Unless otherwise stated, all abbreviations contained in this Abridged Prospectus are defined in the Definitions section of this Abridged Prospectus.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all the YHB Shares, you should at once hand this Abridged Prospectus together with the NPA and the RSF to the agent/broker through whom you have effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue, which is the subject of this Abridged Prospectus, should be addressed to the Company's Share Registrar, Securities Services (Holdings) Sdn Bhd, at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

This Abridged Prospectus, together with the NPA and the RSF are not intended to be (and will not be) issued, circulated or distributed, and the Rights Issue is not intended to be (and will not be) made or offered or deemed to be made or offered for purchase or subscription, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue to which this Abridged Prospectus relates is only available to the persons receiving this Abridged Prospectus and the RSF electronically or otherwise within Malaysia. Accordingly, this Abridged Prospectus and the accompanying documents relating to the Rights Issue will not be despatched to the Entitled Shareholders who do not have a registered address in Malaysia as stated in the Record of Depositors of YHB on the Entitlement Date. It shall be the sole responsibility of the Entitled Shareholders who are or may be subject to the laws of country or jurisdiction other than Malaysia to consult their legal advisers and/or other professional advisers as to whether the acceptance in any manner whatsoever of the Rights Issue would result in the contravention of any law of such country or jurisdiction. Neither YHB, AmInvestment Bank, Kenanga Investment Bank nor any other advisers to the Rights Issue shall accept any responsibility or liability in the event that any acceptance or sale/transfer of the provisional allotment of the Rights Shares made by the Entitled Shareholders and/or their renouncees shall become illegal, unenforceable, voidable or void in any such country or jurisdiction.

A copy of this Abridged Prospectus has been registered with the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this Abridged Prospectus, together with the NPA and the RSF, has also been lodged with the Registrar of Companies, who takes no responsibility for their contents.

Approval for the Rights Issue has been obtained from the YHB Shareholders at the EGM held on 29 April 2014. Approval has been obtained from Bursa Securities vide its letter dated 1 April 2014 for the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities. The listing of and quotation for the Rights Shares will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS Accounts of the Entitled Shareholders and/or their renouncees (if applicable) who have subscribed for the Rights Shares, have been duly credited and notices of allotment have been despatched to them. Bursa Securities does not take any responsibility for the correctness or accuracy of any statements made or opinions expressed herein. Admission to the Official List and listing of and quotation for the said securities on Bursa Securities are in no way reflective of the merits of the Rights Issue.

All the documentation relating to the Rights Issue have been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement in these documents false or misleading.

AmInvestment Bank, being the Principal Adviser, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE SEE "RISK FACTORS" AS SET OUT IN SECTION 6 OF THIS ABRIDGED PROSPECTUS.

YINSON

YINSON HOLDINGS BERHAD

(Company No. 259147-A)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF 258,199,610 NEW ORDINARY SHARES OF RM1.00 EACH IN YINSON HOLDINGS BERHAD ("YHB" OR "COMPANY") ("YHB SHARES") ("RIGHTS SHARES") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING YHB SHARE HELD BY THE ENTITLED SHAREHOLDERS AT 5.00 P.M. ON 16 MAY 2014 AT AN ISSUE PRICE OF RM2.20 PER RIGHTS SHARE

Principal Adviser, Joint Managing Underwriter & Joint Underwriter

AmInvestment Bank

AmInvestment Bank Berhad
(Company No. 23742-V)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Financial Adviser, Joint Managing Underwriter & Joint Underwriter

kenanga

Kenanga Investment Bank Berhad (15678-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Underwriter

AFFIN INVESTMENT BANK

Affin Investment Bank Berhad (9999-V)
(A Participating Organisation of Bursa Malaysia Securities Berhad

IMPORTANT RELEVANT DATES AND TIMES

Entitlement Date	: Friday, 16 May 2014 at 5.00 p.m.
Last date and time for the:	
Sale of Provisional Allotment of Rights Shares	: Friday, 23 May 2014 at 5.00 p.m
Transfer of Provisional Allotment of Rights Shares	: Wednesday, 28 May 2014 at 4.00 p.m
Acceptance and Payment	: Monday, 2 June 2014 at 5.00 p.m*
Excess Application and Payment	: Monday, 2 June 2014 at 5.00 p.m.*

** or such later date and time as the Board may decide in its absolute discretion and announce not less than two (2) Market Days before the stipulated date and time*

This Abridged Prospectus is dated 16 May 2014.

THE SECURITIES COMMISSION MALAYSIA IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE CORPORATION AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS. SHAREHOLDERS / INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, SHAREHOLDERS/ INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

THE DISTRIBUTION OF THIS ABRIDGED PROSPECTUS TOGETHER WITH THE NPA AND THE RSF ("DOCUMENTS") IS SUBJECT TO MALAYSIAN LAWS. THE COMPANY, AMINVESTMENT BANK, KENANGA INVESTMENT BANK AND/OR ANY OTHER ADVISERS TO THE RIGHTS ISSUE ("ADVISERS") ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE COMPANY AND ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF YHB SHARES BASED ON THE DOCUMENTS OR THE DSITRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY YHB SHARES IN ANY JURISDICTION OTHER THAN MALAYSIA. THE COMPANY AND ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.

SHAREHOLDERS / INVESTORS ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE AND MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, INCLUDING, *INTER ALIA*, DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

DEFINITIONS

For the purpose of this Abridged Prospectus, unless where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus:-

Abridged Prospectus	:	This abridged prospectus dated 16 May 2014 issued by YHB in relation to the Rights Issue
Act	:	The Companies Act, 1965
Affin Investment Bank	:	Affin Investment Bank Berhad (Company No. 9999-V)
AmInvestment Bank or **Principal Adviser**	:	AmInvestment Bank Berhad (Company No. 23742-V)
Bloomberg	:	Bloomberg (Malaysia) Sdn Bhd (Company No. 462050-K)
BNM	:	Bank Negara Malaysia
Board	:	Board of Directors of YHB
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Company No. 165570-W)
Bursa Depository Rules	:	The rules of the Bursa Depository as issued pursuant to the Securities Industry (Central Depositories) Act, 1991
Bursa Securities	:	Bursa Malaysia Securities Berhad (Company No. 635998-W)
CDS Account(s)	:	The account(s) established by Bursa Depository for the recording of deposit and withdrawal of securities and for the dealing in such securities by the depositor
CMSA	:	Capital Markets and Services Act, 2007
Code	:	Malaysian Code on Take-Overs and Mergers, 2010
Converging Knowledge	:	Converging Knowledge Sdn Bhd (Company No. 926858-U)
Corporate Exercises	:	Collectively, the Rights Issue, Increase in Authorised Share Capital and Share Split
Director(s)	:	Director(s) of YHB
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
EGM	:	Extraordinary General Meeting of YHB held on 29 April 2014
Entitlement Date	:	16 May 2014 at 5.00 p.m., being the date and time at which the names of the shareholder(s) of YHB must appear in the Record of Depositors in order to be entitled to participate in the Rights Issue
Entitled Shareholder(s)	:	Shareholder(s) of YHB whose name(s) appear in the Record of Depositors of the Company on the Entitlement Date
EPF	:	Employees Provident Fund Board
EPS	:	Earnings per Share
Excess Application	:	Application for additional Rights Shares in excess of the Entitled Shareholder's entitlement under the Rights Issue as set out in Section 10.5 of this Abridged Prospectus

FPE	:	Financial period ended
FPSO	:	Floating production, storage and offloading facility
FSO	:	Floating storage and offloading facility
FYE	:	Financial year(s) ended/ending, as the case may be
Increase in Authorised Share Capital	:	Increase in the authorised share capital of the Company from RM500,000,000 comprising 500,000,000 YHB Shares to RM1,000,000,000 comprising 1,000,000,000 YHB Shares
Joint Managing Underwriters	:	AmInvestment Bank and Kenanga Investment Bank
Joint Underwriters	:	AmInvestment Bank, Kenanga Investment Bank and Affin Investment Bank
KCASB	:	Kencana Capital Assets Sdn Bhd (Company No. 626271-V)
KCSB	:	Kencana Capital Sdn Bhd (Company No. 540499-W)
Kenanga Investment Bank or Financial Adviser	:	Kenanga Investment Bank Berhad (Company No. 15678-H). Kenanga Investment Bank is the financial adviser for the Rights Issue size
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	17 April 2014, being the latest practicable date prior to the printing of this Abridged Prospectus
LHW	:	Lim Han Weng
LHW Parties	:	Parties related to LHW, namely Bah Kim Lian (spouse), LHW's children, Liannex (a company controlled by LHW) and Lim Han Joeh (brother)
Liannex	:	Liannex Corporation (S) Pte Ltd (Company No. 199304670R)
Market Day	:	A day on which Bursa Securities is open for the trading of securities
NA	:	Net assets
NPA	:	Notice of provisional allotment issued pursuant to the Rights Issue
OSV	:	Offshore supply vessel
PAT	:	Profit after tax
PBT	:	Profit before tax
Price-Fixing Date	:	28 April 2014, being the date on which the issue price of the Rights Issue was determined and announced by the Company
Private Placement	:	The private placement of 20,035,510 YHB Shares to third (3rd) party investors at an issue price of RM2.82 per YHB Share, which was completed on 10 June 2013

DEFINITIONS *(CONT'D)*

PTSC	:	Petrovietnam Technical Services Corporation (Company No. 0103015198)
PTSC AP	:	PTSC Asia Pacific Pte Ltd, a jointly controlled company of YHB (Company No. 201214748N)
Record of Depositors	:	The record of depositors in relation to the securities of the Company issued from time to time by Bursa Depository to the Company at the request of the Company under the provisions of Section 34 of the Securities Industry (Central Depositories) Act 1991 and Chapter 24.0 of the Bursa Depository Rules
Rights Issue	:	Renounceable rights issue of 258,199,610 Rights Shares on the basis of one (1) Rights Share for every one (1) existing YHB Share held on the Entitlement Date, at an issue price of RM2.20 per Rights Share
Rights Share(s)	:	258,199,610 new YHB Share(s) to be issued under the Rights Issue
RM and sen	:	Ringgit Malaysia and sen respectively
RSF	:	Rights subscription form issued pursuant to the Rights Issue
SC	:	Securities Commission Malaysia
Share Issuance	:	The issuance and allotment of 37,809,000 YHB Shares at an issue price of RM2.82 to KCSB which was completed on 5 December 2013
Share Issuance Amended Restated Agreement	:	The agreement dated 7 June 2013 entered into between YHB and KCSB to amend and restate the Share Issuance Agreement to reflect all terms as well as additional and/or revised terms of the Share Issuance
Share Issuance Agreement	:	The agreement dated 31 May 2013 entered into between YHB and KCSB for the issuance and allotment of not more than fifteen percent (15%) of the enlarged share capital of YHB at an issue price of RM2.82
Share Registrar	:	Securities Services (Holdings) Sdn Bhd (Company No. 36869-T)
Share Split	:	Share split involving the subdivision of every one (1) YHB Share held by the entitled shareholders of YHB upon completion of the Rights Issue into two (2) Subdivided Shares
Share Split Entitlement Date	:	The date and time to be determined by the Board on which the names of YHB's Shareholders must appear in the Record of Depositors of the Company, in order to be entitled for the Share Split
Subdivided Shares	:	Ordinary share(s) of RM0.50 each in YHB
TERP	:	Theoretical ex-rights price
Undertaking Parties	:	Collectively, LHW, LHW Parties, KCASB, KCSB and YCM
Underwriting Agreement	:	Underwriting Agreement dated 29 April 2014 entered between YHB, the Joint Managing Underwriters and the Joint Underwriters relating to the Rights Issue

VWAP	:	Volume-weighted average market price
YCM	:	Yeow Chien Ming
YHB or **Company**	:	Yinson Holdings Berhad (Company No. 259147-A)
YHB Group or **Group**	:	YHB and its subsidiaries
YHB Share(s)	:	Ordinary share(s) of RM1.00 each in YHB
YHB Shareholder(s) or **Shareholder(s)**	:	Shareholder(s) of YHB
YPAS	:	Yinson Production AS (formerly known as Fred Olsen Production ASA) (Company No. 930366323)
YPAS Acquisition	:	YHB's acquisition of the YPAS Group
YPAS Group	:	Collectively YPAS, its subsidiary companies, joint venture companies and associated companies

Currencies

NOK	:	Norwegian Krone
RM and sen	:	Ringgit Malaysia and sen, respectively
SGD	:	Singapore Dollar
USD	:	United States of America Dollar
VND	:	Vietnamese Dong

Exchange Rates

Unless otherwise stated, the exchange rate for the purpose of this Abridged Prospectus is assumed to be USD1.00: RM3.30.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise stated.

