



# YINSON HOLDINGS BERHAD

Company No: 259147-A  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED INCOME STATEMENT For The Three Months Ended 30 April 2015

	Current and Cumulative quarter 3 months ended	
	30.4.2015	30.4.2014
	Unaudited RM'000	Unaudited RM'000
Revenue	256,598	294,070
Cost of trading goods sold	(125,730)	(160,458)
Direct expenses	(82,975)	(101,521)
Gross profit	47,893	32,091
Other operating income	7,785	10,506
Administrative expenses	(42,989)	(18,077)
Profit from operations	12,689	24,520
Finance costs	(13,367)	(15,751)
Share of results of joint ventures	20,261	29,238
Share of results of associates	354	(138)
Profit before tax	19,937	37,869
Income tax expense	(9,199)	(6,855)
<b>Profit for the period</b>	<b>10,738</b>	<b>31,014</b>
<b>Profit attributable to:</b>		
Owners of the parent	10,445	30,296
Non-controlling interests	293	718
	10,738	31,014
<b>Earnings per share attributable to owners of the parent: #</b>		
Basic (sen)	1.01	3.19
Diluted (sen)	N/A	N/A

# - comparative adjusted for rights issue and share split of RM1 each into two 50 sen shares

These condensed consolidated income statement should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements

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

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Three Months Ended 30 April 2015

	Current and Cumulative quarter 3 months ended	
	30.4.2015 Unaudited RM'000	30.4.2014 Unaudited RM'000
Profit for the period	10,738	31,014
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
- Exchange differences on translation of foreign operations	(8,552)	(780)
- Net (loss)/gain on available-for-sale financial assets	(146)	105
<b>Total comprehensive income for the period</b>	<b>2,040</b>	<b>30,339</b>
<b>Total comprehensive income for the period attributable to:</b>		
Owners of the parent	1,747	29,621
Non-controlling interests	293	718
	<b>2,040</b>	<b>30,339</b>

*These condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements*

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****As At 30 April 2015**

	AS AT 30.4.2015 Unaudited RM'000	AS AT 31.1.2015 Audited RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,356,589	1,158,000
Investment properties	33,211	29,598
Land use rights	4,300	4,324
Intangible assets	11,028	9,456
Investment in joint ventures	370,694	356,676
Investment in associates	30,839	29,389
Available-for-sale financial assets	9,197	9,686
Deferred tax assets	6,114	6,114
	<b>1,821,972</b>	<b>1,603,243</b>
<b>Current assets</b>		
Inventories	27,945	27,595
Trade and other receivables	431,422	427,380
Other current assets	20,349	27,988
Tax recoverable	501	849
Marketable securities	10	10
Derivatives	1,833	30,518
Favourable contracts	4,605	6,255
Cash and bank balances	326,502	364,378
	<b>813,167</b>	<b>884,973</b>
<b>TOTAL ASSETS</b>	<b>2,635,139</b>	<b>2,488,216</b>

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****As At 30 April 2015**

	AS AT 30.4.2015 Unaudited RM'000	AS AT 31.1.2015 Audited RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Issued capital	516,399	516,399
Share premium	417,163	417,163
Retained earnings	465,176	454,731
Foreign currency translation reserve	65,015	73,567
Available-for-sale reserve	(11,496)	(11,350)
<b>Equity attributable to owners of the parent</b>	<b>1,452,257</b>	<b>1,450,510</b>
<b>Non-controlling interests</b>	<b>9,292</b>	<b>8,999</b>
<b>Total equity</b>	<b>1,461,549</b>	<b>1,459,509</b>
<b>Non-current liabilities</b>		
Loans and borrowings	434,058	474,593
Net employee defined benefit liabilities	3,173	3,233
Unfavourable contracts	51,276	56,596
Deferred tax liabilities	6,577	6,724
	<b>495,084</b>	<b>541,146</b>
<b>Current liabilities</b>		
Loans and borrowings	410,010	348,584
Trade and other payables	238,570	109,150
Unfavourable contracts	17,094	17,416
Derivatives	815	214
Tax payables	12,017	12,197
	<b>678,506</b>	<b>487,561</b>
<b>Total liabilities</b>	<b>1,173,590</b>	<b>1,028,707</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,635,139</b>	<b>2,488,216</b>
<b>Net assets per share attributable to owners of the parent (RM)</b>	<b>1.406</b>	<b>1.404</b>

