however, not disclosed in these exchanges until after the prescribed announcement to the BMSB has been made.

The annual and quarterly reports, together with the Company's earnings and other announcements about the Company provides shareholders with an overview of the Group's performance and operations are available at the BMSB's website and information about the Company is available at the Company's website, i.e., <http://www.yinson.com.my>.



# Statement On Corporate Governance *(cont'd)*

## **Annual General Meeting**

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

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

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

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

## **Section 4: ACCOUNTABILITY AND AUDIT**

### **Financial Reporting**

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

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

The Board is responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of their results and their cash flows for the financial year ended. The Statement by Directors pursuant to Section 169 of the Companies Act 1965 is set out on page 27 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 22 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 23 to 26.

# Statement On Corporate Governance *(cont'd)*



## 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	%
Lim Han Weng	Chairman, Managing Director	5/5	100
Lim Han Joeh	Executive Director	5/5	100
Bah Kim Lian	Executive Director	4/5	80
Bah Koon Chye	Executive Director	5/5	100
Dato' Adi Azmari bin B.K. Koya Moideen Kuttu	Independent 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
Lim Chern Yuan	Executive Director	4/5	80

## ADDITIONAL INFORMATION ON THE BOARD OF DIRECTORS

### Family Relationships With Any Directors and/or Major Shareholder

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

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

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

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

### Share Buybacks

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

### Options, Warrants or Convertible Securities

There were no options, warrants or convertible securities issued during the financial year.

### Imposition of Sanctions and Penalties

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



# Statement On Corporate Governance *(cont'd)*

## **Non-Audit Fees**

The amount of non-audit fees paid to the external auditors by the Group for the financial year amounted to RM97,800.

## **Profit Estimate, Forecast or Projection**

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

## **Variation of Results**

There were no variances of 10% or more between the results for the financial year ended 31 January 2011 and the unaudited results for the same period previously announced.

## **Profit Guarantee**

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

## **Material Contracts Involving Directors' and Major Shareholders' Interests**

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

## **Status of Utilisation of Proceeds Raised from Corporate Proposals**

The Company did not raise any funds from any corporate proposals during the financial year ended 31 January 2011.

## **Revaluation of Landed Properties**

The details of the revaluation of landed properties are disclosed on pages 100 to 101.

## **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 2011 between the Company and/or its subsidiaries companies with related parties are disclosed on pages 85 to 86 of the Financial Statements.

Statement made in accordance with the resolution of the Board of Directors dated 28 June 2011.

**LIM HAN WENG**

Chairman

# Corporate Social Responsibility



Yinson Holdings Berhad (“YHB”) recognises the importance of being a good corporate citizen in the conduct of its business as well as fulfilling its corporate and social obligation (“CSR”). YHB is progressively integrating CSR as part of its business activities and will undertake responsible practices that impact our society and environment in a positive manner and to inculcate a culture of responsibility in all aspect of our business.

## **The Work Place**

YHB considers its employees as valuable assets and treats all staff with dignity, fairness and respect. We foster a conducive working environment to encourage development of all employees. Employees are given training to develop and upgrade their skills, knowledge and attitudes. During the year under review, trainings, festival feast, annual dinner and some sports activities have been carried out to build better rapport among employees.

The Group strives to maintain a safe and healthy working environment for all our employees through adoption of good occupational safety and health practices. During the financial year, the Group has engaged an internationally recognised consultant to provide training on the OHSAS 18001 of Occupational Health & Safety Management System. The aim is to educate, enhance and instill safety and health conscious practices amongst the employees and to take precautionary measures against potential hazardous sources that arise from daily operation of business through the process of Hazard Identification, Risk Assessment and Control.

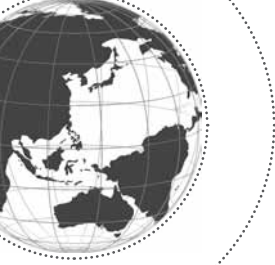
Other initiatives to improve employee working conditions include provision of medical treatment, medical insurance and subsidised meal allowance.

## **The Environment, Community and Marketplace**

YHB disposes the discharge of effluents and waste from daily operations to recycling companies that treat and recycle the waste for further uses. During the year, the company engaged an internationally recognised consultant to provided training on the ISO14001 : 2004 Environmental management system in order to learn and adopt the concept in international standard in environmental management system which covers the air, water, land, natural resources, flora, fauna, humans and their interrelation.

YHB assists the needy and less fortunate group through cash contributions.

YHB is committed to the conduct of business based on practices of transparency, confidentiality and integrity in building long term relationship with our stakeholders.



# Statement on Internal Control

## INTRODUCTION

The Malaysian Code on Corporate Governance stipulates that the Board of Directors of listed companies should maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. Paragraph 15.26(b) of the Listing Requirements of Bursa Securities requires the Board of Directors to provide a statement on the status of internal control in the annual report of the Group.

## RESPONSIBILITY

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

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

## KEY PROCESSES

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

- The Board has always regarded risk management as part of business process. It recognises that an important element of a sound system of internal control is to have in place a risk management framework in order to identify, evaluate, report and monitor the significant risks faced by the Group and implement appropriate controls to manage such risks. The Group's risk management principles and procedures are clearly documented, setting out the Board's attitude to risks and the processes in achievement of the business objectives. A risk-mapping process is used to assist the management to identify significant risks associated with key processes within a changing business and operating environment;
- The Board receives and reviews reports from the management on the key operating statistics, legal environment and regulatory matters.
- There is a comprehensive system of financial reporting to the Board based on quarterly results.
- The Group's internal audit department reporting to the Audit Committee performs regular reviews of business processes to assess the effectiveness of internal controls and highlight significant risks impacting the Group. The Audit Committee had approved the internal audit plan.
- The Audit Committee, on behalf of the Board, regularly reviews and holds discussions with management on the action taken on internal control issues identified in reports prepared by internal auditors and the external auditors. During the current financial year, four such reports were received and reviewed by the Audit Committee.
- Close involvement in daily operations of the Group by the Managing Director and the Executive Directors.

A number of internal control weaknesses were identified during the year under review. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report. The Board is continuously looking at ways to enhance the system of internal control of the Group.

## CONCLUSION

The above Statement on Internal Control has been review by the External Auditors for inclusion in the annual report the Group for the year ended 31 January 2011.

# Report on Audit Committee



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

## Chairman

Dato' Adi Azmari Bin BK Koya Moideen Kutty  
(appointed on 28 September 2009)

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

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, all of them must be non-executive directors, with a majority of them being independent 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.





# Report on Audit Committee *(cont'd)*

## 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 representatives from the external auditors also attend for part or whole of each meeting and have direct access to the chairman of the committee without the presence of the executive directors for independent discussions. Other Board members may attend meetings upon invitation of the Committee.

## Powers

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

- Have explicit authority to investigate any matter within its terms of reference;
- Have the resources which are required to perform its duties;
- Have full, free and unrestricted access to information, records, properties and personnel of the Company and of any other companies within the Group;
- Have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
- Be able to obtain independent professional or other advice through the assistance of the Company Secretary, to invite outsiders with relevant experience to attend the committee's meetings (if required) and to brief the committee thereof;
- The attendance of any particular Audit Committee meeting by other directors and employees of the Company shall be at the committee's invitation and discretion and must be specific to the relevant meeting; and
- Be able to convene meetings with external auditors, excluding the attendance of the executive members of the committee, whenever deemed necessary.

## Duties and Responsibilities

- The following are the main duties and responsibilities of the Audit Committee collectively. These are not exhaustive and can be augmented if necessary by the overall board approval :
  - Recommends to the board, the annual appointment of a suitable accounting firm to act as external auditors, 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 auditors 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;

# Report on Audit Committee *(cont'd)*



- 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 auditors may wish to discuss in the absence of the management where necessary;
- Reviews the external auditor's management letter, management's response and Audit Report;
- Reviews the assistance and co-operation given by the Company and its Group's officers to the external and internal auditors;
- Reviews with the internal and external auditors their evaluations of the systems and standards of internal control and any comments they may have with respect to improving control;
- Considers the major findings of internal investigations and management's response;
- Reviews any related party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- Avail to the external and internal auditors a private, confidential audience at any time they desire and requested it through the Committee Chairman, with or without the prior knowledge of the management;
- Oversees the internal audit function by :
  - Reviewing the internal audit plan;
  - Reviewing the adequacy of the scope, functions, competency 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.



# Report on Audit Committee *(cont'd)*

## INTERNAL AUDIT FUNCTION

The Audit Committee is supported by an independent and adequately resourced internal audit function by in-house internal audit department. 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.

The cost for maintaining the Internal Audit function for the year under review approximately RM139,000.00 and the activities carried out by IA during the year are to carry out independent assessments of the adequacy, efficiency and effectiveness of the Group's internal control systems in anticipation of any potential risk areas within key business processes of the Group.

The findings are set out in the Internal Audit reports and forwarded to the Management team for their attention and for the necessary remedial actions as recommended.

## SUMMARY OF ACTIVITIES

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

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

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

		<b>Number of meetings attended</b>
Dato' Adi Azmari Bin BK Koya Moideen Kutty	Chairman	5/5
Mr. Kam Chai Hong	Member	5/5
Tuan Haji Hassan bin Ibrahim	Member	5/5

# Statement of Directors' Responsibilities



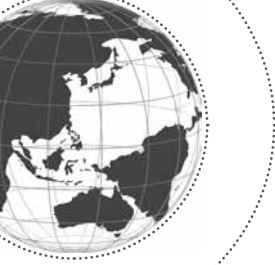
The directors are required to prepare the financial statements which give a true and fair view of the financial position of the Group and of the Company as at 31 January 2011, and of the results and cash flows of the Group and of the Company for the financial year then ended, in accordance with the requirements of Financial Reporting Standards ("FRS") and the Companies Act, 1965 (the "Act") in Malaysia.

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 FRS 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 to comply with FRS and the Act in Malaysia.

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



# Directors' report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 January 2011.

## Principal activities

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

The principal activities of the subsidiaries are described in Note 18 to the financial statements.

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

## Results

	Group RM	Company RM
Profit net of tax	18,278,528	2,025,996
Profit attributable to:		
Owners of the parent	18,541,525	2,025,996
Minority interests	(262,997)	-
	18,278,528	2,025,996

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

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 2010 was as follows:

	RM
In respect of the financial year ended 31 January 2010:	
Final dividend of 2.5% less 25% taxation on 68,497,500 ordinary shares paid on 17 September 2010	1,284,328

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 January 2011, of 2.5% less 25% taxation on 68,497,500 ordinary shares, amounting to a dividend payable of RM1,284,328 (1.875 sen net per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 January 2012.

# 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:

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

## Directors' benefits

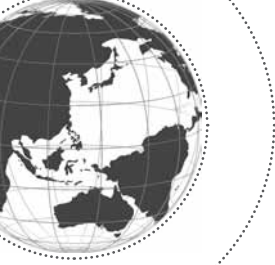
Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

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 9 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 31 to the financial statements.

## Directors' interests

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

The Company	Number of ordinary shares of RM1 each			31 January 2011
	1 February 2010	Acquired	Sold	
<b>Direct interest:</b>				
Lim Han Weng	26,370,635	-	-	26,370,635
Bah Kim Lian	11,367,411	-	-	11,367,411
Bah Koon Chye	176,400	-	-	176,400
Dato' Adi Azmari bin B.K. Koya Moideen Kutty	68,700	-	-	68,700
Lim Han Joeh	4,131,039	-	-	4,131,039
Kam Chai Hong	26,400	-	-	26,400
Lim Chern Yuan	6,000	-	-	6,000
<b>Indirect interest:</b>				
Lim Han Weng	12,470,361	2,250,000	-	14,720,361
Bah Kim Lian	26,595,635	-	-	26,595,635
Lim Chern Yuan	37,738,046	-	-	37,738,046



## Directors' report *(cont'd)*

### Directors' interests (cont'd)

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

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

### Other statutory information

- (a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in 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 would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

# Directors' report *(cont'd)*



(f) In the opinion of the directors:

- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet its obligations when they fall due; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

## **Significant events**

Details of significant events that occurred during the year are disclosed in Note 33 to the financial statements.

## **Subsequent events**

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

## **Auditors**

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 26 May 2011.