All references to "you" and "your" in this Abridged Prospectus are made to the Entitled Shareholders.

Any discrepancy in the figures included in this Abridged Prospectus between the amounts stated and the totals thereof are due to rounding.

Certain statements in this Abridged Prospectus may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Abridged Prospectus should not be regarded as a representation or warranty that the Company's plans and objectives will be achieved.

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name (Designation)	Address	Nationality	Profession
Lim Han Weng *(Group Executive Chairman)*	#19-03, Blok 1, Apt. Molek Pine Jalan Molek 1/27 Taman Molek 81100 Johor Bahru	Malaysian	Company Director
Lim Han Joeh *(Executive Director)*	167, Jalan Dato' Sulaiman 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur	Malaysian	Company Director
Bah Kim Lian *(Executive Director)*	#19-03, Blok 1, Apt. Molek Pine Jalan Molek 1/27 Taman Molek 81100 Johor Bahru	Malaysian	Company Director
Bah Koon Chye *(Executive Director)*	26, Jalan Austin Heights 1/34, Taman Mount Austin 81100 Johor Bahru	Malaysian	Company Director
Lim Chern Yuan *(Executive Director and Group Chief Executive Officer)*	#19-03, Blok 1, Apt. Molek Pine Jalan Molek 1/27 Taman Molek 81100 Johor Bahru	Malaysian	Company Director
Dato' Adi Azmari bin B.K Koya Moideen Kutty *(Independent Non-Executive Director)*	No 3 Jalan Sir Sultan Alaeddin Shah Dua 9/5B Section 9 40100 Shah Alam Selangor Darul Ehsan	Malaysian	Company Director
Kam Chai Hong *(Independent Non-Executive Director)*	8, Jalan Kemunting Taman Kebun Teh 80250 Johor Bahru	Malaysian	Company Director
Tuan Haji Hassan bin Ibrahim *(Independent Non-Executive Director)*	5, Jalan Padi Huma 8 Bandar Baru UDA 81200 Johor Bahru	Malaysian	Company Director

AUDIT COMMITTEE

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

CORPORATE DIRECTORY *(CONT'D)*

COMPANY SECRETARY	:	Tan Soo Leong (MACS 01516) 55-A, Jalan Perang Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel : 07-333 6143 Fax : 07-333 9282
REGISTERED OFFICE / HEAD / MANAGEMENT OFFICE	:	No. 25, Jalan Firma 2 Kawasan Perindustrian Tebrau IV 81100 Johor Bahru Johor Darul Takzim Tel: 07-355 2244 Fax: 07-355 2277 Email: info@yinson.com.my Website: www.yinson.com.my
AUDITORS FOR YHB AND REPORTING ACCOUNTANTS FOR THE RIGHTS ISSUE	:	Ernst & Young (AF0039) Chartered Accountants Level 16-1, Jaya 99, Tower B No 99, Jalan Tun Sri Lanang 75100 Melaka Tel: 06-288 2399 Fax: 06-283 2899
SOLICITORS FOR THE RIGHTS ISSUE	:	Messrs. Wong Beh & Toh Level 19, West Block Wisma Selangor Dredging 142-C, Jalan Ampang 50450 Kuala Lumpur Tel: 03-2713 6050 Fax: 03-2713 6052
PRINCIPAL BANKERS	:	AmBank (M) Berhad Level 31, Metropolis Tower Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel: 07-333 2307 Fax: 07-334 3899
	:	Asian Finance Bank Berhad 2nd Floor, Podium Block Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel: 03-2079 1000 Fax: 03-2079 1100
	:	Bangkok Bank Berhad 105, Jalan Tun H.S. Lee 50000 Kuala Lumpur Tel: 03-2173 7200 Fax: 03-2173 7300

CORPORATE DIRECTORY *(CONT'D)*

: Bank Muamalat Malaysia Berhad
Lot 001, 1st Floor
Kebun Teh Commercial City
Jalan Kebun Teh
80250 Johor Bahru
Johor Darul Takzim
Tel: 07-224 1791
Fax: 07-222 4623

: Bank of China (Malaysia) Berhad
No 2, 2-01, 2-02
Jalan Molek 1/10, Taman Molek
81100 Johor Bahru
Johor Darul Takzim
Tel: 07-353 0888
Fax: 07-355 2555

: CIMB Bank Berhad
17th Floor, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel: 03-2261 8888
Fax: 03-2261 8889

: Hong Leong Bank Berhad
3rd Floor, No. 26 & 27
Jalan Kenari 1
Bandar Puchong Jaya
47100 Puchong
Selangor Darul Ehsan
Tel: 03-8076 9833
Fax: 03-8076 2330

: HSBC Amanah Malaysia Berhad
No 46, Jalan Molek 1/10, Taman Molek
81100 Johor Bahru
Johor Darul Takzim
Tel: 07-350 2740
Fax: 07-350 2728

: Malayan Banking Berhad
Menara Maybank
No 100, Jalan Tun Perak
50050 Kuala Lumpur
Tel: 03-2070 8833
Fax: 03-2070 2611

: Maybank Islamic Berhad
Menara Maybank
No 100, Jalan Tun Perak
50050 Kuala Lumpur
Tel: 03-2070 8833
Fax: 03-2026 1726

: Oversea-Chinese Banking Corporation Limited
No 65, Chulia Street
OCBC Centre
Singapore 049513
Tel: 65-6318 7222
Fax: 65-6533 7955

CORPORATE DIRECTORY *(CONT'D)*

	:	Public Bank Berhad Menara Public Bank No 146, Jalan Ampang 50450 Kuala Lumpur Tel: 03-2176 6000 Fax: 03-2163 9917
	:	RHB Bank Berhad Level 7. Tower 3 RHB Centre, Jalan Tun Razak 50400 Kuala Lumpur Tel: 03-9287 8888 Fax: 03-9287 4249
	:	The Bank of East Asia Limited (Labuan Branch) Level 10(C), Main Office Tower Financial Park Labuan, Jalan Merdeka 87000 Labuan Federal Territory Tel: 087-451 145 Fax: 087-451 148
	:	United Overseas Bank Limited 80 Raffles Place UOB Plaza Singapore 048624 Tel: 65-6533 9898 Fax: 65-6534 2334
	:	United Overseas Bank (Malaysia) Bhd Menara UOB, Jalan Raja Laut 50738 Kuala Lumpur Tel: 03-2692 7722 Fax: 03-2691 8418
SHARE 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 / 03-2095 0292
PRINCIPAL ADVISER AND JOINT MANAGING UNDERWRITER FOR THE RIGHTS ISSUE	:	AmInvestment Bank Berhad 22nd Floor, Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel: 03-2036 2633 Fax: 03-2078 2842
FINANCIAL ADVISER AND JOINT MANAGING UNDERWRITER	:	Kenanga Investment Bank Berhad Level 8, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel: 03-2164 9080 Fax: 03-2161 6718

CORPORATE DIRECTORY *(CONT'D)*

JOINT UNDERWRITERS	:	AmInvestment Bank Berhad 22nd Floor, Bangunan AmBank Group No 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel: 03-2036 2633 Fax: 03-2078 2842
		Kenanga Investment Bank Berhad Level 8, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel: 03-2164 9080 Fax: 03-2161 6718
		Affin Investment Bank Berhad 27th Floor, Menara Boustead No 69, Jalan Raja Chulan 50200 Kuala Lumpur Tel: 03-2142 3700 Fax: 03-2142 3799
STOCK EXCHANGE LISTING	:	Main Market of Bursa Securities

YINSON HOLDINGS BERHAD
(Company No. 259147-A)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office
No. 25, Jalan Firma 2,
Kawasan Perindustrian Tebrau IV,
81100 Johor Bahru,
Johor Darul Takzim

16 May 2014

Board of Directors

Lim Han Weng *(Group Executive Chairman)*
Lim Han Joeh *(Executive Director)*
Bah Kim Lian *(Executive Director)*
Bah Koon Chye *(Executive Director)*
Lim Chern Yuan *(Executive Director and Group Chief Executive Officer)*
Dato' Adi Azmari bin B.K. Koya Moideen Kutty *(Independent Non-Executive Director)*
Kam Chai Hong *(Independent Non-Executive Director)*
Tuan Haji Hassan bin Ibrahim *(Independent Non-Executive Director)*

To : The Entitled Shareholders

Dear Sir / Madam,

RENOUNCEABLE RIGHTS ISSUE OF 258,199,610 NEW YHB SHARES ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING YHB SHARE HELD BY THE ENTITLED SHAREHOLDERS AS AT 5.00 P.M. ON 16 MAY 2014 AT AN ISSUE PRICE OF RM2.20 PER RIGHTS SHARE

1. INTRODUCTION

The Board is pleased to inform that YHB Shareholders had, during the EGM held on 29 April 2014, approved, *inter-alia,* the renounceable rights issue of new YHB Shares to the Entitled Shareholders to raise maximum gross proceeds of up to RM600 million. A certified true extract of the ordinary resolution approving, *inter-alia*, the Rights Issue at the said EGM is attached as Appendix I of this Abridged Prospectus.

On 2 April 2014, AmInvestment Bank had, on behalf of the Board, announced that Bursa Securities had, amongst others, vide its letter dated 1 April 2014, approved the following:-

(a) listing of and quotation for the Rights Shares pursuant to the Rights Issue on the Main Market of Bursa Securities; and

(b) Share Split.

The Bursa Securities' approval is subject to, *inter-alia*, the following conditions:-

No.	Condition	Status of compliance
(a)	YHB and AmInvestment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue	Noted.
(b)	YHB and AmInvestment Bank to inform Bursa Securities upon the completion of the Rights Issue	To be complied.
(c)	YHB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue is completed	To be complied.

On 28 April 2014, on behalf of the Board, AmInvestment Bank had announced that the issue price of the Rights Shares has been fixed at RM2.20 per Rights Share and that the entitlement basis of the Rights Issue is one (1) Rights Share for every one (1) existing YHB Share held by the Entitled Shareholders.