*These condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.*

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

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For The Three Months Ended 30 April 2015

	Attributable to owners of the parent					Total equity attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
	Issued capital RM'000	Share premium RM'000	Foreign currency translation reserve RM'000	Available-for-sale reserve RM'000	Retained earnings RM'000			
<b>1 February 2014</b>	258,200	112,941	20,822	(3,478)	146,642	535,127	5,919	541,046
Disposal of a subsidiary	-	-	-	-	-	-	(655)	(655)
Total comprehensive income for the period	-	-	(780)	105	30,296	29,621	718	30,339
<b>At 30 April 2014</b>	<b>258,200</b>	<b>112,941</b>	<b>20,042</b>	<b>(3,373)</b>	<b>176,938</b>	<b>564,748</b>	<b>5,982</b>	<b>570,730</b>
<b>1 February 2015</b>	516,399	417,163	73,567	(11,350)	454,731	1,450,510	8,999	1,459,509
Total comprehensive income for the period	-	-	(8,552)	(146)	10,445	1,747	293	2,040
<b>At 30 April 2015</b>	<b>516,399</b>	<b>417,163</b>	<b>65,015</b>	<b>(11,496)</b>	<b>465,176</b>	<b>1,452,257</b>	<b>9,292</b>	<b>1,461,549</b>

These condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For The Three Months Ended 30 April 2015**

	3 months ended	
	30.4.2015 Unaudited RM'000	30.4.2014 Unaudited RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	19,937	37,869
Adjustments for:		
Amortisation and depreciation	25,249	22,227
Amortisation of favourable contracts	1,568	-
Amortisation of unfavourable contracts	(4,367)	(6,733)
Impairment loss on receivables	150	1,575
Unrealised loss on foreign exchange	16,801	5,404
Finance costs	13,367	15,751
Fair value adjustment on marketable securities	-	(1)
Fair value adjustment on derivatives	10,221	-
Realised loss on derivatives	2,846	-
Property, plant and equipment written off	9	-
Share of results of joint ventures	(20,261)	(29,238)
Share of results of associates	(354)	138
Interest income	(1,134)	(443)
Operating cash flows before working capital changes	64,032	46,549
Receivables	(4,193)	(8,616)
Other current assets	7,638	369
Inventories	(350)	71
Payables	128,164	8,509
Cash flows from operations	195,291	46,882
Interest received	1,134	443
Interest paid	(12,766)	(15,834)
Tax paid	(8,922)	(9,781)
<b>Net cash flows from operating activities</b>	<b>174,737</b>	<b>21,710</b>
<b>INVESTING ACTIVITIES</b>		
Investment in joint ventures	(707)	(1,607)
Short term investment	(3)	-
Proceed from dilution of subsidiary to associate	-	27
Addition in investment property	(3,612)	-
Purchase of intangible assets	(1,785)	(2)
Purchase of property, plant and equipment	(240,427)	(4,231)
<b>Net cash flows used in investing activities</b>	<b>(246,534)</b>	<b>(5,813)</b>

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
For The Three Months Ended 30 April 2015

	3 months ended	
	30.4.2015 Unaudited RM'000	30.4.2014 Unaudited RM'000
<b>FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	63,105	8,397
Advances from directors	-	7,136
Repayment of term loans	(31,982)	(30,259)
Repayment of obligations under finance leases	(1,700)	(1,298)
Net cash outflow from dilution to associate	-	(391)
Proceeds from settlement of derivatives	15,618	-
Withdrawal of fixed deposit for investment purposes	8,550	-
Withdrawal of fixed deposit pledged as security	19,174	-
<b>Net cash flows from/(used in) financing activities</b>	<b>72,765</b>	<b>(16,415)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>968</b>	<b>(518)</b>
Effects of foreign exchange rate changes	(11,706)	4,592
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING</b>		
<b>OF THE PERIOD</b>	<b>274,595</b>	<b>184,984</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>263,857</b>	<b>189,058</b>
	<b>As at</b>	<b>As at</b>
	<b>30.4.2015</b>	<b>30.4.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	326,502	271,015
Bank overdrafts (included within short-term borrowings)	(4,988)	(16,524)
	321,514	254,491
Short term investment	(316)	-
Deposits pledged to banks	(57,341)	(65,433)
	<b>263,857</b>	<b>189,058</b>

*These condensed consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.*

**1. Basis of Preparation**

This unaudited condensed consolidated interim financial statements (Condensed Report) of Yinson Holdings Berhad (the "Group" or "YHB") for the period ended 30 April 2015 have been prepared in accordance with *MFRS134: Interim Financial Reporting*, paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This Condensed Report also complies with *IAS34: Interim Financial Reporting* issued by the International Accounting Standards Board ("IASB").

This Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 31 January 2015. The significant accounting policies and methods adopted for the Condensed Report are consistent with those adopted for the audited financial statements for the financial year ended 31 January 2015 except for the adoption of Amendments to Standards and Issue Committee (IC) Interpretations effective as of 1 January 2015.

- Amendments to MFRS 119 *Defined Benefits Plans: Employee Contributions*
- Annual Improvements to MFRSs 2010 – 2012 Cycle
- Annual Improvements to MFRSs 2011 – 2013 Cycle

**MFRSs and Amendments to MFRSs issued but not yet effective**

At the date of authorisation of the Condensed Report, the following Standards were issued but not yet effective and have not been adopted by the Group.

- a) Effective for financial periods beginning on or after 1 January 2016
  - Amendments to MFRS 116 and MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*
  - Amendments to MFRS 11 *Accounting for Acquisitions of Interest in Joint Operations*
  - Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*
  - Amendments to MFRS 127 *Equity Method in Separate Financial Statements*
  - Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between Investor and its Associate or Joint Venture*
  - Amendments to MFRSs contained in the document entitled "Annual Improvements to FRSS 2012 -2014 Cycle"
  - Amendments to MFRS 101 *Disclosure Initiative*
  - MFRS 14 : *Regulatory Deferral Accounts*
  - Amendments to MFRS 10, MFRS 12 and MFRS 128 *Investment Entities: Applying the Consolidation Exception*
- b) Effective for financial periods beginning on or after 1 January 2017
  - MFRS 15 : *Revenue from Contracts with Customers*
- c) Effective for financial periods beginning on or after 1 January 2018
  - MFRS 9 *Financial Instruments (IFRS 9 Financial Instruments as issued by IASB in July 2014)*

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the year of initial application except as discussed below, for which the effects are still being assessed.



## MFRS 9 Financial Instruments

In November 2014, MASB issued the final version of MFRS 9, replacing MFRS 139. This standard will come into effect on or after 1 January 2018 with early adoption permitted. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on the classification and measurements of the Group's financial liabilities. MFRS9 also requires impairment assessments to be on an expected loss model, replacing MFRS 139 incurred loss model. In addition, MFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity.

### **2. Seasonal or Cyclical Factors**

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter ended 30 April 2015.

### **4. Changes in Accounting Estimate**

There were no material changes in accounting estimates during the period under review that would have a material effect that would substantially affect the results of the Group.

### **5. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the quarter ended 30 April 2015 except for the followings:

i) Yinson Holdings Berhad ("YHB") incorporated the following subsidiaries on 11 February 2015:-

a) Yinson Acacia Ltd ("YAL"), a company incorporated in the Republic of the Marshall Islands. YAL is a wholly-owned subsidiary of YHB.

b) Yinson Clover Ltd ("YCL"), a company incorporated in the Republic of the Marshall Islands. YCL is a wholly-owned subsidiary of YAL which in turn a wholly-owned subsidiary of YHB.

The principal activities of YAL and YCL are investment holding company.

ii) Yinson Nereus Ltd, a wholly-owned subsidiary within the Group incorporated a wholly-owned subsidiary, namely Yinson Camellia Limited ("YCL"), a company incorporated in Federal Territory of Labuan, Malaysia on 13 February 2015. The principal activities of YCL is to carry on shipping operations and vessel chartering.

