www.yinson.com.my

HEADQUARTERS OFFICE

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YINSON HOLDINGS BERHAD

ANNUAL REPORT 2013

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


# strengthening POTENTIAL

## 2013 Annual Report

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# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twentieth Annual General Meeting of the Company will be held at Level 6, Jasmine Room, The Zon Regency Hotel By The Sea, 88, Jalan Ibrahim Sultan, Stulang Laut, 80720 Johor Bahru, Johor Darul Takzim on Wednesday, 31 July 2013 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 2013 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 2013. **Resolution 2**

3. To approve the payment of Directors' Fees of RM350,000.00 for the financial year ended 31 January 2013. **Resolution 3**

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

   (i) MR LIM HAN WENG [Managing Director] **Resolution 4**
   (ii) MR BAH KOON CHYE [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**

**ORDINARY RESOLUTION**

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 9 July 2013, provided that such transactions are of a revenue or trading nature which are necessary for the YINSON Group's day-to-day operations, made at arm's length basis and on normal commercial terms which are no more favourable to the related parties than those extended to the public and are not detrimental to the minority shareholders of the Company ; AND **Resolution 8**

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."

9. **Continuing in Office as Independent Non-Executive Directors**

(i) DATO' IR. ADI AZMARI BIN B.K. KOYA MOIDEEN KUTTY **Resolution 9**

"THAT authority be and is hereby given to DATO' IR. ADI AZMARI BIN B.K. KOYA MOIDEEN KUTTY who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company."

(ii) KAM CHAI HONG **Resolution 10**

"THAT authority be and is hereby given to MR KAM CHAI HONG who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company."

(iii) TUAN HAJI HASSAN BIN IBRAHIM **Resolution 11**

"THAT authority be and is hereby given to TUAN HAJI HASSAN BIN IBRAHIM who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company."



**NOTICE OF DIVIDEND ENTITLEMENT**

**NOTICE IS ALSO HEREBY GIVEN THAT** subject to the approval of the shareholders at the Twentieth 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 2013 will be paid on 10 September 2013 to Depositors registered in the Records of Depositors at the close of business on 16 August 2013.

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 12 August 2013 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: 9 July 2013

**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 may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.

(2) Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he/she specifies the proportions of his /her shareholdings to be represented by each proxy.

(3) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(4) Where an authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

(5) The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.

(6) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority shall be deposited at the Company's Registered Office at 25, Jalan Firma 2, Kawasan Perindustrian Tebrau IV, 81100 Johor Bahru, Johor Darul Takzim not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

(7) Depositers whose name appear in the Record of Depositors as at 25 July 2013 shall be regarded as Member of the Company entitled to attend the Annual General Meeting or appoint a proxy to attend and vote on his/her behalf.

**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 securities 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 Company continues to consider opportunities to broaden its earnings potential. If any of the expansion proposals involves the issue of new shares, the Directors, under certain circumstances when the opportunity arises, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than 10% of the issued capital

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors be empowered to issue shares in the Company, up to any amount not exceeding in total 10% of the issued share capital of the Company for the time being for such purposes. The renewal authority for allotment of shares will provide flexibility to the Company for the allotment of shares for the purpose of funding future investment, working capital and / or acquisitions.

On 6 June 2013, the Company used the Mandate approved by the shareholders on 31 July 2012, allotted via a Private Placement, 20,035,510 new ordinary shares of RM1.00 each equivalent to 10 % of the Company's existing issued and paid up share capital at an issue price of RM2.82 each to third party investors. The total proceeds raised from the private placement exercise was RM56,500,138.00. The details of the utilisation of the proceeds from the private placement exercise are disclosed on Page 108 of the Annual Report.

**Resolution 8**

(ii) Please refer to Circular to Shareholders dated 9 July 2013 in relation to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.

**Resolution 9**

(iii) The Nomination Committee has assessed the independence of Dato' Ir. Adi Azmari bin B. K. Koya Moideen Kutty who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years and recommended him to continue to act as an Independent Non-Executive Director of the Company based on the following justifications:

a. he fulfilled the criteria under the the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Securities and thus, he would be able to function as a check and balance, bring an element of objectivity to the Board;

b. he has been with the Company for more than 9 years and is familiar with the Group's business operations.

(iv) **Resolution 10**

The Nomination Committee has assessed the independence of Mr Kam Chai Hong who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years and recommended him to continue to act as an Independent Non-Executive Director of the Company based on the following justifications:

a. his vast experience in the accounting and finance industry would enable him to provide the Board with a diverse set of experience, expertise and independent judgement to better manage and run the Group;

b. he has exercised his due care during his tenure as an Independent Non-Executive Director of the Company and carried out his professional duties in the interest of the Company and shareholders.

(v) **Resolution 11**

The Nomination Committee has assessed the independence of Tuan Haji Hassan bin Ibrahim who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years and recommended him to continue to act as an Independent Non-Executive Director of the Company based on the following justifications:

a. his vast experience of more than 30 years in the legal background would enable him to provide the Board with a diverse set of experience, expertise and independent judgement to better manage and run the Group;

b. he has devoted sufficient time and attention to the professional obligations for informed and balanced decision making.



# 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 Weng (61), Malaysian
     *Managing Director*
     - Interest in securities in the Company : 67,068,042 fully paid ordinary shares of RM1.00 each (Direct);

   * Mr Bah Koon Chye (49), Malaysian
     *Executive Director*
     - Interest in securities in the Company : 100,000 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 9 to 11 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 2013. The details of the attendance of the Directors are as follows:

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

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

   The Twentieth Annual General Meeting is scheduled to be held on Wednesday, 31 July 2013 at Level 6, Jasmine 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' IR. 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 Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel : 03-2084 9000
Fax : 03-2094 9940

## PRINCIPAL BANKERS AND FINANCIERS

AmBank (M) Berhad
United Overseas Bank Limited
HSBC Amanah Malaysia Berhad
OCBC Bank (Malaysia) Berhad
Malayan Banking Berhad
Bangkok Bank Berhad
Hong Leong Bank Berhad
Bank of China (Malaysia) Berhad
RHB Bank Berhad
CIMB Bank Berhad
Asian Finance Bank Berhad
Public Bank Berhad
Bank Muamalat Malaysia Berhad
Hap Seng Credit Sdn Bhd
PLC Leasing & Factoring Sdn Bhd



# Group Structure

The structure of the Yinson Group as at 31 January 2013 is set out below:

**YINSON HOLDINGS BERHAD**
(259147-A)

**Invesment holding**

**("YHB")**

| Effective Interest | Company | Principal Activities |
|---|---|---|
| 100% | Yinson Transport (M) Sdn. Bhd. (117579-X) | Provision of transport services, trading in construction materials and rental of properties |
| 100% | Yinson Corporation Sdn. Bhd. (15033-M) | Provision of transport services and trading in construction materials |
| 100% | Yinson Marine Services Sdn. Bhd. (782693-W) | Provision of leasing of chartered vessel and trading of lubricants |
| 100% | Yinson Shipping Sdn. Bhd. (823215-V) | Provision of shipping and forwarding services |
| 65% | Yinson Power Marine Sdn. Bhd. (833361-P) | Provision of marine transport services |
| 100% | Yinson Tulip Limited (LL07436) | Leasing of vessel on bareboat basis |
| 100% | Yinson Offshore Limited (LL07608) | Shipping business on time charter basis and trading activities |
| 100% | Yinson Port Ventures Pte. Ltd. (201115518Z) | Investment holding company (port venture) |
| 40% | PTSC Phu My Port Joint Stock Company (3501811766) | Manage and operation of port including cargo handling and provision of related services |
| 51% | Regulus Offshore Sdn. Bhd. (951778-A) | Provision of vessel management services |
| 60% | Yinson Indah Limited (LL08482) | Leasing of vessel on bareboat basis |
| 100% | Yinson Orchid Pte. Ltd. (20120442D) | Vessel owner and operator |
| 100% | Yinson Hibiscus Limited (LL09073) | Leasing of vessel on bareboat basis. Dormant |
| 100% | Yinson Vietnam Company Limited (411043000897) | Provision of construction works, consulting construction and project management |
| 51% | Yen Son Diversified Company Limited (3501763248) | Provision of warehousing facilities at PTSC Phu My Port. Dormant |
| 49% | PTSC South East Asia Pte. Ltd. (201113910W) | Leasing of floating storage and off-loading facility for chartering |
| 49% | PTSC Asia Pacific Pte. Ltd. (201214748N) | Provision of floating production storage and off-loading for chartering |

# Profile of Board of Directors



## MR LIM HAN WENG
*Chairman and*
*Managing Director*

Mr Lim Han Weng, a Malaysian, aged 61, 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.

## MR LIM HAN JOEH
*Executive Director*

Mr Lim Han Joeh, a Malaysian, aged 54, was appointed as a director on 30 January 1996. He is a graduate with a Bachelor Degree in Civil Engineering from Monash University in Melbourne, Australia. Upon graduation in the year 1984, he took up the position of Operations Manager in YTSB before he assumed the position of Executive Director of YCSB in 1986. He is primarily responsible for the overall, management of the YCSB and is the brother of Mr Lim Han Weng.

## MADAM BAH KIM LIAN
*Executive Director*

Madam Bah Kim Lian, a Malaysian, aged 61, 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.



# Profile of Board of Directors (cont'd)

## DATO' IR. ADI AZMARI BIN BK KOYA MOIDEEN KUTTY

*Independent Non-Executive Director*

Dato' Ir. Adi Azmari Bin B.K. Koya Moideen Kutty, Malaysian, aged 49, was appointed to the Board of Yinson on 30th Jan 1996. He graduated with B. Eng (Hons) Civil Engineering from Brighton Polytechnic, United Kingdom and M.Sc Information Technology in Business from University of Lincolnshire & Humberside, United Kingdom.

He is a Professional Engineer registered with Board of Engineers Malaysia (B.E.M) and a Member of Institute Engineer Malaysia (M.I.E.M). Currently he is the Managing Director of SPC Engineering Sdn Bhd, a class A PKK and CIDB G7. He has been actively involved in the Construction Industry since 1987 till to date in various government agencies and consulting firm.

## MR BAH KOON CHYE

*Executive Director*

Mr Bah Koon Chye, a Malaysian, aged 49, was appointed to the Board of Yinson on 30 January 1996. He obtained his Diploma in Management (MIM) in 1997, and is also a member of the Chartered Institute of Logistics & Transport (MCILT). 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.

## MR KAM CHAI HONG

*Independent Non-Executive Director*

Mr Kam Chai Hong, a Malaysian, aged 64, 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 in 1985 admitted as a member of Malaysian Institute of Certified Public Accountants. He is also currently a fellow of CPA Australia. In 1972, Mr Kam worked as an audit assistant with M/s Yeah 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 63, was appointed as a Director of Yinson on 21 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.

## LIM CHERN YUAN

*Executive Director*

Mr. Lim Chern Yuan, a Malaysian, aged 29, was appointed as a Director of Yinson Holdings Berhad on 28 September 2009. He graduated with a Bachelor of Commerce from University of Melborne, 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, Yinson Offshore Limited and Yinson Indah 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.



# Chairman's Statement

On behalf of the Board of Directors of Yinson Holdings Berhad ("Yinson" or "the Group"), 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 2013 (FY2013).

2012 was an exhilarating year for Yinson, with the Group affirming its transformation from a logistics company to a recognised offshore services and significant player in the oil & gas industry. The Group started off its first financial quarter in building its offshore services projects with being awarded a USD737.30 million contract (approx. RM2.35 billion) for the provision and chartering of a Floating Production, Storage and Off-loading facility ("FPSO") in June. This FPSO contract is a joint-venture with our long term business partner PetroVietnam Technical Services Corporation ("PTSC") to charter the FPSO vessel onwards to Lam Son in Vietnam upon its scheduled delivery. The tenure of the contract is for a firm period of 7 years with an option to extend for a further 3 years.

Yinson achieved another milestone for the financial year when the Group officially launched its first Floating Storage and Off-Loading Vessel ("FSO") ahead of schedule in Sung Dong shipyard, South Korea in September. This FSO vessel is to facilitate the bareboat charter contract worth USD331 million (approx. RM1.03 billion) that was secured by the Group in June 2011 for a firm period of 10 years, with the option to extend for another 10 years. Recently in April 2013, an official naming ceremony was held for our FSO vessel, when the vessel was officially dubbed PTSC Bien Dong 01.

I would also like to take this opportunity to mention that subsequent to the FY2013 balance sheet date, the Group entered into a transaction agreement with Fred Olsen Production ASA ("FOP"), a public listed company in Norway, to acquire all the ordinary shares of NOK 1.00 each in FOP for NOK 9.40 in cash per FOP share (RM5.30) via a conditional takeover offer pursuant to the Norwegian Securities Trading Act, 2007 ("Proposed Acquisition") on 7 June 2013.

With this acquisition, the Group will be setting a strong foothold in the Offshore Marine Sector, resulting in excellent post-acquisition synergies and a worldwide presence, particularly in West Africa and South East Asia.



" net profit increased by RM10.2 million to RM36.4 million "

### FINANCIAL PERFORMANCE

For the financial year ended 31 January 2013, the Group's total revenue increased by 20.9% to RM865.2 million compared to RM715.8 million for the previous year mainly attributable to the marine and trading business segments.

The Group's pre-tax profits for FY2013 increased by 35.4% to RM 44.4 million compared to RM32.8 million in FY2012. The increase was attributed mainly to the increase in revenue and profit contribution from the marine and trading businesses and a net gain from fair value adjustment of investment in associate of RM3.015 million.

Correspondingly, the net profit after tax for the financial year increased by RM10.2 million to RM36.4 million compared to RM26.2 million for the preceding financial year. However, due to an increase in the weighted average number of ordinary shares issued, from 72.4 million shares in FY2012 to 196.2 million shares in FY2013, the basic earnings per share reduced from 36.69 sen in FY2012 to 17.32 sen in FY2013.

### CORPORATE DEVELOPMENTS

There were several corporate developments that materialised during the financial year.

The Group entered into a consortium agreement with Petrovietnam Technical Services Corporation ("PTSC") to execute and carry out an engineering, procurement, construction and installation ("EPCI") contract and a bareboat charter contract for the provision and charter of a FPSO facility.

During the year, the Group's wholly-owned subsidiary Yinson Vietnam Company Limited ("Yinson Vietnam") entered into a joint venture with Yen Son Transport Company Limited ("Yen Son Transport") via a shareholders' agreement to invest in warehousing facilities. A Joint Venture Company namely Yen Son Diversified Company Limited was incorporated to undertake the construction, maintenance and management of 2 warehouses on the premises of PTSC Phu My Port in Vietnam wherein Yinson owns 40% equity of the port.


The Group also incorporated several entities during the year, one of which is a wholly owned subsidiary in Singapore under the name of Yinson Orchid Pte. Ltd., whose principal activity is that of a vessel owner and operator. Another entity that was incorporated is PTSC Asia Pacific Pte. Ltd. in Singapore which will provide floating marine assets for chartering. A Labuan offshore company was also incorporated under the name of Yinson Hibiscus Limited which will carry out the leasing of ships on a bareboat basis.

In addition to the above developments, Yinson also successfully raised RM85 million through its Renounceable Two-Call Rights Issue, which was oversubscribed. The Group also secured a loan facility of US$300 million from OCBC and UOB to finance the conversion of its FPSO which scheduled to be delivered by 2013.



# Chairman's Statement (cont'd)

## DIVIDEND

The Board of Directors is pleased to recommend a first and final dividend of 2.5% less 25% taxation amounting to a dividend of RM1.875 sen net per share, in respect of the current financial year ended 31 January 2013. The recommendation is subject to shareholders' approval at the forthcoming Annual General Meeting.

## CORPORATE GOVERNANCE

The Board and the Management of the Group are always committed to carrying out the best practices of corporate governance throughout the Group's activities and operations. We believe that this is a fundamental part of fulfilling the Group's responsibilities to protector shareholders' value and to enhance the business prosperity of the Group.

The Board believes in maintaining at all times high standards of transparency, accountability and integrity in its activities, business practices, operation effectiveness, efficiency and competitiveness. We are confident that this will ensure sustainable growth and long-term shareholder value.

These effective measures are further specified in the Corporate Governance Statement within this Annual Report.

## INDUSTRY OUTLOOK AND FUTURE PROSPECTS

The waves of the financial crisis continued to spill over to 2012 from the previous years and negative financial impacts still surfed across markets around the world. However, despite the stormy external environment, Malaysia's economic standing in 2012 remained surprisingly resilient with a healthy growth rate of 5.6%.

Malaysia's positive economic standing was due partly to the increase in activities in the Oil and Gas Sector ("O&G") with major international industry players also investing billions in the region, among others. One of the key driving forces behind Malaysia's O&G is the Oil, Gas and Energy (OGE) National Key Economic Area (NKEA) in which they are targeting an annual growth rate of 5% for the sector up to 2020. The OGE NKEA focuses in sustaining oil and gas production, enhancing downstream growth, building a sustainable energy platform for growth and making Malaysia the number one O&G hub in Asia. With these national plans in the pipeline – and with the full support of significant investments from major industry players such as Shell, ExxonMobil, PETRONAS and Dialog Group to name just a few – there is unyielding proof that Malaysia's O&G Sector is poised for continued growth.

"The Group's pre-tax profits for FY2013 increased by 35.4% to RM 44.4 million compared to RM32.8 million in FY2012."



Prospects of the FPSO market in particular looks robust with opportunities. For example, there is an anticipated 16 to 26 new FPSO to be awarded in 2013 as compared to 14 units in 2012. The FPSO market is expected to continue to blossom with a potential count of 154 FPSO projects in planning stage, as opposed to 124 in 2011 and 86 in 2008, respectively.

While the global FPSO market and its prospects are healthy, some companies are still impacted by climbing costs such as inflation (which is expected to increase by 5% annually) and labor/equipment requirements. As such, various companies are seeking strategic mergers and/or consolidations – for example is our recent proposed acquisition of the Norwegian company Fred Olsen Production ASA. The proposed acquisition will enable the Group to move up to the next phase of growth in the industry with geographic demands concentrated largely in Asia, Africa and the Americas. Upon successful acquisition, Yinson will immediately be equipped with 3 more FPSO vessels attached with long-term contracts and 1 MOPU operating contract, thus providing Yinson with an immediate platform for international growth and expansion in the heavily concentrated regions mentioned above.

In view of all the above mentioned, the Group anticipates maintaining a strong and steady growth for its operations and income stream. Simultaneously, the management will continue to strategize our growth developments for the Group.

## APPRECIATION

On behalf of the Board of Directors, I wish to thank all the management and staff of the Group for their continued dedication, commitment, loyalty and hard work. To our valued Shareholders, the Board and I thank you for your continued support, confidence and trust in us. I also wish to express our heart-felt appreciation to all our valued customers, financiers and suppliers for their continued support, cooperation and trust.

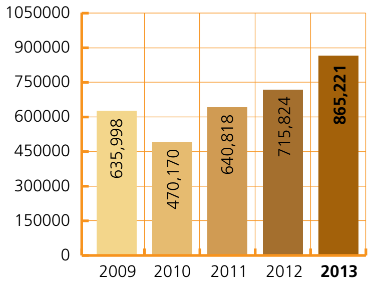


# Group Financial Hightlights

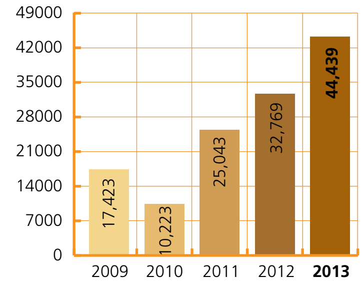
| Financial year ended 31 January | 2009 RM'000 | 2010 RM'000 | 2011 RM'000 | 2012 RM'000 | 2013 RM'000 |
|---|---|---|---|---|---|
| Revenue | 635,998 | 470,170 | 640,818 | 715,824 | **865,221** |
| Profit before tax | 17,423 | 10,223 | 25,043 | 32,769 | **44,439** |
| Profit after tax and minority interests | 12,811 | 7,950 | 18,542 | 26,569 | **33,884** |
| Paid-up capital | 68,498 | 68,498 | 68,498 | 75,347 | **200,355** |
| Shareholders' equity # ^ | 99,753 | 105,552 | 122,365 | 157,702 | **281,232** |
| Net assets # ^ | 100,588 | 105,829 | 122,380 | 157,378 | **283,788** |
| Weighted number of ordinary shares in issue | 68,498 | 68,498 | 68,498 | 72,409 | **196,225** |
| Total assets | 206,080 | 241,373 | 385,131 | 495,594 | **800,898** |
| Total borrowings | 76,853 | 98,134 | 189,956 | 251,942 | **448,541** |
| Basic earnings per share (sen) | 18.7 | 11.6 | 27.1 | 36.7 | **17.3** |
| Dividends rate (%) | 2.5 | 2.5 | 2.5 | 2.5 | **2.5** |
| Net assets backing per share (RM) ^ | 1.47 | 1.55 | 1.79 | 2.09 | **1.42** |
| Borrowings to equity (%) | 77 | 93 | 156 | 160 | **158** |

# computed based on share capital as at year end
^ amount restated for year 2011 & 2012

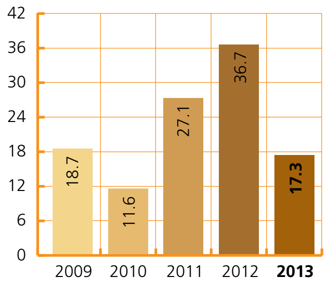
**TURNOVER (RM'000)**



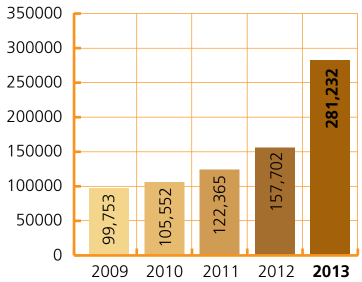

**PROFIT BEFORE TAX (RM'000)**



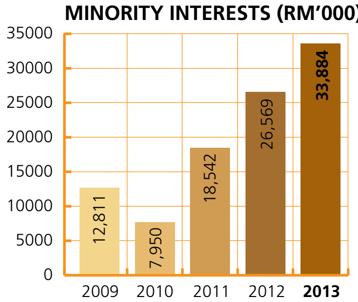

**EARNING PER SHARE (sen)**




**SHAREHOLDERS' EQUITY (RM'000)**




**PROFIT AFTER TAX AND MINORITY INTERESTS (RM'000)**





The Board of Yinson Holdings Berhad (the "Company") recognizes the importance of adopting high standards of corporate governance in the Company in order to safeguard stakeholders' interests as well as enhancing shareholders' value. As such, the Board strives to embed in the Group a culture that aims to balance conformance requirements with the need to deliver long-term strategic success through performance, without compromising on personal or corporate ethics and integrity.

