



# YINSON HOLDINGS BERHAD

Company No: 259147-A  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED INCOME STATEMENT For the Twelve-Month Period Ended 31 January 2014

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31.1.2014	31.1.2013	31.1.2014	31.1.2013
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Audited RM'000
Revenue	253,470	172,747	945,896	865,221
Cost of trading goods sold	(160,538)	(116,094)	(679,812)	(639,162)
Direct expenses	(70,652)	(34,216)	(190,570)	(141,477)
Gross profit	22,280	22,437	75,514	84,582
Other operating income	58,036	5,896	65,023	7,791
Administrative expenses	(45,617)	(17,007)	(63,932)	(29,954)
Profit from operations	34,699	11,326	76,605	62,419
Finance costs	(11,269)	(4,405)	(28,971)	(17,286)
Share of results of associates	320	(889)	(1,316)	(427)
Share of results of joint ventures	8,584	(33)	34,040	(267)
Profit before tax	32,334	5,999	80,358	44,439
Income tax expense	(4,900)	(744)	(9,506)	(8,156)
<b>Profit for the period</b>	<b>27,434</b>	<b>5,255</b>	<b>70,852</b>	<b>36,283</b>
<b>Profit attributable to:</b>				
Owners of the parent	26,330	4,833	67,492	33,884
Non-controlling interests	1,104	422	3,360	2,399
	27,434	5,255	70,852	36,283
<b>Earnings per share attributable to owners of the parent:</b>				
Basic (sen)	12.34	2.46	31.64	17.27
Diluted (sen)	12.34	2.46	31.64	17.27

*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 OTHER COMPREHENSIVE INCOME**  
**For the Twelve-Month Period Ended 31 January 2014**

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31.1.2014 Unaudited RM'000	31.1.2013 Unaudited RM'000	31.1.2014 Unaudited RM'000	31.1.2013 Audited RM'000
Profit for the period	27,434	5,255	70,852	36,283
Exchange differences on translation of foreign operations	3,049	(686)	3,720	(183)
Fair value reserve	14,677	8,188	6,846	(10,323)
<b>Total comprehensive income for the period</b>	<b>45,160</b>	<b>12,757</b>	<b>81,418</b>	<b>25,777</b>
<b>Total comprehensive income for the period attributable to:</b>				
Owners of the parent	43,983	12,335	78,058	23,378
Non-controlling interests	1,177	422	3,360	2,399
	<b>45,160</b>	<b>12,757</b>	<b>81,418</b>	<b>25,777</b>

*These condensed consolidated statement of other 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 31 January 2014**

	AS AT 31.1.2014 Unaudited RM'000	AS AT 31.1.2013 Audited RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,062,748	232,313
Investment properties	15,155	15,175
Intangible assets	109	114
Land use rights	4,420	4,516
Investments in joint ventures	232,588	153,498
Investment in associates	27,893	29,016
Available-for-sale investments	16,114	11,391
Deferred tax assets	2,195	-
Other long term receivables	6,868	-
Other intangibles assets	37,614	-
	<b>1,405,704</b>	<b>446,023</b>
<b>Current assets</b>		
Inventories	3,306	680
Receivables	417,394	287,549
Prepayments	46,175	42,031
Tax recoverable	483	734
Held for trading investment securities	13	44
Cash and bank balances	277,584	23,837
	<b>744,955</b>	<b>354,875</b>
<b>TOTAL ASSETS</b>	<b>2,150,659</b>	<b>800,898</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Short term borrowings	621,739	309,135
Payables	204,804	65,006
Interest rate swap	127	120
Tax payables	12,740	647
	<b>839,410</b>	<b>374,908</b>