## 6. Segmental Information

For Three Months Ended 30 April 2015					
	Marine	Transport	Trading	Other	Consolidated
	RM'000	RM'000	RM'000	Operations	RM'000
				RM'000	
<b>Revenue</b>					
External Sales					
Gross revenue	108,799	21,165	134,153	7,907	272,024
Elimination	(9,103)	(118)	(97)	(6,108)	(15,426)
Net revenue	99,696	21,047	134,056	1,799	256,598
<b>Results</b>					
Segment results	27,821	(282)	7,133	(21,983)	12,689
Finance costs					(13,367)
Share of results of joint ventures					20,261
Share of results of associates					354
Income tax expense					(9,199)
Profit net of tax and before non-controlling interests					10,738
Non-controlling interests					(293)
Profit net of tax for the period					10,445

## Segmental Information

For Three Months Ended 30 April 2014					
	Marine	Transport	Trading	Other	Consolidated
	RM'000	RM'000	RM'000	Operations	RM'000
				RM'000	
<b>Revenue</b>					
External Sales					
Gross revenue	107,172	26,639	171,390	6,453	311,654
Elimination	(8,209)	(338)	(2,855)	(6,182)	(17,584)
Net revenue	98,963	26,301	168,535	271	294,070
<b>Results</b>					
Segment results	22,447	1,023	5,172	(4,122)	24,520
Finance costs					(15,751)
Share of results of associates					(138)
Share of results of joint ventures					29,238
Income tax expense					(6,855)
Profit net of tax and before non-controlling interests					31,014
Non-controlling interests					(718)
Profit net of tax for the period					30,296

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

- (a) The marine segment consists of leasing of vessels, provision of barge services and marine management services.
- (b) The transport segment consists of the provision of trucking services.
- (c) The trading segment consists of trading activities mainly in the construction related materials.
- (d) Other operations consist of provision of warehouses, rental from investment properties and investment income.

Transactions between segments are carried out on mutually agreed basis. The effects of such inter-segment transactions are eliminated on consolidation.

### **Marine**

Revenue from marine segment for the period under review has increased marginally compared to the corresponding prior period ended 30 April 2014. The segment results increased by RM5.374 million due to reduction in operating cost arising from more efficient cost control measures.

### **Transport**

Revenue from transport segment for the period under review has decreased by RM5.254 million or 20% as compared to the corresponding prior period ended 30 April 2014. The decrease was mainly due to the decrease in demand for the Group's transportation services. The decrease in revenue resulted in a decrease in segment result by RM1.305 million as compared to corresponding prior period ended 30 April 2014.

### **Trading**

Revenue from trading segment for the period under review has decreased by RM34.479 million or 20.5% as compared to the corresponding prior period ended 30 April 2014. The decrease was mainly due to the decrease in demand. However segment result increased by RM1.961 million as compared to the corresponding prior period ended 30 April 2014 mainly due to the improvement in gross profit margin and decrease in impairment loss of trade receivable by RM1.5 million.

### **Other Operations**

The segment results in other operations recorded a loss of RM21.983 million as compared to RM4.122 million in corresponding prior period ended 30 April 2014. The increase in loss was mainly attributable to fair value loss on derivatives of RM10.221 million, loss on settlement of derivatives of RM2.846 million and foreign exchange loss of RM6.823 million due to appreciation of Ringgit Malaysia against the US Dollar.

### **Results of Joint Ventures and Associates**

The share of the results of joint ventures has decreased by RM8.977 million as compared to the corresponding prior period ended 30 April 2014 due to disposal of a joint venture in Quarter 3 of corresponding financial year.

The share of results of associates has recorded a profit of RM0.354 million for the period ended 30 April 2015 as compared to a loss of RM0.138 million for the corresponding prior period ended 30 April 2014 due to improvement in the results of an associate.

### **Consolidated profit before tax**

For the current period under review, the Group's profit before tax has decreased by RM17.932 million or 47.4% to RM19.937 million as compared to RM37.869 million for the corresponding prior period ended 30 April 2014. The decrease was mainly attributable to the fair value loss on derivatives, foreign exchange loss from unfavorable currency fluctuation and decrease in share of results from joint venture.

## 7. Profit Before Tax

Included in the profit before tax are the following items:

	Current and cumulative quarter 3 months ended	
	30.4.2015 RM'000	30.4.2014 RM'000
Interest income	(1,134)	(443)
Other income including investment income	(490)	(2,618)
Bad debts recovered	-	10
Amortisation of land use rights	24	24
Amortisation of intangible assets	2	1
Amortisation of favourable contracts	1,568	-
Amortisation of unfavourable contracts	(4,367)	(6,733)
Impairment loss on receivable	150	1,575
Finance costs	13,367	15,751
Fair value loss on derivatives	10,221	-
Loss on derivatives	2,846	-
Gain on foreign exchange - realised	(6,161)	(1,587)
Loss on foreign exchange - unrealised	16,801	5,404
Property, plant and equipment written off	9	-
Depreciation of property, plant and equipment	25,223	22,202
Net fair value adjustment on marketable securities	-	1