This corporate governance statement ("Statement") sets out how the Company has applied the 8 Principles of the Malaysian Code on Corporate Governance 2012 ("MCCG 2012") and observed the 26 Recommendations supporting the Principles during the financial year following the release of the MCCG 2012 by the Securities Commission in late March 2012. Where a specific Recommendation of the MCCG 2012 has not been observed during the financial year under review, the non-observation, including the reasons thereof and, where appropriate, the alternative practice, if any, is mentioned in this Statement.

## PRINCIPLE 1 - ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT

The Board recognizes the key role it plays in charting the strategic direction of the Company and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:

- reviewing and adopting a strategic plan for the company, addressing the sustainability of the group's business;
- overseeing the conduct of the group's business and evaluating whether or not its businesses are being properly managed;
- identifying principal business risks faced by the group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;
- ensuring that all candidates appointed to senior management positions are of sufficient calibre, including having in place a process to provide for the orderly succession of senior management personnel and members of the board;
- overseeing the development and implementation of a shareholder communications policy; and
- reviewing the adequacy and integrity of the group's internal control and management information systems.

To assist in the discharge of its stewardship role, the Board has established Board Committees, namely the Audit Committee, Nomination Committee and Remuneration Committee, to examine specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board.

### (i) Board Manual

To enhance accountability, the Board has established clear functions reserved for the Board and those delegated to Management. There is a formal schedule of matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Company are in its hands. Key matters reserved for the Board include, inter-alia, the approval of annual budgets, quarterly and annual financial statements for announcement, major investments, borrowings and expenditure as well as monitoring of the Group's financial and operating performance. Such delineation of roles is clearly set out in the Board Manual ("Manual"), which serves as a reference point for Board activities. The Manual provides guidance for Directors and Management regarding the responsibilities of the Board, its Committees and Management, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as boardroom activities. As the Manual had yet to be made publicly available, the Board will take the relevant measures to upload the Manual on the Company's website at www.yinson.com.my in line with Recommendation 1.7 of the MCCG 2012.

### (ii) Code of Ethics

At the date of this Statement, the Board has formalized a Directors' Code of Ethics, setting out the standards of conduct expected from Directors. To inculcate good ethical conduct, the Group has established a Code of Conduct for employees, encapsulated in Yinson's Employees Manual, which has been communicated to all levels of employees in the Group.

The Board has also formalized a Whistle-blowing Policy, with the aim to provide an avenue for raising concerns related to possible breach of business conduct, non-compliance of laws and regulatory requirements as well as other malpractices. The Board recognizes the importance of adhering to the Code of Ethics and has taken measures to put in place a process to ensure its compliance, including steps to upload the Code of Ethics on the Company's website.



**PRINCIPLE 1 - ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT (cont'd)**

**(iii) Sustainability of Business**

The Board is mindful of the importance of business sustainability and, in conducting the Group's business, the impact of the Group's business on the environmental, social and governance ("ESG") aspects is taken into consideration. Whilst the Group embraces sustainability in its operations and supply chain, the Board will formalize a Sustainability Policy, addressing the ESG aspects to be incorporated in the Group's strategy.

The Group's activities on corporate social responsibilities for the financial year under review are disclosed on page 27 of this Annual Report.

**(iv) Access to Information and Advice**

Directors are supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters for decisions to be made on an informed basis and effective discharge of the Board's responsibilities.

Procedures have been established for timely dissemination of Board and Board Committee papers to all Directors at least seven (7) days prior to the Board and Board Committee meetings, to facilitate decision making by the Board and to deal with matters arising from such meetings. Senior Management of the Group and external advisers are invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda. Besides direct access to Management, Directors may obtain independent professional advice at the Company's expense, if considered necessary, in accordance with established procedures set out in the Board Manual in furtherance of their duties.

Directors have unrestricted access to the advice and services of the Company Secretary to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretary who is qualified, experienced and competent on statutory and regulatory requirements, and the resultant implications of any changes therein to the Company and Directors in relation to their duties and responsibilities.

**PRINCIPLE 2 - STRENGTHEN COMPOSITION OF THE BOARD**

During the financial year under review, the Board consisted of eight (8) members, comprising five (5) Executive Directors and three (3) Independent Non-Executive Directors. This composition fulfills the requirements as set out under the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa"), which stipulate that at least two (2) Directors or one-third of the Board, whichever is higher, must be Independent. The profile of each Director is set out on pages 9 to 11 of this Annual Report. The Directors, with their diverse backgrounds and specializations, collectively bring with them a wide range of experience and expertise in areas such as engineering; entrepreneurship; finance; taxation; accounting and audit and legal and economics.

**(i) Nomination Committee – Selection and Assessment of Directors**

The Board conducts an assessment on the performance of the Board, as a whole, the Audit, Nomination and Remuneration Committees and individual Directors, based on a self and peer assessment approach. From the results of the assessment, including the mix of skills and experience possessed by Directors, the Board considers and approves recommendations by the Nomination Committee on the re-election and re-appointment of Directors at the Company's forthcoming Annual General Meeting.

**PRINCIPLE 2 - STRENGTHEN COMPOSITION OF THE BOARD (cont'd)**

**(i) Nomination Committee – Selection and Assessment of Directors (cont'd)**

The Nomination Committee was established on 25 September 2001, as the Board recognizes the importance of the role the Committee plays not only in the selection and assessment of Directors but also in other aspects of corporate governance which the Committee can assist the Board to discharge its fiduciary and leadership functions. The Nomination Committee comprises the following members:

- Dato' Ir. Adi Azmari bin B.K. Koya Moideen Kutty (Chairman of Committee and Independent Non-Executive Director);
- Mr. Kam Chai Hong (Independent Non-Executive Director); and
- Tuan Haji Hassan bin Ibrahim (Independent Non-Executive Director).

The Board has stipulated specific terms of reference for the Nomination Committee, which cover, inter-alia, assessing and recommending to the Board the candidature of Directors, appointment of Directors to Board Committees and training programmes for the Board. The terms of reference require the Nomination Committee to review annually the required mix of skills and experience of Directors; succession planning; training courses for Directors and other qualities of the Board, including core-competencies which the Independent Non-Executive Directors should bring to the Board. The Committee is also entrusted to assess annually the effectiveness of the Board as a whole, the Board Committees and contribution of each individual Director. Insofar as board diversity is concerned, the Board does not intend to develop any specific policy on targets for women Director. The Board believes that the on-boarding process of Directors should not be based on any gender discrimination. As such, the evaluation of suitable candidates is solely based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company, including, where appropriate, the ability of the candidates to act as Independent Non-Executive Directors, as the case may be.

**(ii) Directors' Remuneration**

A Remuneration Committee was established by the Board on 25 September 2001 to assist the Board in the adoption of fair remuneration practices to attract, retain and motivate Directors. Business strategies, long-term objectives, responsibilities of Directors, expertise required in the discharge of the duties and the complexity of the Group's business are aligned to the remuneration of Directors.

In essence, the key principles and procedures in remunerating executive employees below Board level are also applicable to the Executive Directors. The remuneration policy of the Group seeks to attract and retain as well as to motivate employees of all levels to contribute positively to the Group's performance.

The guidelines on bonuses in respect of the financial year ended 31 January 2013 and annual increment for 2014 in respective of executive employees of the Group were recommended for the Board's approval. The quantum of the annual performance bonus is dependent on the operating results of the Group, taking into account the prevailing business conditions. The same guidelines are also applied to the Group Managing Director in instances where there are no provisions of the same in his service contract with the Company.

The remuneration of Non-Executive Directors is determined by the Board, as a whole, within an aggregate Directors' fee limit of not exceeding RM100,000 per annum, which has been approved by shareholders of the Company. The Non-Executive Directors do not participate in discussion of their remuneration.



**PRINCIPLE 2 - STRENGTHEN COMPOSITION OF THE BOARD (cont'd)**

**(ii) Directors' Remuneration (cont'd)**

Directors' remuneration during the financial year ended 31 January 2013 in aggregate, with categorization into appropriate components, distinguishing between Executive and Non-Executive Directors, is as follows:

| | Fees (RM) | Salaries and allowances (RM) | Bonuses (RM) | Total (RM) |
|---|---|---|---|---|
| Executive Directors | 210,000 | 2,095,510 | 404,250 | 2,709,760 |
| Non-Executive Directors | 240,000 | 16,800 | - | 256,800 |

The number of Directors of the Company, whose remuneration band falls within the following successive bands of RM50,000 is as follows:

| Range of remuneration | Executive | Non-Executive |
|---|---|---|
| RM50,001 to RM100,000 | - | 3 |
| RM150,001 to RM200,000 | 1 | - |
| RM200,001 to RM250,000 | 1 | - |
| RM250,001 to RM300,000 | 1 | - |
| RM950,001 to RM1,000,000 | 1 | - |
| RM1,050,001 to RM1,100,000 | 1 | - |

**PRINCIPLE 3 – REINFORCE INDEPENDENCE OF THE BOARD**

The positions of Chairman and Chief Executive Officer of the Company are held by the same person who is the Group Managing Director. The Board is of the view that the composition of Independent Non-Executive Directors, which fulfils the Listing Requirements of Bursa, coupled with the use of Board Manual that formally sets out the schedule of matters reserved solely to the Board for decision making, provides for the relevant checks and balance to address the positions of Chairman and Chief Executive Officer being assumed by the same Director. In addition, the Chairman has a significant financial interest in the Company and, accordingly, the Board is of the view that he is well placed to act on behalf of shareholders and in their best interest.

The Chairman is responsible for ensuring the adequacy and effectiveness of the Board's governance process and acts as a facilitator at Board meetings to ensure that contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates discussion. As the Group Managing Director, supported by fellow Executive Directors and an Executive Management team, he implements the Group's strategies, policies and decision adopted by the Board and oversees the operations and business development of the Group.

The Independent Non-Executive Directors bring to bear objective and independent views, advice and judgment on the interests, not only of the Group, but also of shareholders, employees, customers, suppliers and the communities in which the Group conducts its business. Independent Non-Executive Directors are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality.

During the financial year under review, the Board assessed the independence of its Independent Non-Executive Directors based on criteria set out in the Listing Requirements of Bursa. The Board Manual does not provide a limit of a cumulative term of nine (9) years on the tenure of an Independent Director. The Board has appointed external consultants to assist the Board, in the review and update of the Board Manual against the promulgations of the MCCG 2012 on the independence of Independent Directors.

**PRINCIPLE 3 – REINFORCE INDEPENDENCE OF THE BOARD (cont'd)**

Recommendation 3.2 stipulates that an Independent Director may continue to serve on the Board upon reaching the 9-year limit subject to the Independent Director's re-designation as a Non-Independent Non-Executive Director. In the event the Board intends to retain the Director as Independent after the latter has served a cumulative term of nine (9) years, the Board must justify the decision and seek shareholders' approval at a general meeting, normally the Annual General Meeting of the Company. In justifying the decision, the Board is required to assess the candidate's suitability to continue as an Independent Non-Executive Director based on the criteria of independence as adopted by the Board.

Following an assessment by the Board, Dato' Ir. Adi Azmari Bin B.K. Koya Moideen Kutty, Mr. Kam Chai Hong and Tuan Haji Hassan bin Ibrahim, who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years each as at the end of the financial year under review, have been recommended by the Board to continue to act as Independent Non-Executive Directors, subject to shareholders' approval at the forthcoming Annual General Meeting of the Company. The key justifications for their recommended continuance as Independent Non-Executive Directors are as follows:

- they fulfil the criteria under the definition of Independent Director as stated in the Listing Requirements of Bursa and, therefore, are able to bring independent and objective judgment to the Board;
- their experience in the relevant industries enable them to provide the Board and Board Committees, as the case may be, with pertinent expertise, skills and competence; and
- they have been with the Company long and therefore understand the Company's business operations which enable them to contribute actively and effectively during deliberations or discussions at Board and Committee meetings.

**PRINCIPLE 4 – FOSTER COMMITMENT OF DIRECTORS**

The Board ordinarily meets at least five (5) times a year, scheduled well in advance before the end of the preceding financial year to facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings. Board and Board Committees papers, which are prepared by Management, provide the relevant facts and analysis for the convenience of Directors. The meeting agenda, the relevant reports and Board papers are furnished to Directors and Board Committees members at least seven (7) days before the meeting to allow the Directors sufficient time to study for effective discussion and decision making at the meetings. At the quarterly Board meetings, the Board reviews the business performance of the Group and discusses major operational and financial issues. All pertinent issues discussed at Board meetings in arriving at decisions and conclusions are properly recorded by the Company Secretary by way of minutes of meetings. During the financial year under review, the number of Board of Directors' meeting attended by each director are as follow:

| 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 | 5/5 | 100 |
| Bah Koon Chye | Executive Director | 4/5 | 80 |
| Dato' Ir. Adi Azmari bin B.K. Koya Moideen Kutty | 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 | 5/5 | 100 |

As stipulated in the Board Manual, the Directors are required to devote sufficient time and efforts to carry out their responsibilities. The Board obtains this commitment from Directors at the time of their appointment. Each Director is expected to commit time as and when required to discharge the relevant duties and responsibilities, besides attending meetings of the Board and Board Committees.



## PRINCIPLE 4 – FOSTER COMMITMENT OF DIRECTORS (cont'd)

### Directors' Training – Continuing Education Programmes

The Board is mindful of the importance for its members to undergo continuous training to be apprised of changes to regulatory requirements and the impact such regulatory requirements have on the Group. During the financial year under review, the training attended by Directors includes briefings, seminars and conferences conducted by relevant regulatory authorities and professional bodies as well as internal officers.

The training attended by the Directors during the financial year ended 31 January 2013 comprises the following:

| Name of Director | Details of Programme |
|---|---|
| Mr. Lim Han Weng | • Key Changes to the Malaysia Code on Corporate governance & Listing Requirements and Statement on Risk Management & Internal Control – Guidelines for Directors of Listed Issuers |
| Mr. Lim Han Joeh | • Key Changes to the Malaysia Code on Corporate governance & Listing Requirements and Statement on Risk Management & Internal Control – Guidelines for Directors of Listed Issuers |
| Madam Bah Kim Lian | • Key Changes to the Malaysia Code on Corporate governance & Listing Requirements and Statement on Risk Management & Internal Control – Guidelines for Directors of Listed Issuers |
| Dato' Ir. Adi Azmari Bin B.K. Koya Moideen Kutty | • Key Changes to the Malaysia Code on Corporate governance & Listing Requirements and Statement on Risk Management & Internal Control – Guidelines for Directors of Listed Issuers<br>• Proposed Amendments To The Registration of Engineers Act 1967 Due to Liberalisation by Lembaga Jurutera Malaysia |
| Mr. Bah Koon Chye | • Key Changes to the Malaysia Code on Corporate governance & Listing Requirements and Statement on Risk Management & Internal Control – Guidelines for Directors of Listed Issuers<br>• Lean Six Sigma for Higher Management<br>• Lean Six Sigma Workshop<br>• Evaluating Capital Investments & Project – For company Directors |
| Mr. Kam Chai Hong | • Key Changes to the Malaysia Code on Corporate governance & Listing Requirements and Statement on Risk Management & Internal Control – Guidelines for Directors of Listed Issuers<br>• IRB-CTIM roadshow: "Enhancing compliance : Avoiding Common Mistakes and Improving Efficiency"<br>• Mastering Recent Tax Cases: Insights to Tax Litigation and Controversies<br>• Accounting for Financial Instruments – MFRS vs PERS vs FRS for SMEs<br>• Seminar Percukaian Kebangsaan 2012<br>• Updates of the 2012 IFRS – Compliant MFRSs – Preparing for the Convergence to IFRS<br>• Corporate Financial Reporting Standards (Module 2)<br>• Workshop on Recent Tax Cases : Successes and Surprises in Court |
| Tuan Haji Hassin Bin Ibrahim | • Key Changes to the Malaysia Code on Corporate governance & Listing Requirements and Statement on Risk Management & Internal Control – Guidelines for Directors of Listed Issuers |
| Mr. Lim Chern Yuan | • Key Changes to the Malaysia Code on Corporate governance & Listing Requirements and Statement on Risk Management & Internal Control – Guidelines for Directors of Listed Issuers |

The Company Secretary normally circulates the relevant statutory and regulatory requirements from time to time for the Board's reference and briefs the Board on the updates, where applicable. The Group Financial Controller and External Auditors also brief the Board members on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements for the financial year under review.

**PRINCIPLE 5 – UPHOLD INTEGRITY IN FINANCIAL REPORTING BY THE COMPANY**

It is the Board's commitment to present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of each reporting period and financial year, primarily through the quarterly announcement of Group's results to Bursa, the annual financial statements of the Group and Company as well as the Chairman's statement and review of the Group's operations in the Annual Report, where relevant.

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 as at the end of the reporting period and of their results and cash flows for the period then ended.

In assisting the Board to discharge its duties on financial reporting, the Board established an Audit Committee on 5 March 1996, comprising wholly Independent Non-Executive Directors, with Dato' Ir. Adi Azmari Bin B.K. Koya Moideen Kutty as the Committee Chairman. The composition of the Audit Committee, including its roles and responsibilities, are set out in the Audit Committee Report on pages 30 to 33 of this Annual Report. One of the key responsibilities of the Audit Committee in its specific terms of reference is to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia and provisions of the Companies Act, 1965. Such financial statements comprise the quarterly financial report announced to Bursa and the annual statutory financial statements.

The Board understands its role in upholding the integrity of financial reporting by the Company. Accordingly, the Audit Committee, which assists the Board in overseeing the financial reporting process of the Company, will formalize and adopt a policy for the types of non-audit services permitted to be provided by the external auditors, including the need for the Audit Committee's approval in writing before such services can be provided by the external auditors. To address the "self review" threat faced by the external audit firm, the procedures to be included in the policy require the engagement team conducting the non-audit services to be different from the external audit team.

In assessing the independence of external auditors, the Audit Committee requires written assurance by the external auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the International Federation of Accountants and the Malaysian Institute of Accountants.

**PRINCIPLE 6 – RECOGNIZE AND MANAGE RISKS OF THE GROUP**

The Board regards risk management and internal controls as an integral part of the overall management processes. The following represent the key elements of the Group's risk management and internal control structure:

(a) An organizational structure in the Group with formally defined lines of responsibility and delegation of authority;

(b) Review and approval of annual business plan and budget of all major business units by the Board. This plan sets out the key business objectives of the respective business units, the major risks and opportunities in the operations and ensuing action plans;

(c) Quarterly review of the Group's business performance by the Board, which also covers the assessment of the impact of changes in business and competitive environment;

(d) Active participation and involvement by the Executive Chairman and Group Managing Director in the day-to-day running of the major businesses and regular discussions with the senior management of smaller business units on operational issues; and

(e) Monthly financial reporting by the subsidiaries to the holding company.

Recognizing the importance of having risk management processes and practices, the Board had formalized an Enterprise Risk Management framework to provide Management with structured policies and procedures to identify, evaluate, control, monitor and report to the Board the principal business risks faced by the Group on an ongoing basis, including remedial measures to be taken to address the risks vis-à-vis the risk parameters of the Group.

**PRINCIPLE 6 – RECOGNIZE AND MANAGE RISKS OF THE GROUP (cont'd)**

In line with the MCCG 2012 and the Listing Requirements of Bursa, the Company has in place an in-house Internal Audit ("IA") function, which reports directly to the Audit Committee on the adequacy and effectiveness of the Group's internal controls. The internal audit is guided by internal auditing standards promulgated by the Institute of Internal Auditors Inc, a globally recognized professional body for internal auditors. The internal audit function is independent of the activities it audits and the scope of work it covered during the financial year under review is provided in the Audit Committee Report set out on pages 30 to 33 of this Annual Report.

**PRINCIPLE 7 – ENSURE TIMELY AND HIGH QUALITY DISCLOSURE**

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Company and its subsidiaries to be made to the regulators, shareholders and stakeholders. Accordingly, the Board will formalize pertinent corporate disclosure policies not only to comply with the disclosure requirements as stipulated in the Listing Requirements of Bursa, but also setting out the persons authorized and responsible to approve and disclose material information to regulators, shareholders and stakeholders.

To augment the process of disclosure, the Board has earmarked a dedicated section for corporate governance on the Company's website, where information on the Company's announcements to the regulators, the Board Manual, rights of shareholders and the Company's Annual Report may be accessed.

**PRINCIPLE 8 – STRENGTHEN RELATIONSHIP BETWEEN THE COMPANY AND ITS SHAREHOLDERS**

**(i) Shareholder participation at general meeting**

The Annual General Meeting ("AGM"), which is the principal forum for shareholder dialogue, allows shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. At the AGM, shareholders participate in deliberating resolutions being proposed or on the Group's operations in general. At the last AGM, a question & answer session was held where the Chairman of the meeting invited shareholders to raise questions with responses from the Board and Senior Management.

The Notice of AGM is circulated to shareholders at least twenty-one (21) days before the date of the meeting to enable them to go through the Annual Report and papers supporting the resolutions proposed. All the resolutions set out in the Notice of the last AGM were put to vote by a show of hands and duly passed. The outcome of the AGM was announced to Bursa on the same meeting day.

**(ii) Communication and engagement with shareholders and prospective investors**

The Board recognizes the importance of being transparent and accountable to the Company's shareholders and prospective investors. The various channels of communications are through meetings with institutional shareholders and investment communities, quarterly announcements on financial results to Bursa, relevant announcements and circulars, when necessary, the Annual and Extraordinary General Meetings and through the Group's website at www.yinson.com.my where shareholders and prospective investors can access corporate information, annual reports, press releases, financial information, company announcements and share prices of the Company. To maintain a high level of transparency and to effectively address any issues or concerns, the Group has a dedicated electronic mail, i.e. info@yinson.com.my to which stakeholders can direct their queries or concerns.

However, any information that may be regarded as undisclosed material information about the Group will not be given to any single shareholder or shareholder group.



**PRINCIPLE 8 – STRENGTHEN RELATIONSHIP BETWEEN THE COMPANY AND ITS SHAREHOLDERS (cont'd)**

**(iii) Investor Relations**

The Company takes into consideration the shareholder's rights to access information relating to the Company and has thusly, taken measures to enable the Company to communicate effectively with its shareholders, prospective investors, stakeholders and public generally with the intention of giving them a clear picture of the Group's performance and operations.

## 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.

**Non-Audit Fees**
The amount of non-audit fees paid to the external auditors by the Group for the financial year amounted to RM259,166.