Lim Han Weng

Bah Kim Lian





# Statement By Directors

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

We, Lim Han Weng and Bah Kim Lian, being two of the directors of Yinson Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 35 to 96 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2011 and of their results and the cash flows for the year then ended.

The information set out in Note 41 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 26 May 2011.

Lim Han Weng

Bah Kim Lian

# Statutory Declaration

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

I, Tan Fang Fing, being the officer primarily responsible for the financial management of Yinson Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 35 to 96 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 26 May 2011 )

Tan Fang Fing

Before me,

Commisioner of Oath  
Periethamby A/L Supaiya  
No.: J149



# Independent Auditors' Report

## To the members of Yinson Holdings Berhad (Incorporated in Malaysia)

### Report on the financial statements

We have audited the financial statements of Yinson Holdings Berhad, which comprise the statements of financial position as at 31 January 2011 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 35 to 96.

#### *Directors' responsibility for the financial statements*

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditors' responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2011 and of their financial performance and cash flows for the year then ended.



# Independent Auditors' Report *(cont'd)*

To the members of Yinson Holdings Berhad (Incorporated in Malaysia)

## Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' report of the subsidiary of which we have not acted as auditors, which is indicated in Note 18 to the financial statements, being financial statements that have been included in the consolidated financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

## Other matters

The supplementary information set out in Note 41 on page 97 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young  
AF 0039  
Chartered Accountants

Wun Mow Sang  
1821/12/12(J)  
Chartered Accountant

Johor Bahru, Malaysia  
Date: 26 May 2011



# Income Statements

For the Financial year ended 31 January 2011

	Note	Group 2011 RM	Restated 2010 RM	Company 2011 RM	Restated 2010 RM
<b>Revenue</b>	4	640,817,583	470,170,328	3,913,388	1,037,869
Cost of sales	5	(588,654,859)	(437,337,187)	-	-
<b>Gross profit</b>		52,162,724	32,833,141	3,913,388	1,037,869
<b>Other items of income</b>					
Interest income	6	101,665	57,327	875,506	-
Dividend income	6	2,000	200	-	-
Other income	6	699,944	667,643	-	-
<b>Other items of expenses</b>					
Administrative expenses	7	(20,008,045)	(18,703,388)	(1,461,216)	(464,241)
Finance costs	10	(7,915,395)	(4,631,499)	(877,991)	(730)
<b>Profit before tax</b>		25,042,893	10,223,424	2,449,687	572,898
Income tax expense	11	(6,764,365)	(2,830,995)	(423,691)	(201,844)
<b>Profit net of tax</b>		18,278,528	7,392,429	2,025,996	371,054
Profit attributable to:					
Owners of the parent		18,541,525	7,949,660	2,025,996	371,054
Minority interests		(262,997)	(557,231)	-	-
		18,278,528	7,392,429	2,025,996	371,054
<b>Earnings per share attributable owners of the parent (sen per share)</b>					
Basic	12(a)	27.1	11.6		
Diluted	12(b)	27.1	11.6		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



# Statements of Comprehensive Income

For the Financial year ended 31 January 2011

	Note	Group		Company	
		2011 RM	2010 RM	2011 RM	2010 RM
Profit net of tax		18,278,528	7,392,429	2,025,996	371,054
Other comprehensive income:					
Foreign currency translation		(870,799)	(866,322)	-	-
<b>Total comprehensive income for the year</b>		<b>17,407,729</b>	<b>6,526,107</b>	<b>2,025,996</b>	<b>371,054</b>
Total comprehensive income attributable to:					
Owners of the parent		17,670,726	7,083,338	2,025,996	371,054
Minority interests		(262,997)	(557,231)	-	-
		17,407,729	6,526,107	2,025,996	371,054

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

# Consolidated Statement of Financial Position

As at 31 January 2011



	Note	2011 RM	Restated 2010 RM	Restated As at 1.2.2009 RM
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	14	121,519,338	57,396,621	52,577,048
Investment properties	15	9,265,000	9,165,000	10,264,999
Land use rights	16	5,696,401	7,014,973	7,154,218
Intangible assets	17	129,166	140,969	165,980
Deferred tax assets	28	552,169	101,345	-
		137,162,074	73,818,908	70,162,245
<b>Current assets</b>				
Inventories	20	628,493	658,558	691,007
Trade and other receivables	21	233,963,687	156,766,164	128,928,794
Prepayments		2,542,011	2,536,513	2,610,076
Current tax recoverable		488,945	304,911	132,154
Marketable securities	22	37,340	49,640	31,460
Cash and bank balances	23	9,072,546	6,288,102	3,524,304
		246,733,022	166,603,888	135,917,795
Non-current assets held for sale	24	1,235,559	950,000	-
		247,968,581	167,553,888	135,917,795
<b>TOTAL ASSETS</b>		<b>385,130,655</b>	<b>241,372,796</b>	<b>206,080,040</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Short term borrowings	25	143,947,844	92,644,933	73,898,432
Trade and other payables	27	67,473,574	33,169,418	23,706,640
Current tax payables		3,009,514	1,258,092	1,432,830
		214,430,932	127,072,443	99,037,902
<b>Net current assets</b>		<b>33,537,649</b>	<b>40,481,445</b>	<b>36,879,893</b>
<b>Non-current liabilities</b>				
Long term borrowings	25	46,007,931	5,488,962	2,954,526
Deferred tax liabilities	28	2,739,000	2,982,000	3,500,000
		48,746,931	8,470,962	6,454,526
<b>Total liabilities</b>		<b>263,177,863</b>	<b>135,543,405</b>	<b>105,492,428</b>
<b>Net assets</b>		<b>121,952,792</b>	<b>105,829,391</b>	<b>100,587,612</b>
<b>Equity attributable to owners of the parent</b>				
Share capital	29	68,497,500	68,497,500	68,497,500
Reserves	30	53,440,572	37,054,174	31,255,164
		121,938,072	105,551,674	99,752,664
Minority interests		14,720	277,717	834,948
<b>Total equity</b>		<b>121,952,792</b>	<b>105,829,391</b>	<b>100,587,612</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>385,130,655</b>	<b>241,372,796</b>	<b>206,080,040</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



# Company Statement of Financial Position

As at 31 January 2011

	Note	2011 RM	2010 RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in subsidiaries	18	16,528,452	17,193,738
Advance and loan to subsidiaries	19	47,203,225	7,000,000
		63,731,677	24,193,738
<b>Current assets</b>			
Trade and other receivables	21	54,980,034	46,281,025
Prepayments		22,943	115,523
Current tax recoverable		256,619	180,310
Cash and bank balances	23	29,935	55,707
		55,289,531	46,632,565
<b>TOTAL ASSETS</b>		<b>119,021,208</b>	<b>70,826,303</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Short term borrowings	25	7,631,572	-
Trade and other payables	27	1,315,987	1,697,547
		8,947,559	1,697,547
<b>Net current assets</b>		<b>46,341,972</b>	<b>44,935,018</b>
<b>Non-current liabilities</b>			
Long term borrowings	25	40,203,225	-
<b>Total liabilities</b>		<b>49,150,784</b>	<b>1,697,547</b>
<b>Net assets</b>		<b>69,870,424</b>	<b>69,128,756</b>
<b>Equity attributable to owners of the parent</b>			
Share capital	29	68,497,500	68,497,500
Reserves	30	1,372,924	631,256
<b>Total equity</b>		<b>69,870,424</b>	<b>69,128,756</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>119,021,208</b>	<b>70,826,303</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Consolidated Statement of Changes in Equity

For the Financial year ended 31 January 2011



2010 Group	Note	Share capital RM	Attributable to owners of parent		Total RM	Minority interests RM	Total equity RM
			Non- Distributable	Distributable			
			Foreign currency translation reserve RM Note 30(a)	Retained earnings RM Note 30(b)			
<b>At 1 February 2009</b>		68,497,500	-	31,255,164	99,752,664	834,948	100,587,612
Total comprehensive income		-	(866,322)	7,949,660	7,083,338	(557,231)	6,526,107
Transaction with owners: Dividend	13	-	-	(1,284,328)	(1,284,328)	-	(1,284,328)
<b>At 31 January 2010 and 1 February 2010</b>		68,497,500	(866,322)	37,920,496	105,551,674	277,717	105,829,391
Total comprehensive income		-	(870,799)	18,541,525	17,670,726	(262,997)	17,407,729
Transaction with owners: Dividend	13	-	-	(1,284,328)	(1,284,328)	-	(1,284,328)
<b>At 31 January 2011</b>		68,497,500	(1,737,121)	55,177,693	121,938,072	14,720	121,952,792

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.





# Company Statement of Changes In Equity

For the Financial year ended 31 January 2011

	Note	Share capital RM	Distributable Retained earnings RM Note 30(b)	Total RM
<b>Company</b>				
<b>At 1 February 2009</b>		68,497,500	1,544,530	70,042,030
Total comprehensive income		-	371,054	371,054
Transaction with owners:				
Dividend	13	-	(1,284,328)	(1,284,328)
<b>At 31 January 2010 and 1 February 2010</b>		68,497,500	631,256	69,128,756
Total comprehensive income		-	2,025,996	2,025,996
Transaction with owners:				
Dividend	13	-	(1,284,328)	(1,284,328)
<b>At 31 January 2011</b>		68,497,500	1,372,924	69,870,424

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*



# Statements of Cash Flows

## For the Financial year ended 31 January 2011

	Group		Company	
	2011 RM	Restated 2010 RM	2011 RM	Restated 2010 RM
<b>Operating activities</b>				
Profit before tax	25,042,893	10,223,424	2,449,687	572,898
Adjustments for:				
Amortisation and depreciation	7,588,328	7,592,725	-	-
Impairment loss on receivables	1,120,087	603,286	-	-
Loss on foreign exchange				
- unrealised	345,182	-	-	-
Interest expenses	7,528,782	4,437,672	875,506	-
Fair value adjustment on				
- investment properties	(100,000)	149,999	-	-
- marketable securities	12,300	-	-	-
Gain on disposal of property, plant and equipment	(239,712)	(181,378)	-	-
Gain on disposal of asset held for sale	(250,000)	-	-	-
Plant and equipment written off	98,815	80,598	-	-
Reversal in value of quoted investment	-	(18,180)	-	-
Impairment of investment in subsidiary	-	-	699,999	-
Dividend income (gross)	(2,000)	(200)	(3,900,000)	(1,000,000)
Interest income	(101,665)	(57,327)	(875,506)	-
Operating cash flows before working capital changes	41,043,010	22,830,619	(750,314)	(427,102)
Receivables	(78,296,037)	(28,440,656)	-	122,436
Prepayments	(5,498)	73,563	92,580	(34,364)
Inventories	30,065	32,449	-	-
Payables	33,937,401	9,462,778	(381,560)	1,336,340
Cash flows (used in)/from operations	(3,291,059)	3,958,753	(1,039,294)	997,310
Interest received	101,665	57,327	875,506	-
Interest paid	(7,528,782)	(4,437,672)	(875,506)	-
Taxes paid	(5,934,499)	(3,797,785)	-	-
Net cash flows (used in)/from operating activities	(16,652,675)	(4,219,377)	(1,039,294)	997,310
<b>Investing activities</b>				
Dividend received	1,525	150	3,400,000	750,000
Decrease in amount due from subsidiaries	-	-	(49,333,926)	(450,137)
Investment in subsidiary	-	-	(34,713)	-
Proceeds from disposal of property, plant and equipment	247,000	281,197	-	-
Proceeds from disposal of asset held for sale	1,200,000	-	-	-
Purchase of intangible assets	(680)	(3,699)	-	-
Purchase of property, plant and equipment	(20,129,832)	(6,850,717)	-	-
Net cash flows (used in)/from investing activities	(18,681,987)	(6,573,069)	(45,968,639)	299,863

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



# Statements of Cash Flows *(cont'd)*

For the Financial year ended 31 January 2011

	Group		Company	
	2011	Restated	2011	Restated
	RM	2010	RM	2010
		RM		RM
<b>Financing activities</b>				
Increase in bankers' acceptances	45,430,178	22,602,506	-	-
Drawdown of term loans	1,759,857	-	50,754,389	-
Dividend paid	(1,284,328)	(1,284,328)	(1,284,328)	(1,284,328)
Repayment of hire purchase payables	(1,528,538)	(2,730,423)	-	-
Repayment of term loans	(4,137,151)	(659,553)	(2,487,900)	-
Net cash flows from/(used in) financing activities	40,240,018	17,928,202	46,982,161	(1,284,328)
<b>Net increase/(decrease) in cash and cash equivalents</b>	4,905,356	7,135,756	(25,772)	12,845
Effects of foreign exchange rate changes	63,544	(866,322)	-	-
<b>Cash and cash equivalents at beginning of year</b>	(9,268,249)	(15,537,683)	55,707	42,862
<b>Cash and cash equivalents at end of year (Note 23)</b>	(4,299,349)	(9,268,249)	29,935	55,707

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Notes to the Financial Statements

## For the Financial year ended 31 January 2011



### 1. Corporate information

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

The principal activities of the Company are investment holding and insurance agency. The principal activities of the subsidiaries are described in Note 18. There have been no significant changes in the nature of these principal activities during the financial year.