## 8. Income Tax Expense

The income tax expense figures consist of:

	Current and cumulative quarter 3 months ended	
	30.4.2015 RM'000	30.4.2014 RM'000
Current period income tax	9,264	7,241
Deferred tax:		
- Relating to origination and reversal of temporary difference	(65)	(386)
<b>Total income tax expense</b>	<b>9,199</b>	<b>6,855</b>

The effective tax rate of the Group is higher than the statutory tax rate in Malaysia mainly due to certain expenses of subsidiaries are not deductible and certain income of subsidiaries are subject to higher tax rates.

## 9. Earnings Per Share

### (a) Basic

Basic earnings per share amount are calculated by dividing the profit for the current and cumulative quarter of financial year 2016, net of tax, attributable to owners of the parent by the weighted average number of shares outstanding during the period.

The following reflect the profit and share data used in the computation of basic and diluted earnings per share:

	Current and cumulative quarter 3 months ended	
	30.4.2015	30.4.2014
Profit net of tax attributable to owners of the parent used in the computation of EPS (RM'000)	10,445	30,296
Weighted average number of ordinary shares in issue ('000) #	1,032,798	950,475
Basic earnings per share (sen)	1.01	3.19

# - comparative adjusted for rights issue and share split of RM1 each into two 50 sen shares

### (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 30 April 2015.

## 10. Acquisitions and disposals of property, plant and equipment

During the current period under review, the Group acquired property, plant and equipment ("PPE") with aggregate cost of RM241.611 million (30 April 2014: RM7.425 million).

There was no disposal of PPE during the current period ended 30 April 2015 and the corresponding period ended 30 April 2014.

## 11. Fair Value Hierarchy

The Group uses the following hierarchy for determining the fair value of the financial instruments carried at fair value:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

As at reporting date, the carrying amounts of available-for-sale financial assets and marketable securities were measured using Level 1 method of hierarchy whereas interest rate swaps and forward foreign exchange contracts were measured by using Level 2 method in the hierarchy in determining their fair value.

## 12. Debt and Equity Securities

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

### 13. Interest-bearing Loans and Borrowings

The Group's total borrowings as at 30 April 2015 are as follows:

	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	RM'000	RM'000	RM'000
Short term borrowings	133,356	276,654	410,010
Long term borrowings	434,058	-	434,058
<b>Total borrowings</b>	<b>567,414</b>	<b>276,654</b>	<b>844,068</b>

Except for the borrowings of RM585.953 million denominated in United States Dollar, all other borrowings are denominated in Ringgit Malaysia.

### 14. Dividend Paid

No interim dividend has been declared or paid for the current quarter under review.

### 15. Capital Commitments

As at 30 April 2015, the capital commitment for property, plant and equipment not provided for in the interim condensed financial statements is as follows:

- approved and contracted for – RM1,095.2 million
- approved but not contracted for – RM1.8 million

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

There were no changes in contingent assets and no changes in contingent liabilities since the last audited financial statements.

## 17. Related Party Disclosures

Significant related party transactions are as follows:

	Current and Cumulative quarter 3 months ended	
	30.4.2015	30.4.2014
	RM'000	RM'000
<u>With companies substantially owned by directors, Lim Han Weng and Bah Kim Lian</u>		
Rental income from Yinson Tyres Sdn Bhd	15	15
Transport income from Liannex Corporation (S) Pte Ltd	399	1,663
Sales of goods to Handal Indah Sdn Bhd	-	8
Purchases from Yinson Tyres Sdn Bhd	824	858
Barge income from Liannex Corporation (S) Pte Ltd	641	954
Purchases of goods from Liannex Corporation (S) Sdn Bhd	-	3
<u>With joint ventures</u>		
Interest income from PTSC South East Asia Pte Ltd	394	357
Interest income from PTSC Asia Pacific Pte Ltd	25	-
<u>With associates</u>		
Ship management fee to Regulus Offshore Sdn Bhd	199	153
Management fee from Regulus Offshore Sdn Bhd	40	-
Purchases from Regulus Offshore Sdn Bhd	115	2
Rental income from Regulus Offshore Sdn Bhd	61	30
Management fee to Regulus Offshore Sdn Bhd	10	-
Management fee to Yinson Energy Sdn Bhd	19	-

The Directors are of the opinion that the above transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties. All outstanding balances with these related parties are unsecured and are to be settled in cash within three months of reporting date.