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****As at 31 January 2014**

	AS AT 31.1.2014 Unaudited RM'000	AS AT 31.1.2013 Audited RM'000
<b>Non-current liabilities</b>		
Long term borrowings	668,394	139,406
Deferred tax liabilities	11,342	2,796
Net pension fund	7,669	-
Other intangible liabilities	100,060	-
	<b>787,465</b>	<b>142,202</b>
<b>Total liabilities</b>	<b>1,626,875</b>	<b>517,110</b>
<b>Equity attributable to owners of the parent</b>		
Share capital	258,200	200,355
Share premium	112,941	8,076
Foreign currency translation reserve	2,499	(1,221)
Retained earnings	147,705	84,345
Fair value reserve	(3,477)	(10,323)
	517,868	281,232
<b>Non-controlling interests</b>	5,916	2,556
<b>Total equity</b>	<b>523,784</b>	<b>283,788</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,150,659</b>	<b>800,898</b>
	-	-
<b>Net assets per share attributable to owners of the parent (RM)</b>	<b>2.006</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 Twelve-Month Period Ended 31 January 2014

	Attributable to owners of the parent					Total equity RM'000
	Share capital RM'000	Share premium RM'000	Foreign exchange translation reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	
	Non-distributable		Distributable			
	Share capital RM'000	Share premium RM'000	Foreign exchange translation reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 February 2012	75,347	4,369	(1,038)	-	79,024	157,702
Total comprehensive income for the year	-	-	(183)	(10,323)	33,884	23,378
Dividend in respect of the previous year	-	-	-	-	(3,757)	(3,757)
Share issuance	125,008	4,942	-	-	(24,806)	105,144
Share issuance expenses	-	(1,235)	-	-	-	(1,235)
At 31 January 2013	200,355	8,076	(1,221)	(10,323)	84,345	281,232
At 1 February 2013	200,355	8,076	(1,221)	(10,323)	84,345	281,232
Total comprehensive income for the year	-	-	3,720	6,846	67,492	78,058
Dividend in respect of the previous year	-	-	-	-	(4,132)	(4,132)
Share issuance	57,845	105,277	-	-	-	163,122
Share issuance expenses	-	(412)	-	-	-	(412)
At 31 January 2014	258,200	112,941	2,499	(3,477)	147,705	517,868
					2,556	283,788
					3,360	81,418
					-	(4,132)
					-	163,122
					-	(412)
					5,916	523,784

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 Twelve-Month Period Ended 31 January 2014**

	12 months ended	
	31.1.2014	31.1.2013
	Unaudited RM'000	Audited and restated RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	80,358	44,439
Adjustments for:		
Amortisation and depreciation	21,338	13,711
Impairment loss on receivables	5,842	11,174
Unrealised gain on foreign exchange	(4,206)	(611)
Finance costs	28,971	16,191
Gain on disposal of property, plant and equipment	(558)	(91)
Plant and equipment written off	348	202
Loss on disposal of asset held for sale	-	34
Gain on disposal of marketable security	(1)	-
Fair value adjustment on investment properties	20	2
Fair value adjustment on marketable securities	(2)	3
Gain on a bargain purchase	(48,946)	-
Negative goodwill on equity accounting for investment in associate	-	(3,050)
Impairment of property, plant and equipment	-	200
Impairment of available-for-sale investments	19,223	-
Share of results of joint ventures	(34,040)	267
Share of results of associates	1,316	427
Interest income	(3,694)	(3,037)
Dividend income	(1)	(2)
<b>Operating cash flows before working capital changes</b>	<b>65,968</b>	<b>79,859</b>
Receivables	(62,911)	(70,257)
Prepayments	(4,143)	(23,379)
Inventories	73	(25)
Payables	80,110	(16,930)
Short term deposits	(66,915)	238
Interest received	3,694	3,037
Finance costs paid	(28,963)	(16,072)
Tax paid	(12,978)	(8,530)
<b>Net cash flows used in operating activities</b>	<b>(26,065)</b>	<b>(52,059)</b>
<b>INVESTING ACTIVITIES</b>		
Dividend received	1	2
Proceeds from disposal of property, plant and equipment	4,323	606
Proceeds from disposal of asset held for sale	-	576
Proceeds from disposal of held for trading investment securities	35	-
Purchase of property, plant and equipment	(3,148)	(23,186)
Purchase of intangible assets	(3)	(8)
Purchase of investment property	-	(322)
Investment in joint ventures	(45,050)	(124,212)
Investment in associate	(30)	(26,392)
Acquisition of a subsidiary, net of cash acquired	(333,197)	-
<b>Net cash flows used in investing activities</b>	<b>(377,069)</b>	<b>(172,936)</b>