On 29 April 2014, YHB had entered into the Underwriting Agreement with the Joint Managing Underwriters and the Joint Underwriters.

On 30 April 2014, on behalf of the Board, AmInvestment Bank had announced that the Entitlement Date has been fixed on 16 May 2014.

No person is authorised to give any information or to make any representation not contained in this Abridged Prospectus and if given or made, such information or representation must not be relied upon as having been authorised by AmInvestment Bank or the Company in connection with the Rights Issue.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE

2.1 Introduction

The Rights Issue entails a provisional allotment of 258,199,610 Rights Shares on the basis of one (1) Rights Share for every one (1) existing YHB Share held by the Entitled Shareholders at an issue price of RM2.20 per Rights Share. As such, the Rights Issue will raise proceeds of RM568,039,142.

Shareholders whose names appear in the Record of Depositors as at the Entitlement Date are entitled to participate in the Rights Issue. However, only the Entitled Shareholders who have an address in Malaysia as stated in the Record of Depositors or who have provided the Share Registrar with an address in Malaysia in writing by the Entitlement Date will receive this Abridged Prospectus, together with the NPA and RSF.

The Entitled Shareholders can fully or partially renounce their entitlements to the Rights Shares. The Rights Shares which are not taken-up or validly taken-up shall be made available for Excess Application by the Entitled Shareholders. It is the intention of the Board to allocate the excess Rights Shares on a fair and equitable manner as set out in Section 10.5 of this Abridged Prospectus.

In determining the Shareholders' entitlements to the Rights Issue, any fractional entitlements of the Rights Shares arising from the Rights Issue shall be disregarded, and dealt with in such manner as the Board shall in their absolute discretion deem fit and expedient and in the best interest of the Company.

As you are an Entitled Shareholder, you will find enclosed with this Abridged Prospectus, a NPA setting out the number of Rights Shares which you are entitled to subscribe for and a RSF which is to be used for the acceptance of the Rights Shares provisionally allotted to you, and for the application of any Rights Shares pursuant to the Excess Application, should you wish to do so.

Upon allotment and issuance by the Company, the Rights Shares will be credited directly into the respective CDS Account(s) of yourself and/or your renouncee(s) who have successfully subscribed for the Rights Shares. No physical share certificates will be issued to you and/or your renouncee(s).

For information, after the completion of the Rights Issue, the Company shall undertake the Share Split which involves subdividing every one existing (1) YHB Share held by the shareholders of the Company whose names appear in the Company's Record of Depositors on the Share Split Entitlement Date, into two (2) Subdivided Shares.

2.2 Basis of Determining the Issue Price of the Rights Shares

As announced on 28 April 2014, the issue price has been fixed at RM2.20 per Right Share. The issue price of RM2.20 per Rights Share represents a discount of approximately 59.4% from the TERP of YHB Shares of RM5.42, based on the five (5)-day VWAP of YHB Shares of RM8.63 up to and including 25 April 2014, being the last trading date prior to the Price-Fixing Date of the Rights Issue.

The Issue Price was determined after taking into consideration the historical and prevailing market prices of YHB Shares and that the Rights Issue is an opportunity for the shareholders to further participate in the equity of the Company at an attractive price.

2.3 Ranking of the Rights Shares

The Rights Shares will, upon allotment and issuance, rank *pari passu* in all respects with the then existing YHB Shares, save and except that the Rights Shares will not be entitled to any distributable income, rights, allotments and/or other distributions that may be declared, made or paid, the entitlement date of which is prior to the date of allotment of the Rights Shares.

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3. UNDERTAKINGS AND UNDERWRITING ARRANGEMENT

3.1 Shareholders' and Investor's Undertaking

On 29 April 2014, the following YHB shareholders and investor have provided their irrevocable undertakings to subscribe in full for their respective entitlements under the Rights Issue based on their respective shareholdings as at 29 April 2014 ("**Undertakings**") as follows :-

	Direct shareholdings as at 29 April 2014		Rights entitlement		(Sale) / Purchase of the Provisional Allotment of Rights Shares		Undertaking to subscribe	
	No. of YHB Shares	% [1]	No. of Rights Shares	% [2]	No. of Rights Shares	% [2]	No. of Rights Shares	% [2]
YHB Shareholders								
LHW	67,068,042	26.0	67,068,042	26.0	(20,655,000)[5]	(8.0)	46,413,042	18.0
Bah Kim Lian[3]	22,715,650	8.8	22,715,650	8.8	-	-	22,715,650	8.8
LHW's children	572,300	0.2	572,300	0.2	-	-	572,300	0.2
Liannex[3]	11,359,400	4.4	11,359,400	4.4	-[5]	-	11,359,400	4.4
Lim Han Joeh[3]	10,327,594	4.0	10,327,594	4.0	-	-	10,327,594	4.0
KCSB[4]	37,809,000	14.6	37,809,000	14.6	-	-	37,809,000	14.6
KCASB[4]	10,000,000	3.9	10,000,000	3.9	-	-	10,000,000	3.9
	159,851,986	61.9	159,851,986	61.9	(20,655,000)	(8.0)	139,196,986	53.9
Investor								
YCM[6]	-	-	-	-	20,655,000[5]	8.0	20,655,000	8.0
	159,851,986	61.9	159,851,986	61.9	-	-	159,851,986	61.9

Notes:

(1) *Based on the issued and paid-up share capital of the Company as at 29 April 2014 comprising 258,199,610 YHB Shares.*

(2) *Based on 258,199,610 Rights Shares to be issued pursuant to the Rights Issue.*

(3) *Bah Kim Lian is the spouse of LHW, Lim Han Joeh is the brother of LHW and Liannex is a company controlled by LHW.*

(4) *As at LPD, Dato' Mokhzani Bin Mahathir ("**DMM**") and Mr Yeow Kheng Chew ("**YKC**") held 70% and 30% equity interest in KCSB respectively. The Directors of KCSB are DMM, YKC and YCM. KCASB is a wholly-owned subsidiary of KCSB.*

(5) *LHW and Liannex have undertaken that they will subscribe in full for their entitlement to the Rights Shares based on their shareholdings as at 29 April 2014, save for an aggregate provisional allotment of 20,655,000 Rights Shares which they propose to be divested to YCM. The table above assumes LHW to be the vendor. The proposed divestment of provisional allotment to YCM is to enable Yeow's family to increase their equity participation and commitment in YHB.*

(6) *YCM is a director of KCSB and YPAS. He is YKC's son.*

The above parties have confirmed that they have sufficient financial resources to subscribe for the Rights Shares pursuant to the Undertakings and AmInvestment Bank has verified the said confirmation.

The Rights Issue is to be undertaken on a full subscription basis.

LHW and LHW Parties have given their respective confirmations to observe and comply at all times with the provisions of the Code that there shall be no implication under the Code in the event LHW and LHW Parties subscribe for their respective entitlements of the Rights Shares or excess Rights Shares.

3.2 Underwriting Arrangement

On 29 April 2014, the Company had entered into an underwriting agreement with the Joint Managing Underwriters and Joint Underwriters to underwrite the remaining portion of 98,347,624 Rights Shares ("**Underwritten Shares**") representing approximately 38.1% of the Rights Shares at an underwriting commission of 1.25% ("**Underwriting Commission**") and a management fee of 0.25% of the total value of the Underwritten Shares, subject to the terms and conditions of the Underwriting Agreement.

The number of Underwritten Shares underwritten by each Joint Underwriter is as follow:-

Joint Underwriters	No. of Underwritten Shares
AmInvestment Bank*	65,661,519
Kenanga Investment Bank*	4,545,454
Affin Investment Bank	28,140,651
Total	**98,347,624**

Note:-

* *Joint Managing Underwriters*

The Underwriting Commission and the management fee for the Underwritten Shares and all reasonable costs in relation to the underwriting arrangement will be fully borne by the Company.

3.3 Advances made by LHW and LHW Parties

LHW and LHW Parties had made numerous advances to YHB since July 2012. The advances made by LHW and LHW Parties were to enable YHB Group to meet its funding requirements, *inter alia*, to fund the YHB Group's capital expenditures as well as working capital requirements. These were utilised for, amongst others, acquisition of lorries and trucks for YHB's transport business as well as acquisition/working capital of YPAS. As at LPD, total outstanding advances by LHW and LHW Parties, to YHB ("**LHW Advances**") amounted to approximately RM92 million. The LHW Advances were made on an interest-free basis and with no fixed repayment terms. LHW and LHW Parties may be making further advances to YHB before the completion of the Rights Issue.

It is proposed that all such advances be utilised by LHW and LHW Parties for the subscription of their respective entitlements to the Rights Shares through a set-off arrangement.

4. OTHER CORPORATE PROPOSALS APPROVED BUT PENDING COMPLETION

Save for the Rights Issue and Share Split, there are no other corporate proposals which have been approved by regulatory authorities but have yet to be completed as at the LPD.

5. RATIONALE FOR THE RIGHTS ISSUE AND UTILISATION OF PROCEEDS

5.1 Rationale for the Rights Issue

The Board is of the view that the Rights Issue is the most appropriate means of raising funds for the YHB Group based on the following rationale:-

(a) the Rights Issue is part of the Company's capital management strategy to strengthen its core capital and consequently, improve YHB's shareholders funds as well as gearing; and

(b) to provide the Entitled Shareholders with an opportunity to maintain their equity interests in the Company as well as increase their equity participation and ultimately, participate in the prospects and future growth of the YHB Group.

5.2 Utilisation of Proceeds from the Rights Issue

The gross proceeds to be raised from the Rights Issue are proposed to be utilised in the following manner:-

Details of utilisation	Timeframe for utilisation[(a)]	RM'million
Repayment of LHW Advances[(i)]	Within 3 months	92
Warehousing facilities[(ii)]	Within 24 months	30
Repayment of bank borrowings[(iii)]	Within 6 months	237
Working capital[(iv)]	Within 24 months	203
Defray expenses in relation to the Corporate Exercises[(v)]	Within 3 months	6
		568

***Note**:-*

(a) From the date of listing of the Rights Shares.

(i) Repayment of LHW Advances

As at LPD, the LHW Advances amount to approximately RM92 million. The amount to be utilised to repay LHW Advances shall be based on the balance of the LHW Advances prior to the closing of the Rights Issue and will be directly set-off against the subscription monies due from LHW and LHW Parties in respect of their entitlements pursuant to the Rights Issue.

(ii) Warehousing facilities

YHB, through its 51%-owned subsidiary, Yen Son Diversified Company Limited ("**Yen Son**"), is in the process of building warehousing facilities for lease at PTSC Phu My Port ("**the Port**") located in Phu My I Industrial Zone, Tan Thanh District, Ba RiaVung Tau, Vietnam. As part of the business co-operation between Yen Son and PTSC Phu My Port Joint Stock Company, Yen Son will provide funding for the construction of the warehousing facilities and shall have the right to collect agreed storage fees. In addition, Yen Son is not obliged to make lease payment to PTSC Phu My Port Joint Stock Company for the usage of the land that the warehousing facilities to be built on. Upon completion of the construction of the warehousing facilities, it is to be owned by Yen Son up to 2038 and thereafter the warehousing facilities is to be transferred to PTSC Phu My Port Joint Stock Company without any compensation to Yen Son. Further information on the aforementioned warehousing facilities is available in YHB's announcement dated 6 December 2012 which is available at *www.bursamalaysia.com*. For information, the YHB Group owns 40% of PTSC Phu My Port Joint Stock Company, which in turn owns 100% of the Port. The construction of the warehousing facilities had commenced in August 2013 and is expected to be completed in the first (1st) quarter of 2015. The estimated total cost of construction for the warehousing facilities is approximately RM30.2 million. Upon completion, the warehousing facilities will have a floor area of 10,800 square metres with the capacity to fit 60,000 metric tonnes.