### 2. Summary of significant accounting policies

#### 2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRS which are mandatory for the financial periods beginning on or after 1 January 2010 as described fully in Note 2.2.

The financial statements have been prepared on a historical basis, except for investment properties that have been measured at their fair values and land use rights, which were previously revalued, and carried at surrogate carrying amount in accordance with the provisions of FRS 117: Leases.

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

#### 2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 February 2010, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2010.

FRS 7: Financial Instruments: Disclosures

FRS 8: Operating Segments

FRS 101: Presentation of Financial Statements (revised)

FRS 123: Borrowing Costs

FRS 139: Financial Instruments: Recognition and Measurement

Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 2: Share-based Payment – Vesting Conditions and Cancellations

Amendments to FRS 132: Financial Instruments: Presentation

Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives

Amendments to FRSs 'Improvements to FRSs (2009)'

IC Interpretation 9: Reassessment of Embedded Derivatives

IC Interpretation 10: Interim Financial Reporting and Impairment

IC Interpretation 13: Customer Loyalty Programmes

IC Interpretation 14: FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction



# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011

### 2. Summary of significant accounting policies (cont'd)

#### 2.2 Changes in accounting policies (cont'd)

FRS 4 Insurance Contracts and TR i-3 Presentation of Financial Statements of Islamic Financial Institutions will also be effective for annual periods beginning on or after 1 January 2010. These FRS are, however, not applicable to the Group or the Company.

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except for those discussed below:

##### *FRS 7 Financial Instruments: Disclosures*

Prior to 1 February 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 31 January 2011.

##### *FRS 8 Operating Segments*

FRS 8, which replaces FRS 114 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The Standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114. The Group has adopted FRS 8 retrospectively. These revised disclosures, including the related revised comparative information, are shown in Note 39 to the financial statements.

##### *FRS 101 Presentation of Financial Statements (Revised)*

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company have elected to present this statement as two-linked statements.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital (see Note 38).

The revised FRS 101 was adopted retrospectively by the Group and the Company.

# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011



## 2. Summary of significant accounting policies (cont'd)

### 2.2 Changes in accounting policies (cont'd)

#### FRS 123: Borrowing Costs

This Standard supersedes FRS 123<sub>2004</sub>: Borrowing Costs that removes the option of expensing borrowing costs and requires capitalisation of such costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense. The Group's current accounting policy is to expense the borrowing costs in the period which they are incurred. In accordance with the transitional provisions of the Standard, the Group applied the change in accounting policy prospectively for which the commencement date for capitalisation of borrowing cost on qualifying assets is on or after the financial period beginning 1 February 2010.

#### Amendments to FRS 117 Leases

Prior to 1 February 2010, for all leases of land and buildings, if title is not expected to pass to the lessee by the end of the lease term, the lessee normally does not receive substantially all of the risks and rewards incidental to ownership. Hence, all leasehold land held for own use was classified by the Group as operating lease and where necessary, the minimum lease payments or the up-front payments made were allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represented prepaid lease payments and were amortised on a straight-line basis over the lease term.

The amendments to FRS 117 Leases clarify that leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. They also clarify that the present value of the residual value of the property in a lease with a term of several decades would be negligible and accounting for the land element as a finance lease in such circumstances would be consistent with the economic position of the lessee. Hence, the adoption of the amendments to FRS 117 has resulted in certain unexpired land leases to be reclassified as finance leases. The Group has applied this change in accounting policy retrospectively and certain comparatives have been restated. The following are effects to the consolidated statement of financial positions as at 31 January 2011 arising from the above change in accounting policy:

	<b>Group 2011 RM</b>
<hr/>	
<b>Statement of financial position</b>	
Increase in property, plant and equipment	3,927,911
Decrease in land use rights	(3,927,911)
<hr/>	
<b>Income statement</b>	
Increase in depreciation of property, plant and equipment	77,420
Decrease in amortisation of land used rights	(77,420)
<hr/>	



# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011

### 2. Summary of significant accounting policies (cont'd)

#### 2.2 Changes in accounting policies (cont'd)

The following comparatives have been restated:

Consolidated financial position	As previously stated RM	Group Adjustments RM	As restated RM
<b>31 January 2010</b>			
Property, plant and equipment	53,391,290	4,005,331	57,396,621
Land use rights	11,020,304	(4,005,331)	7,014,973
<b>1 February 2009</b>			
Property, plant and equipment	48,494,296	4,082,752	52,577,048
Land use rights	11,236,970	(4,082,752)	7,154,218
<b>Statement of comprehensive income</b>			
<b>Year ended 31 January 2010</b>			
Depreciation of property, plant and equipment	7,347,349	77,421	7,424,770
Amortisation of land use rights	216,666	(77,421)	139,245

#### Amendments to FRS 118 Revenue

FRS 118 has been amended to add guidance to determine whether an entity is acting as a principal or an agent. The Group has reported revenue from insurance on a gross basis in previous financial periods. Upon adoption of the amendments to FRS 118, the Group reassessed their business relationships and determined that they were acting as an agent for certain transactions and restated their revenues accordingly to report those revenue on a net basis. The restatement results in a decrease in revenue of the Group and of the Company for the financial year ended 31 January 2011 by RM88,916 and RM117,578 (2010 : RM191,156 and RM654,554) respectively.

#### FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company have adopted FRS 139 prospectively on 1 February 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of retained earnings as at 1 February 2010. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:

- Equity instruments  
Prior to 1 February 2010, the Group classified its investments in equity instruments which were held for non-trading purposes as non-current investments. Such investments were carried at cost less impairment losses. Upon the adoption of FRS 139, these investments, except for those whose fair value cannot be reliably measured, are designated at 1 February 2010 as available-for-sale financial assets and accordingly are stated at their fair values as at that date. Investments in equity instruments whose fair value cannot be reliably measured continued to be carried at cost less impairment losses.

# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011



## 2. Summary of significant accounting policies (cont'd)

### 2.2 Changes in accounting policies (cont'd)

#### *FRS 139 Financial Instruments: Recognition and Measurement (cont'd)*

- **Equity instruments (cont'd)**  
Prior to 1 February 2010, the Group classified its investments in equity instruments which were held for trading purposes as marketable securities. Such investments were carried at the lower of cost and market value, determined on an aggregate basis. Upon the adoption of FRS 139, these investments are designated at 1 February 2010 as financial assets at fair value through profit or loss and accordingly are stated at their fair values.
- **Non-hedging derivatives**  
Prior to 1 February 2010, all derivative financial instruments were recognised in the financial statements only upon settlement. These instruments do not qualify for hedge accounting under FRS 139. Hence, upon the adoption of FRS 139, all derivatives held by the Group as at 1 February 2010 are recognised at their fair values and are classified as financial assets at fair value through profit or loss.
- **Impairment of trade receivables**  
Prior to 1 February 2010, provision for doubtful debts was recognised when it was considered uncollectible. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate. As at 1 February 2010, the Group has remeasured the allowance for impairment losses as at that date in accordance with FRS 139 and concluded that there was no adjustment which was required to be made to the opening retained earnings as at 1 February 2010.
- **Financial guarantee contracts**  
During the current and prior years, the Company provided financial guarantees to banks in connection with bank loans and other banking facilities granted to its subsidiaries. Prior to 1 February 2010, the guarantees were accounted for and disclosed as contingent liabilities in the financial statements of the Company.

Upon the adoption of FRS 139, such guarantees are to be recognised initially at fair value. As at the date of first adoption of FRS 139, all unexpired financial guarantees issued were not recognised as no value has been placed on the guarantees provided by the Company as the directors regard the value of the credit enhancement provided by the said guarantees to be minimal. This is because the bank loans and other banking facilities granted under the guarantees are fully collateralised by fixed and floating charges over the properties, plant and equipment and other assets of the subsidiaries.

- **Inter-company loans**  
During the current and prior years, the Company granted interest-free loans and advances to its subsidiaries. Prior to 1 February 2010, these loans and advances were recorded at cost in the Company's financial statements. Upon the adoption of FRS 139, the interest-free loans or advances continued to be recorded at cost as the loans and advances repayable do not have any fixed terms of repayment and are repayable on demand. Therefore, the effect of discounting is considered as immaterial and the fair value of the loans is equal to the amount of the advances given or received. No adjustments were made to the opening balance of retained earnings as at 1 February 2010.





# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011

### 2. Summary of significant accounting policies (cont'd)

#### 2.3 Standards and interpretations issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

	<b>Effective for annual periods beginning on or after</b>
Amendments to FRS 132: Classification of Rights Issues	1 March 2010
FRS 1: First-time Adoption of Financial Reporting Standards (Revised)	1 July 2010
FRS 3: Business Combinations (Revised)	1 July 2010
Amendments to FRS 2: Share-based Payment	1 July 2010
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments FRS 127: Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 138: Intangible Assets	1 July 2010
Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 12: Service Concession Arrangements	1 July 2010
IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17: Distributions of Non-cash Assets to Owners	1 July 2010
Amendment to FRS 1: Limited exemption for comparative FRS 7: Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 7: Improving disclosures about Financial Instruments	1 January 2011
IC Interpretation 18: Transfers of Assets from Customers	1 January 2011
Improvements to FRSs issued in 2010	1 January 2011
IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14: Prepayment of a Minimum Funding Requirement	1 July 2011
IC Interpretation 15: Agreements for the Construction of Real Estate	1 January 2012
FRS 124: Related Party Disclosures (Revised)	1 January 2012

Except for the changes in accounting policies arising from the adoption of the revised FRS 3, the amendments to FRS 127 as well as the disclosures required under the Amendments to FRS 7, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised FRS 3 and the amendments to FRS 127 are described below.

#### *FRS 3: Business Combinations (revised) and FRS 127: Consolidated and Separate Financial Statements (amended)*

The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments have been made to FRS 107 Statement of Cash Flows, FRS 112 Income Taxes, FRS 121 The Effects of Changes in Foreign Exchange Rates, FRS 128 Investments in Associates and FRS 131 Interests in Joint Ventures. The changes from revised FRS 3 and Amendments to FRS 127 will affect future acquisitions or loss of control and transactions with minority interests. The standards may be early adopted. However, the Group does not intend to early adopt these standards.

# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011



## 2. Summary of significant accounting policies (cont'd)

### 2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the "acquired" entity is reflected within equity as merger reserve. The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities have always been combined since the date the entities had come under common control.

In other case of acquisitions, the acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in Note 2.9(a). Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

### 2.5 Transactions with minority interests

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transactions with minority interests are accounted for using the entity concept method, whereby, transactions with minority interests are accounted for as transactions with owners. On acquisition of minority interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to minority interests is recognised directly in equity.



# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011

### 2. Summary of significant accounting policies (cont'd)

#### 2.6 Foreign currencies

##### (a) Functional and presentation currency

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

##### (b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

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

##### (c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

#### 2.7 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011



## 2. Summary of significant accounting policies (cont'd)

### 2.7 Property, plant and equipment and depreciation (cont'd)

Subsequent to recognition, plant and equipment and furniture and fixtures are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	over 50 to 60 years
Buildings	2%
Electrical installation	20%
Motor vehicles	10%
Renovation, equipment, furniture and fittings	10%
Tug boats, barges and boat equipment	10%
Vessel	5%

Property, plant and equipment in progress are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

### 2.8 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the reporting date. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

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

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

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.7 up to the date of change in use.



# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011

### 2. Summary of significant accounting policies (cont'd)

#### 2.9 Intangible assets

##### (a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.6.

Goodwill and fair value adjustments which arose on acquisitions of foreign operation before 1 January 2006 are deemed to be assets and liabilities of the Company and are recorded in RM at the rates prevailing at the date of acquisition.

##### (b) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011



## 2. Summary of significant accounting policies (cont'd)

### 2.9 Intangible assets (cont'd)

#### (b) Other intangible assets (cont'd)

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Software is amortised on a straight line basis over its finite useful life of 5 years.

### 2.10 Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised over their lease terms.

### 2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

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

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.



# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011

### 2. Summary of significant accounting policies (cont'd)

#### 2.12 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

#### 2.13 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

##### (a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

##### (b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011



## 2. Summary of significant accounting policies (cont'd)

### 2.13 Financial assets (cont'd)

#### (c) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the two preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

### 2.14 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

#### (a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.





# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011

### 2. Summary of significant accounting policies (cont'd)

#### 2.14 Impairment of financial assets (cont'd)

##### (a) Trade and other receivables and other financial assets carried at amortised cost (cont'd)

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

##### (b) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

##### (c) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

#### 2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011



## 2. Summary of significant accounting policies (cont'd)

### 2.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Consumables and trading goods: purchase costs on a 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.

### 2.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### 2.18 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

#### (a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.



# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011

### 2. Summary of significant accounting policies (cont'd)

#### 2.18 Financial liabilities (cont'd)

##### (b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

#### 2.19 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

#### 2.20 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011



## 2. Summary of significant accounting policies (cont'd)

### 2.21 Employee benefits

#### (a) Short term benefits

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

#### (b) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

### 2.22 Leases

#### (a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

#### (b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.23(e).

### 2.23 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

#### (a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.



# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011

### 2. Summary of significant accounting policies (cont'd)

#### 2.23 Revenue (cont'd)

**(b) Rendering of services**

Revenue from the transportation services rendered is recognised when the services are performed at the reporting date. Revenue is recognised to the extent of the expenses recognised that are recoverable.

**(c) Chartered vessel income**

Chartered vessel income is recognised when the services are rendered and is computed based on the contracted daily rate.

**(d) Interest income**

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

**(e) Rental income**

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

**(f) Dividend income**

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

**(g) Insurance income**

Revenue from insurance agency is recognised on a receivable basis, net of insurance premium payable

#### 2.24 Income taxes

**(a) Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

**(b) Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011



## 2. Summary of significant accounting policies (cont'd)

### 2.24 Income taxes (cont'd)

#### (b) Deferred tax (cont'd)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### (c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.



# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011

### 2. Summary of significant accounting policies (cont'd)

#### 2.25 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 39, including the factors used to identify the reportable segments and the measurement basis of segment information.

#### 2.26 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

#### 2.27 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

#### 2.28 Non-current assets (or disposal groups) held for sale and discontinued operation

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

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

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

# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011



### 3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

#### 3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

##### (a) Classification between investment properties and property, plant and equipment

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

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

#### 3.2 Key sources of estimation uncertainty

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

##### (a) Useful lives of plant and machinery

The cost of transportation vehicles and offshore vessel for the provision of transport services is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these transportation vehicles and offshore vessel to be within 10 and 20 years respectively. These are common life expectancies applied in the transport industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment at 31 January 2011 is disclosed in Note 14.

##### (b) Residual value of offshore vessel

The Group estimated the residual value of the offshore vessel to be approximately 15% of its cost. The estimated residual value is based on management's best estimate of the amount that the Group would obtain from disposal or continuing use of the offshore vessel at the end of the 20 years.





# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011

### 3. Significant accounting judgements and estimates (cont'd)

#### 3.2 Key sources of estimation uncertainty (cont'd)

##### (c) Allowance for doubtful debts

The allowance for doubtful debts of the Group is based on the evaluation of collectability and ageing analysis of the receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current credit-worthiness and the past collection history on each receivables. If the financial conditions of the receivables of the Group were to deteriorate, additional provision may be required.

##### (d) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details of the recognised and unrecognised deferred tax assets are disclosed in Note 28.

### 4. Revenue

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

	Group		Company	
	2011 RM	Restated 2010 RM	2011 RM	Restated 2010 RM
Transport services	86,270,351	79,377,423	-	-
Marine transport services	45,057,455	17,335,046	-	-
Trading in construction materials	495,711,038	335,577,122	-	-
Rental of properties	504,258	511,585	-	-
Forwarding income	13,267,274	37,358,183	-	-
Insurance income	7,207	10,969	13,388	37,869
Dividend income from subsidiaries	-	-	3,900,000	1,000,000
	640,817,583	470,170,328	3,913,388	1,037,869

# Notes to the Financial Statements *(cont'd)*

For the Financial year ended 31 January 2011



## 5. Cost of sales

	Group		Company	
	2011 RM	Restated 2010 RM	2011 RM	Restated 2010 RM
Cost of trading goods sold	461,838,423	319,949,878	-	-
Cost of services rendered	126,698,588	117,266,791	-	-
Other direct expenses	117,848	120,518	-	-
	588,654,859	437,337,187	-	-
Included in cost of sales are:				
Charter hire fee	26,172,688	8,698,196	-	-
Depreciation	6,469,475	6,454,289	-	-
Direct operating expenses of investment properties:	118,161	120,518	-	-
- revenue generating during the year	118,161	120,518	-	-
- non-revenue generating during the year	-	-	-	-
Employee benefits expenses (Note 8)	2,378,959	2,147,616	-	-
Rental of lorries	47,339	1,820	-	-
Rental of barges	163,227	1,588,160	-	-

## 6. Other items of income

Other items of income comprises:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Interest income	101,665	57,327	875,506	-
Dividend income (gross)	2,000	200	-	-
Other income:				
Bad and doubtful debts recovered	-	163,097	-	-
Exchange gain - realised	20,812	42,073	-	-
Fair value gain on investment property	100,000	-	-	-
Gain on disposal of property, plant and equipment	240,327	181,926	-	-
Gain on disposal of non-current asset held for sale	250,000	-	-	-
Impairment loss on receivables reversed due to recovery	4,793	10,854	-	-
Insurance claim	-	161,253	-	-
Miscellaneous	84,012	90,260	-	-
Reversal of diminution in value of marketable securities	-	18,180	-	-
	699,944	667,643	-	-
	803,609	725,170	875,506	-



# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011

### 7. Administrative expenses

Included in administrative expenses are:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Auditors' remuneration:				
Statutory audit				
- Current year	149,908	151,517	24,000	22,000
- Underprovision in prior year	2,000	8,500	2,000	5,000
Other services	97,800	108,000	55,000	71,500
Amortisation of intangible assets	12,262	28,710	-	-
Amortisation of land use rights	139,244	139,245	-	-
Depreciation	967,347	970,481	-	-
Fair value adjustment on				
- investment properties	-	149,999	-	-
- marketable securities	12,300	-	-	-
Impairment loss on investment in subsidiary	-	-	69,999	-
Impairment loss on receivables:				
- Trade	1,104,880	587,248	-	-
- Others	15,207	16,038	-	-
Loss on disposal of property, plant and equipment	614	548	-	-
Loss on foreign exchange				
- Realised	9,787	212,537	-	-
- Unrealised	345,182	-	-	-
Operating leases - Minimum lease				
payment for land and buildings	809,111	615,331	-	-
Plant and equipment written off	98,815	80,598	-	-
Employee benefits expenses (Note 8)	10,428,477	10,320,076	206,910	167,009
Directors' fees:				
- Non-executive directors	100,000	63,333	100,000	63,333

### 8. Employee benefits expenses

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Included in:				
Cost of sales (Note 5)	2,378,959	2,147,616	-	-
Administrative expenses (Note 7)	10,428,477	10,320,076	206,910	167,009
	12,807,436	12,467,692	206,910	167,009
Analysed as follows:				
Wages and salaries	11,227,109	10,854,781	71,093	49,855
Social security contributions	108,626	116,726	875	802
Contributions to defined contribution plan	1,223,326	1,241,050	7,942	5,985
Other benefits	248,375	255,135	127,000	110,367
	12,807,436	12,467,692	206,910	167,009

Included in employee benefits expenses of the Group and the Company is executive directors' employee benefit expenses amounting to RM2,192,052 (2010 : RM1,971,031) and RM127,000 (2010 : RM110,367) respectively as further disclosed in Note 9.

# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011



### 9. Directors' remuneration

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Executive directors' remuneration:				
- Fees	110,000	96,667	110,000	96,667
- Other emoluments	2,082,052	1,874,364	17,000	13,700
	2,192,052	1,971,031	127,000	110,367
Non-executive directors' remuneration:				
- Fees	100,000	63,333	100,000	63,333
- Other emoluments	16,800	18,400	16,800	18,400
	116,800	81,733	116,800	81,733
Total directors' remuneration	2,308,852	2,052,764	243,800	192,100

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

	Number of directors	
	2011	2010
Executive:		
RM50,001 - RM100,000	-	1
RM100,001 - RM150,000	2	1
RM150,001 - RM200,000	-	1
RM200,001 - RM250,000	1	-
RM700,000 - RM750,000	-	1
RM750,001 - RM800,000	1	-
RM850,000 - RM900,000	-	1
RM900,001 - RM950,000	1	-
Non-executive:		
Below RM50,000	3	4

### 10. Finance costs

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Bank charges	386,613	193,827	2,485	730
Interest expenses	7,528,782	4,437,672	875,506	-
	7,915,395	4,631,499	877,991	730



# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011

### 11. Income tax expense

#### Major components of income tax expense:

The major components of income tax expense for the years ended 31 January 2011 and 2010 are:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Current income tax:				
Malaysian income tax	7,493,000	3,615,000	431,000	203,000
Under/(Over)provision of income tax in prior years	9,362	(164,660)	(7,309)	(1,156)
	7,502,362	3,450,340	423,691	201,844
Deferred tax (Note 28):				
Relating to origination and reversal of temporary differences	(740,997)	(770,345)	-	-
Underprovision in prior years	3,000	151,000	-	-
	(737,997)	(619,345)	-	-
	6,764,365	2,830,995	423,691	201,844

#### Reconciliation between tax expense and accounting profit:

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 January 2011 and 2010 are as follows:

Group	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Profit before tax	25,042,893	10,223,424	2,449,687	572,898
Taxation at Malaysian statutory tax rate of 25% (2010 : 25%)	6,260,723	2,555,856	612,422	143,225
Income not subject to tax	(892,027)	(118,954)	(475,000)	-
Expenses not deductible for tax purposes	1,180,813	407,753	293,578	59,775
Deferred tax asset not recognised	202,494	-	-	-
Under/(Over)provision of tax expense in prior years	9,362	(164,660)	(7,309)	(1,156)
Underprovision of deferred tax in prior years	3,000	151,000	-	-
Income tax expense for the year	6,764,365	2,830,995	423,691	201,844

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2010 : 25%) of the estimated assessable profit for the year. The corporate tax rate applicable to the Vietnam subsidiary was 25% (2010 : 25%).

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011



### 12. Earnings per share

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

	2011	Group 2010
Profit attributable to owners of the parent used in the computation of basic earnings per share	18,541,525	7,949,660
Weighted average number of ordinary shares for computation of basic earnings per share	68,497,500	68,497,500
Basic earnings per share (sen)	27.1	11.6

- (b) Diluted  
Diluted earnings per share is the same as basic earnings per share as there is no dilutive potential ordinary shares outstanding as at 31 January 2011.

### 13. Dividend

	Dividend in respect of year			Dividend recognised in year	
	2011 RM	2010 RM	2009 RM	2011 RM	2010 RM
<b>Proposed for approval at AGM (not recognised as at 31 January):</b>					
Ordinary final dividend for 2011: 2.5% less 25% taxation on 68,497,500 ordinary shares - 1.875 sen per ordinary share	1,284,328	-	-	-	-
<b>Recognised during the year:</b>					
Ordinary final dividend for 2010: 2.5% less 25% taxation on 68,497,500 ordinary shares - 1.875 sen per ordinary share	-	1,284,328	-	1,284,328	-
Ordinary final dividend for 2009: 2.5% less 25% taxation on 68,497,500 ordinary shares - 1.875 sen per ordinary share	-	-	1,284,328	-	1,284,328
	1,284,328	1,284,328	1,284,328	1,284,328	1,284,328

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 January 2011, of 2.5% less 25% taxation amounting to a dividend payable of RM1,284,328 (1.875 sen net per share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained earnings in the next financial year ending 31 January 2012.