**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 2013 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.



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

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

As at 31 January 2013, the Group has fully utilized the proceeds raised from the issue of shares from the following corporate proposals:

i) 113,020,800 ordinary shares of RM1.00 each at an issue price of RM0.75 per share under the Two-call Rights Issue which were listed on the Main Market of Bursa Securities on 8 March 2012 and

ii) 11,987,100 ordinary shares of RM1.00 each at an issue price of RM1.70 per share under the Private Placement which were listed on the Main Market of Bursa Securities on 25 May 2012.

| Share Issue | Total Proceed RM'000 | Utilised RM'000 | Unutilised RM'000 |
|---|---|---|---|
| Right Issue | | | |
| To fund the Company's investments pursuant to the Proposed Consortium Agreement, repayment to Lim Han Weng and listing expenses | 84,766 | 84,766 | - |
| Private Placement | | | |
| To fund the Group acquisition of fixed assets, repayment of bank overdrafts, payment to payable, operating expenses and listing expenses | 20,378 | 20,378 | - |

**Revaluation of Landed Properties**

The details of the revaluation of landed properties are disclosed on page 123 of the Financial Statements.

**Recurrent Related Party Transactions of Revenue or Trading Nature**

The details of the recurrent related party transactions of a revenue or trading nature conducted pursuant to Shareholders' Mandate during the financial year ended 31 January 2013 between the Company and/or its subsidiaries companies with related parties are disclosed on page 105 of the Financial Statements.

Statement made in accordance with the resolution of the Board of Directors dated 28 June 2013.



# 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. The Group practises the Occupational Health & Safety Management System to enhance the safety and health practices amongst the employees from different operations and to take precautionary measures against potential hazardous sources which could arise from the daily operation of the 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 and Community**

YHB disposes the discharge of effluents and waste from daily operations to recycling companies that treat and recycle the waste for further uses.

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

**The Marketplace**

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



# Internal Control Statements

Paragraph 15.26 (b) of the Listing Requirements of Bursa Malaysia Securities Berhad requires the Board of a listed issuer to include in its Annual Report a statement on the state of internal control of the listed issuer as a Group. Accordingly, the Board of Directors is pleased to provide the following statement which outlines the nature and scope of risk management and internal control of the Group for the financial year ended 31 January 2013.

## BOARD RESPONSIBILITY

The Board acknowledges its responsibility for maintaining a sound system of risk management and internal control to safeguard shareholders' investments and Group's assets and for reviewing the adequacy and effectiveness of the risk management and internal control system. The system of risk management and internal control of the Group covers all aspects of its business.

In view of the limitations inherent in any system of risk management and internal control, the Board is aware that the system is designed to manage, rather than to eliminate, the risk of failure to achieve the Group's corporate objectives. Accordingly, the system can only provide reasonable, but not absolute, assurance against material misstatement or loss.

## RISK MANAGEMENT AND INTERNAL CONTROL STRUCTURE

Risk management and internal controls are regarded as an integral part of the Group's overall management processes.

The following represent the key elements of the Group's risk management and internal control structure:

(i) An organizational structure in the Group with formally defined lines of responsibility and delegation of authority;

(ii) Review the business plan for any potential acquisitions by the Board. This plan sets out the key business objectives, the major risks and opportunities in the operations.

(iii) Quarterly review of the performance of Group's business by the Board which also covers assessment of the impact of changes in business and competitive environment;

(iv) Active participation and involvement by the Executive Chairman and Group Managing Director, assisted by other Executive Directors, in the day-to-day running of the major businesses and regular discussions with the Senior Management of the respective business units on operational issues; and

(v Monthly financial reporting by the subsidiaries to the holding company.

The internal controls of the Group are further supported by formalized limits of authority for various management committees. Support functions like Finance, Internal Audit, and also play a vital role in the overall control and risk management processes of the Group.

Various management committees have been established to manage and control the Group's businesses. Matters beyond the formalized limits of authority for Management are referred upward to the Board for approval.

Recognizing the importance of having risk management processes and practices, the Board had formalized an Enterprise Risk Management framework to provide Management with structured policies and procedures to identify, evaluate, control, monitor and report to the Board the principal business risks faced by the Group on an ongoing basis, including remedial measures to be taken to address the risks vis-à-vis the risk parameters of the Group.

The Board has received assurance from the Group Managing Director and the Group Financial Controller that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects.



**INTERNAL AUDIT FUNCTION**

The Group has in place an independent in-house internal audit department, which provides the Board, through the Audit Committee, with assurance on the adequacy and effectiveness of the Group's system of internal control and management information system.

The internal audit function adopts an approach that focuses on major business units and functions in the Group for the purpose of identifying areas to be audited on a prioritized basis, vis-à-vis the business risks inherent in the business units concerned. The Group's internal audit plan is tabled annually and approved by the Audit Committee.

Action plans are taken by Management to address the findings and concerns raised in the internal audit reports. The internal audit department also follows up on the status of Management's action plans on internal audit findings.

**CONCLUSION**

The Board is of the view that there were no material losses incurred by the Group during the financial year ended 31 January 2013 as a result of weaknesses or lapses in internal controls. The Board continues to take measures to strengthen the risk management and internal control systems of the Group.

This statement was made in accordance with a resolution of the Board of directors passed on 28 June 2013 and has been reviewed by the External Auditors for inclusion in the annual report of the group for the year ended 31 January 2013.



# Report on Audit Committee

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

**CHAIRMAN**

Dato' Ir. Adi Azmari Bin BK Koya Moideen Kutty — *Chairman, Independent Non-Executive Director*
(appointed on 28 September 2009)

**MEMBERS**

Mr. Kam Chai Hong — *Independent Non-Executive Director*
(appointed on 25 March 1996)

Tuan Haji Hassan bin Ibrahim — *Independent Non-Executive Director*
(appointed on 25 June 2001)

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.

## TERMS OF REFERENCE (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, 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 auditor, negotiate on the annual audit fee and/or additional fee, consider any letter of resignation or dismissal and evaluate the basis of billings, if requested. Amongst the factors to be considered for the appointment are the adequacy of the experience and resources of the firm; the persons assigned to the audit; and the recommended audit fee payable thereof;
  - Discusses with the external auditor before the audit commences, the nature and scope of the audit, the annual audit plan and ensure co-ordination where more than one audit firm is involved;
- Reviews the quarterly interim results and annual financial statements of the Company, before recommending to the board for deliberation, focusing particularly on :
  - Any changes in accounting policies and practices;
  - Significant adjustments arising from the audit;
  - The going concern assumption;
  - Compliance with accounting standards and other legal requirements.



**TERMS OF REFERENCE (cont'd)**

**Duties and Responsibilities (cont'd)**

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



## 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 RM156,000.00 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:

| | | **Number of meetings attended** |
|---|---|---|
| Dato' Ir. 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' Responsibility

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 2013, 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 Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of 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 MFRS and IFRS 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 MFRS, IFRS 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 2013.

## PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding.

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

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

## RESULTS

| | Group RM | Company RM |
|---|---|---|
| Profit net of tax | 36,282,792 | 5,633,089 |
| | | |
| Profit attributable to: | | |
| Owners of the parent | 33,884,162 | 5,633,089 |
| Minority interests | 2,398,630 | - |
| | 36,282,792 | 5,633,089 |

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 2012 was as follows:

| | RM |
|---|---|
| In respect of the financial year ended 31 January 2012: | |
| Final dividend of 2.5% less 25% taxation on 200,355,100 ordinary shares declared on 6 July 2012 and paid on 14 September 2012 | 3,756,662 |

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 January 2013, of 2.5% less 25% taxation, amounting to a dividend of 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 2014.



## 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 36 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:

| | Number of ordinary shares of RM1 each | | | |
|---|---|---|---|---|
| **The Company** | **1 February 2012** | **Acquired** | **Sold** | **31 January 2013** |
| **Direct interest:** | | | | |
| Lim Han Weng | 26,370,635 | 40,697,407 | - | **67,068,042** |
| Bah Kim Lian | 11,367,411 | 17,548,239 | 6,200,000 | **22,715,650** |
| Bah Koon Chye | 60,000 | 90,000 | 50,000 | **100,000** |
| Dato' Adi Azmari bin B.K. Koya Moideen Kutty | 68,700 | - | - | **68,700** |
| Lim Han Joeh | 4,131,039 | 6,196,555 | - | **10,327,594** |
| Kam Chai Hong | 26,400 | 39,600 | - | **66,000** |
| Lim Chern Yuan | 6,000 | 9,300 | - | **15,300** |
| **Indirect interest:** | | | | |
| Lim Han Weng | 16,057,761 | 24,789,589 | 6,200,000 | **34,647,350** |
| Bah Kim Lian | 26,595,635 | 41,044,707 | - | **67,640,342** |
| Lim Chern Yuan | 37,738,046 | 58,245,646 | 6,200,000 | **89,783,692** |

## 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.

## ISSUE OF SHARE CAPITAL

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM75,347,200 to RM200,355,100 by way of the issuance of 125,007,900 ordinary shares of RM1.00 each via:

(a) two-call rights issue of 113,020,800 new ordinary shares of RM1.00 each at an issue price of RM1.00 per rights share, on the basis of three (3) rights shares for every two (2) existing ordinary shares of RM1.00 each held in the Company, at an issue price of RM1.00 per rights share, of which the first call of RM0.75 was paid in cash on application and the second call of RM0.25 was capitalised from the Company's share premium and retained earnings accounts; and

(b) private share placement of 11,987,100 ordinary shares of RM1.00 each, at an issue price of RM1.70 each.

## 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.



## OTHER STATUTORY INFORMATION (cont'd)

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

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

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

(f) In the opinion of the directors:

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

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

## SIGNIFICANT EVENTS

Details of significant events that occurred during the year are disclosed in Note 38 to the financial statements.

## SUBSEQUENT EVENTS

Details of subsequent events are disclosed in Note 39 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 27 May 2013.

**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 42 to 119 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of 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 2013 and of their financial performance and the cash flows for the year then ended.

The information set out in Note 46 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 27 May 2013.

**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 42 to 120 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 )<br>
by the abovenamed Tan Fang Fing )<br>
at Johor Bahru in the State of Johor )<br>
on 27 May 2013. ) **TAN FANG FING**

Before me,

Commissioner of Oath<br>
**Ahmad Bin Kemin**<br>
No. J 223



# 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 2013 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 42 to 119.

*Directors' responsibility for the financial statements*

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*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 about 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 of financial statements that give a true and fair view 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 give a true and fair view of the financial position of the Group and of the Company as at 31 January 2013 and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 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' reports of the subsidiaries of which we have not acted as auditors, which are 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 REPORTING RESPONSIBILITIES

The supplementary information set out in Note 46 on page 120 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.

## OTHER MATTERS

1. As stated in Note 2.1 to the financial statements, the Group adopted Malaysian Financial Reporting Standards on 1 February 2012 with a transition date of 1 February 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 31 January 2012 and 1 February 2011, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year ended 31 January 2012 and related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and the Company for the year ended 31 January 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 February 2012 do not contain misstatements that materially affect the financial position as of 31 January 2013 and financial performance and cash flows for the year then ended.

2. 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

**LEE AH TOO**
2187/09/13(J)
Chartered Accountant

Johor Bahru, Malaysia
Date: 27 May 2013



# Income Statements

## for the financial year ended 31 January 2013

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | 2013 | 2012 | 2013 | 2012 |
| | | RM | RM | RM | RM |
| **Revenue** | 4 | **865,220,854** | 715,824,003 | **9,500,000** | 34,834,430 |
| Cost of sales | 5 | **(780,639,185)** | (660,040,717) | **-** | - |
| **Gross profit** | | **84,581,669** | 55,783,286 | **9,500,000** | 34,834,430 |
| **Other items of income** | | | | | |
| Interest income | 6 | **3,036,962** | 187,374 | **3,649,098** | 2,400,042 |
| Dividend income | 6 | **1,760** | 1,300 | **-** | - |
| Other income | 6 | **4,752,076** | 4,394,500 | **1,861** | 583 |
| **Other items of expenses** | | | | | |
| Administrative expenses | 7 | **(29,953,930)** | (16,365,231) | **(2,999,336)** | (2,692,237) |
| Finance costs | 10 | **(17,285,759)** | (11,209,404) | **(4,518,534)** | (3,479,013) |
| Share of results of joint venture companies | 19 | **(267,047)** | (23,282) | **-** | - |
| Share of results of associated company | | **(426,549)** | - | **-** | - |
| **Profit before tax** | | **44,439,182** | 32,768,543 | **5,633,089** | 31,063,805 |
| Income tax expense | 11 | **(8,156,390)** | (6,538,903) | **-** | (6,753,000) |
| **Profit net of tax** | | **36,282,792** | 26,229,640 | **5,633,089** | 24,310,805 |
| | | | | | |
| **Profit attributable to:** | | | | | |
| Owners of the parent | | **33,884,162** | 26,568,921 | **5,633,089** | 24,310,805 |
| Minority interests | | **2,398,630** | (339,281) | **-** | - |
| | | **36,282,792** | 26,229,640 | **5,633,089** | 24,310,805 |
| | | | | | |
| **Earnings per share attributable to owners of the parent (sen per share)** | | | | | |
| Basic | 12(a) | **17.3** | 36.7 | | |
| Diluted | 12(b) | **17.3** | 36.7 | | |

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 2013

| | Note | Group 2013 RM | Group 2012 RM | Company 2013 RM | Company 2012 RM |
|---|---|---|---|---|---|
| Profit net of tax | | **36,282,792** | 26,229,640 | **5,633,089** | 24,310,805 |
| Other comprehensive income: | | | | | |
| Foreign currency translation | | **(183,191)** | (1,037,488) | **-** | - |
| Fair value reserves | | **(10,323,215)** | - | **-** | - |
| Total comprehensive income for the year | | **25,776,386** | 25,192,152 | **5,633,089** | 24,310,805 |
| | | | | | |
| Total comprehensive income attributable to: | | | | | |
| Owners of the parent | | **23,377,756** | 25,531,433 | **5,633,089** | 24,310,805 |
| Minority interests | | **2,398,630** | (339,281) | **-** | - |
| | | **25,776,386** | 25,192,152 | **5,633,089** | 24,310,805 |

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



# Consolidated Statements of Financial Position
as at 31 January 2013

| | Note | 31.1.2013 RM | 31.1.2012 RM | 1.2.2011 RM |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 14 | **232,312,846** | 145,372,841 | 121,519,338 |
| Investment properties | 15 | **15,175,000** | 14,855,000 | 9,265,000 |
| Land use rights | 16 | **4,516,106** | 4,612,193 | 5,696,401 |
| Intangible assets | 17 | **114,432** | 118,178 | 129,166 |
| Investment in joint venture companies | 19 | **153,497,977** | 29,820,237 | - |
| Investment in an associate | 20 | **29,015,630** | - | - |
| Available-for-sale investment | 22 | **11,391,135** | - | - |
| Deferred tax assets | 33 | **-** | - | 552,169 |
| | | **446,023,126** | 194,778,449 | 137,162,074 |
| **Current assets** | | | | |
| Inventories | 23 | **680,178** | 655,484 | 628,493 |
| Trade and other receivables | 24 | **287,549,076** | 249,872,772 | 233,963,687 |
| Other current assets | 25 | **42,031,405** | 18,652,454 | 2,542,011 |
| Current tax recoverable | | **733,885** | 644,283 | 488,945 |
| Marketable securities | 26 | **43,700** | 46,930 | 37,340 |
| Cash and bank balances | 27 | **23,837,041** | 30,333,442 | 9,072,546 |
| | | **354,875,285** | 300,205,365 | 246,733,022 |
| Non-current assets held for sale | 28 | **-** | 610,000 | 1,235,559 |
| | | **354,875,285** | 300,815,365 | 247,968,581 |
| **TOTAL ASSETS** | | **800,898,411** | 495,593,814 | 385,130,655 |

# Consolidated Statements of Financial Position (cont'd)

as at 31 January 2013

| | Note | 31.1.2013<br>RM | 31.1.2012<br>RM | 1.2.2011<br>RM |
|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | |
| **Current liabilities** | | | | |
| Short term borrowings | 29 | **309,135,244** | 180,025,315 | 143,947,844 |
| Trade and other payables | 31 | **65,005,537** | 82,545,815 | 67,473,574 |
| Derivative | 32 | **119,720** | - | - |
| Current tax payables | | **647,394** | 791,000 | 3,009,514 |
| | | **374,907,895** | 263,362,130 | 214,430,932 |
| **Net current (liabilities)/assets** | | **(20,032,610)** | 37,453,235 | 33,537,649 |
| **Non-current liabilities** | | | | |
| Long term borrowings | 29 | **139,406,077** | 71,916,753 | 46,007,931 |
| Deferred tax liabilities | 33 | **2,796,000** | 2,937,000 | 2,312,000 |
| | | **142,202,077** | 74,853,753 | 48,319,931 |
| **Total liabilities** | | **517,109,972** | 338,215,883 | 262,750,863 |
| **Net assets** | | **283,788,439** | 157,377,931 | 122,379,792 |
| **Equity attributable to owners of the parent** | | | | |
| Share capital | 34 | **200,355,100** | 75,347,200 | 68,497,500 |
| Reserves | 35 | **80,877,395** | 82,355,243 | 53,867,572 |
| | | **281,232,495** | 157,702,443 | 122,365,072 |
| Minority interests | | **2,555,944** | (324,512) | 14,720 |
| **Total equity** | | **283,788,439** | 157,377,931 | 122,379,792 |
| **TOTAL EQUITY AND LIABILITIES** | | **800,898,411** | 495,593,814 | 385,130,655 |

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



# Company Statements of Financial Position

as at 31 January 2013

| | Note | 31.1.2013 RM | 31.1.2012 RM | 1.2.2011 RM |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Investment in subsidiaries | 18 | **36,138,812** | 36,057,601 | 16,528,452 |
| Investment in joint venture companies | 19 | **153,130,726** | 29,843,519 | - |
| Advances and loan to subsidiaries | 21 | **34,339,159** | 39,461,470 | 47,203,225 |
| | | **223,608,697** | 105,362,590 | 63,731,677 |
| **Current assets** | | | | |
| Trade and other receivables | 24 | **134,921,937** | 81,534,711 | 54,980,034 |
| Other current assets | 25 | **39,412,015** | 16,493,247 | 22,943 |
| Current tax recoverable | | **338,049** | 338,049 | 256,619 |
| Cash and bank balances | 27 | **211,451** | 1,411,976 | 29,935 |
| | | **174,883,452** | 99,777,983 | 55,289,531 |
| **TOTAL ASSETS** | | **398,492,149** | 205,140,573 | 119,021,208 |
| **EQUITY AND LIABILITIES** | | | | |
| **Current liabilities** | | | | |
| Short term borrowings | 29 | **146,623,966** | 47,893,165 | 7,631,572 |
| Trade and other payables | 31 | **14,857,539** | 20,798,772 | 1,315,987 |
| | | **161,481,505** | 68,691,937 | 8,947,559 |
| **Net current assets** | | **13,401,947** | 31,086,046 | 46,341,972 |
| **Non-current liabilities** | | | | |
| Long term borrowings | 29 | **27,238,092** | 32,461,469 | 40,203,225 |
| **Total liabilities** | | **188,719,597** | 101,153,406 | 49,150,784 |
| **Net assets** | | **209,772,552** | 103,987,167 | 69,870,424 |
| **Equity attributable to owners of the parent** | | | | |
| Share capital | 34 | **200,355,100** | 75,347,200 | 68,497,500 |
| Reserves | 35 | **9,417,452** | 28,639,967 | 1,372,924 |
| **Total equity** | | **209,772,552** | 103,987,167 | 69,870,424 |
| **TOTAL EQUITY AND LIABILITIES** | | **398,492,149** | 205,140,573 | 119,021,208 |

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 2013

| Group | Note | Share capital RM | Share Premium RM | Foreign currency translation reserve RM Note 35(a) | Fair value reserve RM | Retained earnings RM Note 35(b) | Total RM | Minority interests RM | Total equity RM |
|---|---|---|---|---|---|---|---|---|---|
| | | <---- Attributable to owners of parent ----> | | | | | | | |
| | | | <-------------- Non-Distributable --------------> | | | Distributable | | | |
| **At 1 February 2011** | | 68,497,500 | - | - | - | 53,867,572 | 122,365,072 | 14,720 | 122,379,792 |
| Total comprehensive income for the year | | - | - | (1,037,488) | - | 26,568,921 | 25,531,433 | (339,281) | 25,192,152 |
| Dividend | 13 | - | - | - | - | (1,412,760) | (1,412,760) | - | (1,412,760) |
| Share issuance | | 6,849,700 | 4,465,090 | - | - | - | 11,314,790 | 49 | 11,314,839 |
| Share issuance expenses | | - | (96,092) | - | - | - | (96,092) | - | (96,092) |
| **At 31 January 2012 and 1 February 2012** | | **75,347,200** | **4,368,998** | **(1,037,488)** | **-** | **79,023,733** | **157,702,443** | **(324,512)** | **157,377,931** |
| Total comprehensive income for the year | | **-** | **-** | **(183,191)** | **(10,323,215)** | **33,884,162** | **23,377,756** | **2,398,630** | **25,776,386** |
| Dividend | 13 | **-** | **-** | **-** | **-** | **(3,756,662)** | **(3,756,662)** | **-** | **(3,756,662)** |
| Share issuance | | **125,007,900** | **4,942,151** | **-** | **-** | **(24,806,382)** | **105,143,669** | **481,826** | **105,625,495** |
| Share issuance expenses | | **-** | **(1,234,711)** | **-** | **-** | **-** | **(1,234,711)** | **-** | **(1,234,711)** |
| **At 31 January 2013** | | **200,355,100** | **8,076,438** | **(1,220,679)** | **(10,323,215)** | **84,344,851** | **281,232,495** | **2,555,944** | **283,788,439** |

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 2013

| Company | Note | Share capital RM | Non-Distributable Share premium RM | Distributable Retained earnings RM Note 35(b) | Total RM |
|---|---|---|---|---|---|
| **At 1 February 2011** | | 68,497,500 | - | 1,372,924 | 69,870,424 |
| Total comprehensive income for the year | | - | - | 24,310,805 | 24,310,805 |
| Transaction with owners: | | | | | |
| Dividend | 13 | - | - | (1,412,760) | (1,412,760) |
| Share issuance | | 6,849,700 | 4,465,090 | - | 11,314,790 |
| Share issuance expenses | | - | (96,092) | - | (96,092) |
| **At 31 January 2012 and 1 February 2012** | | **75,347,200** | **4,368,998** | **24,270,969** | **103,987,167** |
| Total comprehensive income for the year | | **-** | **-** | **5,633,089** | **5,633,089** |
| Transaction with owners: | | | | | |
| Dividend | 13 | **-** | **-** | **(3,756,662)** | **(3,756,662)** |
| Share issuance | | **125,007,900** | **4,942,151** | **(24,806,382)** | **105,143,669** |
| Share issuance expenses | | **-** | **(1,234,711)** | **-** | **(1,234,711)** |
| **At 31 January 2013** | | **200,355,100** | **8,076,438** | **1,341,014** | **209,772,552** |