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Twelve-Month Period Ended 31 January 2014**

	12 months ended	
	31.1.2014	31.1.2013
	Unaudited RM'000	Audited and restated RM'000
<b>FINANCING ACTIVITIES</b>		
Increase in banker acceptances	63,513	7,323
Drawdown of term loans	404,647	216,777
Repayment of obligations under finance lease	(3,796)	(1,877)
Repayment of term loans	(32,502)	(103,943)
Proceeds from shares issuance	163,122	105,144
Shares issuance expenses	(412)	(1,235)
Dividends paid	(4,132)	(3,757)
Proceed from non-controlling interests	-	482
<b>Net cash flows from financing activities</b>	<b>590,440</b>	<b>218,914</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>187,306</b>	<b>(6,081)</b>
Effects of foreign exchange rate changes	(2,879)	(3,352)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>11,064</b>	<b>20,497</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<b>195,491</b>	<b>11,064</b>
	As at 31.1.2014 RM'000	As at 31.1.2013 RM'000
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	210,587	23,754
Bank overdrafts (included within short term borrowings)	(15,096)	(12,690)
Fixed deposits	66,997	83
	262,488	11,147
Less deposits pledged	(66,997)	(83)
	195,491	11,064

*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**

These unaudited condensed consolidated interim financial statements (Condensed Report) of Yinson Holdings Berhad (the "Group" or "YHB") for the year ended 31 January 2014 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 2013. 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 2013. The adoption of the following MFRSs and Amendments to MFRSs that came into effect on 1 February 2013 did not have any significant impact on the Condensed Report upon their initial application.

- MFRS 10 Consolidated Financial Statements (effective from 1 January 2013)
- MFRS 11 Joint Arrangements (effective from 1 January 2013)
- MFRS 12 Disclosure of Interests in Other Entities (effective from 1 January 2013)
- MFRS 13 Fair Value Measurement (effective from 1 January 2013)
- MFRS 119 Employee Benefits (effective from 1 January 2013)
- MFRS 127 Separate Financial Statements (effective from 1 January 2013)
- MFRS 128 Investments in Associates and Joint Ventures (effective from 1 January 2013)
- Amendments to MFRS 7 Financial Instruments: Disclosures (effective from 1 January 2013)
- Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income (effective from 1 July 2012)
- Annual Improvements to MFRS 2009 – 2011 Cycle (effective from 1 January 2013)
- Amendments to MFRS 10, 11 and 12 Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (effective from 1 January 2013)

**MFRSs and Amendments to MFRSs that is applicable to the Group but not yet effective**

The Group has not early adopted the following accounting standards that have been issued by the Malaysian Accounting Standards Board ("MASB") as these are effective for the financial periods beginning on or after 1 February 2014:

- MFRS 9 Financial Instruments (to be announced by MASB)
- Amendments to MFRS 10, 12 and 127 Investment Entities (effective from 1 January 2014)
- Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities (effective from 1 January 2014)
- MFRS 136 Recoverable Amount Disclosures for Non-financial Assets (Effective from 1 January 2014).
- Amendments to MFRS 119 Defined Benefits Plans: Employee Contributions (Effective from 1 July 2014).
- Amendments to MFRS 139 Novation of Derivatives and Continuation of Hedge Accounting (Effective from 1 January 2014)

**2. Seasonal or Cyclical Factors**

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



### 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 current quarter and financial year to-date.

### 4. Changes in Accounting Estimate

There were no material changes in accounting estimates during the year 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

On 28 May 2013, the Company incorporated a wholly owned subsidiary, Yinson Production Limited, ("YPL") with a paid-up share capital of USD2,000.00. The principal activities of YPL shall be investment holdings and management services.

On 12 September 2013, the Company acquired 30% interests of Yinson Energy Sdn Bhd ("YESB") which is incorporated on same date. The authorised share capital of YESB is RM100,000.00 and the initial issued and paid-up capital is RM1,000.00. The intended principal activities of YESB are the provision of marine vessels for charter and marine services. YESB has not commenced its operations.