# Notes to the Financial Statements *(cont'd)*

For the Financial year ended 31 January 2011

## 14. Property, plant and equipment

Group	Leasehold land RM	Buildings RM	Motor vehicles RM	Vessel, tugboats, and barges RM	*Other assets RM	Total RM
<b>Cost</b>						
<b>2010</b>						
At 1 February 2009 (as previously stated)	-	8,033,248	68,479,079	6,292,302	4,941,497	87,746,126
Adoption of Amendments to FRS 117	4,160,172	-	-	-	-	4,160,172
At 1 February 2009 (as restated)	4,160,172	8,033,248	68,479,079	6,292,302	4,941,497	91,906,298
Additions	-	-	6,921,645	5,214,161	288,954	12,424,760
Written off	-	-	(302,000)	-	(36,846)	(338,846)
Disposals	-	-	(657,506)	(99,814)	(1,999)	(759,319)
At 31 January 2010	4,160,172	8,033,248	74,441,218	11,406,649	5,191,606	103,232,893
<b>2011</b>						
At 1 February 2010 (as previously stated)	-	8,033,248	74,441,218	11,406,649	5,191,606	99,072,721
Adoption of Amendments to FRS 117	4,160,172	-	-	-	-	4,160,172
At 1 February 2010 (as restated)	4,160,172	8,033,248	74,441,218	11,406,649	5,191,606	103,232,893
Additions	-	-	2,922,988	69,283,350	405,484	72,611,822
Written off	-	-	(263,910)	-	(193,869)	(457,779)
Disposals	-	-	(1,630,563)	-	-	(1,630,563)
Transferred to non-current assets held for sale	-	(56,231)	-	-	-	(56,231)
Exchange differences	-	-	(938,135)	-	(14,731)	(952,866)
At 31 January 2011	4,160,172	7,977,017	74,531,598	80,689,999	5,388,490	172,747,276

# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011



### 14. Property, plant and equipment (cont'd)

Group	Leasehold land RM	Buildings RM	Motor vehicles RM	Vessel, tugboats, and barges RM	*Other assets RM	Total RM
<b>Accumulated depreciation</b>						
<b>2010</b>						
At 1 February 2009 (as previously stated)	-	698,449	35,527,887	122,309	2,903,185	39,251,830
Adoption of Amendments to FRS 117	77,420	-	-	-	-	77,420
At 1 February 2009 (as restated)	77,420	698,449	35,527,887	122,309	2,903,185	39,329,250
Charge for the year	77,421	158,507	6,080,091	646,253	462,498	7,424,770
Written off	-	-	(243,054)	-	(15,194)	(258,248)
Disposals	-	-	(657,503)	(1,664)	(333)	(659,500)
At 31 January 2010	154,841	856,956	40,707,421	766,898	3,350,156	45,836,272
<b>2011</b>						
At 1 February 2010 (as previously stated)	-	856,956	40,707,421	766,898	3,350,156	45,681,431
Adoption of Amendments to FRS 117	154,841	-	-	-	-	154,841
At 1 February 2010 (as restated)	154,841	856,956	40,707,421	766,898	3,350,156	45,836,272
Charge for the year	77,420	158,507	4,520,538	2,192,929	487,428	7,436,822
Written off	-	-	(215,291)	-	(143,673)	(358,964)
Disposals	-	-	(1,623,275)	-	-	(1,623,275)
Exchange differences	-	-	(62,360)	-	(557)	(62,917)
At 31 January 2011	232,261	1,015,463	43,327,033	2,959,827	3,693,354	51,227,938
<b>Net book value:</b>						
At 31 January 2010	4,005,331	7,176,292	33,733,797	10,639,751	1,841,450	57,396,621
At 31 January 2011	3,927,911	6,961,554	31,204,565	77,730,172	1,695,136	121,519,338

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





# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011

### 14. Property, plant and equipment (cont'd)

(a) Net carrying amounts of motor vehicles of the Group held under hire purchase agreements amounted to RM4,473,004 (2010 : RM4,777,699).

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

Group	2011 RM	2010 RM
Cash payment	20,129,832	6,850,717
Hire purchase arrangements	1,727,600	1,381,900
Term loan financing	50,754,390	4,192,143
	72,611,822	12,424,760

(c) The net book value of property, plant and equipment pledged to financial institutions for banking and hire purchase facilities granted to the Group, as referred to in Notes 25 and 26 are as follows:

Group	2011 RM	2010 RM
Land and buildings	1,648,164	4,662,131
Motor vehicles	4,473,004	4,777,699
Vessel, tugboats and barges	70,546,004	4,938,097
	76,667,172	14,377,927

(d) Included in property, plant and equipment are motor vehicles with a carrying value of RM1,869,903 (2010 : RM1,097,761) 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.

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

Group	2011 RM	2010 RM
Motor vehicles in progress	191,630	456,172
Buildings in progress	51,670	107,901
Barges in progress	-	4,938,097
	243,300	5,502,170

(f) During the financial year, a subsidiary revised the residual value of certain motor vehicles. The revision in residual value has been applied on a prospective basis from 1 February 2010. The effects of this revision resulted in a decrease in depreciation charge for the current year by RM1,420,700.

# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011



### 15. Investment properties

	2011 RM	Group 2010 RM
At beginning of year	9,165,000	10,264,999
Fair value adjustments	100,000	(149,999)
Transferred to non-current assets held for sale (Note 24)	-	(950,000)
At end of year	9,265,000	9,165,000
The following investment properties are held under lease terms: Leasehold land	2,730,000	2,400,000

Investment properties with an aggregate carrying value of RM1,860,000 (2010 : RM1,700,000) are pledged as securities for borrowings as referred to in Note 25.

### 16. Land use rights

	2011 RM	Group 2010 RM
<b>Cost</b>		
At beginning of year (as previously stated)	12,432,659	12,432,659
Adoption of Amendments to FRS 117	(4,160,172)	(4,160,172)
At beginning of year (as restated)	8,272,487	8,272,487
Transferred to non-current assets held for sale	(1,179,328)	-
At end of year	7,093,159	8,272,487
<b>Accumulated amortisation</b>		
At beginning of year (as previously stated)	1,412,355	1,195,689
Adoption of Amendments to FRS 117	(154,841)	(77,420)
At beginning of year (as restated)	1,257,514	1,118,269
Amortisation for the year	139,244	139,245
At end of year	1,396,758	1,257,514
Net carrying amount	5,696,401	7,014,973
Analysed as:		
Long term leasehold land	5,696,401	7,014,973
Amount to be amortised:		
- Not later than one year	116,673	139,245
- Later than one year but not later than five years	466,692	556,980
- Later than five years	5,113,036	6,318,748
	5,696,401	7,014,973

Leasehold land with an aggregate net carrying value of RM Nil (2010 : RM6,006,266) are pledged to financial institutions for banking facilities granted to the Group, as referred to in Note 25.



# Notes to the Financial Statements *(cont'd)*

For the Financial year ended 31 January 2011

## 17. Intangible assets

	Group	
	2011 RM	2010 RM
<b>Computer software</b>		
<b>Cost</b>		
At beginning of year	216,194	212,495
Additions	680	3,699
Exchange differences	(453)	-
At end of year	216,421	216,194
Accumulated amortisation		
At beginning of year	175,225	146,515
Amortisation	12,262	28,710
Exchange differences	(232)	-
At end of year	187,255	175,225
Net carrying amount	29,166	40,969
<b>Golf membership</b>		
Cost	100,000	100,000
<b>Total intangible assets</b>	129,166	140,969

## 18. Investment in subsidiaries

	Company	
	2011 RM	2010 RM
Unquoted shares, at cost		
At beginning of year	17,193,738	17,193,738
Additions	34,713	-
Impairment loss	(699,999)	-
At end of year	16,528,452	17,193,738

# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011



### 18. Investment in subsidiaries (cont'd)

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Effective interest (%)		Principal activities
		2011	2010	
Yinson Transport (M) Sdn. Bhd. <sup>(i)</sup>	Malaysia	100	100	Provision of transport services, trading in construction materials and rental of properties.
Yinson Corporation Sdn. Bhd. <sup>(i)</sup>	Malaysia	100	100	Provision of transport services and trading in construction materials.
Yinson Haulage Sdn. Bhd. <sup>(ii)</sup>	Malaysia	70	70	Transport and haulage contractor.
Yinson Marine Services Sdn. Bhd. <sup>(ii)</sup>	Malaysia	100	100	Provision of leasing of chartered vessel and trading of lubricants.
Yinson Shipping Sdn. Bhd. <sup>(ii)</sup>	Malaysia	100	100	Provision of shipping and forwarding services.
Yinson Power Marine Sdn. Bhd. <sup>(ii)</sup>	Malaysia	65	65	Provision of marine transport services.
Yinson Vietnam Company Limited <sup>(ii)(iii)</sup>	Vietnam	100	100	Provision of construction works, consulting construction and project management.
Yinson Tulip Ltd. <sup>(ii)</sup>	Labuan	100	100	Leasing of vessel on bareboat basis
Yinson Offshore Limited. <sup>(ii)</sup>	Labuan	100	-	Dormant.

<sup>(i)</sup> Subsidiaries consolidated using merger method of accounting.

<sup>(ii)</sup> Subsidiaries consolidated using acquisition method of accounting.

<sup>(iii)</sup> Audited by a firm other than Ernst & Young.

### 19. Advance and loan to subsidiaries

	Company	
	2011 RM	2010 RM
Advance to subsidiary, Yinson Vietnam Company Limited	7,000,000	7,000,000
Loan to subsidiary, Yinson Tulip Ltd.	40,203,225	-
	47,203,225	7,000,000



# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011

### 19. Advance and loan to subsidiaries (cont'd)

- (a) Advance to subsidiary is unsecured, non-interest bearing and has no repayment terms. This amount is treated as part of the Company's net investment.
- (b) The loan to subsidiary comprise the amount drawdown from the term loan of the Company which was onwards lent to the subsidiary. It is unsecured and repayable according to the repayment terms of the term loan of the Company. Interest is charged at the same rate as the interest incurred by the Company.

### 20. Inventories

	Group	
	2011 RM	2010 RM
At cost:		
Consumables	482,229	422,112
Trading goods	146,264	236,446
	628,493	658,558

### 21. Trade and other receivables

	Group		Company	
	2011 RM	Restated 2010 RM	2011 RM	Restated 2010 RM
<b>Trade receivables</b>				
Third parties	233,983,725	157,414,366	-	-
Related parties	1,270,520	389,829	-	-
	235,254,245	157,804,195	-	-
Allowance for impairment	(2,702,753)	(2,346,870)	-	-
	232,551,492	155,457,325	-	-
<b>Other receivables</b>				
Due from subsidiaries	-	-	54,979,034	46,280,025
Refundable deposits	585,978	629,517	1,000	1,000
Sundry receivables	1,274,068	1,117,518	-	-
	1,860,046	1,747,035	54,980,034	46,281,025
Allowance for impairment	(447,851)	(438,196)	-	-
	1,412,195	1,308,839	54,980,034	46,281,025
<b>Total trade and other receivables</b>	233,963,687	156,766,164	54,980,034	46,281,025

# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011



### 21. Trade and other receivables (cont'd)

#### (a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 120 day (2010 : 30 to 120 day) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

#### Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	2011 RM	Group 2010 RM
Neither past due nor impaired	68,292,886	69,391,934
1 to 30 days past due not impaired	34,798,254	12,927,604
31 to 60 days past due not impaired	10,477,501	34,935,466
61 to 90 days past due not impaired	14,733,734	7,553,357
91 to 120 days past due not impaired	25,382,414	4,959,602
More than 121 days past due not impaired	78,859,653	25,688,562
Impaired	164,251,556 2,709,803	86,064,591 2,347,670
	235,254,245	157,804,195

#### Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

#### Receivables that are past due but not impaired

The Group has trade receivables amounting to RM164,251,556 (2010: RM86,064,591) that are past due at the reporting date but not impaired.