On 3 July 2013, Yen Son has entered into a lease arrangement with PTSC Phu My Port Joint Stock Company for the warehousing facilities. For information, PTSC Phu My Port Joint Stock Company is 40% held by YHB and 59.6% held by PTSC. Thus, the lease transaction is between YHB Group via its 51% owned Yen Son with its 40% owned associate, PTSC Phu My Port Joint Stock Company.

(iii) Repayment of bank borrowings

As at LPD, the total borrowings of YHB Group stood at approximately RM1,271 million. The Company proposes to utilise RM237 million of the proceeds raised from the Rights Issue to repay part of the YHB Group's existing bank borrowings that are due for repayment. The repayment of bank borrowings will result in interest savings of approximately RM11 million per annum based on the average prevailing interest rate incurred by the YHB Group of approximately 4.6% per annum.

The details of the bank borrowings, the repayment of which are due within the next twelve (12) months, are as follows:-

	Purpose	**Lender**	**Type of facility**	**Amount to be repaid RM'mil**	
(i)	Part finance YHB's equity participation in the joint venture company, PTSC Asia Pacific Pte Ltd	AmBank (M) Berhad	Term loan	148	Note (a)
(ii)	Part finance the acquisition of YPAS	United Overseas Bank Limited, Maybank International, and AmBank (M) Berhad	Term loan	89	Note (b)
Total				**237**	

Notes:-

(a) On 9 June 2012, YHB has entered into a consortium agreement with PTSC in relation to execution and performance of the engineering, procurement, construction and installation contract, and the bareboat charter contract for the provision and charter of a FPSO. PTSC Asia Pacific Pte Ltd is the joint venture company which owns the FPSO. The above borrowings were to part finance YHB's 49% equity interest in PTSC Asia Pacific Pte Ltd. Further information is available in the circular to shareholders dated 31 July 2012 which is available at www.bursamalaysia.com.

(b) On 7 June 2013, YHB had entered into a transaction agreement with Fred Olsen Production ASA ("**FOP**") (now known as YPAS), *a public listed company on the Oslo Stock Exchange, to acquire all the ordinary shares of NOK1.00 each in FOP ("**FOP Shares**") at the offer price of NOK9.40 per FOP Share in cash via a conditional take-over offer. The acquisition was completed on 10 January 2014. All relevant regulatory approvals for the acquisition had been obtained. Further information is available in the circular to shareholders dated 13 August 2013 which is available at www.bursamalaysia.com.*

(iv) Working Capital

Working capital, includes but not limited to, YHB Group's expansion of existing business, payment of trade creditors and operating/administration expenses. Expansion of existing business includes but not limited to, the expansion of the offshore production and support business, trading business, logistics business as well as port operations and warehousing (e.g. amongst others, acquisition of FPSO/FSO/OSV with attached charter contracts, capital expenditure for new FPSO/FSO/OSV for the purpose of securing new contracts, increasing the Group's fleet of trucks, tug boats and barges and as well as upgrading/ increasing capacity of warehousing facilities). The operating/administrative expenses, include but not limited to, payroll expenses, finance costs, professional and consultancy fees as well as advertising and marketing promotions expenses. Any excess or shortfall of the proposed utilisation detailed in the table above will be adjusted to or from working capital.

The YHB Group intends to utilise the proceeds to be allocated for working capital purposes in the following manner:-

	Details	% of working capital
(a)	Expansion of existing business	80
(b)	Payment of trade creditors	10
(c)	Operating / administrative expenses	10

Any unutilised proceeds in any of the category of working capital above may be re-allocated to another category within working capital.

Should there be any excess proceeds after meeting the abovementioned working capital requirement, the excess proceeds may be utilised to repay bank borrowings.

(v) Defray expenses in relation to the Rights Issue

The estimated expenses include professional fees (RM2.4 million), underwriting fees (RM3.2 million) and fees to the authorities (RM0.1 million), printing cost, and other incidental expenses (RM0.3 million) in connection with the Corporate Exercises.

6. RISK FACTORS

You should carefully consider, in addition to the other information contained herein, the following factors (which may not be exhaustive) before making your decision on whether to subscribe for your entitlements to the Rights Issue:-

6.1 Risks in relation to the YHB Group

6.1.1 Risks relating to the Group's Offshore Production and Support Business

(a) Inherent business risk

YHB Group's FPSO/FSO vessels are designed and equipped according to specifications from its customers and as such the contracts are usually structured to secure return on investments on the capital expenditure, within the contract period, with a fixed period of contract plus a further option period. On the other hand, the OSVs are generic in designs and specifications and are usually engaged in generic contracts with a shorter contract period. There can be no assurance that YHB Group's vessels will achieve the returns expected due to technical risks, unforeseen operational problems, unexpectedly high operating costs, additional capital expenditure and penalty payments, accidents such as human errors, weather conditions, faulty constructions, among other risks.

The probability of the FPSO/FSO/OSV contract extension options being exercised, existing contracts being extended or new contracts being obtained, as well as the terms of new contracts, may be negatively impacted by factors such as reduction in oil reservoir reserves, changes in vessel specifications, and lower oil prices generally. When the contracts expire, or are terminated early, the YHB Group may encounter difficulties in redeploying its FPSO/FSO vessels and OSVs at existing rate levels, or even redeploying FPSO/FSO vessels and OSVs at all. Furthermore, such redeployment, if achieved, may require the YHB Group to incur additional capital expenditure that may not be fully recoverable from the customers. In the event that the YHB Group does not achieve adequate financial returns during the contract periods, the contracts not extended or the Group's FPSO/FSO vessels and OSVs cannot be re-deployed, the YHB Group's operations and financial condition may be materially and adversely affected. The Group's management personnel possess the business acumen required to manage such operations; however, there is no assurance that any adverse change as illustrated above would not have a material adverse effect on the YHB Group's operations and financial position.

The performance of the YHB Group is also subject to risks inherent to the oil and gas industry. These include, inter-alia, general economic conditions, introduction of new technology, adverse changes in weather and natural hazards, changes in legal and environmental framework in which the oil and gas industry operate, etc. While the Group's directors and key management closely monitor such risks, there is no assurance that any adverse change in the aforementioned would not have a material adverse effect on the YHB Group's operations and financial position.

(b) Termination of charter contracts upon occurrence of certain events

The YHB Group's contracts are for varying periods of time. In line with industry practice, the Group's contracts ordinarily contain clauses which could, amongst others, give the customer a right of early termination. Some of the contracts may be terminated for convenience under specified conditions, with related compensation and in certain cases, for cause upon the occurrence of certain events, such as non-performance, events of force majeure, loss or seizure of vessels or unavailability of the vessel due to various reasons such as confiscation or requisition by the government of the jurisdiction under which the vessels are registered and/or operate.

The termination of existing contracts and the inability to secure a replacement contract within a reasonable timeframe will reduce the YHB Group's revenue and may have a material adverse impact on the results of its operations. The YHB Group's revenue and profitability will also be materially and adversely affected if the Group is not able to redeploy its vessels for a period of time upon termination of existing contracts, if there are lengthy negotiations over the terms of any contracts, or the contracts are renewed in less favourable terms.

The YHB Group endeavours to fulfil all the terms and conditions of the contracts as well as maintain a close working relationship with its customers so that issues, if any, can be addressed and resolved promptly and effectively. However, there is no assurance that any termination of such charter contracts will not have a material adverse impact on the Group's operations and financial position.

(c) Unexpected breakdown and specific regulations pertaining to the FPSO/FSO/OSV

The operation of the FPSO/FSO/OSV is dependent on their reliability in terms of their seaworthiness and safety standards. Breakdowns of FPSO/FSO/OSV are difficult to envisage. Rectification of the breakdown, depending on its severity, may require replacement or repair of key components and long lead times may also be required in the procurement of these components. This may result in the FPSO/FSO/OSV being out of service and being unable to generate revenue for the YHB Group over extended period of time, which may have material adverse impact on the YHB Group's profitability.

In addition, the FPSO/FSO/OSV are subject to maritime regulations. In the event the maritime regulations become more stringent in the future or additional regulations or control requiring the adoption of new requirements are introduced, this will result in additional costs being incurred by the YHB Group to perform the charter contracts if the Group is unable to pass all or part of any additional costs to its customer. This may have a material adverse impact on YHB Group's profitability.

Whilst YHB has put in place a planned maintenance schedule for the maintenance and/or repairs of the FPSO/FSO/OSV, there is no assurance that the FPSO/FSO/OSV's operations will not be disrupted and that such disruption will not have a material adverse impact on the YHB Group's operations and financial position.

(d) Competition from existing players and new entrants in the industry

The FPSO/FSO/OSV business is a competitive industry comprising a diversified group of players ranging from large multinational companies to small and medium-sized enterprises. As such, the YHB Group faces competition from existing and new domestic and international FPSO/FSO/OSV providers in the markets in which they operate. The YHB Group also faces competition from foreign FPSO/FSO/OSV suppliers which have joint-venture arrangements with local licensed FPSO/FSO/OSV suppliers that provide various maritime services to oil field operators.

The principal competitive factors in the markets that the Group operates under include price, quality of service, safety, track record, reputation of vessel operators and crews and the quality and availability of the type of vessels required by the customers. The Group's competitors may have longer operating histories and greater financial, ethical, technical, marketing and other resources than the YHB Group.

Whilst the YHB Group believes its track record, technical expertise and management skills enable the YHB Group to maintain its competitive edge in the industry, there is no assurance that competition from existing and/or new players will not have a material adverse impact on the YHB Group's operations and financial position.

(e) Adequacy of insurance coverage for the FPSO/FSO/OSV

The YHB Group is exposed to the inherent risk of damage and/or loss of the FPSO/FSO/OSV as a result of collision, interruptions to operations caused by adverse weather conditions and mechanical malfunction. In the event of such occurrence, the Group may incur additional costs for the cleanup, removal and salvage costs pursuant to the damage sustained to the FPSO/FSO/OSV in such collision. In addition, collision of the FPSO/FSO/OSV may lead to the exposure of litigation claims from third parties. This may adversely affect the financial position and operational results of the YHB Group.

Whilst the YHB Group has engaged insurance adviser to advise on such matters and also purchased insurance, there is no assurance that the YHB Group's insurance coverage will be sufficient to meet all claims and that any uninsured claims will not have a material adverse impact on the YHB Group's operations and financial position.

(f) Compliance with changes in the regulations and local and international laws

The Group's operations are subject to local and international regulations in jurisdictions where its vessels operate, as well as in countries in which its vessels are registered.

The Group is required by its customers as well as by governments and regulatory agencies, to maintain health, safety and environmental ("**HSE**") standards in the course of providing its services. These regulations govern, among others, workers' health and safety, manning, construction, and the operations of its vessels. In the event of any changes in these standards, the YHB Group may have to incur additional expenses to comply with such changes. Any failure to maintain standards may result in the cancellation of the YHB Group's present contracts, failure to win new contracts or regulatory authorities imposing fines, penalties or sanctions on the Group, revocation of its licenses and permits or prohibition from continuing with its operations, each of which could have a material and adverse effect on the Group's business. Failure to maintain the HSE standards could also result in injuries, death, damage to property and to the environment, and potential liability arising from such events, as well as damage to YHB Group's reputation.