On 20 December 2013, YPL had acquired 97.1% of Yinson Production AS ("YPAS") (formerly known as Fred Olsen Production ASA) and the balance of 2.9% was acquired on 10 January 2014.

On 28 January 2014, YPL incorporated a wholly-owned subsidiary in Singapore, Yinson Production Pte Ltd ("YPPL") with a paid-up share capital of US\$1.00. The intended principal activity of YPPL is the provision of management services.

### 6. Segmental Information

For the Twelve-Month Period Ended 31 January 2014					
	Marine	Transport	Trading	Other	Consolidated
	RM'000	RM'000	RM'000	Operations	RM'000
				RM'000	
<b>Revenue</b>					
External Sales					
Gross revenue	162,085	106,045	714,048	9,031	991,209
Elimination	(30,985)	(685)	(5,670)	(7,973)	(45,313)
Net revenue	131,100	105,360	708,378	1,058	945,896
<b>Results</b>					
Segment results	29,472	8,096	19,827	19,210	76,605
Finance costs					(28,971)
Share of results of associates					(1,316)
Share of results of joint ventures					34,040
Income tax expense					(9,506)
Profit net of tax and before non-controlling interests					70,852
Non-controlling interests					(3,360)
Profit net of tax for the year					67,492

## Segmental Information

For the Twelve-Month Period Ended 31 January 2013					
	Marine RM'000	Transport RM'00	Trading RM'000	Other Operations RM'000	Consolidated RM'000
<b>Revenue</b>					
External Sales					
Gross revenue	109,177	110,303	690,012	10,485	919,977
Elimination	(36,449)	(143)	(8,640)	(9,524)	(54,756)
Net revenue	72,728	110,160	681,372	961	865,221
<b>Results</b>					
Segment results	23,996	7,642	26,810	3,971	62,419
Finance costs					(17,286)
Share of results of an associate					(427)
Share of results of joint ventures					(267)
Income tax expense					(8,156)
Profit net of tax and before non-controlling interests					36,283
Non-controlling interests					(2,399)
Profit net of tax for the year					33,884

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

- The marine segment consists of leasing of vessels, provision of barge services and marine management services.
- The transport segment consists of the provision of trucking services.
- The trading segment consists of trading activities mainly in the construction related materials.
- 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 by RM58.372 million as compared to the corresponding prior period ended 31 January 2013. The increase was mainly due to the increase in contribution from chartering of two vessels during the year under review and the contribution from newly acquired subsidiary, YPAS. The increase in revenue resulted in an increase of the segment results for the year under review by RM5.476 million as compared to the corresponding prior period ended 31 January 2013.

### Transport

Revenue from transport segment for the period under review has decreased by RM4.800 million or 4.4% as compared to the corresponding prior period ended 31 January 2013. The decrease was mainly due to the decrease in demand for the Group's transportation services.

Despite the drop in revenue, segment result increased by RM0.454 million as compared to corresponding prior year ended 31 January 2013 due to higher impairment loss on receivable in previous period.

### Trading

Revenue from trading segment for the period under review has increased by RM27.006 million or 4% as compared to the corresponding prior period ended 31 January 2013. The increase was mainly due to the increase in demand. Despite the increase in revenue, segment result declined by RM6.983 million as compared to the corresponding prior period ended 31 January 2013 mainly due to drop in gross profit margin.

### Other Operations

The segment profit of other operations increased to RM19.210 million as compared to RM3.971 million in corresponding prior period ended 31 January 2013. The increase was mainly attributable to gain on a bargain purchase for investment in YPAS of RM48.946 million, net increased in exchange gain of RM4.467 million and offset by impairment of available-for-sale investments of RM19.223 million and acquisition expenses related to acquisition of YPAS of RM15.941 million.

### Results of Joint Ventures and Associates

The share of the results of joint ventures has increased to profit of RM34.040 million for the period ended 31 January 2014 as compared to loss of RM0.267 million for the corresponding prior period ended 31 January 2013 due to the revenue contribution from the commencement of floating storage and offloading vessel ("FSO") of a joint venture company.