#### Receivables that are impaired

The Group's trade receivables are individually impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	2011 RM	Group 2010 RM
Trade receivable - nominal amount	2,709,803	2,347,670
Less: Allowance for impairment	(2,702,753)	(2,346,870)
	7,050	800



# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011

### 21. Trade and other receivables (cont'd)

#### (a) Trade receivables (cont'd)

Movement for allowance accounts:

	2011 RM	2010 RM
At beginning of year	2,346,870	2,393,568
Charge for the year (Note 7)	1,104,880	587,248
Written off	(747,997)	(562,141)
Reversal of impairment losses	(1,000)	(71,805)
At end of year	2,702,753	2,346,870

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

#### (b) Other receivables

Amounts due from subsidiaries are unsecured, non-interest bearing and are repayable upon demand.

Movement for other receivables allowance accounts:

	2011 RM	2010 RM
At beginning of year	438,196	815,481
Charge for the year (Note 7)	15,207	16,038
Written off	(1,759)	(382,836)
Reversal of impairment losses	(3,793)	(10,487)
At end of year	447,851	438,196

### 22. Marketable securities

Group	Carrying Amount	2011 Market value of quoted investments	*Carrying Amount	2010 Market value of quoted investments
	RM	RM	RM	RM
Held for trading investments:				
Equity instruments quoted in Malaysia	37,340	37,340	49,640	49,640

\* Prior to 1 February 2010, the current investments were carried at lower of cost and market value, determined on aggregate basis.



# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011

### 23. Cash and cash equivalents

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Cash on hand and at banks	8,811,143	5,933,880	29,935	55,707
Deposits with licensed banks	261,403	354,222	-	-
Cash and bank balances	9,072,546	6,288,102	29,935	55,707
Bank overdrafts (Note 25)	(13,371,895)	(15,556,351)	-	-
	(4,299,349)	(9,268,249)	29,935	55,707

- (a) Deposits with licensed bank of the Group in the previous year amounted to RM180,000 was registered in the name of a director and held in trust for a subsidiary.
- (b) All deposits with licensed banks of the Group are pledged as securities for bank guarantee granted to the subsidiaries.
- (c) Deposits with licensed banks are made for varying periods of between three to fifteen months and earn interest at respective short term deposit rate. The interest rates as at 31 January 2011 ranged from 0.35% to 2.86% (2010 : 2.46%) per annum.

### 24. Non-current assets held for sale

Non-current assets classified as held for sale on the Group's statement of financial position are as follows:

	2011 RM	2010 RM
At beginning of year	950,000	-
Transferred from investment properties (Note 15)	-	950,000
Transferred from property, plant and equipment (Note 14)	56,231	-
Transferred from land use rights (Note 16)	1,179,328	-
Disposed during the year	(950,000)	-
At end of year	1,235,559	950,000

The non-current assets held for sale at the reporting date comprises a piece of leasehold land which is charged to a licensed bank for term loan facility granted to a subsidiary as disclosed in Note 25.





# Notes to the Financial Statements *(cont'd)*

For the Financial year ended 31 January 2011

## 25. Borrowings

Group	Maturity	2011 RM	2010 RM
<b>Short term borrowings</b>			
Secured:			
Bank loans:			
- RM loan at BLR + 1.5%	2012	192,229	164,622
- RM loan at BLR + 1%	2012	189,793	183,723
- RM loan at BLR + 0.2%	2012	67,635	65,995
- RM loan at BLR + 0.5%	2012	1,395,252	1,007,319
- USD loan at COF + 1%	2012	7,631,572	-
Obligations under finance lease (Note 26)	2012	1,345,322	1,342,955
		10,821,803	2,764,614
Unsecured:			
Bank overdrafts	On demand	13,371,895	15,556,351
Bankers' acceptances	2012	112,254,146	66,823,968
Revolving credits	2012	7,500,000	7,500,000
		133,126,041	89,880,319
		143,947,844	92,644,933
<b>Long term borrowings</b>			
Secured:			
Bank loans:			
- RM loan at BLR + 1.5%	2012	-	192,126
- RM loan at BLR + 1%	2015 - 2016	651,477	841,172
- RM loan at BLR + 0.2%	2016	229,184	296,215
- RM loan at BLR + 0.5%	2015	3,752,725	3,184,824
- USD loan at COF + 1%	2017	40,203,225	-
Obligations under finance lease (Note 26)		1,171,320	974,625
		46,007,931	5,488,962
<b>Total borrowings</b>			
Bank overdrafts (Note 23)		13,371,895	15,556,351
Bankers' acceptances		112,254,146	66,823,968
Revolving credits		7,500,000	7,500,000
Bank loans		54,313,092	5,935,996
		187,439,133	95,816,315
Obligations under finance lease (Note 26)		2,516,642	2,317,580
		189,955,775	98,133,895

# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011



### 25. Borrowings (cont'd)

Company	Maturity	2011 RM	2010 RM
<b>Short term borrowings</b>			
Bank loans (secured)			
- USD loan at COF + 1%	2012	7,631,572	-
<b>Long term borrowings</b>			
Bank loans (secured)			
- USD loan at COF + 1%	2017	40,203,225	-
		47,834,797	-

(a) The remaining maturities of the loans and borrowings as at 31 January 2011 are as follows:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
On demand or within one year	142,602,522	91,301,978	7,631,572	-
More than 1 year and less than 2 years	9,706,841	1,861,778	7,946,000	-
More than 2 years and less than 5 years	28,729,355	2,628,656	25,856,810	-
5 years or more	6,400,415	23,903	6,400,415	-
	187,439,133	95,816,315	47,834,797	-

(b) The secured borrowings of the Group are secured by certain assets of the Group as disclosed in Notes 14, 15, 16, 24 and fixed deposits of the Group as disclosed in Note 23.

(c) 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.

### 26. Obligations under finance lease

	Group	
	2011 RM	2010 RM
<b>Minimum hire purchase payments:</b>		
Not later than 1 year	1,467,815	1,468,782
Later than 1 year and not later than 2 years	819,181	834,344
Later than 2 years and not later than 5 years	412,922	185,710
	2,699,918	2,488,836
Less: Future finance charges	(183,276)	(171,256)
	2,516,642	2,317,580



# Notes to the Financial Statements *(cont'd)*

For the Financial year ended 31 January 2011

## 26. Obligations under finance lease (cont'd)

	Group	
	2011 RM	2010 RM
<b>Present value of hire purchase liabilities:</b>		
Not later than 1 year	1,345,322	1,342,955
Later than 1 year and not later than 2 years	769,610	793,964
Later than 2 years and not later than 5 years	401,710	180,661
	2,516,642	2,317,580
<b>Analysed as:</b>		
Due within 12 months (Note 25)	1,345,322	1,342,955
Due after 12 months (Note 25)	1,171,320	974,625
	2,516,642	2,317,580

## 27. Trade and other payables

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
<b>Trade payables</b>				
Third parties	32,971,986	23,106,343	20,731	124,575
Due to directors' related company	1,241,044	2,819,367	-	-
Due to a corporate shareholder of a subsidiary, Twin Power Marine Sdn. Bhd.	154,335	-	-	-
	34,367,365	25,925,710	20,731	124,575
<b>Other payables</b>				
Due to director, Lim Han Weng	3,898,916	1,205,470	768,396	760,000
Due to directors' related companies	16,956,547	179,624	-	-
Due to a corporate shareholder of a subsidiary, Twin Power Marine Sdn. Bhd.	2,325,000	2,325,000	-	-
Due to subsidiary, Yinson Marine Services Sdn. Bhd.	-	-	185,139	-
Sundry payables	7,340,220	1,215,275	251,854	770,823
Accruals	2,585,526	2,318,339	89,867	42,149
	33,106,209	7,243,708	1,295,256	1,572,972
<b>Total trade and other payables</b>	67,473,574	33,169,418	1,315,987	1,697,547

# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011



### 27. Trade and other payables (cont'd)

#### (a) Trade payables

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

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

#### (b) Other payables

Amount due to director, directors' related companies and a corporate shareholder of a subsidiary are unsecured and repayable on demand. All these amounts are non-interest bearing except for an amount of RM11,779,931 (2010 : Nil) which bears interest at 3% (2010 : Nil) per annum. These amounts are to be settled in cash.

The amount due to directors' related companies are due to the following companies which are substantially owned by two of the directors of the Company, namely Lim Han Weng and Bah Kim Lian:

	Group	
	2011 RM	2010 RM
Tuck Seng Loong (JB) Sdn. Bhd.	70,602	64,602
Kargo Indera Sdn. Bhd.	515,857	115,022
Liannex Corporation (S) Pte Ltd	16,370,088	-
	16,956,547	179,624

### 28. Deferred tax

	Group	
	2011 RM	2010 RM
At beginning of year	2,880,655	3,500,000
Recognised in the profit or loss (Note 11)		
- Current year	(740,997)	(770,345)
- Underprovision in prior year	3,000	151,000
	(737,997)	(619,345)
- Exchange differences	44,173	-
At end of year	2,186,831	2,880,655
Analysed as:		
Deferred tax assets	(552,169)	(101,345)
Deferred tax liabilities	2,739,000	2,982,000
	2,186,831	2,880,655



# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011

### 28. Deferred tax liabilities (cont'd)

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

	Accelerated capital allowances RM	Unutilised tax losses and unabsorbed capital allowances RM	Investment properties RM	Provision RM	Total RM
<b>2011</b>					
At 1 February 2010	5,256,000	(2,605,345)	427,000	(197,000)	2,880,655
Recognised in profit or loss	(924,000)	(11,997)	-	198,000	(737,997)
Exchange differences	-	44,173	-	-	44,173
At 31 January 2011	4,332,000	(2,573,169)	427,000	1,000	2,186,831
<b>2010</b>					
At 1 February 2009	5,190,000	(1,995,000)	427,000	(122,000)	3,500,000
Recognised in profit or loss	66,000	(610,345)	-	(75,000)	(619,345)
At 31 January 2010	5,256,000	(2,605,345)	427,000	(197,000)	2,880,655

### 29. Share capital

	Number of ordinary shares of RM1 each		Amount	
			RM	RM
Authorised	100,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid	68,497,500	68,497,500	68,497,500	68,497,500

### 30. Reserves

#### (a) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011



### 30. Reserves (cont'd)

#### (b) Retained earnings

Prior to year of assessment 2008, Malaysian companies adopt the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the 108 balance as at 31 January 2011 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 31 January 2011, the Company has sufficient 108 balance to pay franked dividends out of its entire retained earnings.

### 31. Significant related party transactions

#### (a) Sales and purchases of goods and services

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

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 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	-	-
Transport income from Liannex Corporation (S) Pte. Ltd.	4,709,561	8,834,513	-	-
Transport income from Liannex Corporation Sdn. Bhd.	800	8,000	-	-
Transport income from Handal Indah Sdn. Bhd.	10,700	-	-	-
Transport charges from Handal Indah Sdn. Bhd.	-	8,308	-	-
Transport charges to Tuck Seng Loong (JB) Sdn. Bhd. and Kargo Indera Sdn. Bhd.	186,681	200,384	-	-
Barge income from Liannex Corporation (S) Pte Ltd	-	1,878,292	-	-
Sales of goods to Handal Indah Sdn. Bhd.	609,665	596,575	-	-
Sales of goods to Handal Ceria Sdn. Bhd.	7,193	144	-	-
Sales of goods to Triton Commuter Sdn. Bhd.	137,552	-	-	-
Purchases from Yinson Tyres Sdn. Bhd.	3,710,540	3,410,072	-	-



# Notes to the Financial Statements *(cont'd)*

For the Financial year ended 31 January 2011

## 31. Significant related party transactions (cont'd)

### (a) Sales and purchases of goods and services (cont'd)

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
With companies substantially owned by directors, Lim Han Weng and Bah Kim Lian: (cont'd)				
Purchases from Liannex Corporation (S) Pte. Ltd.	1,596,484	5,651,762	-	-
Levy income from Kargo Indera Sdn. Bhd.	49,500	-	-	-
Insurance income from Handal Indah Sdn. Bhd.	-	63,708	-	63,708
Insurance income from Handal Ceria Sdn. Bhd.	-	31,454	-	31,454
Insurance income from Liannex Corporation Sdn. Bhd.	-	1,021	-	1,021
Insurance income from Yinson Tyres Sdn. Bhd.	-	521	-	521
With subsidiaries:				
Dividend income (gross)	-	-	3,900,000	1,000,000
Insurance income	-	-	102,240	564,643

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 have been mutually agreed.