In addition, the Group's vessels require certain licenses, permits and certifications to operate. If the Group fails to comply with the requirements of any such laws, rules or regulations, it could be subject to substantial administrative, civil and criminal penalties, the imposition of remedial obligations, the issuance of injunctive relief or the non-renewal or revocation of the Group's business and operational licences, permits, registration and certification. Further, certain of the Group's licences, permits and certifications are subject to periodical renewal. The YHB Group has in place legal and compliance framework (which comprises in-house legal and technical personnel as well as professional advisers engaged on project basis) which monitors the Group's continued compliance with regulations and the relevant laws. However, there can be no assurance that the existing licences, permits and certifications will be renewed in the future, despite the submission of the relevant documents; and there is no assurance that any non-renewal will not have a material adverse impact on the YHB Group's operations and financial position.

6.1.2 Risks in relation to the Group's Logistics Business and Commodity Trading Business

(a) Inherent business risk

The Group is subject to business risks common to the transportation industry and trading in construction materials at large. These risks include amongst others, increase in cost of labour as well as labour shortages which will increase operating costs, under utilisation of lorries, trucks, tanker and etc., changes in government policies, fuel cost, fluctuations in demand, credit conditions, bad and doubtful debts and other business risks common to going concerns.

While the Group's directors and key management closely monitor such risks, there is no assurance that any adverse change in the aforementioned would not have a material adverse effect on the YHB Group's operations and financial position.

(b) Competition from existing and new entrants

The Group faces competition from various competitors in the transportation and trading industry which include both private and public listed companies as well as multinational companies. The Group faces competition from existing and new entrants to the markets in which they operate. These competitions may have an impact on the YHB Group's existing market share in the respective industries.

Should the competitors offer products and/or services at a lower cost or engage in aggressive pricing in order to increase market share, the Group's turnover from the transportation and trading businesses may decline. Failure to remain competitive may adversely affect YHB Group's businesses and growth and could have an adverse impact on the Group's financial position.

Whilst the YHB Group believes its track record, technical expertise and management skills enable the YHB Group to maintain its competitive edge in the industry, there is no assurance that competition from existing and/or new players will not have a material adverse impact on the YHB Group's operations and financial position.

(c) Adequacy of insurance coverage

The Group's trucks and lorries used in the transportation business are covered by insurance. However, there can be no assurance that the coverage is adequate for the replacement cost of the assets or any consequential loss arising from the damage or loss of the assets or that any insured sum will be paid. Any damage or losses in excess of the insurance coverage may have a material impact on the YHB Group's financial position.

Whilst the YHB Group has engaged insurance adviser to advise on such matters and also purchased insurance, there is no assurance that the YHB Group's insurance coverage will be sufficient to meet all claims and that any uninsured claims will not have a material adverse impact on the YHB Group's operations and financial position.

(d) Regulatory risks

In order to operate its existing transportation business, the Company, through its subsidiaries, holds various licences. To-date, the Group has successfully obtained the necessary licences for all its trucks and lorries in service.

The YHB Group has in place legal and compliance framework (which comprises in-house legal and technical personnel as well as professional advisers engaged on project basis) which monitors the Group's continued compliance with regulations and the relevant laws. However, there is no assurance that these licences and any other licences issued to the Group will be renewed by the respective authorities, or if they are renewed, such renewal would be effected within the anticipated timeframe. If such licences are not renewed in a timely manner, it may materially affect the operations and/or the profits of the Group.

6.1.3 Other risks in relation to the YHB Group

(a) Dependency on key management personnel and skilled personnel

The Group's present success and achievements are largely attributed to the concerted efforts, invaluable experience, knowledge and networking of YHB Group's Directors and its key management personnel with its suppliers and customers. The Group believes that its continued success in the future will, to a significant extent, depend on its ability to retain a group of capable Directors and/or key management personnel.

In addition, the FPSO business requires highly skilled personnel. The pool of available skilled personnel and specialist is small whilst competition to acquire their services is usually intense in the offshore oil and gas industry.

Whilst the YHB Group has comprehensive human resource strategies which include competitive remuneration package to retain such skilled personnel as well as management succession planning (i.e. including, *inter-alia*, providing on the job training to nurture and develop YHB Group's existing personnel), there is no assurance that the YHB Group will be able to retain Directors, key management personnel / skilled personnel and that any loss of Directors, key management personnel / skilled personnel will not have a material adverse impact on the YHB Group's operations and financial position.

(b) Foreign exchange risk

The YHB Group is exposed to foreign exchange risks and transaction currency risks. The YHB Group's purchases of various supplies and equipments are mainly denominated in foreign currencies. In addition, part of the YHB Group's revenue is denominated in USD, whereas some of its expenses are transacted in other currencies namely NOK, Euro Dollar, SGD, Colonial Francs Nigerian Naira and etc. Any adverse movement in foreign currency may have an adverse effect on the financial performance of the YHB Group. In mitigation, the YHB Group may consider using certain financial instruments for hedging purposes to minimise its exposure to such foreign exchange risks and transaction currency risks. However, even with the utilisation of such financial instruments, there is no assurance that the foreign exchange and transaction currency risks will not have a material adverse impact on the YHB Group's operations and financial position.

(c) Political, economical and regulatory considerations

Like any other business entities, changes in the political and economic conditions in the countries in which the Group operates in could materially affect the financial and business prospects of the Group. These political and economic uncertainties include but not limited to, changes in the political leadership, expropriation, nationalisation, social unrest, changes in the interest rates and changes in the investment and taxation policies.

While the YHB Group closely monitors the political and economic conditions in the countries in which the Group operates, there is no assurance that the adverse changes in the political, economic situation and regulations will not materially and adversely affect the YHB Group's operations and financial position.

6.2 Risks in respect of the Rights Issue

6.2.1 Market risk

The prices of YHB Shares as traded on Bursa Securities may fluctuate, like all other listed securities. A variety of factors could cause the price of the YHB Shares to fluctuate, including trades of substantial amounts of the YHB Shares in the public market, announcements of developments relating to the YHB Group's business, fluctuations in the YHB Group's operating results and revenue levels, general industry conditions or economic conditions, and announcements of services or products or service enhancements by the YHB Group or competitors of the YHB Group.

In addition to the fundamentals of the YHB Group, the future price performance of the YHB Shares will also depend upon various external factors such as general economic, political and industry conditions, the performance of regional and world bourses as well as sentiments and liquidity in the local stock market.

There is no assurance that the YHB Shares will be traded at or above the Issue Price of RM2.20 and the TERP of RM5.42 based on the five (5)-days VWAP up to and including 25 April 2014 of RM8.63, after the listing of the Rights Shares on the Main Market of Bursa Securities.

6.2.2 Delay in or abortion of the Rights Issue

The Rights Issue is exposed to risk that it may be aborted or delayed due to, *inter-alia* the following events:-

(a) the undertaking party for whatever reason, being unable to fulfil the obligations under the Undertaking; or

(b) *Force majeure* such as flood, earthquake, storm, epidemic, which are beyond the control of the Company and Principal Adviser, arising prior to the implementation of the Rights Issue; or

(c) the Joint Managing Underwriters and/or Joint Underwriters exercise their rights under the underwriting agreement to terminate their commitments and discharge themselves from their obligations for any reason whatsoever.

In the event that the Rights Issue is aborted, all monies received in respect of all applications for any Rights Shares will be returned in full without interest. Pursuant to Section 243 of the CMSA, if any such money received from the Entitled Shareholders are not repaid within fourteen (14) days after the Company becomes liable to pay, the Company will repay such money with interest at the rate of ten (10%) per centum per annum or such other rate as may be prescribed by the SC in accordance with Section 243(2) of the CMSA. Whilst the Company endeavours to implement the Rights Issue, there can be no assurance that the abovementioned events will not cause a delay in or abortion of the Rights Issue.

6.2.3 Forward-looking statements

Certain statements in this Abridged Prospectus are forward-looking in nature, which are subject to uncertainties and contingencies. All forward-looking statements are based on estimations and assumptions made by the Board, and although the Board believes that these statements and assumptions are reasonable, they are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements.

Given the uncertainties, the inclusion of forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by the Company and/or the Principal Adviser that the plans and objectives of the YHB Group will be achieved.

7. INDUSTRY OVERVIEW AND PROSPECTS OF THE YHB GROUP

The YHB Group is principally engaged in offshore production and support business, trading in construction materials, port and logistic businesses. The prospects are inherently linked to the outlook of the oil and gas, transportation as well as construction industries. Information in this section has been extracted from the available government publications and relevant reports, where applicable.

7.1 OVERVIEW AND OUTLOOK OF THE GLOBAL ECONOMY AND MALAYSIAN ECONOMY

7.1.1 Overview and outlook of the global economy

Global economic activity improved in the fourth quarter 2013. In the advanced economies, recovery remained intact, albeit at a gradual pace. Some economies in Asia benefitted from the improvements in external demand. However, growth was weighed down by domestic factors, which offset the better export performance. Amid an environment of modest growth and low inflation, global monetary policy remained highly accommodative.

Movements in the global financial markets were defined primarily by policy uncertainties in the United States ("**US**"). At the beginning of the quarter, equity markets fell following the US government shutdown. Nevertheless, the trend reversed when the government resumed operations on 17 October 2013 after the funding issues were resolved. Of significance, the Standard & Poor ("**S&P**") and Dow Jones reached record high levels following better US economic data releases and improved growth prospects as well as indications that the Federal Reserve (Fed) would maintain its policy of low interest rates. With the improvements in the US, investors took the opportunity to reduce their holdings of assets in Asia which had previously experienced sharp price increases due to strong demand. Such volatility is part of the behaviour of financial markets in an environment of surplus global liquidity. In addition, there were country–specific factors that led to the outflows. Investor sentiments in Thailand and the Philippines were dampened by political unrest and the severe impact of Typhoon Haiyan, respectively. In Indonesia, continued concerns over the health of the economy led to a decline in the financial market conditions. In PR China, heightened money market rates fuelled concerns over market liquidity, amid lingering concerns over the pace of growth of the economy. Towards the end of the quarter, the Fed's decision to begin scaling back quantitative easing (QE) resulted in further weakening in some Asian financial markets.

Moving forward, the global economy is expected to continue to experience a moderate recovery. Sustained improvements in the advanced economies will benefit international trade. However, uncertainties surrounding monetary and fiscal policy adjustments in the advanced economies are likely to persist. Growth of the Asian economies is expected to be supported by improving external conditions amid moderating domestic demand.

(Source: Extracted from BNM, Quarterly Bulletin, International Economic Environment, Fourth Quarter 2013)

7.1.2 Overview and outlook of Malaysian economy

The Malaysian economy expanded by 4.7% in 2013 (2012: 5.6%), driven by the continued strong growth in domestic demand. Despite the weaker external environment in the first half of the year, domestic demand remained resilient throughout the year, led by robust private sector activity. Private consumption was strong, supported mainly by favourable employment conditions and wage growth. Private investment registered a strong growth in 2013, continuing the momentum from the previous year. Growth was underpinned by capital spending in the mining, services and manufacturing sectors. Although the Federal Government's development expenditure declined during the year, growth in public investment remained positive as a result of the continued high capital spending by the public enterprises.