The share of losses of associates has increased to RM1.316 million for the period ended 31 January 2014 as compared to loss of RM0.427 million for the corresponding prior year ended 31 January 2013 due to drop in volume port cargoes.

### Consolidated profit before tax

For the current period under review, the Group's profit before tax has increased by RM35.919 million or 81% to RM80.358 million as compared to RM44.439 million for the corresponding prior year ended 31 January 2013. The increase was mainly attributable to increase in contribution from marine segment, joint venture and other operations and was partly offset by decrease in contribution from trading segment, increase in net borrowing expenses of RM11.685 million and increase in share of losses from associates of RM0.889 million.

## 7. Profit Before Tax

Included in the profit before tax are the following items:

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31.1.2014 RM'000	31.1.2013 RM'000	31.1.2014 RM'000	31.1.2013 RM'000
Interest income	(708)	(1,708)	(3,694)	(3,037)
Other income including investment income	(3,855)	(3,498)	(6,939)	(3,857)
Gain on disposal of property, plant and equipment	-	(88)	(558)	(91)
Loss on disposal of assets held for sale	-	-	-	34
Loss on derivatives	970	-	970	-
Bad debts recovered	(60)	(301)	(415)	(301)
Finance costs	11,269	4,405	28,971	17,286
Depreciation of property, plant and equipment	11,977	3,580	22,873	13,603
Amortisation of land use rights	24	24	96	96
Amortisation of intangible assets	2	3	8	12
Amortisation of other intangible assets	(1,639)	-	(1,639)	-
Impairment loss on receivable	1,618	10,994	5,842	11,174
Impairment of available-for-sale investment	19,223	-	19,223	-
Property, plant and equipment written off	202	118	348	202
Loss/(gain) on foreign exchange - realised	446	(37)	(261)	540
Loss/(gain) on foreign exchange - unrealised	(6,585)	48	(4,206)	(611)
Gain on disposal of held for trading investment securities	-	-	(1)	-
Net fair value adjustment on investment properties	20	-	20	-
Net fair value adjustment on marketable securities	1	5	(2)	3
Gain on a bargain purchase	(48,946)	-	(48,946)	-

## 8. Income Tax Expense

The income tax expense figures consist of:

	Current quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.1.2014	31.1.2013	31.1.2014	31.1.2013
	RM'000	RM'000	RM'000	RM'000
Current period income tax	5,167	621	11,569	8,297
Deferred tax:				
- Relating to origination and reversal of temporary difference	(267)	123	(2,063)	(141)
<b>Total income tax expense</b>	<b>4,900</b>	<b>744</b>	<b>9,506</b>	<b>8,156</b>

The effective tax rate of the Group is lower than the statutory tax rate in Malaysia due to certain incomes are not subject to taxation and certain income of subsidiaries are subject to lower 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 2014, 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 quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.1.2014	31.1.2013	31.1.2014	31.1.2013
Profit net of tax attributable to owners of the parent used in the computation of EPS (RM'000)	26,330	4,833	67,492	33,884
Weighted average number of ordinary shares in issue ('000)	213,310	196,225	213,310	196,225
Basic earnings per share (sen)	12.34	2.46	31.64	17.27

### (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 2014.

## 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 RM11.092 million (31 January 2013: RM97.538 million). The significant net increase in carrying value of PPE by RM830.435 million as compared to corresponding prior period is mainly due to acquisition of YPAS's PPE which had a carrying value of RM799.5 million.

Property, plant and equipment with a carrying amount of RM3.765 million were disposed by the Group during the current year ended 31 January 2014 (31 January 2013: RM1.124 million), resulting in a gain on disposal of RM0.558 million (31 January 2013: RM0.091 million) recognised and included in other operating income.

## 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 investments, held for trading investment securities and interest rate swap were measured by using Level 1 method in the hierarchy in determining their fair value.

## 12. Debt and Equity Securities

Except for the issuance of 57,844,510 new shares of RM1.00 each as provided in note 23 (b) and (c), 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 31 January 2014 are as follows:

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short term borrowings	223,717	398,022	621,739
Long term borrowings	668,394	-	668,394
<b>Total borrowings</b>	<b>892,111</b>	<b>398,022</b>	<b>1,290,133</b>

Except for the borrowings of RM1,079.035 million denominated in United States Dollar, all other borrowings are denominated in Ringgit Malaysia.