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 2013

| | Group | | Company | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | RM | RM | RM | RM |
| **Operating activities** | | | | |
| Profit before tax | **44,439,182** | 32,768,543 | **5,633,089** | 31,063,805 |
| Adjustments for: | | | | |
| Amortisation and depreciation | **13,711,081** | 8,795,927 | **-** | - |
| Impairment loss on receivables | **11,173,996** | 919,338 | **-** | - |
| (Gain)/loss on foreign exchange | | | | |
| - unrealised | **(610,687)** | 238,300 | **253,701** | 639,384 |
| Interest expenses | **16,191,433** | 10,783,633 | **3,797,541** | 3,180,517 |
| Fair value adjustment on | | | | |
| - investment properties | **1,622** | (462,016) | **-** | - |
| - marketable securities | **3,230** | (9,590) | **-** | - |
| Negative goodwill on equity accounting for investment in associate | **(3,050,598)** | - | **-** | - |
| Gain on disposal of property, plant and equipment | **(91,471)** | (201,525) | **-** | - |
| Loss/(gain) on disposal of asset held for sale | **34,000** | (774,803) | **-** | - |
| Gain on disposal of land use rights | **-** | (1,224,154) | **-** | - |
| (Gain)/loss on disposal of subsidiary | **-** | (1,203,663) | **-** | 424,955 |
| Plant and equipment written off | **202,362** | 66,522 | **-** | - |
| Impairment of property, plant and equipment | **200,138** | 232,697 | **-** | - |
| Share of results of joint venture companies | **267,047** | 23,282 | **-** | - |
| Share of results of associate | **426,549** | - | **-** | - |
| Impairment of investment in subsidiary | **-** | - | **-** | 504,550 |
| Dividend income (gross) | **(1,760)** | (1,300) | **(9,500,000)** | (34,834,430) |
| Interest income | **(3,036,962)** | (187,374) | **(3,649,098)** | (2,400,042) |
| Operating cash flows before working capital changes | **79,859,162** | 49,763,817 | **(3,464,767)** | (1,421,261) |
| Receivables | **(70,257,179)** | (20,641,299) | **(40,819,912)** | (108,181) |
| Prepayments | **(23,378,951)** | (16,371,395) | **(22,918,769)** | (16,470,304) |
| Inventories | **(24,694)** | (105,969) | **-** | - |
| Payables | **(16,929,595)** | 28,985,967 | **(10,068,617)** | 19,482,785 |
| Short term deposits | **237,552** | (58,687) | **240,000** | (240,000) |
| Interest received | **3,036,962** | 187,374 | **3,649,098** | 2,400,042 |
| Interest paid | **(16,071,713)** | (10,783,633) | **(3,797,541)** | (3,180,517) |
| Taxes paid | **(8,530,598)** | (7,772,936) | **-** | - |
| Net cash flows (used in)/from operating activities | **(52,059,054)** | 23,203,239 | **(77,180,508)** | 462,564 |



# Statements of Cash Flows (cont'd)

## for the financial year ended 31 January 2013

| | Group | | Company | |
|---|---|---|---|---|
| | **2013** | **2012** | **2013** | **2012** |
| | **RM** | **RM** | **RM** | **RM** |
| **Investing activities** | | | | |
| Dividend received | **1,760** | 1,300 | **9,500,000** | 28,000,000 |
| Dilution of interest in a subsidiary | **-** | - | **1,284** | - |
| Increase in amount due from subsidiaries | **-** | - | **(2,991,727)** | (18,588,064) |
| Investment in subsidiaries | **-** | - | **(82,495)** | (20,033,700) |
| Investment in joint venture companies | **(124,212,255)** | (29,843,519) | **(123,287,207)** | (30,505,263) |
| Investment in associate | **(26,391,580)** | - | **-** | - |
| Proceeds from disposal of property, plant and equipment | **605,800** | 458,195 | **-** | - |
| Proceeds from disposal of asset held for sale | **576,000** | 2,010,362 | **-** | - |
| Proceeds/(expenses) from disposal of subsidiary | **-** | 4,068,934 | **-** | (424,954) |
| Proceeds from disposal of land use rights | **-** | 2,198,555 | **-** | - |
| Purchase of intangible assets | **(8,081)** | (1,487) | **-** | - |
| Purchase of property, plant and equipment | **(23,186,031)** | (7,915,486) | **-** | - |
| Purchase on investment property | **(321,622)** | - | **-** | - |
| Net cash flows used in investing activities | **(172,936,009)** | (29,023,146) | **(116,860,145)** | (41,551,981) |
| | | | | |
| **Financing activities** | | | | |
| Increase/(decrease) in bankers' acceptances | **7,322,918** | (5,533,032) | **-** | - |
| Drawdown of term loans | **216,777,310** | 40,000,000 | **176,853,745** | 40,000,000 |
| Dividend paid | **(3,756,662)** | (1,412,760) | **(3,756,662)** | (1,412,760) |
| Repayment of obligations under finance lease | **(1,876,961)** | (1,618,707) | **-** | - |
| Repayment of term loans | **(103,943,194)** | (10,859,165) | **(83,925,914)** | (7,480,163) |
| Proceeds from share issuance | **105,143,670** | 11,314,790 | **105,143,670** | 11,314,790 |
| Share issuance expenses | **(1,234,711)** | (96,092) | **(1,234,711)** | (96,092) |
| Proceeds from minority interest | **481,826** | 49 | **-** | - |
| Net cash flows from financing activities | **218,914,196** | 31,795,083 | **193,080,128** | 42,325,775 |
| | | | | |
| **Net (decrease)/increase in cash and cash equivalents** | **(6,080,867)** | 25,975,176 | **(960,525)** | 1,236,358 |
| Effects of foreign exchange rate changes | **(3,351,617)** | (917,776) | **-** | (94,317) |
| **Cash and cash equivalents at beginning of year** | **20,496,648** | (4,560,752) | **1,171,976** | 29,935 |
| **Cash and cash equivalents at end of year (Note 27)** | **11,064,164** | 20,496,648 | **211,451** | 1,171,976 |

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



## 1. CORPORATE INFORMATION

Yinson Holdings Berhad 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.

The principal activities of the subsidiaries are described in Note 18. There have been no other significant changes in the nature of these principal activities during the financial year.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

These financial statements for the year ended 31 January 2013 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia.

For all periods up to and including the year ended 31 January 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards in Malaysia ("FRS"). These financial statements for the year ended 31 January 2013 are the first that the Group has prepared in accordance with MFRS and MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

In preparing its opening MFRS Statement of Financial Position as at 1 February 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS affected the Group's financial position, financial performance and cash flows is set out in Note 2.2 below. These notes included reconciliations of equity and total comprehensive income for the comparative period and of equity and cash flows at the date of transition under MFRS.

The financial statements have been prepared on a historical basis, except as disclosed in the accounting policies below.

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

### 2.2 Application of MFRS

The audited financial statements of the Group for the year ended 31 January 2012 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. MFRS 1 also provides certain prohibitions and exemptions when initially adopting Malaysian Financial Reporting Standards. The significant accounting policies adopted in preparing these consolidated financial statements are consistent with those of the audited financial statements for year ended 31 January 2012 except as discussed below:

#### (a) Business combination

MFRS 1 provides the option to apply MFRS 3 Business Combinations, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.2 Application of MFRS (cont'd)

#### (a) Business combination (cont'd)

Acquisition before date of transition

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition,

(i) the classification of former business combinations under FRS is maintained;

(ii) there is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and

(iii) the carrying amount of goodwill recognised under FRS is not adjusted.

#### (b) Foreign currency translation reserve

Under FRS, the Group recognised translation differences on foreign operations as a separate component of equity. Cumulative foreign currency translation differences for all foreign operations are deemed to be nil as at the date of transition to MFRS. Accordingly, at the date of transition to MFRS, the cumulative foreign currency translation differences of RM1,737,121 was adjusted to retained earnings.

#### (c) Amendment to MFRS 12 - Deferred tax on investment properties

Under MFRS 112 Income Taxes, investment properties that are measured using the fair value model in accordance with MFRS 140 Investment Property, are presumed to be recovered entirely through sale for the purposes of measuring deferred tax unless the presumption is rebutted.

The Group's investment properties are measured using the fair value model. Upon transition to MFRSs, the directors reviewed the Group's investment property portfolios and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the presumption set out in MFRS 112 is not rebutted. Accordingly, no deferred taxes will be recognised on changes in fair value of investment properties as the Group will not incur any tax consequences on disposal of its investment properties.

In contrast, under FRSs, the Group recognised deferred taxes on changes in fair value of investment properties using the applicable tax rate based on the manner in which the carrying amounts are expected to be recovered. The change in accounting policy has been applied retrospectively, resulting in the Group's deferred tax liabilities being decreased by RM427,000 as at 1 February 2011 with the corresponding adjustment being recognised in retained earnings. Similarly, the deferred tax liabilities have been decreased by RM427,000 as at 31 January 2012.

#### (d) Definition of Cash and Cash Equivalents

Under FRS, the Group defined all its cash on hand and at banks and short term deposits as cash and cash equivalents where they are readily convertible to known amount of cash and are subject to insignificant risk of changes in value.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**2.2 Application of MFRS (cont'd)**

**(d) Definition of Cash and Cash Equivalents (cont'd)**

Upon transition to MFRS, the Group redefined its cash and cash equivalents to mean cash on hand and at banks and short term deposits for purposes of meeting short term funding requirements. Accordingly, deposits with financial institutions which are held for more than 3 months have been reclassified from cash and cash equivalents to working capital changes.

**(e) Effect of MFRSs adoption**

The reconciliation of equity and cash and cash equivalents for the comparative year and of equity and cash and cash equivalents at the date of transition reported under FRS to those reported for the comparative year and at the date of transition under MFRS are provided below:

(i) Reconciliation of equity as at 1 February 2011:

| Group | FRS as at 1.2.2011 RM | Note 2.2(b) Foreign currency translation reserve RM | Note 2.2(c) Amendment to MFRS 112 RM | MFRS as at 1.2.2011 RM |
|---|---|---|---|---|
| Foreign currency translation reserve | (1,737,121) | 1,737,121 | - | - |
| Retained earnings | 55,177,693 | (1,737,121) | 427,000 | 53,867,572 |
| Deferred taxation liabilities | 2,739,000 | - | (427,000) | 2,312,000 |
| Total reserve | 121,938,072 | - | 427,000 | 122,365,072 |
| Total equity | 121,952,792 | - | 427,000 | 122,379,792 |

(ii) Reconciliation of equity as at 31 January 2012:

| Group | FRS as at 31.1.2012 RM | Note 2.2(b) Foreign currency translation reserve RM | Note 2.2(c) Amendment to MFRS 112 RM | MFRS as at 31.1.2012 RM |
|---|---|---|---|---|
| Foreign currency translation reserve | (2,774,609) | 1,737,121 | - | (1,037,488) |
| Retained earnings | 80,333,854 | (1,737,121) | 427,000 | 79,023,733 |
| Deferred taxation liabilities | 3,364,000 | - | (427,000) | 2,937,000 |
| Total reserve | 157,275,443 | - | 427,000 | 157,702,443 |
| Total equity | 156,950,931 | - | 427,000 | 157,377,931 |



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.2 Application of MFRS (cont'd)

#### (e) Effect of MFRSs adoption (cont'd)

(iii) Reconciliation of cash and cash equivalents as at 1 February 2011:

| Group | FRS as at 1.2.2011 RM | Note 2.2(d) Definition of cash and cash equivalents RM | MFRS as at 1.2.2011 RM |
|---|---|---|---|
| Working capital changes - Cash and cash equivalents as at 1 February 2011 | (4,299,349) | (261,403) | (4,560,752) |
| **Company** | | | |
| Working capital changes - Cash and cash equivalents as at 1 February 2011 | 29,935 | - | 29,935 |

(iv) Reconciliation of cash and cash equivalents as at 31 January 2012:

| Group | FRS as at 31.1.2012 RM | Note 2.2(d) Definition of cash and cash equivalents RM | MFRS as at 31.1.2012 RM |
|---|---|---|---|
| Working capital changes - Short term deposits | - | (58,687) | (58,687) |
| Net cash flows from operating activities | 23,261,926 | (58,687) | 23,203,239 |
| Net increase in cash and cash equivalents for the year | 26,033,863 | (58,687) | 25,975,176 |
| Cash and cash equivalents at beginning of year | (4,299,349) | (261,403) | (4,560,752) |
| Cash and cash equivalents at end of year | 20,816,738 | (320,090) | 20,496,648 |
| **Company** | | | |
| Working capital changes - Short term deposits | - | (240,000) | (240,000) |
| Net cash flows from operating activities | 702,564 | (240,000) | 462,564 |
| Net increase in cash and cash equivalents for the year | 1,476,358 | (240,000) | 1,236,358 |
| Cash and cash equivalents at end of year | 1,411,976 | (240,000) | 1,171,976 |



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intends to adopt these standards, if applicable, when they become effective.

| Description | Effective for annual periods beginning on or after |
|---|---|
| MFRS 101 Presentation of Items of Other Comprehensive Income (Amendments to MFRS 101) | 1 July 2012 |
| Amendments to MFRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle) | 1 January 2013 |
| MFRS 3 Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004) | 1 January 2013 |
| MFRS 10 Consolidated Financial Statements | 1 January 2013 |
| MFRS 11 Joint Arrangements | 1 January 2013 |
| MFRS 12 Disclosure of interests in Other Entities | 1 January 2013 |
| MFRS 13 Fair Value Measurement | 1 January 2013 |
| MFRS 119 Employee Benefits | 1 January 2013 |
| MFRS 127 Separate Financial Statements | 1 January 2013 |
| MFRS 128 Investment in Associate and Joint Ventures | 1 January 2013 |
| MFRS 127 Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003) | 1 January 2013 |
| Amendment to IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (Annual Improvements 2009-2011 Cycle) | 1 January 2013 |
| IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine | 1 January 2013 |
| Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities | 1 January 2013 |
| Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards – Government Loans | 1 January 2013 |
| Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle) | 1 January 2013 |
| Amendments to MFRS 116: Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle) | 1 January 2013 |
| Amendments to MFRS 132: Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle) | 1 January 2013 |
| Amendments to MFRS134: Interim Financial Reporting (Annual Improvements 2009-2011 Cycle) | 1 January 2013 |
| Amendments to MFRS 10: Consolidated Financial Statements: Transition Guidance | 1 January 2013 |
| Amendments to MFRS 11: Joint Arrangements: Transition Guidance | 1 January 2013 |
| Amendments to MFRS 12: Disclosure of Interests in Other Entities: Transition Guidance | 1 January 2013 |
| Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities | 1 January 2014 |
| Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities | 1 January 2014 |
| MFRS 9 Financial Instruments | 1 January 2015 |



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.3 Standards issued but not yet effective (cont'd)

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application except as discussed below:

**MFRS 10 Consolidated Financial Statements**

MFRS 10 replaces part of MFRS 127 Consolidated and Separate Financial Statements that deals with consolidated financial statements and IC Interpretation 112 Consolidation – Special Purpose Entities.

Under MFRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its involvement with the investee, and (c) the investor has ability to use its power over the investee to affect the amount of the investor's returns. Under MFRS 127 Consolidated and Separate Financial Statements, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

MFRS 10 includes detailed guidance to explain when an investor has control over the investee. MFRS 10 requires the investor to take into account all relevant facts and circumstances.

The application of MFRS 10 does not affect the Group.

**MFRS 11 Joint Arrangements**

MFRS 11 replaces MFRS 131 Interests in Joint Ventures and IC Interpretation 113 Jointly-Controlled Entities – Non-monetary Contributions by Venturers.

The classification of joint arrangements under MFRS 11 is determined based on the rights and obligations of the parties to the joint arrangements by considering the structure, the legal form, the contractual terms agreed by the parties to the arrangement and when relevant, other facts and circumstances. Under MFRS 11, joint arrangements are classified as either joint operations or joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

MFRS 11 removes the option to account for jointly controlled entities ("JCE") using proportionate consolidation. Instead, JCE that meet the definition of a joint venture must be accounted for using the equity method.

The application of this new standard does not affect the Group.

**MFRS 12 Disclosures of interests in Other Entities**

MFRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

**MFRS 127 Separate Financial Statements**

As a consequence of the new MFRS 10 and MFRS 12, MFRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.



**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**2.3 Standards issued but not yet effective (cont'd)**

**FRS 128 Investments in Associates and Joint Ventures**

As a consequence of the new MFRS 11 and MFRS 12, MFRS 128 is renamed as MFRS 128 Investments in Associates and Joint Ventures. This new standard describes the application of the equity method to investments in joint ventures in addition to associates.

**MFRS 13 Fair Value Measurement**

MFRS 13 establishes a single source of guidance under MFRS for all fair value measurements. MFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under MFRS when fair value is required or permitted.

Upon adoption of MFRS 13, the Group will take into consideration the highest and best use of certain properties in measuring the fair value of such properties. The adoption of MFRS 13 is expected to result in higher fair value of certain properties of the Group.

**MFRS 119 Employee Benefits**

The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the "corridor approach" as permitted under the previous version of MFRS 119 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

The amendments to MFRS 119 require retrospective application with certain exceptions. The directors anticipate that the application of the amendments to MFRS 119 does not have any impact on amounts reported in respect of the Group's defined benefit plans.

**Amendments to MFRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)**

The amendments to MFRS 101 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position and performance.

**MFRS 9 Financial Instruments: Classification and Measurement**

MFRS 9 reflects the first phase of the work on the replacement of MFRS 139 Financial Instruments: Recognition and Measurement and applies to classification and measurement of financial assets and financial liabilities as defined in MFRS 139 Financial Instruments: Recognition and Measurement. The adoption of the first phase of MFRS 9 might have an effect on the classification and measurement of the Group's financial assets. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.



## 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 acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in Note 2.9(a). In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

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 non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

## 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.

Subsequent to recognition, property, plant and equipment 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 property, 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.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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% |
| Vessels | 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.

## 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/or 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.

## 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 to 10 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.

## 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 Joint ventures

A joint venture is a contractual arrangement whereby two or more parties (venturers) undertake an economic activity that is subject to joint control. Joint control exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the venturers. A jointly controlled entity is a joint venture that involves the establishment of a company, partnership or other entity to engage in economic activity that the Group jointly controls with its fellow venturers.

The results, assets and liabilities of a jointly controlled entity are incorporated in these financial statements using the equity method of accounting. Under the equity method, the investment in a jointly controlled entity is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the jointly controlled entity, less distributions received and less any impairment in value of the investment. Loans advanced to jointly controlled entities are also included in the investment on the Group's statement of financial position. The Group's income statement reflects the Group's share of the results after tax of the jointly controlled entity. The Group's statement of comprehensive income reflects the Group's share of any income and expense recognised by the jointly controlled entity outside profit and loss.

Financial statements of jointly controlled entities are prepared for the same reporting year as the Group. Where necessary, adjustments are made to those financial statements to bring the accounting policies used into line with those of the Group.

Unrealised gains on transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Group assesses investments in jointly controlled entities for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication of impairment exists, the carrying amount of the investment is compared with its recoverable amount, being the higher of its fair value less costs to sell and value in use. Where the carrying amount exceeds the recoverable amount, the investment is written down to its recoverable amount.

The Group ceases to use the equity method of accounting on the date from which it no longer has joint control over, or significant influence in the joint venture, or when the interest becomes held for sale.

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



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.14 Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

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

### 2.15 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 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.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.15 Financial assets (cont'd)

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

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.

#### (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.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.15 Financial assets (cont'd)

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.

### 2.16 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.

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.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

#### (c) Available-for-sale financial assets (cont'd)

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.

### 2.17 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.

### 2.18 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.

### 2.19 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.

### 2.20 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 MFRS 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.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.20 Financial liabilities (cont'd)

#### (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.

#### (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.

### 2.21 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.22 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.

### 2.23 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.

### 2.24 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 2.25(e).



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.25 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.

#### (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.

### 2.26 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.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.26 Income taxes (cont'd)

#### (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.

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.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.26 Income taxes (cont'd)

#### (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.

### 2.27 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 44, including the factors used to identify the reportable segments and the measurement basis of segment information.

### 2.28 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.

### 2.29 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.

### 2.30 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.



**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**2.30 Non-current assets (or disposal groups) held for sale and discontinued operation (cont'd)**

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 MFRSs. 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 MFRS 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.

**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:

**Classification between investment properties and property, plant and equipment**

The Group has developed certain criteria based on MFRS 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. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

### 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 vessels to be within 10 and 20 years respectively. These are common life expectancies applied in the 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 2013 is disclosed in Note 14.

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

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

#### (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 33.



## 4. REVENUE

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

| | Group | | Company | |
|---|---|---|---|---|
| | **2013** | **2012** | **2013** | **2012** |
| | **RM** | **RM** | **RM** | **RM** |
| Transport services | **110,156,838** | 89,400,594 | **-** | - |
| Marine transport services | **72,727,185** | 58,780,288 | **-** | - |
| Trading in construction materials | **681,372,230** | 566,305,388 | **-** | - |
| Rental of properties | **961,253** | 873,787 | **-** | - |
| Forwarding income | **3,348** | 463,946 | **-** | - |
| Dividend income from subsidiaries | **-** | - | **9,500,000** | 34,834,430 |
| | **865,220,854** | 715,824,003 | **9,500,000** | 34,834,430 |

Included in the Group's marine transport services is income from leasing of vessels amounting to RM46,358,804 (2012 : RM34,852,514).