(Source: Extracted from BNM Annual Report 2013, 19 March 2014)

The Malaysian economy registered a growth of 5.1% in the fourth quarter of 2013 (3Q 2013: 5.0%). Growth was supported by private sector demand and improvement in exports. Public sector spending, however, moderated. On a quarter-on-quarter seasonally adjusted basis, the economy grew by 2.1% (3Q 2013: 1.7%).

Domestic demand remained the anchor for growth, expanding by 6.4% (3Q 2013: 8.3%). Private sector activity grew further, as reflected by robust private investment growth and continued expansion in private consumption. Public sector spending, however, moderated due to slower public consumption and declining investment growth.

Gross fixed capital formation grew by 5.8% (3Q 2013: 8.6%), led by robust private sector capital spending amidst a contraction in public investment growth. Growth in private investment improved to 16.5% (3Q 2013: 15.2%), mainly on account of higher capital spending in the services and manufacturing sectors. Public investment declined by 2.7% (3Q 2013: -1.3%). Capital spending by the public enterprises moderated amid a smaller contraction in Federal Government development expenditure. By type of assets, investment activity was driven mainly by spending on structures (9.7%; 3Q 2013: 11.0%), which partially mitigated the moderation in machinery and equipment spending (1.1%; 3Q 2013: 5.8%).

Private consumption growth remained high in the fourth quarter, although the pace of expansion moderated (7.3%; 3Q 2013: 8.2%). Household spending continued to be supported by stable employment conditions and sustained wage growth, especially in the domestic-oriented sectors. Growth in public consumption moderated to 5.1% (3Q 2013: 7.8%), reflecting lower government spending on emoluments.

On the supply side, growth was supported by the major economic sectors. Growth in the services sector was supported by the improvement in trade and manufacturing activities. The manufacturing sector expanded further, supported by higher growth in both export- and domestic oriented industries. In the construction sector, growth remained firm, underpinned by the nonresidential and residential sub-sectors. However, the commodity sector weakened, due to lower production in palm oil, rubber and crude oil.

For the Malaysian economy, domestic demand will remain supportive of growth. While domestic demand is expected to moderate following the ongoing fiscal consolidation, the external sector is expected to benefit from the improving global conditions. The growth momentum is therefore expected to remain on a steady trajectory.

(Source: Extracted from BNM, Quarterly Bulletin, Fourth Quarter 2013)

The Malaysian economy is expected to expand further by 5% - 5.5% in 2014 (2013: 4.5%-5%), supported by favourable domestic demand and an improving external environment. Growth will be private-led, supported by strong private capital spending while private consumption continues to remain resilient. Although some degree of uncertainty exists in the global environment due to the volatility of capital flows associated with the possibility of reduced global liquidity, Malaysia's external sector is expected to improve. This is in tandem with the continued recovery of growth across advanced economies as well as stronger regional trade activities which is evident in the second half of 2013. The better outlook of Malaysia's external sector is premised upon China's real gross domestic product growth, which is expected to be sustained at around 7.5%, while global trade will continue to grow at a steady pace of 5% in 2014.

Domestic demand is expected to continue its strong growth momentum, driven mainly by the private sector. Strong domestic fundamentals, including low unemployment, rising household income and sustained consumer confidence, will support the continued expansion of private consumption. Growth in private investment is expected to remain strong in line with improving external demand and increasing domestic activity. Public expenditure will be largely underpinned by increased spending on supplies and services.

Malaysia's macroeconomic fundamentals are expected to remain strong. Of significance, labour market conditions are expected to be favourable with the unemployment rate at 3.1%. The labour market is expected to be supported by increased employment, particularly in the services-related industries and export-oriented manufacturing industries in tandem with strong domestic consumption and improving external demand. Headline inflation is expected to remain manageable at 2%-3% in 2014. The increase in the Consumer Price Index ("**CPI**") largely reflects fuel price adjustment in September 2013.

(Source: Extracted from the Economic Report 2013/2014, Economic Performance and Prospects, Ministry of Finance)

7.2 OVERVIEW OF THE GLOBAL OIL AND GAS INDUSTRY

The world's industries and population are highly reliant on oil & gas as fuel, amidst concerted efforts to shift towards renewable sources of energy. Latest data on global oil demand shows that it increased by 1.3 million barrels per day ("**BPD**"), equivalent to 91.4 million BPD, in 2013. The increase was prevalent in non-Organisation for Economic Co-operation and Development ("**OECD**") countries, as oil demand in these countries grew by 1.2 million BPD in the same year. It is forecast that global oil demand will continue to rise by 1.3 million BPD, reaching 92.7 million BPD by year-ending 2014.

Natural gas is said to be the fastest growing of the fossil fuels, with demand reaching an average of 1.9% a year. The growth is led by non-OECD countries, where it is expected to generate 78.0% of the demand growth.

Overall, global energy demand will continue to grow 1.5% annually till 2035 and this will be led by emerging economies, mainly China and India. Oil & gas is expected to contribute approximately 54.0% of the world's energy source by 2035, where oil and natural gas will contribute 28.0% and 26.0% respectively.
(Source: Independent Market Research Report on Floating Production Storage and Offloading – Global, which includes Nigeria, Gabon and Vietnam dated 25 April 2014 by Converging Knowledge)

7.2.1 Overview of the Global Trends of FPSO

As of 2013, there are approximately 174 active FPSOs operating worldwide. Africa, accounted for the highest number of FPSOs, with approximately 24.8% situated in Africa (mainly in Angola and Nigeria). It is forecast that between 2013 and 2017, USD91.0 billion will be spent on floating production systems, with FPSOs representing 80.0% of the capital expenditures, equivalent to 94 installations.

The global FPSO industry is expected to grow in the range of 9.0% to 15.0% annually from 2013 to 2017. A total of 12 new FPSO projects were signed in 2013, comprising 44.4% of the total floating production units ordered during the period. In 2014, the number of orders for FPSO units is expected to expand to approximately 157 orders until 2018.

The growth drivers for the FPSO industry would be dependent on, amongst others, the following:-

(a) Global Oil and Gas Industry and Energy Consumption

Energy consumption will continue to increase globally due to the growing need to fuel transportation, lighting and heating, as well as manufacturing and industrial activities. Highly industrialised economies such as the U.S., Japan, as well as emerging economies like China, India and Russia, are ranked among some of the leading consumers of oil, utilising 44.2% of the total demand.

The latest figures on global energy consumption shows it grew by a compound annual growth rate ("**CAGR**") of 2.2% over the past five years - from 2008 to 2012. In 2012, global primary energy consumption reached its highest at 12.5 billion tonnes of oil equivalent. Global energy consumption is expected to increase 2.2% in 2013.

Growth in population and income are also driving forces for the oil & gas industry. It is estimated that the world's population will reach 8.3 billion by 2030, and global income will also double from 2011 real income levels. Industrialisation and rising affluence, particularly in emerging Asian economies, will push the trend in energy consumption upwards. The global oil & gas industry is expected to increase 1.6% in 2013, in terms of production.

(b) Rising Energy Prices

Prices of oil and gas have historically been in an upward trend due to consistent demand for energy sources. Although forecast on oil prices, in particular, Brent oil is expected to moderate from USD108.56 per barrel in 2013 to USD104.88 per barrel in 2014. This is still 70.0% higher compared to 2009 prices, which was at USD61.74 per barrel. Meanwhile, prices of natural gas are anticipated to increase in the next two years (2014 - 2015). In 2013, the price of natural gas stood at USD10.31 per thousand cubic feet is forecast to reach USD11.51 per thousand cubic feet by 2015.

High oil prices are also driving growth in exploration in Africa, as the country holds 127.6 billion barrels of proven crude oil reserves, and 515.4 trillion cubic feet of proven natural gas reserves in 2013. East Africa is also witnessing new discoveries for oil & gas reserves over the past few years. The number of orders for FPSO units is likely to grow in line with inflating oil prices, as demand for energy will drive increased offshore E&P activities.

(c) Improvements in Technologies

Improvements in technologies used in the oil & gas industry also drive the growth of the industry. In order to remain competitive and to reduce operating expenses while meeting rising energy needs, firms are looking to improve technologies used for the exploration and production of hydrocarbons. New technologies are also required for more efficient exploration in discovery of new reserves.

For instance, the offshore oil & gas industry relies largely on technology, as deep waters and remote regions pose challenges to existing infrastructure of offshore platforms. Technological developments, such as the ability to image areas below formations and complex geologies in deep waters, have become important to help assess any new reserves.

(d) Depletion of Onshore Oil Fields and Increasing New Discoveries

The depletion of global onshore oil reserves continues to drive the exploitation of offshore reserves. New discoveries of oil & gas sources in these deepwater regions will, thus, continue to propel the demand for FPSO units. With dwindling onshore and shallow-water discoveries, and declining productivity of aging existing giant oil fields, oil & gas exploration activities are moving further afield into deeper offshore sites, and marginal reservoir FPSOs, with its technical advantages, are more suited for deepwater E&P.

(Source: Independent Market Research Report on Floating Production Storage and Offloading – Global, which includes Nigeria, Gabon and Vietnam dated 25 April 2014 by Converging Knowledge)

7.2.2 FPSO in Africa

In 2013, oil production in Africa stood at 9.4 thousand BPD, or 10.4% of the world's oil production. The continent holds close to 9.0% of the world's crude oil reserves, amounting to 127.6 billion barrels in 2013. Africa has one of the highest concentrations of FPSO activities in the world. As at September 2013, there are approximately 38 FPSOs operating in Africa. The Gulf of Guinea is the focus area of oil exploration and production ("**E&P**") activities for oil & gas, with Nigeria and Gabon among the host countries. The growth in the FPSO industry in Africa is expected to range from 5.0% to 10.0% within 2013 to 2017.

Africa is one of the top three regions with the highest number of operating FPSO units, as at September 2013. Africa accounted for 24.8% (38 units) of the total 156 FPSO units globally, placing the region second, in terms of FPSOs in service. Competition within Africa's FPSO market is intense, with a number of international and domestic firms within the industry. Several globally well-known firms are owners of FPSO units deployed in Africa. This includes, but is not limited to, BW Offshore Norway, Bumi Armada Bhd, Total S.A., BP PLC, Royal Dutch Shell PLC, Chevron Corporation, and YPAS, amongst others. In addition, there are several African companies involved in the domestic FPSO industry, for example, state-owned Nigerian National Petroleum Corporation, PetroSA, and Famfa Oil Limited, to name a few.

Nigeria and Angola dominate the West African region, as they hold the largest proven reserves and where deep-water exploration and production activities are prominent. There are an increasing number of foreign players entering the West African region. For instance, South Korean's Samsung Heavy Industries has been awarded a USD3 billion contract to build an FPSO unit with a capacity of 2.3 million barrels of crude oil from a Nigerian company. Australian-based Company, WorleyParsons, has also won a contract to provide design and engineering for the topside modules of the same FPSO unit from Samsung Heavy Industries. Other regional companies are also gaining a market share in Africa's FPSO industry.

FPSO in Nigeria

Nigeria is the biggest oil producer in Africa, with the second largest amount of proven crude oil reserves - an estimated 37.2 billion barrels of proven crude oil reserves as of January 2013. Much of the vast oil reserve is situated along the Niger River Delta, and offshore, in the Bight of Benin, Bight of Bonny and Gulf of Guinea. The country also holds the largest natural gas proven reserves in Africa, and is the ninth largest holder of natural gas in the world.