## 14. Dividend Paid

At the Annual General Meeting held on 31 July 2013, the shareholders of the Company have approved the payment of a first and final dividend of 2.5% less income tax in respect of financial year ended 31 January 2013. The dividend was paid on 10 September 2013.

## 15. Capital Commitments

As at 31 January 2014, the capital commitment for property, plant and equipment not provided for in the interim condensed financial statements is as follows:

- approved and contracted for – RM36.1 million
- approved but not contracted for – RM15.8 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 quarter 3 months ended		Cumulative quarter 12 months ended	
	31.1.2014	31.1.2013	31.1.2014	31.1.2013
	RM'000	RM'000	RM'000	RM'000
<u>With companies substantially owned by directors.</u>				
<u>Lim Han Weng and Bah Kim Lian</u>				
Rental income from Yinson Tyres Sdn Bhd	15	15	60	60
Transport income from Liannex Corporation (S) Pte Ltd	1,875	2,060	7,048	7,724
Transport income from Liannex Corporation Sdn Bhd	-	613	-	164
Transport income from Handal Indah Sdn Bhd	-	-	11	1
Transport charges to Tuck Seng Loong (JB) and Kargo Indera Sdn Bhd	-	613	112	780
Sales of goods to Handal Indah Sdn Bhd	11	106	231	420
Sales of goods to Triton Commuter Sdn Bhd	34	95	353	402
Purchases from Yinson Tyres Sdn Bhd	776	719	3,251	3,620
Interest expense from Liannex Corporation (S) Pte Ltd	8	56	31	61
Barge income from Liannex Corporation (S) Pte Ltd	477	877	3,262	2,743
Purchases of goods from Liannex Corporation (S) Sdn Bhd	42	-	145	-
<u>With joint ventures</u>				
Sales of goods to PTSC Asia Pacific Pte Ltd	-	1,581	-	2,643
Interest income from PTSC South East Asia Pte Ltd	371	753	622	753
Interest income from PTSC Asia Pacific Pte Ltd	232	2,251	2,698	2,251

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

On 24 January 2014, YHB had announced to undertake the following proposals:

- i. Proposed Renounceable Rights Issue of new ordinary shares of RM1.00 to raise maximum gross proceeds of up to RM500 million;
- ii. Proposed increase in the Authorised Share Capital of YHB from RM500,000,000 comprising 500,000,000 YHB Shares of RM1.00 to RM1,000,000,000 comprising 1,000,000,000 YHB shares of RM1.00; and
- iii. Proposed share split involving the subdivision of every one (1) YHB Share held by entitled shareholders of YHB upon completion of the Proposed Rights Issue into two (2) ordinary shares of RM0.50 each.

On 13 March 2014, YHB is proposing to revise the maximum gross proceeds to be raised from the Proposed Rights Issue to up to RM600 million in view of YHB's current funding requirements.

## **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 4th quarter of FY 2014 has increased by RM15.483 million to RM32.334 million as compared to the RM16.851 million for preceding quarter. The increase was mainly attributable to increase in contribution from marine and transport segments, gain on a bargain purchase of RM48.946 million, net increased in exchange gain of RM6.139 million and offset by impairment of available-for-sale investments of RM19.223 million and acquisition expenses related to acquisition of YPAS of RM15.941 million.

The initial accounting for the business combination is incomplete as of 31 January 2014 and hence the fair value of the assets and liabilities were measured using provisional amounts. YHB shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date, if known, would have affected the measurements of the assets and liabilities recognized as of that date.

### 21. Commentary on Prospects

Going forward, the global economy is expected to be on the path of moderate recovery. Sustained improvements in the advanced economies will benefit international trade. The growth momentum in Malaysia is expected to remain on a steady trajectory.

Barring unforeseen circumstances, the Group expects operational results for next financial year to be better due to contribution from newly acquired business and the coming on-stream of the FPSO operations in the 2<sup>nd</sup> half of the next financial year.