## 18. Event After The Reporting Date

There was no material event subsequent to the end of the current quarter except for the followings:-

- i) Yinson Acacia Ltd, a wholly-owned subsidiary within the Group incorporated a wholly-owned subsidiary, namely Yinson Heather Ltd ("YHL"), a company incorporated in the Republic of the Marshall Islands on 21 May 2015. The principal activity of YHL is investment holding.
- ii) Yinson Nereus Ltd, a wholly-owned subsidiary within the Group incorporated a wholly-owned subsidiary, namely Yinson Dynamic Ltd ("YDL"), a company incorporated in the Republic of the Marshall Islands on 5 June 2015. The principal activity of YDL is investment holding.

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

**19. Performance Review**

Explanatory comment on the performance of the Group's business activities is provided in Note 6.

**20. Material Changes in the Profit Before Taxation of Current Quarter Compared with Preceding Quarter**

The Group's profit before tax for the 1<sup>st</sup> quarter of FY 2016 has decreased by RM89.234 million to RM19.937 million as compared to the RM109.171 million for the preceding quarter. The decrease was mainly attributable to:

- increase in fair value loss on forward contracts of RM10.221 million and loss on settlement of forward contracts RM2.846 million for the current quarter as compared to a fair value gain of RM30.518 million in preceding quarter;
- increase in foreign exchange loss to RM10.640 million for the current quarter as compared to a gain of RM62.974 million in preceding quarter due to appreciation of Ringgit Malaysia against the US Dollar;

but offset by:

- the decrease in impairment of trade receivable by RM8.9 million; and
- the write down of inventories of RM10 million in the preceding quarter.

**21. Commentary on Prospects**

Going forward, global growth in 2015 is projected to be on a moderate growth path, but with diverging growth momentum across major economies. The downside risks to growth outlook continue to persist, arising from prolonged weakness in domestic demand. The sharp decline in the price of oil has subsequently stabilised towards the end of the quarter to around USD55 per barrel. Amid this challenging global economic environment, the Group shall strive to sustain satisfactory results for the financial year ending 31 January 2016.

**22. Profit Forecast**

The disclosure requirements for explanatory notes for the variance of actual profit after tax and non-controlling interests and forecast profit after tax and non-controlling interests are not applicable.

**23. Status of Corporate Proposals**

- a) The corporate proposal announced but not completed as at the date of issue of the quarterly report:-

Proposed Employees' Share Scheme

On 17 March 2015, the Company proposed to establish and implement an employees' share scheme up to ten percent (10%) of the total issued and paid-up share capital of the Company (excluding treasury shares) at any point in time during the duration of the scheme for the eligible Directors (including non-executive directors) and employees of the Company and its subsidiaries ("Proposed ESS").

Bursa Malaysia Securities Berhad has vide its letter dated 25 May 2015, approved the listing of such number of additional new ordinary shares of RM0.50 each in YHB representing up to ten percent (10%) of the issued and paid-up ordinary share capital (excluding treasury shares) of YHB to be issued pursuant to the Proposed ESS which is subject to conditions set by Bursa Securities as stated in the announcement dated 26 May 2015.



### Proposed Private Placement

On 25 June 2015, YHB proposed to undertake a Proposed Private Placement of new ordinary shares of RM0.50 each in the Company ("Placement Shares") of up to 103,279,844 Placement Shares, representing up to ten percent (10%) of the issued and paid-up share capital of YHB to third party investors. It shall be undertaken in accordance with the general mandate approved by shareholders on 31 July 2014 and/or new mandate to be obtained from shareholders of YHB at the forthcoming annual general meeting of YHB but subject to the approval from Bursa Securities for the listing and quotation for the Placement Shares.