## 5. COST OF SALES

| | Group | | Company | |
|---|---|---|---|---|
| | **2013** | **2012** | **2013** | **2012** |
| | **RM** | **RM** | **RM** | **RM** |
| Cost of trading goods sold | **639,161,666** | 537,388,008 | **-** | - |
| Cost of services rendered | **141,320,871** | 122,546,426 | **-** | - |
| Other direct expenses | **156,648** | 106,283 | **-** | - |
| | **780,639,185** | 660,040,717 | **-** | - |
| Included in cost of sales are: | | | | |
| Charter hire fee | **5,587,360** | 25,045,665 | **-** | - |
| Depreciation | **12,853,432** | 7,909,931 | **-** | - |
| Direct operating expenses of investment properties: | | | | |
| - revenue generating during the year | **156,658** | 106,283 | **-** | - |
| Employee benefits expenses (Note 8) | **2,495,724** | 2,250,550 | **-** | - |
| Rental of lorries | **-** | 45 | **-** | - |
| Rental of barges | **-** | 165,103 | **-** | - |
| Transport agents' charges | **59,716,877** | 47,165,741 | **-** | - |



## 6. OTHER ITEMS OF INCOME

Other items of income comprises:

| | Group | | Company | |
|---|---|---|---|---|
| | **2013** | **2012** | **2013** | **2012** |
| | **RM** | **RM** | **RM** | **RM** |
| Interest income | **3,036,962** | 187,374 | **3,649,098** | 2,400,042 |
| Dividend income (gross) | **1,760** | 1,300 | **-** | - |
| Other income: | | | | |
| Bad debts recovered | **61,000** | 79,200 | **-** | - |
| Foreign exchange gain/(loss) | | | | |
| - Realised | **-** | 325,615 | **-** | - |
| - Unrealised | **610,687** | (45,235) | **-** | - |
| Fair value (loss)/gain on investment property | **(1,622)** | 462,016 | **-** | - |
| Fair value gain of marketable securities | **-** | 9,590 | **-** | - |
| Negative goodwill on equity accounting for investment in associate | **3,050,598** | - | **-** | - |
| Gain on disposal of property, plant and equipment | **91,471** | 201,526 | **-** | - |
| Gain on disposal of non-current asset held for sale | **-** | 774,803 | **-** | - |
| Gain on disposal of land use rights | **-** | 1,224,154 | **-** | - |
| Gain on disposal of subsidiary | **1,861** | 1,203,662 | **1,861** | - |
| Impairment loss on receivables reversed due to recovery | **239,764** | 49,145 | **-** | - |
| Insurance claim | **78,149** | 19,630 | **-** | - |
| Rental income | **405,857** | - | **-** | - |
| Miscellaneous | **214,311** | 90,394 | **-** | 583 |
| | **4,752,076** | 4,394,500 | **1,861** | 583 |
| | **7,790,798** | 4,583,174 | **3,650,959** | 2,400,625 |



## 7. ADMINISTRATIVE EXPENSES

Included in administrative expenses are:

| | Group | | Company | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | RM | RM | RM | RM |
| Auditors' remuneration: | | | | |
| Statutory audit: | | | | |
| - Current year | **259,166** | 160,997 | **50,000** | 24,000 |
| - Underprovision in prior year | **25,710** | 8,000 | **6,000** | - |
| Other services | **65,000** | 92,500 | **16,000** | 47,000 |
| Amortisation of intangible assets | **11,873** | 11,119 | **-** | - |
| Amortisation of land use rights | **96,087** | 109,807 | **-** | - |
| Bad debts written off | **9,330,682** | - | **-** | - |
| Depreciation | **749,689** | 765,070 | **-** | - |
| Impairment loss on investment in subsidiary | **-** | - | **-** | 504,550 |
| Impairment loss on receivables: | | | | |
| - Trade | **1,827,968** | 883,776 | **-** | - |
| - Others | **15,346** | 35,562 | **-** | - |
| Impairment loss on property, plant and equipment | **200,138** | 232,697 | **-** | - |
| Loss on disposal of subsidiary | **-** | - | **-** | 424,955 |
| Loss on foreign exchange | | | | |
| - Realised | **539,673** | 200,898 | **290,685** | 22,414 |
| - Unrealised | **-** | 193,065 | **253,701** | 639,384 |
| Operating leases - Minimum lease payment for land and buildings | **720,779** | 457,518 | **-** | - |
| Plant and equipment written off | **202,363** | 66,522 | **-** | - |
| Employee benefits expenses (Note 8) | **9,243,202** | 8,178,272 | **587,583** | 258,676 |
| Directors' fees: | | | | |
| - Non-executive directors | **240,000** | 100,000 | **220,000** | 100,000 |



## 8. EMPLOYEE BENEFITS EXPENSES

| | Group | | Company | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | RM | RM | RM | RM |
| Included in: | | | | |
| Cost of sales (Note 5) | **2,495,724** | 2,250,550 | **-** | - |
| Administrative expenses (Note 7) | **9,243,202** | 8,178,272 | **587,583** | 258,676 |
| | **11,738,926** | 10,428,822 | **587,583** | 258,676 |
| Analysed as follows: | | | | |
| Wages and salaries | **10,109,856** | 9,067,970 | **320,440** | 114,946 |
| Social security contributions | **81,026** | 80,814 | **1,543** | 823 |
| Contributions to defined contribution plan | **1,175,077** | 1,031,813 | **37,600** | 12,407 |
| Other benefits | **372,967** | 248,225 | **228,000** | 130,500 |
| | **11,738,926** | 10,428,822 | **587,583** | 258,676 |

Included in employee benefits expenses of the Group and the Company is executive directors' employee benefit expenses amounting to RM2,709,760 (2012 : RM2,371,124) and RM228,000 (2012 : RM130,500) respectively as further disclosed in Note 9.

## 9. DIRECTORS' REMUNERATION

| | Group | | Company | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | RM | RM | RM | RM |
| Executive directors' remuneration: | | | | |
| - Fees | **210,000** | 110,000 | **210,000** | 110,000 |
| - Other emoluments | **2,499,760** | 2,261,124 | **18,000** | 20,500 |
| | **2,709,760** | 2,371,124 | **228,000** | 130,500 |
| Non-executive directors' remuneration: | | | | |
| - Fees | **240,000** | 100,000 | **220,000** | 100,000 |
| - Other emoluments | **16,800** | 17,800 | **16,800** | 17,800 |
| | **256,800** | 117,800 | **236,800** | 117,800 |
| Total directors' remuneration | **2,966,560** | 2,488,924 | **464,800** | 248,300 |

## 9. DIRECTORS' REMUNERATION (cont'd)

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

| | Number of directors | |
|---|---|---|
| | **2013** | **2012** |
| Executive: | | |
| RM150,001 - RM200,000 | **1** | 2 |
| RM200,001 - RM250,000 | **1** | 1 |
| RM250,001 - RM300,000 | **1** | - |
| RM800,001 - RM850,000 | **-** | 1 |
| RM950,001 - RM1,000,000 | **1** | - |
| RM1,000,001 - RM1,050,000 | **-** | 1 |
| RM1,050,001 - RM1,100,000 | **1** | - |
| Non-executive: | | |
| Below RM50,000 | **-** | 3 |
| RM50,001 - RM100,000 | **3** | - |

## 10. FINANCE COSTS

| | Group | | Company | |
|---|---|---|---|---|
| | **2013** | **2012** | **2013** | **2012** |
| | **RM** | **RM** | **RM** | **RM** |
| Bank charges | **1,094,326** | 425,771 | **720,993** | 298,496 |
| Interest expenses | **16,191,433** | 10,783,633 | **3,797,541** | 3,180,517 |
| | **17,285,759** | 11,209,404 | **4,518,534** | 3,479,013 |

## 11. INCOME TAX EXPENSE

### Major components of income tax expense:

The major components of income tax expense for the years ended 31 January 2013 and 2012 are:

| | Group | | Company | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | RM | RM | RM | RM |
| Current income tax: | | | | |
| Malaysian income tax | **8,334,097** | 5,524,570 | **-** | 6,736,636 |
| (Over)/Underprovision of income tax in prior years | **(36,707)** | (125,486) | **-** | 16,364 |
| | **8,297,390** | 5,399,084 | **-** | 6,753,000 |
| Deferred tax (Note 33): | | | | |
| Relating to origination and reversal of temporary differences | **(181,000)** | 1,138,819 | **-** | - |
| Underprovision in prior years | **40,000** | 1,000 | **-** | - |
| | **(141,000)** | 1,139,819 | **-** | - |
| | **8,156,390** | 6,538,903 | **-** | 6,753,000 |

### 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 2013 and 2012 are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | RM | RM | RM | RM |
| Profit before tax | **44,439,182** | 32,768,543 | **5,633,089** | 31,063,805 |
| Taxation at Malaysian statutory tax rate of 25% (2012 : 25%) | **11,109,796** | 8,192,136 | **1,408,272** | 7,765,951 |
| Income not subject to tax | **(161,314)** | (503,815) | **(1,408,272)** | (1,874,178) |
| Expenses not deductible for tax purposes | **640,778** | 474,136 | **-** | 844,863 |
| Different tax rates of subsidiaries | **(3,907,472)** | (2,587,325) | **-** | - |
| Deferred tax asset not recognised | **471,309** | 1,071,893 | **-** | - |
| (Over)/Underprovision of tax expense in prior years | **(36,707)** | (109,122) | **-** | 16,364 |
| Underprovision of deferred tax in prior years | **40,000** | 1,000 | **-** | - |
| Income tax expense for the year | **8,156,390** | 6,538,903 | **-** | 6,753,000 |

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2012 : 25%) of the estimated assessable profit for the year.

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.



## 12. EARNINGS PER SHARE

### (a) Basic

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.

| | Group | |
|---|---|---|
| | **2013** | **2012** |
| Profit attributable to owners of the parent used in the computation of basic earnings per share (RM) | **33,884,162** | 26,568,921 |
| Weighted average number of ordinary shares for computation of basic earnings per share | **196,225,082** | 72,409,395 |
| Basic earnings per share (sen) | **17.3** | 36.7 |

### (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 2013.

## 13. DIVIDEND

| | Dividend in respect of year | | Dividend recognised in year | |
|---|---|---|---|---|
| | **2012** | **2011** | **2013** | **2012** |
| | **RM** | **RM** | **RM** | **RM** |
| **Recognised during the year:** | | | | |
| Ordinary final dividend for 2012 : 2.5% less 25% taxation on 200,355,100 ordinary shares - 1.875 sen per ordinary share | **3,756,662** | - | **3,756,662** | - |
| Ordinary final dividend for 2011 : 2.5% less 25% taxation on 75,347,200 ordinary shares - 1.875 sen per ordinary share | **-** | 1,412,760 | **-** | 1,412,760 |
| | **3,756,662** | 1,412,760 | **3,756,662** | 1,412,760 |

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 January 2013, of 2.5% less 25% taxation, amounting to a dividend of 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 2014.



## 14. PROPERTY, PLANT AND EQUIPMENT

| Group | Leasehold land RM | Buildings RM | Motor vehicles RM | Vessel, tugboats and barges RM | *Other assets RM | Total RM |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| At 1 February 2011 | 4,160,172 | 7,977,017 | 74,531,598 | 80,689,999 | 5,388,490 | 172,747,276 |
| Additions | - | - | 7,504,288 | 44,606,713 | 200,870 | 52,311,871 |
| Written off | - | - | (1,082,859) | - | (29,766) | (1,112,625) |
| Disposals | - | - | (3,566,991) | - | (499) | (3,567,490) |
| Disposal of subsidiary | - | - | (32,266,692) | - | (1,199,676) | (33,466,368) |
| Transferred to investment properties | (4,160,172) | (1,921,903) | - | - | - | (6,082,075) |
| Exchange differences | - | - | (399,267) | (305,497) | (1,475) | (706,239) |
| At 31 January 2012 and 1 February 2012 | **-** | **6,055,114** | **44,720,077** | **124,991,215** | **4,357,944** | **180,124,350** |
| Additions | **-** | **63,410** | **5,946,482** | **91,360,734** | **167,005** | **97,537,631** |
| Written off | **-** | **-** | **(662,442)** | **-** | **-** | **(662,442)** |
| Disposals | **-** | **-** | **(810,257)** | **-** | **-** | **(810,257)** |
| Exchange differences | **-** | **-** | **134,102** | **3,981,129** | **9,840** | **4,125,071** |
| At 31 January 2013 | **-** | **6,118,524** | **49,327,962** | **220,333,078** | **4,534,789** | **280,314,353** |
| **Accumulated depreciation** | | | | | | |
| At 1 February 2011 | 232,261 | 1,015,463 | 43,327,033 | 2,959,827 | 3,693,354 | 51,227,938 |
| Charge for the year | - | 120,069 | 3,630,167 | 4,545,718 | 379,047 | 8,675,001 |
| Impairment | - | - | - | 232,697 | - | 232,697 |
| Additions | - | - | (1,034,510) | - | (11,593) | (1,046,103) |
| Disposals | - | - | (3,310,661) | - | (158) | (3,310,819) |
| Disposal of subsidiary | - | - | (19,921,301) | - | (659,122) | (20,580,423) |
| Transferred to investment properties | (232,261) | (111,830) | - | - | - | (344,091) |
| Exchange differences | - | - | (74,738) | (26,139) | (1,814) | (102,691) |

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

## 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 |
|---|---|---|---|---|---|---|
| **Accumulated depreciation (cont'd)** | | | | | | |
| At 31 January 2012 and 1 February 2012 | - | 1,023,702 | 22,615,990 | 7,712,103 | 3,399,714 | 34,751,509 |
| Charge for the year | - | 120,280 | 3,981,756 | 9,162,082 | 339,003 | 13,603,121 |
| Impairment | - | - | - | 200,138 | - | 200,138 |
| Written off | - | - | (460,079) | - | - | (460,079) |
| Disposals | - | - | (255,931) | - | - | (255,931) |
| Exchange differences | - | - | 37,420 | 123,220 | 2,109 | 162,749 |
| At 31 January 2013 | **-** | **1,143,982** | **25,919,156** | **17,197,543** | **3,740,826** | **48,001,507** |
| **Net book value:** | | | | | | |
| At 1 February 2011 | 3,927,911 | 6,961,554 | 31,204,565 | 77,730,172 | 1,695,136 | 121,519,338 |
| At 31 January 2012 | - | 5,031,412 | 22,104,087 | 117,279,112 | 958,230 | 145,372,841 |
| At 31 January 2013 | **-** | **4,974,542** | **23,408,806** | **203,135,535** | **793,963** | **232,312,846** |

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

(a) Net carrying amounts of motor vehicles of the Group held under hire purchase agreements amounted to RM8,175,635 (31.1.2012 : RM4,786,627, 1.2.2011 : RM4,473,004).

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

| Group | 31.1.2013 RM | 31.1.2012 RM | 1.2.2011 RM |
|---|---|---|---|
| Cash payment | **23,186,031** | 7,915,486 | 20,129,832 |
| Hire purchase arrangements | **4,143,900** | 2,092,600 | 1,727,600 |
| Term loan financing | **70,207,702** | 42,303,785 | 50,754,390 |
| | **97,537,633** | 52,311,871 | 72,611,822 |



## 14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(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 29 and 30 are as follows:

| Group | 31.1.2013<br>RM | 31.1.2012<br>RM | 1.2.2011<br>RM |
|---|---|---|---|
| Land and buildings | **4,974,542** | 4,010,000 | 1,648,164 |
| Motor vehicles | **8,175,635** | 4,786,627 | 4,473,004 |
| Vessels and barges | **199,739,817** | 113,042,954 | 70,546,004 |
| | **212,889,994** | 121,839,581 | 76,667,172 |

(d) Included in property, plant and equipment are motor vehicles with a carrying value of RM2,651,382 (31.1.2012 : RM3,436,633, 1.2.2011 : RM1,869,903) 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 | 31.1.2013<br>RM | 31.1.2012<br>RM | 1.2.2011<br>RM |
|---|---|---|---|
| Motor vehicles in progress | **92,851** | 569,809 | 191,630 |
| Buildings in progress | **51,670** | 51,670 | 51,670 |
| | **144,521** | 621,479 | 243,300 |

(f) Borrowing cost capitalised in cost of vessel during the financial year amounted to RM21,534 (31.1.2012 : Nil, 1.2.2011 : Nil).

## 15. INVESTMENT PROPERTIES

| | Group | |
|---|---|---|
| | **2013<br>RM** | **2012<br>RM** |
| At beginning of year | **14,855,000** | 9,265,000 |
| Addition | **321,622** | - |
| Fair value (loss)/gain | **(1,622)** | 462,016 |
| Transferred from property, plant and equipment (Note 14) | **-** | 5,737,984 |
| Transferred to non-current assets held for sale (Note 28) | **-** | (610,000) |
| At end of year | **15,175,000** | 14,855,000 |
| | | |
| The following investment properties are held under lease terms: | | |
| Leasehold land | **7,880,000** | 8,190,000 |

Investment properties with an aggregate carrying value of RM8,020,000 (31.1.2012 : RM6,200,000, 1.2.2011 : RM1,860,000) are pledged as securities for borrowings as referred to in Note 29.



## 16. LAND USE RIGHTS

| | Cost | Accumulated amortisation | Net carrying amount |
|---|---|---|---|
| | RM | RM | RM |
| At 1 February 2011 | 6,956,796 | 1,260,395 | 5,696,401 |
| Amortisation for the year | - | 109,807 | (109,807) |
| Disposal | (1,193,299) | (218,898) | (974,401) |
| At 31 January 2012 and 1 February 2012 | **5,763,497** | **1,151,304** | **4,612,193** |
| Amortisation for the year | **-** | **96,087** | **(96,087)** |
| At 31 January 2013 | **5,763,497** | **1,247,391** | **4,516,106** |

| | 31.1.2013 | 31.1.2012 | 1.2.2011 |
|---|---|---|---|
| | RM | RM | RM |
| Analysed as: | | | |
| Long term leasehold land | **4,516,106** | 4,612,193 | 5,696,401 |
| Amount to be amortised: | | | |
| - Not later than one year | **96,087** | 96,087 | 116,673 |
| - Later than one year but not later than five years | **384,350** | 384,349 | 466,692 |
| - Later than five years | **4,035,669** | 4,131,757 | 5,113,036 |
| | **4,516,106** | 4,612,193 | 5,696,401 |

Leasehold land with an aggregate net carrying value of RM4,516,105 (31.1.2012 : RM4,612,193, 1.2.2011 : RM4,708,208) are pledged as securities for borrowings as referred to in Note 29.

## 17. INTANGIBLE ASSETS

| | Computer software | Golf membership | Total |
|---|---|---|---|
| | RM | RM | RM |
| **Cost** | | | |
| At 1 February 2011 | 216,421 | 100,000 | 316,421 |
| Additions | 1,487 | - | 1,487 |
| Disposal of subsidiary | (66,515) | - | (66,515) |
| Exchange differences | (45) | - | (45) |
| At 31 January 2012 and 1 February 2012 | 151,348 | 100,000 | 251,348 |
| Additions | 8,082 | - | 8,082 |
| Exchange differences | 103 | - | 103 |
| At end of year | 159,533 | 100,000 | 259,533 |



## 17. INTANGIBLE ASSETS (cont'd)

| | Computer software RM | Golf membership RM | Total RM |
|---|---|---|---|
| Accumulated amortisation | | | |
| At beginning of year | 187,255 | - | 187,255 |
| Amortisation | 11,119 | - | 11,119 |
| Disposal of subsidiary | (65,190) | - | (65,190) |
| Exchange differences | (14) | - | (14) |
| At end of year | 133,170 | - | 133,170 |
| Amortisation | 11,873 | - | 11,873 |
| Exchange differences | 58 | - | 58 |
| At end of year | 145,101 | - | 145,101 |
| **Total intangible assets** | | | |
| At 1 February 2011 | 29,166 | 100,000 | 129,166 |
| At 31 January 2012 | 18,178 | 100,000 | 118,178 |
| At 31 January 2013 | **14,432** | **100,000** | **114,432** |

## 18. INVESTMENT IN SUBSIDIARIES

| | Company 2013 RM | 2012 RM |
|---|---|---|
| Unquoted shares, at cost: | | |
| At beginning of year | **36,057,601** | 16,528,452 |
| Additions | **82,495** | 20,033,700 |
| Dilution in interest | **(1,284)** | - |
| Disposal | **-** | (1) |
| Impairment loss | **-** | (504,550) |
| At end of year | **36,138,812** | 36,057,601 |



## 18. INVESTMENT IN SUBSIDIARIES (cont'd)

Details of the subsidiaries are as follows:

| Name of subsidiaries | Country of incorporation | Effective interest (%) 31.1.2013 | 31.1.2012 | 1.2.2011 | Principal activities |
|---|---|---|---|---|---|
| Yinson Transport (M) Sdn. Bhd. (i) | Malaysia | **100** | 100 | 100 | Provision of transport services, trading in construction materials and rental of properties. |
| Yinson Corporation Sdn. Bhd. (i) | Malaysia | **100** | 100 | 100 | Provision of transport services and trading in construction materials |
| Yinson Haulage Sdn. Bhd. (ii) | Malaysia | **-** | - | 70 | Transport and haulage contractor. |
| Yinson Marine Services Sdn. Bhd. (ii) | Malaysia | **100** | 100 | 100 | Provision of leasing of chartered vessel and trading of lubricants. |
| Yinson Shipping Sdn. Bhd. (ii) | Malaysia | **100** | 100 | 100 | Provision of shipping and forwarding services. Temporary ceased operations. |
| Yinson Power Marine Sdn. Bhd. (ii) | Malaysia | **65** | 65 | 65 | Provision of marine transport services. |
| Yinson Vietnam Company Limited (ii) (iii) | Vietnam | **100** | 100 | 100 | Provision of construction work, consulting construction and project management. |
| Yinson Tulip Ltd. (ii) | Labuan | **100** | 100 | 100 | Leasing of vessels on bareboat basis. |
| Yinson Offshore Ltd. (ii) | Labuan | **100** | 100 | 100 | Shipping business on a time charter basis and trading activities. |
| Yinson Indah Ltd. (ii) | Labuan | **60** | 100 | - | Leasing of vessel on bareboat basis. |
| Regulus Offshore Sdn. Bhd. (ii) | Malaysia | **51** | 51 | - | Provision of vessel management services. |
| Yinson Port Venture Pte. Ltd. (ii) (iii) | Singapore | **100** | 100 | - | Investment holding. |
| Yinson Hibiscus Ltd. (ii) | Malaysia | **100** | - | - | Dormant. |
| Yinson Orchid Pte. Ltd. (ii) (iii) | Singapore | **100** | - | - | Vessel owner and operator. |



**18. INVESTMENT IN SUBSIDIARIES (cont'd)**

Details of the subsidiaries are as follows: (cont'd)

| Name of subsidiaries | Country of incorporation | Effective interest (%) 31.1.2013 | 31.1.2012 | 1.2.2011 | Principal activities |
|---|---|---|---|---|---|
| **Held through Yinson Vietnam Company Limited:** | | | | | |
| Yen Son Diversified Company Limited [(ii) (iii)] | Vietnam | **51** | - | - | Provision of warehousing facilities. Currently dormant. |

[(i)] Subsidiaries consolidated using merger method of accounting.
[(ii)] Subsidiaries consolidated using acquisition method of accounting.
[(iii)] Audited by a firm other than Ernst & Young.