### (b) Compensation to key management personnel

Key management personnel of the Group and of the Company are also executive directors of the Company. Information on compensation to key management personnel is disclosed in Note 9.

# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011



### 32. Commitments

	2011 RM	Group 2010 RM
<b>(a) Capital commitments</b>		
Approved and contracted:		
Property, plant and equipment	635,000	2,100,000

### (b) Operating lease commitments - as lessee

In addition to the land use rights disclosed in Note 16, the Group has entered into commercial leases for the use of properties, vessels and equipment. These leases have an average tenure of between 6 months to two years with options to extend the lease periods mutually agreed between the lessees and lessors. The Company is restricted from subleasing the leased premises to third parties.

Minimum lease payments, including amortisation of land use rights recognised in profit or loss for the financial year ended 31 January 2011 amounted to RM948,355 (2010 : RM754,576).

Future minimum rentals payable under non-cancellable operating leases (excluding land use rights) at the reporting date are as follows:

Group	2011 RM	2010 RM
Not later than 1 year	708,055	58,850
Later than 1 year and not later than 5 years	512,609	29,925
	1,220,664	88,775

### (c) Operating lease commitments - as lessor

The Group has entered into commercial property leases on its investment properties. These non-cancellable leases have remaining lease terms of between one to two years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases at the reporting date are as follows:

	2011 RM	2010 RM
Not later than 1 year	215,650	410,650
Later than 1 year and not later than 5 years	40,360	95,600
	256,010	506,250

Investment properties rental income recognised in profit or loss during the financial year is disclosed in Note 4.





# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011

### 33. Significant events

- (a) On 19 April 2010, the Company incorporated a 100% subsidiary, Yinson Offshore Limited ("YOL") with an authorised share capital of USD1. The proposed principal activities of YOL is leasing of chartered vessels on a bare-boat basis and crew management.
- (b) On 11 May 2010, the shareholders have approved the proposed expansion of business in the marine transport services sector. The proposal is subject to the required approvals of the relevant authorities being obtained.

### 34. Subsequent events

- (a) On 23 February 2011, the Company entered into a Share Sale Agreement with Persada Bina Sdn. Bhd. to dispose of 700,000 ordinary shares of RM1.00 each, representing 70% of the total issued and paid-up share capital in Yinson Haulage Sdn. Bhd. ("Yinson Haulage"), for a total cash consideration of RM1.00.
- (b) On 25 May 2011, the Company announced that it had entered into a consortium agreement with Petrovietnam Technical Services Corporations ("PTSC"), a company incorporated in Vietnam, for the execution and performance of bareboat charter for a floating storage and off-loading facility ("FSO"). The consortium agreement sets out the rights, obligations and responsibilities in relation to the bareboat charter pending the formation of a joint venture company ("JVC") to be incorporated. The consortium agreement is subject to the approval of the shareholders of the Company and PTSC's board of directors.

### 35. Fair value of financial instruments

- (a) **Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value**

Group	2011		2010	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
<b>Financial liabilities:</b>				
Loans and borrowings				
- Obligation under hire purchase contracts	2,516,642	2,599,057	2,317,580	2,317,359

#### **Investments in subsidiaries**

Fair value information has not been disclosed for the Group's investments in equity instruments that are carried at cost because fair value cannot be measured reliably. These equity instruments represent ordinary shares in subsidiaries that is not quoted on any market and does not have any comparable industry peer that is listed. In addition, the variability in the range of reasonable fair value estimates derived from valuation techniques is significant. The Group does not intend to dispose of this investment in the foreseeable future.



# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011

### 35. Fair value of financial instruments (cont'd)

#### (a) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value (cont'd)

##### Advance and loan to subsidiaries (non-current)

Advance and loan to subsidiary are stated at its initial transaction value as there is no repayment terms and it is not possible to estimate the timing of future cash flows.

#### (b) Determination of fair values

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (current)	21
Trade and other payables (current)	27
Loans and borrowings (current), excluding obligations under finance lease	25
Loans and borrowings (non-current), excluding obligations under finance lease	25

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of current loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

##### Amounts due from subsidiaries, loans to/from subsidiaries, staff loans, finance lease obligations

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

##### Quoted equity instruments

Fair value is determined directly by reference to their published market bid price at the reporting date.



# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011

### 35. Fair value of financial instruments (cont'd)

#### (b) Determination of fair values (cont'd)

##### Financial guarantees

Fair value is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default;
- The estimated loss exposure if the party guaranteed were to default.

### 36. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the respective head of departments. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

#### (a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of the Head of Credit Control.

# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011



### 36. Financial risk management objectives and policies (cont'd)

#### (a) Credit risk (cont'd)

##### Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position, with positive fair values
- A nominal amount of RM189,955,775 (2010 : RM98,133,894) relating to corporate guarantees provided by the Company to banks for credit facilities granted to subsidiaries.
- A nominal amount of RM7,590,000 (2010 : RM1,211,117) relating to a corporate guarantee provided by the Company to a third party for provision of supplies to subsidiaries.

##### Credit risk concentration

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis.

At the reporting date, approximately 65% (2010 : 64%) of the Group's trade receivables were due from companies of a common group.

##### Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 21. Deposits with banks and other financial institutions and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

#### (b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of diverse source of committed and uncommitted credit facilities from various banks.

In the management of liquidity risk, the Group and the Company monitor and maintain a level of cash and bank balances deemed adequate by the management to finance the Group's and the Company's operations and mitigate the effects of fluctuations in cash flows.



# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011

### 36. Financial risk management objectives and policies (cont'd)

#### (b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

2011	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
<b>Group</b>				
Financial liabilities:				
Trade and other payables	67,473,574	-	-	67,473,574
Loans and borrowings	143,947,844	39,607,516	6,400,415	189,955,775
<hr/>				
Total undiscounted financial liabilities	211,421,418	39,607,516	6,400,415	257,429,349
<hr/>				
<b>Company</b>				
Financial liabilities:				
Trade and other payables	1,315,987	-	-	1,315,987
Loans and borrowings	7,631,572	33,802,810	6,400,415	47,834,797
<hr/>				
Total undiscounted financial liabilities	8,947,559	33,802,810	6,400,415	49,150,784

#### (c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from its loans and borrowings. The Group and the Company do not enter into interest rate swaps. All of the Group's and the Company's financial assets and liabilities at floating rates are contractually re-priced at intervals of less than 6 months (2010 : less than 6 months) from the reporting date.

#### Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM141,000 higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

#### (d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily RM, US Dollars ("USD") and Vietnamese Dong ("VND"). The foreign currencies in which these transactions are denominated are mainly US Dollars ("USD").

Approximately 7% of the Group's revenue are denominated in foreign currencies whilst almost 6% of costs are denominated in the functional currency of the Company. The Group's trade receivable and trade payable balances at the reporting date have similar exposures.

# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011



### 36. Financial risk management objectives and policies (cont'd)

#### (d) Foreign currency risk (cont'd)

The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances (mainly in USD and SGD) amounted to RM412,842 and RM106,139 (2010 : RM181,179 and RM101,365) respectively.

The Group is also exposed to currency translation risk arising from its net investment in foreign operations in Vietnam. The Group's investment in its Vietnam subsidiary is not hedged as the currency position in Vietnam is considered to be long-term in nature.

#### Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the USD, SGD and RM against exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		2011 RM
USD/RM	- Strengthened 5%	-180,000
	- Weakened 5%	+180,000
SGD/RM	- Strengthened 5%	-27,000
	- Weakened 5%	+27,000
RM/USD	- Strengthened 5%	-36,000
	- Weakened 5%	+36,000

### 37. Categories of financial instruments

Financial instruments of the Group and the Company as at 31 January 2011 by classes are as follows:

	Note	Group RM	Company RM
<b>(a) Financial assets at fair value through profit and loss</b>			
Classified as held for trading:			
Marketable securities	22	37,340	-
<b>(b) Loans and receivables</b>			
Advance and loan to subsidiaries	19	-	47,203,225
Trade and other receivables	21	233,963,687	54,980,034
Cash and bank balances	23	9,072,546	29,935
		243,036,233	102,213,194
<b>(c) Financial liabilities measured at amortised cost</b>			
Trade and other payables	27	67,473,574	1,315,987
Loans and borrowings	25	189,955,775	47,834,797
		257,429,349	49,150,784



# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011

### 38. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 January 2011 and 31 January 2010.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the parent less the fair value adjustment reserve.

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Loans and borrowings	189,955,775	98,133,895	47,834,797	-
Trade and other payables	67,473,574	33,169,418	1,315,987	1,697,547
Less: Cash and bank balances	(9,072,546)	(6,288,102)	(29,935)	(55,707)
Net debt	248,356,803	125,015,211	49,120,849	1,641,840
Equity attributable to the owners of the parent	121,938,072	105,551,674	69,870,424	69,128,756
Capital and net debt	370,294,875	230,566,885	118,991,273	70,770,596
Gearing ratio	67%	54%	41%	2%

### 39. Segment information

#### (a) Reporting format

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

- (i) Transport - This segment includes the provision of commercial land transportation, haulage and shipping services.
- (ii) Marine - this segment comprises provision of vessel, barge and marine related services
- (iii) Trading - This segment comprises the trading activities mainly in the construction related materials
- (iv) Other business segments include rental, insurance and investment income.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

# Notes to the Financial Statements *(cont'd)*

## For the Financial year ended 31 January 2011



### 39. Segment information (cont'd)

#### (b) Geographical information

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

2011	Transport RM	Marine RM	Trading RM	Other operations RM	Consolidated RM
<b>Revenue:</b>					
External sales	103,423,899	49,386,208	504,667,511	4,843,646	662,321,264
Elimination					(21,503,681)
					<u>640,817,583</u>
<b>Results:</b>					
Segment results	743,476	3,233,930	29,348,482	(367,600)	32,958,288
Finance costs					(7,915,395)
Taxation					(6,764,365)
					<u>18,278,528</u>
Amortisation and depreciation	5,227,068	2,257,015	104,245	-	7,588,328
Fair value gain/(loss):					
- investment properties	-	-	-	100,000	100,000
- marketable securities	-	-	-	(12,300)	(12,300)
Other non-cash expenses	1,006,766	20,810	535,128	1,380	1,564,084
<b>Assets and liabilities</b>					
Segment assets	84,609,190	97,314,470	192,125,801	11,081,194	385,130,655
Segment liabilities	38,606,714	91,166,942	131,848,811	1,555,396	263,177,863
Addition to non-current assets	3,329,047	69,283,455	-	-	72,612,502





# Notes to the Financial Statements *(cont'd)*

For the Financial year ended 31 January 2011

## 39. Segment information (cont'd)

### (b) Geographical information (cont'd)

2010	Transport RM	Marine RM	Trading RM	Other operations RM	Consolidated RM
<b>Revenue:</b>					
External sales	123,501,885	17,426,411	341,361,570	2,512,430	484,802,296
Elimination					(14,631,968)
					470,170,328
<b>Results:</b>					
Segment results	2,482,136	1,025,844	11,552,073	(205,130)	14,854,923
Finance costs					(4,631,499)
Taxation					(2,830,995)
					7,392,429
Amortisation and depreciation	7,512,314	1,089	79,322	-	7,592,725
Fair value gain/(loss):					
- investment properties	-	-	-	(149,999)	(149,999)
Other non-cash expenses	231,752	-	433,952	-	665,704
<b>Assets and liabilities</b>					
Segment assets	92,743,280	14,685,655	123,193,833	10,750,028	241,372,796
Segment liabilities	39,087,892	11,034,557	83,289,389	2,131,567	135,543,405
Capital expenditure	7,163,668	5,264,791	-	-	12,428,459

## 40. Authorisation of financial statements for issue

The financial statements for the year ended 31 January 2011 were authorised for issue in accordance with a resolution of the directors on 26 May 2011.