There are approximately 14 FPSOs operating in Nigeria, the largest of which is Erha, with a deadweight tonnage ("**dwt**") of 375,000 tonnes, and a maximum oil production rate of 250 thousand BPD. The biggest operating FSPO in the world has a dwt of 396,000 tonnes, with a maximum oil production of 160 thousand BPD.

FPSO in Gabon

Gabon is among the top five oil producers in Sub-Saharan Africa, with 240.0 thousand BPD produced in 2013. The revenue from oil accounted for nearly 56.0% of total government revenue, and the majority of its oil production are exported to countries such as Japan, the U.S., Australia, India, and Spain.

Much of Gabon's oil reserve is located in the onshore (Rabi Oil field) and offshore (Etame and Olowi) vicinity of Port Gentil. In the face of declining output due to aging oil fields and lack of new finds, the Gabonese government is encouraging E&P activities and investments, especially offshore, to boost oil production output. In October 2013, the Ministry of Energy in Gabon awarded 13 oil and natural gas blocks to 11 companies, which included Ophir Energy PLC, Exxon Mobil Corporation ("**ExxonMobil**"), Eni S.p.A, and Repsol S.A., among others.

(Source: Independent Market Research Report on Floating Production Storage and Offloading – Global, which includes Nigeria, Gabon and Vietnam dated 25 April 2014 by Converging Knowledge)

7.2.3 FPSO in Asia

Oil production in Asia stood at 8.4 thousand BPD, or 9.3% of the world's oil production, in 2013. The continent is viewed positively, with prospects of energy demand to continue at an annual growth rate of 2.6%. The South China Sea offers the potential for significant natural gas discoveries, as natural gas consumption is expected to increase 3.9% annually, where most of the demand will be driven by China. Vietnam, Malaysia, and Brunei have a long history of development in the South China Sea, and are viewed to have the highest gas reserves in the area. The FPSO industry in Southeast Asia is expected to grow 8.0% to 11.0% within 2013 to 2017.

To date, there are approximately 40 FPSOs operating in Asia, mainly in China, Indonesia, Malaysia, Thailand and Vietnam.

Asia, in particular, Southeast Asia, is one of the leading locations for FPSO activity. As of May 2014, there are 44 planned production projects in the region, ranking it behind Brazil and Africa, each with 50 planned production projects. Leading players in Southeast Asia's FPSO market are Malaysia's Bumi Armada Berhad and Fred Olsen Production ASA, now owned by Malaysian company, YHB. YHB currently owns an FPSO with Vietnam's PetroVietnam Technical Services Corporation. The FPSO is expected to be operational by mid-2014. Another emerging FPSO player is Singapore's EOC Limited, a subsidiary of offshore contractor and integrated solutions provider Ezra Holdings Limited. In 2011, EOC received a USD1 billion 6-year FPSO charter contract from Premier Oil Vietnam Offshore B.V. for the Chim Sao project off Vietnam.

In future, Southeast Asian oil & gas services companies are expected to increase their participation in the global market for floating production systems through supply, ownership, management or operations of FPSOs.

FPSO in Vietnam

Vietnam is viewed as the third largest holder of crude oil reserves in Asia, after China and India, and continues to emerge as an important oil and natural gas producer in Southeast Asia. Its active exploration activities helped increase its proved crude oil reserves from 0.6 billion barrels in 2011 to 4.4 billion barrels as of January 2013. The country's state-owned Vietnam Oil and Gas Corporation ("**PetroVietnam**") aims to boost crude distillation capacity to 220,000 BPD by 2017.

Examples of major FPSO activities in Vietnam are Cuu Long Basin and Nam Con Son Basin. International oil companies that are present in the country include ExxonMobil, Chevron Corporation, and JSC Zarubezhneft, which have already formed partnerships with PetroVietnam.

(Source: Independent Market Research Report on Floating Production Storage and Offloading – Global, which includes Nigeria, Gabon and Vietnam dated 25 April 2014 by Converging Knowledge)

7.3 OVERVIEW AND OUTLOOK OF THE CONSTRUCTION SECTOR IN MALAYSIA

The construction sector is expected to continue recording high growth, albeit at a more moderate pace in 2014, as the completion of several large civil engineering projects will more than offset the progress in existing projects in the transport, utility, and oil and gas sectors. Although several highway and power plant projects are expected to commence in 2014, these projects are not expected to provide significant support to overall growth in the construction sector in 2014.

(Source: Extracted from BNM Annual Report 2013, 19 March 2014)

The growth momentum of construction activity remained steady at 9.7% (Q3 2013: 10.1%) driven by residential and non-residential activities. Growth of the residential and non- residential subsectors increased 15.5% and 15.1%, respectively (Q3 2013: 21.2%; 8.1%) in tandem with higher housing and commercial construction activities. Meanwhile, the civil engineering subsector saw a slower growth of 1.2% (Q3 2013: 4.4%) partly due to the completion of some large projects, including oil-related and transportation infrastructure projects.

(Source: Extracted from Malaysia Economy Fourth Quarter 2013, Ministry of Finance)

7.4 OVERVIEW AND OUTLOOK OF THE TRANSPORT SECTOR IN MALAYSIA

The services sector expanded by 5.9% in 2013 and remained the largest contributor to growth (3.2 percentage points of overall GDP growth). Growth in the sector was underpinned largely by sub-sectors catering to domestic demand. Performance of the transport and storage sub-sector was sustained amid strong growth in passenger travel.

The services sector is projected to continue on a firm expansion path in 2014. Growth will be mainly supported by production-related activities such as wholesale, transport and storage amid a pick-up in external trade activity.

(Source: Extracted from BNM Annual Report 2013, 19 March 2014)

The transport and storage subsector continued to grow 5.4% (Q3 2013: 5.1%) attributed to increased highway, port and airport operations amid sustained economic activity and improved exports. During the quarter, the total volume of containers handled at seven major ports rose 2.5% to 5.2 million twenty-foot equivalent units ("**TEUs**") (Q3 2013: 2.9%; 5.2 million TEUs). Port Klang handled 2.7 million TEUs and Tanjung Pelepas 1.9 million TEUs (Q3 2013: 2.6 million TEUs; 1.9 million TEUs), contributing 51% and 36.1%, respectively to total container throughput (Q3 2013: 50.8%; 36.5%).

(Source: Extracted from Malaysia Economy Fourth Quarter 2013, Ministry of Finance)

7.5 PROSPECTS OF THE YHB GROUP

Over the last few years, YHB Group has expanded its operation in the oil and gas and marine based businesses. With the completion of the acquisition of YPAS on 10 January 2014, the Group has become one of the key players in the FPSO industry with three (3) of its FPSOs operating in West Africa. Two (2) of the FPSOs are wholly-owned and operating in Gabon and Nigeria whilst one (1) FPSO, 50% jointly-owned with BW Offshore, is operating in Gabon. In addition, YHB Group has one (1) FPSO (co-owned with PTSC) which is scheduled to be commissioned by the second half of 2014. The YPAS Acquisition also brought into YHB an experienced management team with track record in FPSO operations and related project execution. In addition, YHB Group has one (1) FSO (co-owned with PTSC) and three (3) OSVs operating in Asia.

Leveraging on its experience in Asia and Africa, YHB Group is actively tendering for projects. The Group aims to build a strong order book to deliver consistent recurring income and is focusing on securing contracts with established players in the oil and gas industry. The Rights Issue will strengthen the YHB Group's capital base and enable the Group to undertake sizeable projects.

Premised on the above and the outlook of the global oil and gas industry, the Board believes that the prospect of YHB Group going forward is positive.

8. FINANCIAL EFFECTS OF THE RIGHTS ISSUE AND SHARE SPLIT

8.1 Issued and Paid-Up Share Capital

The proforma effects of the Rights Issue and Share Split on the issued and paid-up capital of the Company as at the LPD are as follows:-

	Par Value (RM)	**No of YHB Shares**	**RM**
Issued and paid up share capital			
As at LPD	1.00	258,199,610	258,199,610
To be issued pursuant to the Rights Issue	1.00	258,199,610	258,199,610
Upon completion of Rights Issue	**1.00**	**516,399,220**	**516,399,220**
After Share Split	**0.50**	**1,032,798,440**	**516,399,220**

8.2 NA and Gearing

The proforma effects of the Rights Issue and Share Split on the consolidated NA per share and gearing based on the audited consolidated financial statements FYE 31 January 2013 of the YHB Group are as follows:-

		(I)	(II)	(III)
	Audited as at 31 January 2013 RM'000	**After Subsequent Events[a] RM'000**	**After (I) and Rights Issue RM'000**	**After (II) and Share Split RM'000**
Share capital	200,355	258,200	516,399	516,399
Share premium	8,076	112,942	416,782[b]	416,782
Reserve	72,801	105,012	105,012	105,012
Total equity/NA	**281,232**	**476,154**	**1,038,193**	**1,038,193**
Number of YHB Shares ('000)	200,355	258,200	516,399	1,032,798
NA per YHB Share (RM)	1.40	1.84	2.01	1.01
Total borrowings (RM'000)	448,541	1,245,036	1,008,036[c]	1,008,036
Gearing ratio (times)	1.59	2.61	0.97	0.97

Notes:-

(a) *Subsequent events include the following:-*

(i) Private placement of 20,035,510 YHB Shares which was completed on 10 June 2013;

(ii) Issuance and allotment of 37,809,000 YHB Shares to KCSB which was completed on 5 December 2013; and

*(iii) Acquisition of YPAS which was completed on 10 January 2014 following the transfer of the remaining shares in YPAS to YHB Group pursuant to the compulsory acquisition ("**Compulsory Acquisition**"). Full payment had been made to all the remaining shareholders pursuant to the Compulsory Acquisition on 17 March 2014.*

(b) *After deducting the estimated expenses of approximately RM6 million relating to the Corporate Exercises.*

(c) *Assuming the repayment of bank borrowings amounting to RM237 million from the proceeds of the Rights Issue.*

8.3 Earnings and EPS

The impact of the Rights Issue on the consolidated earnings and EPS of YHB for the FYE 31 January 2015 will depend on, amongst others, the level of returns generated from the utilisation of proceeds raised from the Rights Issue.

The Rights Issue may result in the Company's EPS being diluted immediately as a result of the increase in the number of YHB Shares in issue upon completion of the Rights Issue.

However, the Rights Issue is expected to contribute positively to the consolidated earnings of YHB for the ensuing financial years, when the benefits of the proposed utilisation of proceeds pursuant to the Rights Issue are realised.

The Share Split will not have any effect on the consolidated earnings of YHB for the FYE 31 January 2015 but the EPS of YHB will be reduced proportionately as a result of the increase in the number of ordinary shares in YHB pursuant to the Share Split.