Disposal of subsidiary

In financial year ended 31 January 2012, the Group disposed of its 70% equity interest in Yinson Haulage Sdn. Bhd. for a total consideration of RM1. The subsidiary was previously reported as part of the transport segment.

The disposal had the following effects on the financial position of the Group as at the end of the year:

| | 31.1.2013 RM | 31.1.2012 RM | 1.2.2011 RM |
|---|---|---|---|
| Property, plant and equipment | - | 12,885,945 | - |
| Intangible assets | - | 1,325 | - |
| Inventories | - | 78,978 | - |
| Trade and other receivables | - | 3,812,877 | - |
| Prepayments | - | 260,952 | - |
| Cash and bank balances | - | 226,039 | - |
| Bank overdrafts | - | (4,719,927) | - |
| Trade and other payables | - | (14,097,578) | - |
| Obligation under finance lease | - | (77,228) | - |
| Net assets disposed | - | (1,628,617) | - |
| Total disposal proceeds | - | 1 | - |
| Less: Expenses on disposal | - | (424,955) | - |
| | - | (424,954) | - |
| Gain on disposal to the Group | - | 1,203,663 | - |



### 18. INVESTMENT IN SUBSIDIARIES (cont'd)

Disposal of subsidiary (cont'd)

| | 31.1.2013 RM | 31.1.2012 RM | 1.2.2011 RM |
|---|---|---|---|
| Disposal proceeds settled by: | | | - |
| Cash consideration | **-** | 1 | - |
| Cash and cash equivalents of subsidiary disposed | **-** | 4,493,888 | - |
| Less: Expenses on disposal | **-** | (424,955) | - |
| Net cash inflow on disposal | **-** | 4,068,934 | - |

### 19. INVESTMENT IN JOINT VENTURE COMPANIES

| | | Group | |
|---|---|---|---|
| | 31.1.2013 RM | 31.1.2012 RM | 1.2.2011 RM |
| Unquoted shares outside Malaysia at cost | **54,822,465** | 1,541 | - |
| Advance to PTSC South East Asia Pte. Ltd. | **-** | 29,841,978 | - |
| Advance to PTSC Asia Pacific Pte. Ltd. | **98,965,841** | - | - |
| Share of post-acquisition reserves | **(290,329)** | (23,282) | - |
| | **153,497,977** | 29,820,237 | - |

| | | Company | |
|---|---|---|---|
| | 31.1.2013 RM | 31.1.2012 RM | 1.2.2011 RM |
| Unquoted shares outside Malaysia at cost | **54,822,465** | 1,541 | - |
| Advance to PTSC South East Asia Pte. Ltd. | **-** | 29,841,978 | - |
| Advance to PTSC Asia Pacific Pte. Ltd. | **98,308,261** | - | - |
| | **153,130,726** | 29,843,519 | - |

Advance to PTSC South East Asia Pte. Ltd. is unsecured and bears interest at LIBOR + 2.5% (31.1.2012 : LIBOR + 2.5%, 1.2.2011 : Nil) per annum.

Advance to PTSC Asia Pacific Pte. Ltd. is unsecured and bears interest at 4.5% (31.1.2012 : Nil, 1.2.2011 : Nil) per annum.



## 19. INVESTMENT IN JOINT VENTURE COMPANIES (cont'd)

Details of the joint venture companies are as follows:

| Name of joint venture companies | Country of incorporation | Effective interest (%) 31.1.2013 | 31.1.2012 | 1.2.2011 | Principal activities |
|---|---|---|---|---|---|
| PTSC South East Asia Pte. Ltd. (i) | Singapore | **49** | 49 | - | Provision of floating storage and offloading facility for chartering. |
| PTSC Asia Pacific Pte. Ltd. (i) | Singapore | **49** | - | - | Provision of floating production storage and offloading facility for chartering. |

(i) Audited by a firm other than Ernst & Young.

The Group's commitments in respect of its interest in the joint venture companies are disclosed in Note 37(a).

The aggregate amounts of each of the current assets, non-current assets, current liabilities, non-current liabilities, income and expenses related to the Group's interests in the jointly-controlled entity are as follows:

| | Group 31.1.2013 RM | 31.1.2012 RM | 1.2.2011 RM |
|---|---|---|---|
| Current assets | **33,932,798** | 70,247 | - |
| Non-current assets | **422,639,277** | 69,330,642 | - |
| Total assets | **456,572,075** | 69,400,889 | - |
| Current liabilities | **283,624,025** | 29,948,506 | - |
| Non-current liabilities | **118,175,651** | 39,473,442 | - |
| Total liabilities | **401,799,676** | 69,421,948 | - |
| Reserve | **(290,329)** | 684 | - |
| Income and expenses: | | | |
| Income | **169,103** | - | - |
| Expenses | **(436,150)** | (23,282) | - |
| | **(267,047)** | (23,282) | - |

## 20. INVESTMENT IN AN ASSOCIATE

| | Group | | |
|---|---|---|---|
| | 31.1.2013 | 31.1.2012 | 1.2.2011 |
| | RM | RM | RM |
| Unquoted shares outside Malaysia, at cost: | 26,391,580 | - | - |
| Share of post-acquisition reserves | (426,549) | - | - |
| Negative goodwill on equity accounting | 3,050,599 | - | - |
| | 29,015,630 | - | - |

Details of the associate are as follows:

| Name of associate | Country of incorporation | Effective interest (%) | | | Principal activities |
|---|---|---|---|---|---|
| | | 31.1.2013 | 31.1.2012 | 1.2.2011 | |
| **Held through Yinson Port Venture Pte. Ltd.:** | | | | | |
| PTSC Phu My Port Joint Stock Company [(i)] | Vietnam | 40 | - | - | Manage and operation of port including cargo handling and provision of related services. |

(i) Audited by a firm other than Ernst & Young.

For the purposes of applying equity method of accounting, the financial statements of PTSC Phu My Port Joint Stock Company for the year ended 31 December 2012 have been used and adjusted for effects of significant transactions before that date and 31 January 2013.

The summarised financial information of the associate, not adjusted for the proportion of ownership interest held by the Group, is as follows:

| Group | Net revenue RM | Total profit RM | Total assets RM | Total liabilities RM |
|---|---|---|---|---|
| **31.1.2013** | 23,549,048 | 907,221 | 79,732,935 | 26,782,388 |
| **31.1.2012** | - | - | - | - |
| **1.2.2011** | - | - | - | - |



## 21. ADVANCE AND LOAN TO SUBSIDIARIES

| | Company | | |
|---|---|---|---|
| | 31.1.2013 | 31.1.2012 | 1.2.2011 |
| | RM | RM | RM |
| Advances to subsidiaries: | | | |
| - Yinson Vietnam Company Limited | **7,000,000** | 7,000,000 | 7,000,000 |
| - Yinson Port Venture Pte. Ltd. | **27,339,159** | - | - |
| Loan to subsidiary - Yinson Tulip Ltd. | **-** | 32,461,470 | 40,203,225 |
| | **34,339,159** | 39,461,470 | 47,203,225 |

(a) Advance to subsidiaries are unsecured, non-interest bearing and have no repayment terms. This amount are treated as part of the Company's net investment.

(b) The loan to subsidiary comprises the amount drawn down 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.

## 22. AVAILABLE-FOR-SALE INVESTMENT

| | Group | | |
|---|---|---|---|
| | 31.1.2013 | 31.1.2012 | 1.2.2011 |
| | RM | RM | RM |
| Quoted shares in Malaysia | **11,391,135** | - | - |

## 23. INVENTORIES

| | Group | | |
|---|---|---|---|
| | 31.1.2013 | 31.1.2012 | 1.2.2011 |
| | RM | RM | RM |
| At cost: | | | |
| Consumables | **474,207** | 517,266 | 482,229 |
| Trading goods | **205,971** | 138,218 | 146,264 |
| | **680,178** | 655,484 | 628,493 |



## 24. TRADE AND OTHER RECEIVABLES

| | Group 31.1.2013 RM | Group 31.1.2012 RM | Group 1.2.2011 RM |
|---|---|---|---|
| **Trade receivables** | | | |
| Third parties | **246,711,687** | 248,753,146 | 233,983,725 |
| Related parties | **1,754,251** | 2,141,335 | 1,270,520 |
| | **248,465,938** | 250,894,481 | 235,254,245 |
| Allowance for impairment | **(3,154,028)** | (2,328,211) | (2,702,753) |
| | **245,311,910** | 248,566,270 | 232,551,492 |
| **Other receivables** | | | |
| Refundable deposits | **1,542,765** | 549,320 | 585,978 |
| Sundry receivables | **1,562,970** | 948,710 | 1,274,068 |
| Due from directors' related company: | | | |
| - Liannex Corporation (S) Pte. Ltd. | **2,050** | 23,096 | - |
| Due from joint venture companies: | | | |
| - PTSC South East Asia Pte. Ltd. | **8,480,301** | - | - |
| - PTSC Asia Pacific Pte. Ltd. | **30,998,000** | 188,502 | - |
| | **42,586,086** | 1,709,628 | 1,860,046 |
| Allowance for impairment | **(348,920)** | (403,126) | (447,851) |
| | **42,237,166** | 1,306,502 | 1,412,195 |
| **Total trade and other receivables** | **287,549,076** | 249,872,772 | 233,963,687 |

| | Company 31.1.2013 RM | Company 31.1.2012 RM | Company 1.2.2011 RM |
|---|---|---|---|
| **Other receivables** | | | |
| Due from subsidiaries | **94,442,636** | 81,308,853 | 54,979,034 |
| Refundable deposits | **1,001,000** | 1,000 | 1,000 |
| Sundry receivables | **-** | 36,356 | - |
| Due from joint venture companies: | | | |
| - PTSC South East Asia Pte. Ltd. | **8,480,301** | - | - |
| - PTSC Asia Pacific Pte. Ltd. | **30,998,000** | 188,502 | - |
| **Total other receivables** | **134,921,937** | 81,534,711 | 54,980,034 |

## 24. TRADE AND OTHER RECEIVABLES (cont'd)

### (a) Trade receivables

Trade receivables are non-interest bearing and are generally on 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:

| | Group | | |
|---|---|---|---|
| | **31.1.2013** | **31.1.2012** | **1.2.2011** |
| | **RM** | **RM** | **RM** |
| Neither past due nor impaired | **78,295,670** | 96,180,866 | 68,292,886 |
| 1 to 30 days past due not impaired | **22,967,013** | 40,346,280 | 34,798,254 |
| 31 to 60 days past due not impaired | **12,692,718** | 36,377,518 | 10,477,501 |
| 61 to 90 days past due not impaired | **10,681,334** | 13,172,484 | 14,733,734 |
| 91 to 120 days past due not impaired | **7,321,466** | 4,423,288 | 25,382,414 |
| More than 121 days past due not impaired | **113,353,709** | 58,065,834 | 78,859,653 |
| | **167,016,240** | 152,385,404 | 164,251,556 |
| Impaired | **3,154,028** | 2,328,211 | 2,709,803 |
| | **248,465,938** | 250,894,481 | 235,254,245 |

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 RM167,016,240 (2012 : RM152,385,404, 2011 : RM164,251,556) that are past due at the reporting date but not impaired.

During the financial year, trade receivable amounted to RM35,597,297 was partly settled via available-for-sale investment of RM28,046,490 resulted in a write off of RM6,763,487.



**24. TRADE AND OTHER RECEIVABLES (cont'd)**

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

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:

| | Group | | |
|---|---|---|---|
| | **31.1.2013** | **31.1.2012** | **1.2.2011** |
| | **RM** | **RM** | **RM** |
| Trade receivable - nominal amount | **3,154,028** | 2,328,211 | 2,709,803 |
| Less: Allowance for impairment | **(3,154,028)** | (2,328,211) | (2,702,753) |
| | **-** | - | 7,050 |

Movement for allowance accounts:

| | Group | |
|---|---|---|
| | **2013** | **2012** |
| | **RM** | **RM** |
| At beginning of year | **2,328,211** | 2,702,753 |
| Charge for the year (Note 7) | **1,827,968** | 883,776 |
| Written off | **(769,686)** | (600,508) |
| Disposal of subsidiary | **-** | (611,363) |
| Reversal of impairment losses | **(232,465)** | (46,447) |
| At end of year | **3,154,028** | 2,328,211 |

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, directors' related company and joint venture companies are unsecured, non-interest bearing and are repayable upon demand.

Movement for other receivables allowance accounts:

| | Group | |
|---|---|---|
| | **2013** | **2012** |
| | **RM** | **RM** |
| At beginning of year | **403,126** | 447,851 |
| Charge for the year (Note 7) | **15,346** | 35,562 |
| Written off | **(62,253)** | (77,589) |
| Reversal of impairment losses | **(7,299)** | (2,698) |
| At end of year | **348,920** | 403,126 |



## 25. OTHER CURRENT ASSETS

| | Group | | |
|---|---|---|---|
| | 31.1.2013 RM | 31.1.2012 RM | 1.2.2011 RM |
| Prepayments | **3,755,447** | 3,083,815 | 2,542,011 |
| Advance payments to suppliers for purchase of vessels | **38,275,958** | 15,568,639 | - |
| | **42,031,405** | 18,652,454 | 2,542,011 |

| | Company | | |
|---|---|---|---|
| | 31.1.2013 RM | 31.1.2012 RM | 1.2.2011 RM |
| Prepayments | **1,136,057** | 924,608 | 22,943 |
| Advance payments to suppliers for purchase of vessels | **38,275,958** | 15,568,639 | - |
| | **39,412,015** | 16,493,247 | 22,943 |

## 26. MARKETABLE SECURITIES

| | Group | | |
|---|---|---|---|
| | 31.1.2013 RM | 31.1.2012 RM | 1.2.2011 RM |
| Held for trading investments: | | | |
| Equity instruments quoted in Malaysia | **43,700** | 46,930 | 37,340 |

## 27. CASH AND CASH EQUIVALENTS

| | Group | | |
|---|---|---|---|
| | 31.1.2013 RM | 31.1.2012 RM | 1.2.2011 RM |
| Cash on hand and at banks | **23,754,503** | 30,013,352 | 8,811,143 |
| Deposits with licensed banks | **82,538** | 320,090 | 261,403 |
| Cash and bank balances | **23,837,041** | 30,333,442 | 9,072,546 |

| | Company | | |
|---|---|---|---|
| | 31.1.2013 RM | 31.1.2012 RM | 1.2.2011 RM |
| Cash on hand and at banks | **211,451** | 1,171,976 | 29,935 |
| Deposit with licensed bank | **-** | 240,000 | - |
| Cash and bank balances | **211,451** | 1,411,976 | 29,935 |

(a) Deposits with licensed bank of the Group as at 1 February 2011 amounted to RM180,000 was registered in the name of a director and held in trust for a subsidiary.



## 27. CASH AND CASH EQUIVALENTS (cont'd)

(b) Deposits with licensed banks of the Group amounting to RM82,538 (31.1.2012 : RM80,090, 1.2.2011 : RM261,403) are pledged as securities for bank guarantee facilities granted to the subsidiaries and deposit of the Group and the Company amounting to Nil (31.1.2012 : RM240,000, 1.2.2011 : Nil) was pledged to a licensed bank for term loan facility granted to the Company.

(c) Deposits with licensed banks are made for varying periods of between 12 to 15 months and earn interest at respective short term deposit rate. The interest rates as at reporting dates of the Group ranged from 3.15% to 3.20% (31.1.2012 : 3% to 3.27%, 1.2.2011 : 0.35% to 2.86%) per annum and for the Company was Nil (31.1.2012 : 3%, 1.2.2011 : Nil) per annum.

(d) For the purpose of the statements of cash flow, cash and cash equivalents comprise the following at the reporting dates:

| | | **Group** | |
|---|---|---|---|
| | **31.1.2013** | **31.1.2012** | **1.2.2011** |
| | **RM** | **RM** | **RM** |
| Cash on hand and at banks | **23,754,503** | 30,013,352 | 8,811,143 |
| Bank overdrafts (Note 29) | **(12,690,339)** | (9,516,704) | (13,371,895) |
| | **11,064,164** | 20,496,648 | (4,560,752) |

| | | **Company** | |
|---|---|---|---|
| | **31.1.2013** | **31.1.2012** | **1.2.2011** |
| | **RM** | **RM** | **RM** |
| Cash and cash equivalents | **211,451** | 1,171,976 | 29,935 |

## 28. 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:

| | **2013** | **2012** |
|---|---|---|
| | **RM** | **RM** |
| At beginning of year | **610,000** | 1,235,559 |
| Transferred from investment properties (Note 15) | **-** | 610,000 |
| Disposed during the year | **(610,000)** | (1,235,559) |
| At end of year | **-** | 610,000 |

The non-current assets held for sale as at 31 January 2012 comprises a piece of leasehold land which was charged to a licensed bank for term loan facility granted to a subsidiary as disclosed in Note 29.



## 29. BORROWINGS

| Group | Maturity | 31.1.2013 RM | 31.1.2012 RM | 1.2.2011 RM |
|---|---|---|---|---|
| **Short term borrowings** | | | | |
| Secured: | | | | |
| Bank loans: | | | | |
| - RM loan at BLR + 1.5% | | **-** | - | 192,229 |
| - RM loan at BLR + 1% | | **217,912** | 201,988 | 189,793 |
| - RM loan at BLR + 0.2% | | **76,465** | 71,433 | 67,635 |
| - RM loan at BLR + 2% | | **28,981** | - | - |
| - RM loan at BLR + 0.5% | | **1,703,522** | 1,456,725 | 1,395,252 |
| - RM loan at BLR - 1.6% | | **1,305,628** | 1,275,016 | - |
| - USD loan at COF + 3% | | **-** | 7,893,165 | 7,631,572 |
| - USD loan at COF + 2.5% | | **4,032,728** | 3,955,859 | - |
| - USD loan at COF + 2.8% | | **8,065,221** | - | - |
| - USD loan at SIBOR + 2.85% | | **10,377,129** | - | - |
| - USD loan at COF + 2.5% | | **6,115,324** | - | - |
| Obligations under finance lease (Note 30) | | **2,469,321** | 1,433,311 | 1,345,322 |
| | | **34,392,231** | 16,287,497 | 10,821,803 |
| Unsecured: | | | | |
| Bank overdrafts | On demand | **12,690,339** | 9,516,704 | 13,371,895 |
| Bank loan | | | | |
| - RM loan at COF + 2.5% | | **-** | 40,000,000 | - |
| - RM loan at COF + 2.5% | | **50,000,000** | - | - |
| - USD loan at COF + 2.5% | | **90,508,642** | - | - |
| Bankers' acceptances | | **116,044,032** | 106,721,114 | 112,254,146 |
| Revolving credits | | **5,500,000** | 7,500,000 | 7,500,000 |
| | | **274,743,013** | 163,737,818 | 133,126,041 |
| | | **309,135,244** | 180,025,315 | 143,947,844 |
| **Long term borrowings** | | | | |
| Secured: | | | | |
| Bank loans: | | | | |
| - RM loan at BLR + 1% | 2015 | **236,256** | 452,657 | 651,476 |
| - RM loan at BLR + 0.2% | 2015 | **82,729** | 158,855 | 229,185 |
| - RM loan at BLR + 0.5% | 2015 | **765,036** | 2,329,191 | 3,752,725 |
| - RM loan at BLR + 2% | 2020 | **222,766** | - | - |
| - RM loan at BLR - 1.6% | 2019 | **7,038,735** | 8,344,559 | - |
| - USD loan at COF + 3% | 2017 | **-** | 32,461,469 | 40,203,225 |
| - USD loan at COF + 2.5% | 2018 | **23,146,976** | 26,690,027 | - |
| - USD loan at COF + 2.8% | 2017 | **26,046,436** | - | - |
| - USD loan at SIBOR + 2.85% | 2017 | **51,918,128** | - | - |
| - USD loan at COF + 2.5% | 2019 | **27,238,092** | - | - |
| Obligations under finance lease (Note 30) | | **2,710,923** | 1,479,995 | 1,171,320 |
| | | **139,406,077** | 71,916,753 | 46,007,931 |



## 29. BORROWINGS (cont'd)

| Group | Maturity | 31.1.2013 RM | 31.1.2012 RM | 1.2.2011 RM |
|---|---|---|---|---|
| **Total borrowings** | | | | |
| Bank overdrafts (Note 27) | | **12,690,339** | 9,516,704 | 13,371,895 |
| Bankers' acceptances | | **116,044,032** | 106,721,114 | 112,254,146 |
| Revolving credits | | **5,500,000** | 7,500,000 | 7,500,000 |
| Bank loans | | **309,126,706** | 125,290,944 | 54,313,092 |
| | | **443,361,077** | 249,028,762 | 187,439,133 |
| Obligations under finance lease (Note 30) | | **5,180,244** | 2,913,306 | 2,516,642 |
| | | **448,541,321** | 251,942,068 | 189,955,775 |
| **Company** | | | | |
| **Short term borrowings** | | | | |
| Bank loans (secured) | | | | |
| - USD loan at COF + 3% | | **-** | 7,893,165 | 7,631,572 |
| - USD loan at COF + 2.8% | | **6,115,324** | - | - |
| Bank loans (unsecured) | | | | |
| - RM loan at BLR + 2.5% | | **-** | 40,000,000 | - |
| - RM loan at COF + 2.5% | | **50,000,000** | - | - |
| - USD loan at COF + 2.5% | | **90,508,642** | - | - |
| | | **146,623,966** | 47,893,165 | 7,631,572 |
| **Long term borrowings** | | | | |
| Bank loans (secured) | | | | |
| - USD loan at COF + 3% | 2017 | **-** | 32,461,469 | 40,203,225 |
| - USD loan at COF + 2.8% | 2019 | **27,238,092** | - | - |
| | | **27,238,092** | 32,461,469 | 40,203,225 |
| **Total borrowings** | | **173,862,058** | 80,354,634 | 47,834,797 |

(a) The remaining maturities of the loans and borrowings (excluding obligations under finance lease) as at the reporting dates are as follows:

| | Group | | |
|---|---|---|---|
| | 31.1.2013 RM | 31.1.2012 RM | 1.2.2011 RM |
| On demand or within one year | **306,665,923** | 178,592,004 | 142,602,522 |
| More than 1 year and less than 2 years | **30,754,996** | 15,442,310 | 9,706,841 |
| More than 2 years and less than 5 years | **102,173,512** | 41,560,351 | 28,729,355 |
| 5 years or more | **3,766,646** | 13,434,097 | 6,400,415 |
| | **443,361,077** | 249,028,762 | 187,439,133 |



## 29. BORROWINGS (cont'd)

| | Company | | |
|---|---|---|---|
| | **31.1.2013** | **31.1.2012** | **1.2.2011** |
| | **RM** | **RM** | **RM** |
| On demand or within one year | **146,623,966** | 47,893,165 | 7,631,572 |
| More than 1 year and less than 2 years | **6,134,594** | 8,287,461 | 7,946,000 |
| More than 2 years and less than 5 years | **18,529,959** | 24,174,008 | 25,856,810 |
| 5 years or more | **2,573,539** | - | 6,400,415 |
| | **173,862,058** | 80,354,634 | 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, 28 and fixed deposits of the Group and the Company as disclosed in Note 27.