# Notes to the Financial Statements *(cont'd)*

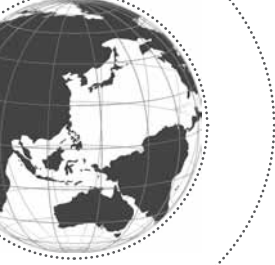
## For the Financial year ended 31 January 2011



### 41. Supplementary information – breakdown of retained profits into realised and unrealised

The breakdown of the retained profits of the Group and of the Company as at 31 January 2011 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	<b>Group 2011 RM</b>	<b>Company 2011 RM</b>
Total retained profits/(losses)		
- Realised	59,484,195	1,372,924
- Unrealised	(2,248,169)	-
Less: Consolidation adjustments	57,236,026 (2,058,333)	1,372,924 -
Retained profits as per financial statements	55,177,693	1,372,924



# Analysis of Shareholdings

As at 22 June 2011

Authorised Share Capital : RM100,000,000 ordinary shares of RM1.00 each  
 Issued and Fully Paid-up Capital : RM68,497,500 ordinary shares of RM1.00 each  
 Voting Rights : One vote per share

## ANALYSIS OF SHAREHOLDINGS (According to the record of Depositors as at 22 June 2011)

Range	No. of Holders	% of Holders	No. of Shares	% of Shares
Less than 100	104	6.59	3,327	0.00
100 to 1,000	68	4.31	43,869	0.06
1,001 to 10,000	1,094	69.28	4,761,924	6.95
10,001 to 100,000	271	17.16	7,708,122	11.25
100,001 to 3,424,874 (*)	37	2.34	20,871,583	30.47
3,424,875 and above (**)	5	0.32	35,108,675	51.26
	1,579	100.00	68,497,500	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 22 June 2011)

Name	No. of Shares	%
1 Lim Han Weng	26,370,635	38.50
2 Bah Kim Lian	11,367,411	16.60
3 Lim Han Joeh	4,131,038	6.03
4 Liannex Corporation (S) Pte Ltd	4,177,950	6.10

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 Director's Shareholdings as at 22 June 2011)

Name	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Lim Han Weng	26,370,635	38.50	4,402,950	6.43
Bah Kim Lian	11,367,411	16.60	-	-
Lim Han Joeh	4,131,039	6.03	-	-
Bah Koon Chye	100,000	0.15	-	-
Adi Azmari bin Koya Moideen Kutty	68,700	0.10	-	-
Kam Chai Hong	26,400	0.04	-	-
Lim Chern Yuan	6,000	0.001	-	-

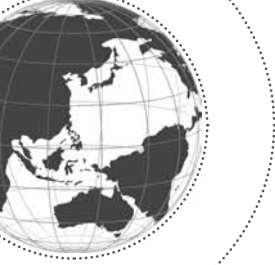
# Analysis of Shareholdings *(cont'd)*

As at 22 June 2011



## 30 LARGEST SHAREHOLDERS (According to the Record of Depositors as at 22 June 2011)

	Name	No. of Shares	%
1	Lim Han Weng	13,705,564	20.01
2	Bah Kim Lian	6,708,780	9.79
3	Ambank (M) Berhad <i>Pledged securities account for Lim Han Weng</i>	5,700,000	8.32
4	ABB Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Lim Han Weng</i>	4,816,381	7.03
5	Liannex Corporation (S) Pte. Ltd.	4,177,950	6.10
6	Mayban Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Lim Han Joeh</i>	2,563,657	3.74
7	Bah Kim Lian	2,541,000	3.71
8	Lim Kooi Eng	1,878,624	2.74
9	Public Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Yeo Guik Hiang</i>	1,375,000	2.01
10	Bah Kim Lian	1,273,281	1.86
11	Mersec Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Lai Wei Chai</i>	1,150,000	1.68
12	EB Nominees (Tempatan) Sendirian Berhad <i>Pledged securities account for Lim Han Joeh</i>	898,981	1.31
13	Citigroup Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Bah Kim Lian</i>	768,450	1.12
14	Citigroup Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Lim Han Weng</i>	768,450	1.12
15	Citigroup Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Wai Mun Tuck</i>	702,900	1.03
16	Public Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Ker Min Choo (E-JBU)</i>	702,200	1.03
17	TA Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Lim Han Weng</i>	618,840	0.90
18	Lim Han Joeh	459,000	0.67
19	Lim Han Weng	391,800	0.57
20	Mersec Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Siow Wong Yen @ Siow Kwang Hwa</i>	360,000	0.53
21	HSBC Nominees (Tempatan) Sdn Bhd <i>HSBC (M)Trustee Bhd for HwangDBS Asia Quantum Fund</i>	345,000	0.50
22	Amsec Nominees (Tempatan) Sdn Bhd <i>Amequities Sdn Bhd for Lim Han Weng</i>	343,200	0.50
23	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB Bank for Chai Shwu Huey</i>	315,000	0.46
24	Cartaban Nominees (Asing) Sdn Bhd <i>OSK Trustees Bhd for MAAKL-HDBS Shariah Progress Fund</i>	300,000	0.44
25	Citigroup Nominees (Asing) Sdn Bhd <i>Exempt AN for OCBC Securities Private Limited (Client A/C NR)</i>	274,700	0.40
26	SJ SEC Nominees (Tempatan) Sdn Bhd <i>Pledge securities account for Tee Ah Swee (SMT)</i>	267,000	0.39
27	Chow Yook Hey @ Chow Yoke Pui	246,000	0.36
28	Tan Soh Muan	226,000	0.33
29	Cartaban Nominees (Asing) Sdn Bhd <i>Exempt AN for Barclays Capital Securities Ltd</i>	200,000	0.29
29	Tan Shen Yeang	192,800	0.28
30	Chan Fong Lin	182,200	0.27
		54,452,758	79.49



# List of Properties

Details of all the landed properties owned by the Group and the Company as at 31 January 2011 are set out as follows:-

LOCATION	DESCRIPTION OF EXISTING USE	TENURE (EXPIRY DATE/ YEAR)	AGE OF BUILDING (YEARS)	LAND AREA (SQ.M)/ GLOSS BUILT UP AREA (SQ M)	FAIR VALUE/ NET BOOK VALUE (RM'000)	LAST DATE OF REVALUATION (R)/ ACQUISITION (A)
<b>PROPERTIES</b>						
PLO 248 Mukim of Tebrau Kawasan Perindustrian Tebrau IV Johor Bahru	Office building and warehouse	Leasehold land expiring 31.1.2060	9	23,310/ 5,440	9,860	A:24.11.1997
Plot 124, H.S. (D) 1915 P.T. 324, Mukim 13 Seberang Perai Tengah	Vacant Land	Leasehold land expiring 25.1.2059	-	10,122/-	988	A:16.5.1997
PLO 729 Jalan Keluli Pasir Gudang Industrial Estate 81700 Pasir Gudang, Johor	Yard and office building	Leasehold land expiring 17.2.2068	3	6,070/ 329	1,397	A:24.5.2006
PLO 734 Jalan Keluli Pasir Gudang Industrial Estate 81700 Pasir Gudang, Johor	Land	Leasehold land expiring 17.2.2068	-	6,669	867	A:3.4.2007
Lot P.T3968 H.S(D) 5638 Mukim 1 Daerah Seberang Perai Tengah Pulau Pinang	Yard and Building	Leasehold land expiring 6.3.2058	3	10,630/ 566	3,474	A:26.1.2007
<b>INVESTMENT PROPERTIES</b>						
PTD 64022 Jalan Angkasamas Satu Mukim of Tebrau Johor Bahru	Office building and warehouse	Leasehold land expiring 14.3.2053	16	11,048/ 4752	5,000	R:31.1.2011
MLO 2754 Mukim of Plentong Johor Bahru	Vacant land	Freehold	-	4,097/-	400	R:31.1.2011
PTD 34990 Taman Putri Wangsa Johor Bahru	Double storey shop office	Freehold	13	276/143	260	R:31.1.2011
PTD 34991 Taman Putri Wangsa Johor Bahru	Double storey shop office	Freehold	13	378/195	350	R:31.1.2011
PTD 66206 Taman Putri Wangsa Johor Bahru	Double storey terrace house	Freehold	13	184/133	170	R:31.1.2011
G-3-1 Taman Pelangi Apartment H.S. (D) No.30874 P.T. No.6110 Mukim Bukit Katil Daerah Melaka Tengah, Melaka	Apartment	Freehold	11	142	90	R:31.1.2011

# List of Properties *(cont'd)*



LOCATION	DESCRIPTION OF EXISTING USE	TENURE (EXPIRY DATE/ YEAR)	AGE OF BUILDING (YEARS)	LAND AREA (SQ.M)/ GLOSS BUILT UP AREA (SQ M)	FAIR VALUE/ NET BOOK VALUE (RM'000)	LAST DATE OF REVALUATION (R)/ ACQUISITION (A)
H-3-1 Taman Pelangi Apartment H.S. (D) No.30874 P.T. No.6110 Mukim Bukit Katil Daerah Melaka Tengah, Melaka	Apartment	Freehold	11	142	90	R:31.1.2011
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	11	326/326	350	R:31.1.2011
Parcel No 03-25 Melur Mewangi H.S. (D) 3503 P.T. No 1929 (Block 6) Mukim of Ijuk Kuala Selangor Selangor	Apartment	Freehold	6	71	65	R:31.1.2011
Unit No.145 Level 5 Block M1-B Lot No.144 Section 44 City of Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	Office Unit	Freehold	4	432	1,860	R:31.1.2011
Lot No.D99 (Room 1641/1642 Vila Mayfair, Summerset Colonial Hotel and Villa) Summerset of Rompin 26800 Kuala Rompin Pahang Darul Makmul	Vacation Resort Villa	Leasehold Building expiring 15.1.2094	15	608/135	300	R:31.1.2011
PTD No.8325 HSM 5011 Mukim Semenyih Daerah Hulu Langat Negeri Selangor	Vacant Land	Leasehold land expiring 05.11.2094	-	1,581	330	R:31.1.2011
<b>HELD FOR SALE</b>						
Lot 212 Kawasan Perindustrian Bukit Kayu Hitam Fasa 11 Kedah Darul Aman	Vacant Land	Leasehold land expiring 28.4.2063	-	23,512/-	1,236	A:28.4.2003

This page is intentionally left blank



**YINSON HOLDINGS BERHAD**

Company No: 259147-A  
(Incorporated in Malaysia)

**PROXY FORM**

I/We \_\_\_\_\_

NRIC No. / Passport No. / Company No. \_\_\_\_\_

of \_\_\_\_\_

being a member/members of YINSON HOLDINGS BERHAD hereby appoint \_\_\_\_\_

of \_\_\_\_\_

or failing him \_\_\_\_\_

of \_\_\_\_\_

as my/our proxy to vote for me/us on my/our behalf at the Eighteenth Annual General Meeting of the Company to be held at Level 6, Orchid Room, The Zon Regency Hotel by The Sea, 88, Jalan Ibrahim Sultan, Stulang Laut, 80720 Johor Bahru, Johor on Thursday, 28th July, 2011 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 :-		
	Mr Lim Han Joeh		
5.	Mr Kam Chai Hong		
6.	To appoint Messrs Ernst & Young as Auditors		
7.	To approve allotment of shares (under Section 132D)		
8.	To approve renewal of Shareholders' Mandate for recurrent related party transactions		
9.	To approve the Amenments to the Articles of Association		

<b>No. of Shares Held</b>	
---------------------------	--

As witness my/our hand this \_\_\_\_\_ day of \_\_\_\_\_ 2011

\_\_\_\_\_  
Signature/Common Seal of Shareholder

**Notes :**

- i) A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- ii) The instrument appointing a proxy, in the case of an individual shall be signed by the appointer or his attorney, and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- iii) The instrument appointing a proxy must be deposited at the Registered Office of the Company at 25, Jalan Firma 2, Kawasan Perindustrian Tebrau IV, 81100 Johor Bahru, Johor not less than 48 hours before the time for holding the meeting or any adjournment thereof.





[www.yinson.com.my](http://www.yinson.com.my)

**YINSON HOLDINGS BERHAD**

Company No: 259147-A (Incorporated in Malaysia)

No 25, Jalan Firma 2  
Kawasan Perindustrian Tebrau IV  
81100 Johor Bahru  
Johor, Malaysia.  
Tel : +607-3552244 Fax : +607-3552277