#### b) Status of Utilisation of Proceeds from Rights Issue ("RI")

Purpose	Proposed Utilisation	Actual utilisation as at 30 June 2015	Initial timeframe for utilisation of proceeds from date of RI (i.e. 13 June 2014)	Balance of unutilised proceeds
	RM'000	RM'000		RM'000
Repayment of Lim Han Weng advances	92,000	(92,000)	Within 3 months	-
Warehousing facilities	30,000	(30,000)	Within 24 months	-
Repayment of bank borrowings	237,000	(237,000)	Within 6 months	-
Working capital	203,000	(203,000)	Within 24 months	-
Defray expenses in relation to the Corporate Exercise	6,000	(6,000)	Within 3 months	-
<b>Total</b>	<b>568,000</b>	<b>(568,000)</b>		<b>-</b>

#### c) Status of Utilisation of Proceeds from Disposal of Subsidiary and Joint Venture

Purpose	Proposed Utilisation	Actual utilisation as at 30 June 2015	Initial timeframe for utilisation of proceeds from date of Disposal (i.e. 8 October 2014)	Balance of unutilised proceeds
	RM'000	RM'000		RM'000
Repayment of long term bank borrowings	126,400	(126,400)	Within 6 months	-
Working capital	60,480	(43,245)	Within 24 months	17,235
Defray expenses in relation to the Disposal	510	(450)	Within 3 months	60
<b>Total</b>	<b>187,390</b>	<b>(170,095)</b>		<b>17,295</b>

#### 24. Material Litigation

As at 30 April 2015, there was no material litigation against the Group since the last audited financial statements.

#### 25. Dividend

No interim dividend has been declared for the current quarter under review.

## 26. Derivatives

Details of derivative financial instruments outstanding as at 30 April 2015 are as follows:-

<b>Types of derivatives</b>	<b>Contract / Notional Amount</b>	<b>Fair Value Assets/(Liabilities)</b>
	RM'000	RM'000
<u>Interest rate swaps</u>		
1 to 3 years	66,288	(182)
More than 3 years	356,130	(633)
<u>Forward foreign exchange contracts</u>		
Less than 1 year	500,000	1,833

The fair values of the above derivatives were based on quotes obtained from the respective counterparty banks.

### **Interest rate swaps**

The Group entered into the following interest rate swap contracts to mitigate the Group's exposure from fluctuations in interest rate arising from a floating rate term loans:-

- i. contract amounting to RM44.974 million that receives floating interest at US\$ LIBOR + 2.75% p.a. and pays fixed interest at 3.40% p.a.;
- ii. contract amounting to RM21.314 million that receives a fixed rate of 2.5% p.a. + COF and pays a fixed rate of 2.5% p.a. + COF + fixed rate of 1.04% p.a. less one month LIBOR rate; and
- iii. contract amounting to RM356.130 million that receives floating interest at 3 months US\$ LIBOR p.a. and pays fixed interest at 1.58% p.a.

The interest rate swaps have similar maturity terms as the term loans.

The interest rate swaps have been classified as At Fair Value through Profit or Loss which is measured at fair value and the changes in fair value will be taken to profit or loss. As at 30 April 2015, the net fair value loss on interest rate swap derivative measured at fair value through profit and loss is RM0.601 million.

### **Forward foreign exchange contracts**

The forward foreign exchange contracts have been entered to manage the exposure to potential changes in foreign exchange rates. They have been classified as At Fair Value through Profit or Loss which is measured at fair value and the changes in fair value will be taken to profit or loss. As at 30 April 2015, the net fair value loss on forward foreign exchange contracts measured at fair value through profit and loss includes fair value loss on forward contracts of RM10.221 million and loss on settlement of forward contracts RM2.846 million.

## 27. Realised and Unrealised Retained Earnings

The breakdown of the retained earnings of the Group as at 30 April 2015 into realised and unrealised is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 20 December 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>Current financial year ended 30.4.2015 RM'000</b>	<b>Previous financial year ended 31.1.2015 RM'000</b>
Total retained earnings of the Company and its subsidiaries:-		
- Realised	347,829	262,416
- Unrealised	(11,523)	87,634
	336,306	350,050
Total retained earnings from joint ventures- realised	130,042	109,781
Total accumulated losses from associates - realised	(1,108)	(1,269)
Less Consolidation adjustments	(64)	(3,831)
Total Group retained earnings as per consolidated financial statements	465,176	454,731

## 28. Auditors' Report on Preceding Annual Financial Statements

The Auditors' Report on the financial statements for the year ended 31 January 2015 was not qualified.

## 29. Authorised For Issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 30 June 2015.