(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.

## 30. OBLIGATIONS UNDER FINANCE LEASE

| | Group | | |
|---|---|---|---|
| | **31.1.2013** | **31.1.2012** | **1.2.2011** |
| | **RM** | **RM** | **RM** |
| **Minimum hire purchase payments:** | | | |
| Not later than 1 year | **2,707,820** | 1,568,834 | 1,467,815 |
| Later than 1 year and not later than 2 years | **1,818,966** | 1,161,242 | 819,181 |
| Later than 2 years and not later than 5 years | **1,023,588** | 386,610 | 412,922 |
| | **5,550,374** | 3,116,686 | 2,699,918 |
| Less: Future finance charges | **(370,130)** | (203,380) | (183,276) |
| | **5,180,244** | 2,913,306 | 2,516,642 |
| **Present value of hire purchase liabilities:** | | | |
| Not later than 1 year | **2,469,321** | 1,433,311 | 1,345,322 |
| Later than 1 year and not later than 2 years | **1,711,888** | 1,107,599 | 769,610 |
| Later than 2 years and not later than 5 years | **999,035** | 372,396 | 401,710 |
| | **5,180,244** | 2,913,306 | 2,516,642 |
| **Analysed as:** | | | |
| Due within 12 months (Note 29) | **2,469,321** | 1,433,311 | 1,345,322 |
| Due after 12 months (Note 29) | **2,710,923** | 1,479,995 | 1,171,320 |
| | **5,180,244** | 2,913,306 | 2,516,642 |

The hire purchase contracts are secured by a charge over certain motor vehicles (Note 14) and supported by corporate guarantees from the Company. The weighted average effective interest rates ranges from 2.49% to 4.30% (31.1.2012 : 2.65% to 3.57%, 1.2.2011 : 2.65% to 3.97%) per annum.

## 31. TRADE AND OTHER PAYABLES

| | Group | | |
|---|---|---|---|
| | 31.1.2013 | 31.1.2012 | 1.2.2011 |
| | RM | RM | RM |
| **Trade payables** | | | |
| Third parties | **40,318,378** | 30,401,250 | 32,971,986 |
| Due to directors' related company | **120,826** | - | 1,241,044 |
| Due to a corporate shareholder of a subsidiary, Twin Power Marine Sdn. Bhd. | **429,023** | 482,683 | 154,335 |
| | **40,868,227** | 30,883,933 | 34,367,365 |
| **Other payables** | | | |
| Due to director, Lim Han Weng | **878,122** | 4,359,387 | 3,898,916 |
| Due to directors' related companies | **3,784,268** | 32,928,954 | 16,956,547 |
| Due to subsidiaries' corporate shareholder: | | | |
| - Twin Power Marine Sdn. Bhd. | **2,325,000** | 2,325,000 | 2,325,000 |
| - Tan Quang Singapore Pte. Ltd. | **8,582,627** | - | - |
| Sundry payables | **4,555,254** | 8,949,731 | 7,340,220 |
| Accruals | **4,012,039** | 3,098,810 | 2,585,526 |
| | **24,137,310** | 51,661,882 | 33,106,209 |
| **Total trade and other payables** | **65,005,537** | 82,545,815 | 67,473,574 |

| | Company | | |
|---|---|---|---|
| | 31.1.2013 | 31.1.2012 | 1.2.2011 |
| | RM | RM | RM |
| **Trade payables** | | | |
| Third parties | **-** | - | 20,731 |
| **Other payables** | | | |
| Due to director, Lim Han Weng | **858,441** | - | 768,396 |
| Due to directors' related company | **2,554,366** | 13,832,888 | - |
| Due to subsidiaries: | | | |
| - Yinson Marine Services Sdn. Bhd. | **1,992,305** | 5,087,751 | 185,139 |
| - Yinson Offshore Limited | **7,384,088** | 191,661 | - |
| Sundry payables | **975,406** | 1,435,472 | 251,854 |
| Accruals | **1,092,933** | 251,000 | 89,867 |
| | **14,857,539** | 20,798,772 | 1,295,256 |
| **Total trade and other payables** | **14,857,539** | 20,798,772 | 1,315,987 |



## 31. 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 is due to Liannex Corporation (S) Pte. Ltd., a company which is substantially owned by two of the directors of the Company, namely Lim Han Weng and Bah Kim Lian.

### (b) Other payables

Amounts due to director, directors' related companies and a corporate shareholder of a subsidiary and subsidiaries are unsecured and repayable on demand. All these amounts are non-interest bearing except for other payables amounting to RM3,031,974 (31.1.2012 : RM31,317,379, 1.2.2011 : RM11,779,931) and RM2,554,366 (31.1.2012 : RM13,832,888, 1.2.2011 : RM Nil) of the Group and of the Company respectively, which bears interest at 3.5% (31.1.2012 : 1.33% to 3.5%, 1.2.2011 : 3%) per annum. Other payables are to be settled in cash.

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

| | Group | | |
|---|---|---|---|
| | **31.1.2013** | **31.1.2012** | **1.2.2011** |
| | **RM** | **RM** | **RM** |
| Tuck Seng Loong (JB) Sdn. Bhd. | **34,770** | 34,770 | 70,602 |
| Kargo Indera Sdn. Bhd. | **-** | 701,378 | 515,857 |
| Liannex Corporation (S) Pte. Ltd. | **3,749,498** | 32,192,106 | 16,370,088 |
| | **3,784,268** | 32,928,254 | 16,956,547 |

| | Company | | |
|---|---|---|---|
| | **31.1.2013** | **31.1.2012** | **1.2.2011** |
| | **RM** | **RM** | **RM** |
| Liannex Corporation (S) Pte. Ltd. | **2,554,366** | 13,832,888 | - |

## 32. DERIVATIVE

| | Group | | |
|---|---|---|---|
| | **31.1.2013** | **31.1.2012** | **1.2.2011** |
| | **RM** | **RM** | **RM** |
| Interest rate swap | **119,720** | - | - |
| Notional amount | **61,227,910** | - | - |

The interest rate swap receives floating interest of SIBOR + 2.75% per annum, pays a fixed rate of interest of 3.4% per annum and has similar maturity terms as the term loan.

## 33. DEFERRED TAX

| | Group 2013 RM | Group 2012 RM |
|---|---|---|
| At beginning of year | **2,937,000** | 1,759,831 |
| Recognised in the profit or loss (Note 11) | | |
| - Current year | **(181,000)** | 1,138,819 |
| - Underprovision in prior year | **40,000** | 1,000 |
| | **(141,000)** | 1,139,819 |
| - Exchange differences | **-** | 37,350 |
| At end of year | **2,796,000** | 2,937,000 |

Presented after appropriate offsetting as follows:

| | Group 31.1.2013 RM | Group 31.1.2012 RM | Group 1.2.2011 RM |
|---|---|---|---|
| Deferred tax assets | **-** | - | (552,169) |
| Deferred tax liabilities | **2,796,000** | 2,937,000 | 2,312,000 |
| | **2,796,000** | 2,937,000 | 1,759,831 |

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 | Provision RM | Total RM |
|---|---|---|---|---|
| At 1 February 2011 | 4,332,000 | (2,573,169) | 1,000 | 1,759,831 |
| Recognised in profit or loss | 1,349,000 | (198,181) | (11,000) | 1,139,819 |
| Exchange differences | - | 37,350 | - | 37,350 |
| At 31 January 2012 and 1 February 2012 | 5,681,000 | (2,734,000) | (10,000) | 2,937,000 |
| Recognised in profit or loss | 82,000 | (218,000) | (5,000) | (141,000) |
| At 31 January 2013 | **5,763,000** | **(2,952,000)** | **(15,000)** | **2,796,000** |

At the reporting date, the Group has tax losses and unabsorbed capital allowances of approximately RM4,749,399 (31.1.2012 : RM14,986,000, 1.2.2011 : RM Nil) that are available for offset against future taxable profits of the companies in which the losses and unabsorbed capital allowances arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority. The use of tax losses of subsidiaries in other countries are subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislations of the countries in which the subsidiaries operate.



## 34. SHARE CAPITAL

| | Number of ordinary shares of RM1 each | | Amount | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 RM | 2012 RM |
| Authorised: | | | | |
| At beginning of year | **500,000,000** | 100,000,000 | **500,000,000** | 100,000,000 |
| Created during the year | **-** | 400,000,000 | **-** | 400,000,000 |
| At end of year | **500,000,000** | 500,000,000 | **500,000,000** | 500,000,000 |
| Issued and fully paid: | | | | |
| At beginning of year | **75,347,200** | 68,497,500 | **75,347,200** | 68,497,500 |
| Issued during the year: | | | | |
| - Rights issue | **113,020,800** | - | **113,020,800** | - |
| - Private placements | **11,987,100** | 6,849,700 | **11,987,100** | 6,849,700 |
| At end of year | **200,355,100** | 75,347,200 | **200,355,100** | 75,347,200 |

## 35. 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.

### (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 2013 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 31 January 2013, the Company has sufficient 108 balance to pay franked dividends out of its entire retained earnings.

## 36. 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 | |
|---|---|---|---|---|
| | 2013 | 2012 | 2013 | 2012 |
| | RM | RM | RM | 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. | **7,723,824** | 5,861,359 | **-** | - |
| Transport income from Liannex Corporation Sdn. Bhd. | **163,955** | 9,000 | **-** | - |
| Transport income from Handal Indah Sdn. Bhd. | **-** | 3,580 | **-** | - |
| Transport charges to Kargo Indera Sdn. Bhd. | **779,643** | 6,669 | **-** | - |
| Barge income from Liannex Corporation (S) Pte. Ltd. | **3,619,778** | 2,347,690 | **-** | - |
| Sales of goods to Handal Indah Sdn. Bhd. | **419,540** | 393,451 | **-** | - |
| Sales of goods to Triton Commuter Sdn. Bhd. | **402,425** | 437,106 | **-** | - |
| Purchases from Yinson Tyres Sdn. Bhd. | **3,186,924** | 2,560,881 | **-** | - |
| Purchases from Liannex Corporation (S) Pte. Ltd. | **1,013** | - | **-** | - |
| Purchases from Twin Power Sdn. Bhd. | **96,000** | - | **-** | - |
| Levy income from Kargo Indera Sdn. Bhd. | **-** | 1,200 | **-** | - |
| Interest on advances from Liannex Corporation (S) Pte. Ltd. | **61,014** | 1,149,806 | **9,727** | 601,779 |
| Interest income on advances to PTSC South East Asia Pte. Ltd. | **753,084** | - | **753,084** | - |
| Interest income on advances to PTSC Asia Pacific Pte. Ltd. | **2,250,760** | - | **2,250,760** | - |
| With subsidiaries: | | | | |
| Dividend income (gross) | **-** | - | **9,500,000** | 34,834,430 |
| Interest income on advance to Yinson Tulip Limited | **-** | - | **631,074** | - |

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.

Information regarding outstanding balances arising from related party transactions as at the reporting dates is disclosed in Notes 21, 24 and 31.

### (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.



## 37. COMMITMENTS

### (a) Capital commitments

| Group | 31.1.2013<br>RM | 31.1.2012<br>RM | 1.2.2011<br>RM |
|---|---|---|---|
| Approved and contracted: | | | |
| Property, plant and equipment | **37,716,000** | 134,338,000 | 635,000 |
| Share of joint ventures' capital commitments in relation to property, plant and equipment | **252,033,000** | 114,385,000 | - |
| **Company** | | | |
| Approved and contracted: | | | |
| Property, plant and equipment | **29,334,000** | 133,528,000 | - |

### (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 2 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 2013 and 31 January 2012, amounted to RM816,866 (2012 : RM567,325).

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

| Group | 31.1.2013<br>RM | 31.1.2012<br>RM | 1.2.2011<br>RM |
|---|---|---|---|
| Not later than 1 year | **144,456** | 280,496 | 708,055 |
| Later than 1 year and not later than 5 years | **7,000** | 71,456 | 512,609 |
| | **151,456** | 351,952 | 1,220,664 |

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

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

## 37. COMMITMENTS (cont'd)

### (c) Operating lease commitments – as lessor (cont'd)

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

| Group | 31.1.2013<br>RM | 31.1.2012<br>RM | 1.2.2011<br>RM |
|---|---|---|---|
| Not later than 1 year | **17,936,157** | 17,792,000 | 11,269,000 |
| Later than 1 year and not later than 5 years | **243,400** | 32,781,000 | 39,652,000 |
| | **18,179,557** | 50,573,000 | 50,921,000 |

Investment properties rental income and the income from leasing of vessels are recognised in profit or loss during the financial year are disclosed in Note 4.

## 38. SIGNIFICANT EVENTS

(a) On 23 February 2012, the Company incorporated a wholly owned subsidiary in Singapore under the name of Yinson Orchid Pte. Ltd. ("YO") with a paid-up share capital of USD2.00. The principal activities of YO shall be vessel owner and operator. YO has commenced operations on 1 April 2012.

(b) On 24 February 2012, the Company entered into a Share Sales Agreement with Tan Quang Singapore Pte. Ltd. to dispose of 400 ordinary shares of USD1.00 each, representing 40% of the total issued and paid-up share capital in Yinson Indah Ltd. to Tan Quang Singapore Pte. Ltd. for a total consideration of USD400.

(c) On 2 March 2012, a subsidiary, Regulus Offshore Sdn. Bhd. ("ROSB") increased its paid-up share capital from RM100 to RM100,000 by the issuance of 99,900 ordinary shares of RM1.00 each. The Company took up its rights to the shares allotted hence increasing its investment in ROSB from RM51 to RM51,000.

(d) On 8 March 2012, the Rights Issue was completed following the listing of and quotation for 113,020,800 Rights Shares on the Main Market of Bursa Malaysia Securities Berhad and the issued and paid-up share capital of the Company was increased from RM75,347,200 to RM188,368,000 new ordinary shares by way of the issuance of 113,020,800 new ordinary shares.

(e) On 5 April 2012, a subsidiary, Yinson Vietnam Company Limited ("YV"), acquired a 49% stake at a value equivalent to RM431,591 in Yen Son Diversified Company Limited ("Yen Son Diversified") with a charter (paid-up) share capital of VND6,000,000,000 equivalent to RM880,799. On 8 November 2012, YV acquired a further 2% stake and increased its shareholding in the charter (paid-up) share capital of Yen Son Diversified to 51%. Yen Son Diversified was incorporated on 30 December 2010 and its principal activity shall be the provision of warehousing facilities at PTSC Phu My Port in Vung Tau, Vietnam. Yen Son Diversified has not commenced operation.

(f) On 25 May 2012, the share placement of 11,987,100 ordinary shares of RM1.00 each, at an issue price of RM1.70 each was completed and the issued and paid-up share capital of the Company was increased from RM188,368,000 to RM200,355,100.

(g) On 9 June 2012, the Company entered into a consortium agreement with Petrovietnam Technical Services Corporation ("PTSC") in relation to execution and performance of the engineering, procurement, construction and installation contract ("EPCI Contract") and the bareboat charter contract ("Bareboat Charter Contract") for the provision and charter of a floating production, storage and off-loading ("FPSO") facility.



## 38. SIGNIFICANT EVENTS (cont'd)

(h) On 14 June 2012, the Company together with PTSC incorporated a joint venture company, PTSC Asia Pacific Pte. Ltd. ("PTSC AP") with a paid up capital of USD1,000 shares at USD1.00. The principal activity of PTSC AP shall be the provision of floating marine assets for chartering.

On 31 August 2012, PTSC AP increased its paid-up ordinary share capital by 49,000 shares at USD1.00. On 31 December 2012, the paid-up ordinary share capital was increased by 9,950,000 shares at USD1.00. PTSC and the Company hold 5,100,000 shares (51%) and 4,900,000 shares (49%) respectively.

(i) On 18 June 2012 and 13 December 2012, the Company increased its investment in PTSC South East Asia Pte. Ltd. ("PTSC SEA") by USD11,759,510 and USD1,102,500 respectively.

(j) On 12 July 2012, the Company completed the acquisition of 14,000,000 ordinary shares of VND10,000 each representing 40% equity interest in PTSC Phu My Port Joint Stock Company for a total cash consideration of VND182 billion (approximately RM26.38 million) from PTSC.

(k) On 25 July 2012, the Company incorporated a Labuan offshore company, Yinson Hibiscus Limited ("YHL") with a paid-up share capital of USD10,000. The principal activity of YHL shall be the provision of leasing of vessel on a bare-boat basis. YHL has not commenced operation.

## 39. SUBSEQUENT EVENT

On 22 May 2013, the Company proposed a private placement up to 20,035,510 new ordinary shares of RM1.00 each, representing up to ten percent (10%) of the issued and paid-up share capital of YHB.

Barring any unforeseen circumstances, the Proposed Private Placement is expected to be completed by the last quarter of 2013.

## 40. FAIR VALUE OF FINANCIAL INSTRUMENTS

### (a) Fair value of financial instruments that are carried at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

| Group | Level 1 RM | Level 2 RM | Level 3 RM | Total RM |
|---|---|---|---|---|
| **31.1.2013** | | | | |
| **Financial assets:** | | | | |
| Available-for-sale investment | **11,391,135** | **-** | **-** | **11,391,135** |
| Marketable securities | **43,700** | **-** | **-** | **43,700** |
| **Financial liability:** | | | | |
| Interest rate swap | **-** | **119,720** | **-** | **119,720** |
| **31.1.2012** | | | | |
| **Financial asset:** | | | | |
| Marketable securities | 46,930 | - | - | 46,930 |



## 40. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

### (a) Fair value of financial instruments that are carried at fair value (cont'd)

| Group | Level 1 RM | Level 2 RM | Level 3 RM | Total RM |
|---|---|---|---|---|
| **1.2.2011** | | | | |
| **Financial asset:** | | | | |
| Marketable securities | 37,340 | - | - | 37,340 |

**Fair value hierarchy**

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 31 January 2013 and 31 January 2012.

### (b) 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) | 24 |
| Trade and other payables (current) | 31 |
| Loans and borrowings (current), excluding obligations under finance lease | 29 |
| Loans and borrowings (non-current), excluding obligations under finance lease | 29 |
| Derivative | 32 |

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 non-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.

## 40. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

### (c) 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 | 31.1.2013<br>RM | 31.1.2012<br>RM | 1.2.2011<br>RM |
|---|---|---|---|
| **Financial liabilities:** | | | |
| Loans and borrowings | | | |
| - Obligation under hire purchase contracts | | | |
| Carrying value | **5,180,244** | 2,913,306 | 2,516,642 |
| Fair value | **5,076,967** | 2,789,928 | 2,599,057 |

**Investments in subsidiaries, joint venture companies and associate**

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, joint venture companies and associate that are not quoted on any market and do not have any comparable industry peers that are listed. In addition, the variability in the range of reasonable fair value estimates derived from valuation techniques would be significant. The Group does not intend to dispose of these investments in the foreseeable future.

**Advance and loan to subsidiaries and joint venture companies (non-current)**

Advances and loans to subsidiaries and joint venture companies are stated at their initial transaction values as there were no associate repayment terms and not possible to estimate the timing of future cash flows.

### (d) Determination of fair values

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 guarantee 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.

## 41. 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.

## 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

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.

<u>Exposure to credit risk</u>

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 RM274,679,263 (31.1.2012 : RM211,942,067, 1.2.2011 : RM189,955,775) relating to corporate guarantees provided by the Company to banks for credit facilities granted to subsidiaries.

- A nominal amount of RM1,010,353 (31.1.2012 : RM717,117, 1.2.2011 : RM7,590,000) relating to a corporate guarantee provided by the Company to a third party for provision of supplies to subsidiaries.

<u>Credit risk concentration</u>

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 61% (31.1.2012 : 65%, 1.2.2011 : 65%) of the Group's trade receivables were due from companies of a common group.

<u>Financial assets that are neither past due nor impaired</u>

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 24. 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.



## 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

### (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.

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.

| Group | On demand or within one year RM | One to five years RM | Over five years RM | Total RM |
|---|---|---|---|---|
| **31.1.2013** | | | | |
| **Financial liabilities:** | | | | |
| Trade and other payables | **65,005,537** | **-** | **-** | **65,005,537** |
| Loans and borrowings | **315,384,961** | **146,782,019** | **3,821,220** | **465,988,200** |
| Derivative | **119,720** | **-** | **-** | **119,720** |
| Total undiscounted financial liabilities | **380,390,498** | **146,782,019** | **3,821,220** | **530,993,737** |
| **31.1.2012** | | | | |
| **Financial liabilities:** | | | | |
| Trade and other payables | 82,545,815 | - | - | 82,545,815 |
| Loans and borrowings | 223,858,464 | 65,900,781 | 13,813,890 | 303,573,135 |
| Total undiscounted financial liabilities | 306,404,279 | 65,900,781 | 13,813,890 | 386,118,950 |
| **1.2.2011** | | | | |
| **Financial liabilities:** | | | | |
| Trade and other payables | 67,473,574 | - | - | 67,473,574 |
| Loans and borrowings | 146,391,038 | 44,285,026 | 6,444,760 | 197,120,824 |
| Total undiscounted financial liabilities | 213,864,612 | 44,285,026 | 6,444,760 | 264,594,398 |

## 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

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

| Company | On demand or within one year RM | One to five years RM | Over five years RM | Total RM |
|---|---|---|---|---|
| **31.1.2013** | | | | |
| **Financial liabilities:** | | | | |
| Trade and other payables | **14,857,539** | **-** | **-** | **14,857,539** |
| Loans and borrowings | **147,959,363** | **27,321,728** | **2,601,658** | **177,882,749** |
| Total undiscounted financial liabilities | **162,816,902** | **27,321,728** | **2,601,658** | **192,740,288** |
| **31.1.2012** | | | | |
| **Financial liabilities:** | | | | |
| Trade and other payables | 20,798,772 | - | - | 20,798,772 |
| Loans and borrowings | 49,909,046 | 36,344,819 | - | 86,253,865 |
| Total undiscounted financial liabilities | 70,707,818 | 36,344,819 | - | 107,052,637 |
| **1.2.2011** | | | | |
| **Financial liabilities:** | | | | |
| Trade and other payables | 1,315,987 | - | - | 1,315,987 |
| Loans and borrowings | 9,602,382 | 38,409,527 | 6,444,760 | 54,456,669 |
| Total undiscounted financial liabilities | 10,918,369 | 38,409,527 | 6,444,760 | 55,772,656 |

### (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 (2012 : 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 RM333,000 (2012 : RM187,000 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.