### 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 proposals announced as provided in Note 18 have not been completed as at the date of issue of these financial statements.
- b) Status of Utilisation of Proceeds From Share Placement ("SP").

Purpose	Proposed Utilisation	Actual utilisation of SP as at 25 March 2014	Initial timeframe for utilisation of SP proceeds from date of listing (i.e. 10 June 2013)	Balance of unutilised SP proceeds
To fund the Group's business expansion	RM000 56,300	RM000 56,321	Within 9 months	Completed
Estimated expenses in relation to the Proposed Private Placement	200	179	Within 3 months	Completed
Total	56,500	56,500		-

- c) Status of Utilisation of Proceeds From Share Placement ("SP").

Purpose	Proposed Utilisation	Actual utilisation of SP as at 25 March 2014	Initial timeframe for utilisation of SP proceeds from date of listing (i.e. 2 December 2013)	Balance of unutilised SP proceeds
To finance the Group's acquisition of YPAS	RM000 106,422	RM000 106,389	Conditions precedent to successful acquisition of YPAS	Completed
Expenses in relation to the Private Placement	200	233		Completed
	106,622	106,622		

## 24. Material Litigation

As at 31 January 2014, there was no material litigation against the Group except for the case as provided below.

### Acorn Geophysical Ltd ("Acorn") vs Yinson Production AS ("YPAS")

Acorn alleged that YPAS, a wholly owned subsidiary of YHB, wrongly terminated the agency agreement dated 1 May 2006 between YPAS and Acorn ("**Agency Agreement**") and claims for unpaid commission amounting to USD751,714.88 together with interest and damages for commissions from 1 November 2013 onwards. YPAS considers that it was entitled to terminate the Agency Agreement on the ground that Acorn's conduct amounts to a repudiatory breach of the Agency Agreement and/or that the Agency Agreement is unenforceable as a matter of law and claims reimbursement by Acorn of the sum of USD3,232,861.94 and a declaration that no further sums are due to Acorn.

Acorn commenced proceedings in respect of its claim in the High Court in London ("Court") on 12 September 2013. YPAS is defending Acorn's claim and has launched a counterclaim against Acorn. YPAS has filed its defence and counterclaim and Acorn has filed a reply and defence to counterclaim. The Court has fixed a case management conference for 9 May 2014. No further procedural steps have been undertaken or completed and no date for the trial has been fixed.

The counsel of YPAS is of the view that YPAS has a good arguable case against Acorn.

## 25. Dividend Payable

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

## 26. Derivatives

### a) Disclosure of Derivatives

Details of derivative financial instruments outstanding as at 31 January 2014 are as follow:-

Types of derivatives	Contract / Notional Amount	Fair Value Liabilities
	RM'000	RM'000
Interest rate swap	82,174	127

### Interest rate swaps

The Group has 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 RM56.588 million that receives floating interest at SIBOR + 2.75% p.a. and pays fixed interest at 3.40% p.a.; and
- ii. contract amounting to RM25.586 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 1.4% p.a. less one month LIBOR rate.

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.

### b) Gains/Losses Arising From Fair Value Changes in Derivatives

As at 31 January 2014, the net fair value loss on interest rate swap derivative measured at fair value through profit and loss is RM0.071 million. The fair values of the above derivatives were based on quotes obtained from the respective counterparty banks.

## 27. Realised and Unrealised Retained Earnings

The breakdown of the retained earnings of the Group as at 31 January 2014 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.

	Current financial year ended 31.1.2014 RM'000	Previous financial year ended 31.1.2013 RM'000
<hr/>		
Total retained earnings of the Company and its subsidiaries:-		
- Realised	111,463	91,357
- Unrealised	5,612	(2,113)
	<hr/> 117,075	<hr/> 89,244
Total retained earnings from joint ventures- realised	33,750	(290)
Total accumulated losses from an associates - realised	(1,743)	(427)
Less Consolidation adjustments	(1,377)	(4,182)
<b>Total Group retained earnings as per consolidated financial statements</b>	<hr/> <b>147,705</b>	<hr/> <b>84,345</b>

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

The Auditors' Report on the financial statements for the year ended 31 January 2013 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 27 March 2014.