**41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)**

**(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 8% (31.1.2012 : 8%. 1.2.2011 : 7%) of the Group's revenue whilst almost 6% (31.1.2012 : 6%, 1.2.2011 : 6%) of the Group's costs are denominated in the foreign currencies of the Group. The Group's trade receivable and trade payable balances at the reporting date have similar exposures.

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, SGD and RM) amounted to RM4,412,897, RM35,750 and RM57,111 (31.1.2012 : RM26,584,180, RM93,874 and RM73,967, 1.2.2011 : RM412,842, RM106,139 and RM Nil) respectively.

The Group is also exposed to currency translation risk arising from its net investment in foreign operations in Vietnam, Labuan and Singapore. The Group's investments in its foreign subsidiaries and joint venture are not hedged as the currency position in these investments are 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.

| | | 2013<br>RM | 2012<br>RM |
|---|---|---|---|
| **Group** | | | |
| USD/RM | - Strengthened 5% | **+5,279,000** | +1,620,000 |
| | - Weakened 5% | **-5,279,000** | -1,620,000 |
| SGD/RM | - Strengthened 5% | **-25,000** | -29,000 |
| | - Weakened 5% | **+25,000** | +29,000 |
| RM/USD | - Strengthened 5% | **-18,000** | +19,000 |
| | - Weakened 5% | **+18,000** | -19,000 |

## 42. CATEGORIES OF FINANCIAL INSTRUMENTS

Financial instruments of the Group and the Company as at 31 January 2013 and 31 January 2012 by classes are as follows:

| | Note | 31.1.2013 RM | 31.1.2012 RM | 1.2.2011 RM |
|---|---|---|---|---|
| **Group** | | | | |
| **(a) Financial assets at fair value through profit and loss** | | | | |
| Classified as held for trading: | | | | |
| Marketable securities | 26 | **43,700** | 46,930 | 37,340 |
| **(b) Loans and receivables** | | | | |
| Trade and other receivables | 24 | **287,549,076** | 249,872,772 | 233,963,687 |
| Cash and bank balances | 27 | **23,837,041** | 30,333,442 | 9,072,546 |
| | | **311,386,117** | 280,206,214 | 243,036,233 |
| **(c) Available-for-sale financial assets** | | | | |
| Available-for-sale investments | 22 | **11,391,135** | - | - |
| **(d) Financial liabilities measured at amortised cost** | | | | |
| Trade and other payables | 31 | **65,005,537** | 82,545,815 | 67,473,574 |
| Loans and borrowings | 29 | **448,541,321** | 251,942,068 | 189,955,775 |
| | | **513,546,858** | 334,487,883 | 257,429,349 |
| **(e) Financial liability at fair value through profit and loss classified as held for trading** | | | | |
| Derivative - Interest rate swap | 32 | **119,720** | - | - |
| **Company** | | | | |
| **(a) Loans and receivables** | | | | |
| Advances and loan to subsidiaries | 21 | **34,339,159** | 39,461,470 | 47,203,225 |
| Trade and other receivables | 24 | **134,921,937** | 81,534,711 | 54,980,034 |
| Cash and bank balances | 27 | **211,451** | 1,411,976 | 29,935 |
| | | **169,472,547** | 122,408,157 | 102,213,194 |
| **(b) Financial liabilities measured at amortised cost** | | | | |
| Trade and other payables | 31 | **14,857,539** | 20,798,772 | 1,315,987 |
| Loans and borrowings | 29 | **173,862,058** | 80,354,634 | 47,834,797 |
| | | **188,719,597** | 101,153,406 | 49,150,784 |



## 43. 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 2013 and 31 January 2012.

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.

| | 31.1.2013<br>RM | 31.1.2012<br>RM | 1.2.2011<br>RM |
|---|---|---|---|
| **Group** | | | |
| Loans and borrowings | **448,541,321** | 251,942,068 | 189,955,775 |
| Trade and other payables | **65,005,537** | 82,545,815 | 67,473,574 |
| Less: Cash and bank balances | **(23,837,041)** | (30,333,442) | (9,072,546) |
| Net debt | **489,709,817** | 304,154,441 | 248,356,803 |
| Equity attributable to the owners of the parent | **281,232,495** | 157,702,443 | 122,365,072 |
| Capital and net debt | **770,942,312** | 461,856,884 | 370,721,875 |
| Gearing ratio | **64%** | 66% | 67% |
| **Company** | | | |
| Loans and borrowings | **173,862,058** | 80,354,634 | 47,834,797 |
| Trade and other payables | **14,857,539** | 20,798,772 | 1,315,987 |
| Less: Cash and bank balances | **(211,451)** | (1,411,976) | (29,935) |
| Net debt | **188,508,146** | 99,741,430 | 49,120,849 |
| Equity attributable to the owners of the parent | **209,772,552** | 103,987,167 | 69,870,424 |
| Capital and net debt | **398,280,698** | 203,728,597 | 118,991,273 |
| Gearing ratio | **47%** | 49% | 41% |

## 44. 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.

## 44. 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.

| 31.1.2013 | Transport RM | Marine RM | Trading RM | Other operations RM | Consolidated RM |
|---|---|---|---|---|---|
| **Revenue:** | | | | | |
| External sales | 110,302,975 | 109,176,303 | 690,012,028 | 10,485,253 | 919,976,559 |
| Elimination | | | | | (54,755,705) |
| | | | | | 865,220,854 |
| **Results:** | | | | | |
| Segment results | 7,642,065 | 23,995,969 | 26,809,759 | 3,970,744 | 62,418,537 |
| Finance costs | | | | | (17,285,759) |
| Share of results of joint venture companies | | | | | (267,047) |
| Share of results of associate company | | | | | (426,549) |
| Taxation | | | | | (8,156,390) |
| Profit for the year | | | | | 36,282,792 |
| Amortisation and depreciation | 4,313,949 | 9,272,948 | 124,184 | - | 13,711,081 |
| Fair value loss: | | | | | |
| - investment properties | - | - | - | (1,622) | (1,622) |
| - marketable securities | - | - | - | (3,230) | (3,230) |
| Other non-cash expenses | 527,440 | (398,151) | 7,713,790 | 139,134 | 7,982,213 |
| **Assets and liabilities** | | | | | |
| Segment assets | 66,531,376 | 461,640,757 | 212,203,125 | 60,523,153 | 800,898,411 |
| Segment liabilities | 25,866,823 | 338,052,898 | 146,676,141 | 6,514,110 | 517,109,972 |
| Addition to non-current assets | 5,948,623 | 91,597,090 | - | 321,622 | 97,867,335 |



## 44. SEGMENT INFORMATION (cont'd)

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

| 31.1.2012 | Transport RM | Marine RM | Trading RM | Other operations RM | Consolidated RM |
|---|---|---|---|---|---|
| **Revenue:** | | | | | |
| External sales | 90,341,599 | 72,264,664 | 579,367,115 | 35,735,216 | 777,708,594 |
| Elimination | | | | | (61,884,591) |
| | | | | | 715,824,003 |
| **Results:** | | | | | |
| Segment results | 6,380,905 | 12,501,410 | 22,989,599 | 2,129,315 | 44,001,229 |
| Finance costs | | | | | (11,209,404) |
| Share of results of joint venture company | | | | | (23,282) |
| Taxation | | | | | (6,538,903) |
| Profit for the year | | | | | 26,229,640 |
| Amortisation and depreciation | 4,095,306 | 4,637,273 | 63,348 | - | 8,795,927 |
| Fair value gain: | | | | | |
| - investment properties | - | - | - | 462,016 | 462,016 |
| - marketable securities | - | - | - | 9,590 | 9,590 |
| Other non-cash expenses | 701,621 | (758,475) | 874,327 | 662,666 | 1,480,139 |
| **Assets and liabilities** | | | | | |
| Segment assets | 63,803,332 | 154,596,754 | 197,782,888 | 79,410,840 | 495,593,814 |
| Segment liabilities | 29,238,130 | 120,883,207 | 121,982,909 | 66,538,637 | 338,642,883 |
| Addition to non-current assets | 7,649,908 | 44,663,450 | - | - | 52,313,358 |
| **1.2.2011** | | | | | |
| Segment assets | 84,609,190 | 97,314,470 | 192,125,801 | 11,081,194 | 385,130,655 |
| Segment liabilities | 38,179,714 | 91,166,942 | 131,848,811 | 1,555,396 | 262,750,863 |
| Addition to non-current assets | 3,329,047 | 69,283,455 | - | - | 72,612,502 |

## 45. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 January 2013 were authorised for issue in accordance with a resolution of the directors on 27 May 2013.



## 46. 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 2013, 31 January 2012 and 1 February 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.

| | 31.1.2013<br>RM | 31.1.2012<br>RM | 1.2.2011<br>RM |
|---|---|---|---|
| **Group** | | | |
| Total retained profits/(losses) | | | |
| - Realised | **91,356,669** | 79,840,563 | 59,484,195 |
| - Unrealised | **(2,112,582)** | (996,502) | (1,821,169) |
| | **89,244,087** | 78,844,061 | 57,663,026 |
| Total retained profits from: | | | |
| Joint venture companies | | | |
| - Realised | **(290,329)** | (23,282) | - |
| Associate | | | |
| - Realised | **(426,549)** | - | - |
| | **88,527,209** | 78,820,779 | 57,663,026 |
| Less: Consolidation adjustments | **(4,182,358)** | 202,954 | (3,795,454) |
| Retained profits as per financial statements | **84,344,851** | 79,023,733 | 53,867,572 |
| **Company** | | | |
| Total retained profits | | | |
| - Realised | **1,190,225** | 24,252,773 | 1,372,924 |
| - Unrealised | **150,789** | 18,196 | - |
| Retained profits as per financial statements | **1,341,014** | 24,270,969 | 1,372,924 |



# Analysis of Shareholdings
as at 20 June 2013

| | | |
|---|---|---|
| Authorised Share Capital | : | RM500,000,000 ordinary shares of RM1.00 each |
| Issued and Fully Paid-up Capital | : | RM220,390,610 ordinary shares of RM1.00 each |
| Voting Rights | : | One vote per share |

**ANALYSIS OF SHAREHOLDINGS (According to the record of Depositors as at 20 June 2013)**

| Range | No. of Holders | % of Holders | No. of Shares | % of Shares |
|---|---|---|---|---|
| Less than 100 | 107 | 7.00 | 2,930 | 0.00 |
| 100 to 1,000 | 189 | 12.36 | 144,216 | 0.07 |
| 1,001 to 10,000 | 832 | 54.41 | 3,753,362 | 1.70 |
| 10,001 to 100,000 | 295 | 19.29 | 9,361,225 | 4.25 |
| 100,001 to 11,019,529 (*) | 103 | 6.74 | 150,719,035 | 68.39 |
| 11,019,529 and above (**) | 3 | 0.20 | 56,409,842 | 25.60 |
| | 1,529 | 100.00 | 220,390,610 | 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 20 June 2013)**

| | Name | No. of Shares | % |
|---|---|---|---|
| 1 | Lim Han Weng | 67,068,042 | 30.43 |
| 2 | Bah Kim Lian | 22,715,650 | 10.31 |
| 3 | Liannex Corporation (S) Pte Ltd | 11,359,400 | 5.15 |

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

**DIRECTORS SHAREHOLDINGS (As per Register of Director's Shareholdings as at 20 June 2013)**

| | Direct Interest | | Indirect Interest | |
|---|---|---|---|---|
| Name | No. of Shares | % | No. of Shares | % |
| Lim Han Weng | 67,068,042 | 30.43 | 11,916,400 | 5.41 |
| Bah Kim Lian | 22,715,650 | 10.31 | - | - |
| Lim Han Joeh | 10,327,594 | 4.69 | - | - |
| Bah Koon Chye | 100,000 | 0.05 | - | - |
| Adi Azmari bin Koya Moideen Kutty | 68,700 | 0.03 | - | - |
| Kam Chai Hong | 66,000 | 0.03 | - | - |
| Lim Chern Yuan | 15,300 | 0.01 | - | - |



# Analysis of Shareholdings (cont'd)

as at 20 June 2013

## 30 LARGEST SHAREHOLDERS (According to the Record of Depositors as at 20 June 2013)

| | Name | No. of Shares | % |
|---|---|---|---|
| 1 | Amsec Nominees (Tempatan) Sdn Bhd<br>Pledged securities account Ambank (M) Berhad for Lim Han Weng | 25,350,442 | 11.50 |
| 2 | Kenanga Nominees (Tempatan) Sdn Bhd<br>Pledged securities account for Lim Han Weng | 19,700,000 | 8.94 |
| 3 | Liannex Corporation (S) Pte. Ltd. | 11,359,400 | 5.15 |
| 4 | Bah Kim Lian | 10,866,500 | 4.93 |
| 5 | Maybank Nominees (Tempatan) Sdn Bhd<br>Pledged securities account for Lim Han Weng | 10,700,000 | 4.86 |
| 6 | Maybank Nominees (Tempatan) Sdn Bhd<br>Pledged securities account - Areca Capital Sdn Bhd | 10,017,755 | 4.55 |
| 7 | Maybank Nominees (Tempatan) Sdn Bhd<br>Pledged securities account - Areca Capital Sdn Bhd | 10,017,755 | 4.55 |
| 8 | Maybank Securities Nominees (Tempatan) Sdn Bhd<br>Pledged securities account for Kencana Capital Assets Sdn Bhd | 10,000,000 | 4.54 |
| 9 | AllianceGroup Nominees (Tempatan) Sdn Bhd<br>Pledged securities account for Lim Han Weng | 7,500,000 | 3.40 |
| 10 | Bah Kim Lian | 6,464,100 | 2.93 |
| 11 | Maybank Nominees (Tempatan) Sdn Bhd<br>Pledged securities account for Lim Han Joeh | 6,409,142 | 2.91 |
| 12 | Malaysia Nominees (Tempatan) Sendirian Berhad<br>Great Eastern Life Assurance (Malaysia) Berhad (LSF) | 5,592,000 | 2.54 |
| 13 | HSBC Nominees (Asing) Sdn Bhd<br>Exempt AN for JPMorgan Chase Bank,National Association (Norges BK) | 5,417,700 | 2.46 |
| 14 | Lim Kooi Eng | 4,696,560 | 2.13 |
| 15 | Citigroup Nominees (Tempatan) Sdn Bhd<br>Exempt AN for American International Assurance Berhad | 4,161,100 | 1.89 |
| 16 | Amanahraya Trustees Berhad<br>Public Smallcap Fund | 3,695,250 | 1.68 |
| 17 | Bah Kim Lian | 3,239,200 | 1.47 |
| 18 | HSBC Nominees (Asing) Sdn Bhd<br>Exempt AN for The Bank of New York Mellon SA/NV (Amex-Foreign) | 3,000,000 | 1.36 |
| 19 | Citigroup Nominees (Tempatan) Sdn Bhd<br>Pledged securities account for Lim Han Weng | 2,754,900 | 1.25 |
| 20 | EB Nominees (Tempatan) Sendirian Berhad<br>Pledged securities account for Lim Han Joeh | 2,247,452 | 1.02 |
| 21 | Beh Eng Par | 1,971,100 | 0.89 |
| 22 | Citigroup Nominees (Tempatan) Sdn Bhd<br>Pledged securities account for Bah Kim Lian | 1,954,900 | 0.89 |
| 23 | Citigroup Nominees (Asing) Sdn Bhd<br>GSI for Joy Lead Consultants Limited | 1,838,400 | 0.83 |
| 24 | Citigroup Nominees (Tempatan) Sdn Bhd<br>Pledged securities account for Wai Mun Tuck | 1,757,250 | 0.80 |
| 25 | Hong Leong Assurance Berhad<br>As beneficial Owner (unitlinked BCF) | 1,630,000 | 0.74 |
| 26 | HSBC Nominees (Asing) Sdn Bhd<br>Exempt AN for Credit Suisse (SG BR-TST-Asing) | 1,599,500 | 0.73 |
| 27 | Malacca Equity Nominees (Tempatan) Sdn Bhd<br>Exempt AN for Phillip Capital Management Sdn Bhd | 1,571,121 | 0.71 |
| 28 | DB (Malaysia) Nominee (Tempatan) Sdn Bhd<br>Exempt AN for Kumpulan Sentiasa Cemerlang Sdn Bhd | 1,543,000 | 0.70 |
| 29 | Citigroup Nominees (Asing) Sdn Bhd<br>Exempt AN for OCBC Securities Private Limited (client a/c-NR) | 1,361,500 | 0.62 |
| 30 | Lim Han Joeh | 1,147,500 | 0.52 |
| | | 179,563,527 | 81.49 |

# List of Properties



Details of all the landed properties owned by the Group and the Company as at 31 January 2013 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) |
|---|---|---|---|---|---|---|
| **PROPERTIES** | | | | | | |
| PLO 248<br>Mukim of Tebrau<br>Kawasan Perindustrian Tebrau IV<br>Johor Bahru | Office building and warehouse | Leasehold land expiring 31.1.2060 | 11 | 23,310/<br>5,440 | 9,491 | A: 24.11.1997 |
| **INVESTMENT PROPERTIES** | | | | | | |
| PLO 729, Jalan Keluli<br>Pasir Gudang Industrial Estate<br>81700 Pasir Gudang, Johor | Yard and office building | Leasehold land expiring 17.2.2068 | 5 | 6,070/<br>329 | 1,500 | R: 31.1.2013 |
| PLO 734, Jalan Keluli<br>Pasir Gudang Industrial Estate<br>81700 Pasir Gudang, Johor | Land | Leasehold land expiring 17.2.2068 | - | 6,669 | 1,100 | R: 31.1.2013 |
| Lot P.T3968<br>H.S(D) 5638 Mukim 1<br>Daerah Seberang Perai Tengah<br>Pulau Pinang | Yard and Building | Leasehold land expiring 6.3.2058 | 5 | 10,630/<br>566 | 3,500 | R: 31.1.2013 |
| PTD 64022<br>Jalan Angkasamas Satu<br>Mukim of Tebrau<br>Johor Bahru | Office building and warehouse | Leasehold land expiring 14.3.2053 | 18 | 11,048/<br>4752 | 4,900 | R: 31.1.2013 |
| MLO 2754<br>Mukim of Plentong<br>Johor Bahru | Vacant land | Freehold | - | 4,097 | 400 | R: 31.1.2013 |
| PTD 66206<br>Taman Putri Wangsa<br>Johor Bahru | Double storey terrace house | Freehold | 15 | 184/<br>133 | 180 | R: 31.1.2013 |
| G-3-1, Taman Pelangi Apartment<br>H.S. (D) No.30874, P.T. No.6110<br>Mukim Bukit Katil<br>Daerah Melaka Tengah, Melaka | Apartment | Freehold | 13 | 142 | 90 | R: 31.1.2013 |



# 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) |
|---|---|---|---|---|---|---|
| **INVESTMENT PROPERTIES** | | | | | | |
| H-3-1, Taman Pelangi Apartment H.S. (D) No.30874, P.T. No.6110 Mukim Bukit Katil Daerah Melaka Tengah, Melaka | Apartment | Freehold | 13 | 142 | 90 | R: 31.1.2013 |
| PTD No. 37796, H.S. (D) 127433 Mukim of Pulai District of Johor Bahru Johor Darul Ta'zim | 1 ½ storey light industrial building | Freehold | 13 | 326/ 326 | 450 | R: 31.1.2013 |
| Parcel No 03-25, Melur Mewangi H.S. (D) 3503, P.T. No 1929 (Block 6), Mukim of Ijuk Kuala Selangor, Selangor | Apartment | Freehold | 8 | 71 | 65 | R: 31.1.2013 |
| Unit No.145, Level 5, Block M1-B Lot No.144, Section 44 City of Kuala Lumpur Wilayah Persekutuan Kuala Lumpur | Office Unit | Freehold | 6 | 432 | 1,950 | R: 31.1.2013 |
| Lot No.D99 (Room 1641/1642 Vila Mayfair, Summerset Colonial Hotel and Villa) Summerset of Rompin 26800 Kuala Rompin Pahang Darul Makmur | Vacation Resort Villa | Leasehold Building expiring 15.1.2094 | 17 | 608/ 135 | 200 | R: 31.1.2013 |
| PTD No.8325, HSM 5011 Mukim Semenyih Daerah Hulu Langat Negeri Selangor | Vacant Land | Leasehold land expiring 05.11.2094 | - | 1,581 | 330 | R: 31.1.2013 |
| PTD No.127063, H.S. (D) 251022 No.12, Jalan Gunung 4 Bandar Seri Alam, 81750 Masai Johor Darul Takzim | Four storey shopoffice | Freehold | 17 | 178 | 420 | R: 31.1.2013 |

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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 Twentieth Annual General Meeting of the Company to be held at Level 6, Jasmine Room, The Zon Regency Hotel by The Sea, 88, Jalan Ibrahim Sultan, Stulang Laut, 80720 Johor Bahru, Johor Darul Takzim on Wednesday, 31st July, 2013 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 | | |
| | Re-election of Directors :- | | |
| 4. | Mr Lim Han Weng | | |
| 5. | Mr Bah Koon Chye | | |
| 6. | To re-appoint Messrs Ernst & Young as Auditors | | |
| 7. | To approve the allotment of shares (under Section 132D) | | |
| 8. | To approve renewal of Shareholders' Mandate for recurrent related party transactions | | |
| | Continuing in office as Independent Non-Executive Directors: | | |
| 9. | Dato' Adi Azmari bin B. K. Koya Moideen Kutty | | |
| 10. | Mr Kam Chai Hong | | |
| 11. | Tuan Haji Hassan bin Ibrahim | | |

| No. of Shares Held | |
|---|---|

As witness my/our hand this ______________ day of ______________ 2013

______________________________

Signature / Common Seal of Shareholder

**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 may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.

(2) Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.

(3) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(4) Where an authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

(5) The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.

(6) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority shall be deposited at the Company's Registered Office at 25, Jalan Firma 2, Kawasan Perindustrian Tebrau IV, 81100 Johor Bahru, Johor Darul Takzim not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

(7) Depositers whose name appear in the Record of Depositors as at 25 July 2013 shall be regarded as Member of the Company entitled to attend the Annual General Meeting or appoint a proxy to attend and vote on his/her behalf.

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AFFIX
STAMP

**YINSON HOLDINGS BERHAD**
(259147-A) (Incorporated in Malaysia)
No. 25, Jalan Firma 2
Kawasan Perindustrian Tebrau IV
81100 Johor Bahru
Johor, Malaysia.

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