For illustrative purposes only, based on the consolidated financial statements of YHB Group for the FYE 31 January 2013 and assuming that the Rights Issue had been completed on 1 February 2012, the proforma effect of the Rights Issue and Share Split on the earnings and EPS of the YHB Group are as follows:-

	Audited as at 31 January 2013 RM'000	**(I) After Rights Issue RM'000**	**(II) After (I) and After Share Split RM'000**
PAT	33,884	**33,884**	**33,884**
Adjusted for:-			
- Interest savings from the settlement of the borrowings[(b)]	-	10,902	10,902
Proforma PAT	**33,884**	**44,786**	**44,786**
Weighted average number of YHB Shares for computation of EPS ('000)	196,225	512,269[(a)]	1,024,538
EPS	17.3 sen	8.7 sen	**4.4 sen**

Notes:-

[(a)] *Including new shares issued pursuant to the Private Placement and Share Issuance which are assumed to be completed at the beginning of FYE 31 January 2013 for purposes of the above illustration*

[(b)] *Based on the average prevailing interest rate incurred by the YHB Group of approximately 4.6% per annum*

For information, YHB has on 27 March 2014 announced its unaudited consolidated results for the FYE 31 January 2014. The audited financial statements for the FYE 31 January 2014 shall be announced before 31 May 2014. Shareholders are advised to refer to www.bursamalaysia.com for the aforementioned and updates on YHB.

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL CAPITAL COMMITMENTS

9.1 Working Capital

The Board is of the opinion that after taking into account the amount to be raised from the Rights Issue, the banking facilities available to the Group as well as the funds to be generated from the Group's operations, the Group will have sufficient working capital for a period of twelve (12) months from the date of this Abridged Prospectus to meet its present and foreseeable future working capital requirements.

9.2 Borrowings

As at the LPD, the total outstanding borrowings of the Group amounted to approximately RM1,271.3 million, all of which are interest-bearing, as set out below:-

	RM'000
Short-term	630,357
Long-term	640,945
Total borrowings	**1,271,302**

After having made all reasonable enquiries and to the best knowledge of the Board, there has been no default or any known event that could give rise to a default of payments of either interest and/or principal sum in relation to any of the YHB Group's borrowings throughout the past one (1) financial year and the subsequent financial periods as at LPD.

The Group borrowings in RM equivalent are denominated in the following currencies:-

	RM'000
Ringgit Malaysia	258,975
US Dollar	1,012,327
Total borrowings	**1,271,302**

9.3 Contingent Liabilities

As at the LPD, the Board is not aware of any material contingent liabilities incurred or known to be incurred which upon becoming enforceable may have a material impact on the profit or NA of the YHB Group.

9.4 Material Capital Commitments

Save as disclosed below, as at LPD, the Board is not aware of any material commitments contracted or known to be contracted by the YHB Group, which upon becoming enforceable may have a material impact on the profit or NA of the YHB Group:-

	RM'000
Approved and contracted:	
- Property, plant and equipment	13,203
- Share of joint ventures' capital commitments in relation to property, plant and equipment	57,239
Total	**70,442**
Approved but not contracted	
- Property, plant and equipment	15,783
- Share of joint ventures' capital commitments in relation to property, plant and equipment	19,273
Total	**35,056**

The above capital commitments will be funded by internally generated funds, proceeds from the Rights Issue and/or bank borrowings.

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10. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU AND/OR YOUR RENOUNCEE(S) (IF APPLICABLE) AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEE(S) (IF APPLICABLE) WISH TO DISPOSE OF ALL OR ANY PART OF YOUR ENTITLEMENTS AS WELL AS FOR EXCESS APPLICATION ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF. YOU AND/OR YOUR RENOUNCEE(S) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY. THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THIS ABRIDGED PROSPECTUS.

ACCEPTANCES WHICH DO NOT CONFORM STRICTLY TO THE TERMS OF THIS ABRIDGED PROSPECTUS, THE RSF AND NOTES AND INSTRUCTIONS PRINTED THEREIN OR WHICH ARE ILLEGIBLE MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF THE BOARD.

10.1 General

If you are an Entitled Shareholder, your CDS Account will be duly credited with the number of provisionally allotted Rights Shares, which you are entitled to subscribe for in full or in part under the terms of the Rights Issue (fractional allotment, if any, shall be dealt with in such manner as the Board shall at its sole and absolute discretion deems fit or expedient and in the best interest of the Company). You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such provisionally allotted Rights Shares into your CDS Account and a RSF to enable you to subscribe for the Rights Shares provisionally allotted to you, as well as to apply for any excess Rights Shares if you choose to do so. This Abridged Prospectus and the RSF are also available on Bursa Securities' website (http://www.bursamalaysia.com).

10.2 Last Date and Time for Acceptance and Payment

The last date and time for acceptance and payment for the Rights Shares is on 2 June 2014 at 5.00 p.m., or such other later date and time as the Board at its absolute discretion may decide and announce not less than two (2) Market Days before the stipulated date and time. Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar.

10.3 Procedures for Acceptance and Payment

If you wish to accept the Rights Shares provisionally allotted to you either in full or in part, please complete Parts I(a) and II of the RSF in accordance with the notes and instructions contained in the RSF and deliver it together with the appropriate remittance either by ORDINARY POST, COURIER or DELIVERED BY HAND in the official envelope prescribed (at your own risk) to the Share Registrar, **Securities Services (Holdings) Sdn Bhd**, at **Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, not later than 5.00 p.m. on 2 June 2014**, being the last date and time for acceptance and payment, or such later date and time as the Board at its absolute discretion may decide and announce not less than two (2) Market Days before the stipulated date and time.

If you do not wish to accept the Rights Shares provisionally allotted to you in full, you are entitled to accept part of your entitlements that can be subscribed/applied for. Applicants should take note that a trading board lot of the Rights Shares comprises one hundred (100) Rights Shares. You have to complete Parts I(a) and II of the RSF by specifying the number of Rights Shares which you are accepting. The portion of the Rights Shares that has not been accepted will be allotted to applicants applying for Excess Application in the manner set out in Section 10.5 of this Abridged Prospectus.

Acceptance and payment for the Rights Shares provisionally allotted to you must be made on the RSF issued with this Abridged Prospectus and must be completed in accordance with the notes and instructions printed therein. Acceptances which do not strictly conform to the terms and conditions of this Abridged Prospectus or the RSF together with notes and instructions printed therein or which are illegible may not be accepted at the absolute discretion of the Board.

Each completed RSF must be accompanied by the appropriate remittance in RM for the full amount payable for the Rights Shares accepted in the form of banker's draft(s), cashier's order(s), money order(s) or postal order(s) drawn on a bank or post office in Malaysia and must be made payable to "**YINSON RIGHTS ISSUE ACCOUNT**", crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name in block letters and your CDS Account number. The payment must be made in the exact amount. Any excess or insufficient payment will be rejected at the absolute discretion of the Board. Cheques or any other mode of payments not prescribed herein are not acceptable.

No acknowledgement of the receipt of the RSF or application monies will be issued by the Company or the Share Registrar in respect of the Rights Shares. However, if your application is successful, a notice of allotment will be despatched to you by ordinary post to the address as shown in the Record of Depositors at your own risk within eight (8) Market Days from the last date and time for acceptance and payment for the Rights Shares or such other period as may be prescribed by Bursa Securities.

Application shall not be deemed to have been accepted by reason of remittance being presented for payment.

If acceptance and payment for the Rights Shares provisionally allotted to you are received by the Share Registrar later than 2 June 2014 at 5.00 p.m., being the last date and time for acceptance and payment, or such later date and time as may be determined and announced by the Board, the said provisional allotment to you will be deemed to have been declined and will be cancelled and such Rights Shares not taken up will be allotted to applicants who have applied for Excess Application as stated in Section 10.5 below.

The Board reserves the right not to accept any application or to accept in part only any application accompanied by payment other than in the manner prescribed herein or which is otherwise howsoever incomplete or not in order, without assigning any reason thereof.

You should note that all RSF and remittances lodged with the Share Registrar will be irrevocable and cannot subsequently be withdrawn, where the application is not accepted or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest and shall be despatched to you within fifteen (15) Market Days from the last date for acceptance and payment for the Rights Shares by ordinary post to the address shown in the Record of Depositors at your own risk.

10.4 Procedures for Sale and/or Transfer of Provisional Allotment of Rights Shares

The provisional allotment of Rights Shares is renounceable and will be traded on Bursa Securities commencing from 19 May 2014 up to and including 23 May 2014. As such, you and/or your renouncee(s) may sell and/or transfer all or part of your/their entitlements to the Rights Shares.

As the provisional allotment of Rights Shares are prescribed securities, you and/or your renouncee(s) who wish to dispose of all or part of your entitlements to the Rights Shares may do so immediately through your/their stockbroker for the period up to the last day of trading/transfer of the provisional allotment of Rights Shares, without first having to request for a split of the provisional allotment of Rights Shares standing to the credit in your/their CDS Accounts.

To dispose of all or part of your provisional entitlements to the Rights Shares, you and/or your renouncee(s) may sell such entitlements on the open market of Bursa Securities or transfer such entitlements to such persons as may be allowed pursuant to the Bursa Depository Rules.

In selling and/or transferring all or part of your provisional allotment of Rights Shares, you and/or your renounce(s) need not deliver any document (including the RSF), to the stockbroker in respect of the portion of the provisional allotment sold and/or transferred. However, you and/or your renounce(s) must ensure that you have sufficient provisional allotment of Rights Shares standing to the credit in your CDS Accounts that are available for settlement of the sale and/or transfer.

If you and/or your renouncee(s) have disposed of and/or transferred only part of your/their provisional allotment of Rights Shares, you/they may still accept the balance of your/their entitlements of the Rights Shares by completing Parts I(a) and II of the RSF and forwarding the RSF together with the full amount payable on the balance of the Rights Shares applied for to the Share Registrar in accordance with the instructions in Section 10.3 above.

You and/or your renounce(s) are advised to read and adhere to the RSF together with the notes and instructions contained therein.

10.5 Procedures for Excess Application

If you wish to apply for additional Rights Shares in excess of those provisionally allotted to you, you may do so by completing Part I(b) of the RSF (in addition to Parts I(a) and II of the RSF) and forwarding it with a **separate remittance** for the full amount payable in respect of the excess Rights Shares applied for to the Share Registrar, **Securities Services (Holdings) Sdn Bhd**, at **Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur**, **not later than 5.00 p.m. on 2 June 2014**, being the last date and time for Excess Application and payment, or such later date and time as the Board at its absolute discretion may decide and announce not less than two (2) Market Days before the stipulated date and time.

Payment under the Excess Application should be made in the same manner described in Section 10.3 above except that the banker's draft(s), cashier's order(s), money order(s) or postal order(s) drawn on a bank or post office in Malaysia should be made payable to "**YINSON EXCESS RIGHTS ACCOUNT**", crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name in block letters and your CDS Account number. Cheques or any other mode of payments not prescribed herein are not acceptable.

It is the intention of the Board to allot the excess Rights Shares, if any, in the following priority:-

(a) Firstly, to minimise the incidence of odd lots subject always that the allocation to round up odd lots shall be applicable to the Entitled Shareholders holding at least 1,000 YHB Shares as at the Entitlement Date;

(b) Secondly, for allocation to the Entitled Shareholders, who have applied for excess Rights Shares on a pro-rata basis and in board lot based on their respective shareholdings as at the Entitlement Date until the excess Rights Shares have been fully allocated to the Entitled Shareholders who have applied for excess Rights Shares; and

(c) Thirdly, in the event there is any balance of excess Rights Shares unallocated, for the allocation to the renounce(s) and/or transferee(s) who have applied for excess Rights Shares on a pro-rata basis and in board lot based on the quantum of their respective excess Rights Shares applications.

Nevertheless, the Board reserves the right to allot any excess Rights Shares applied under Part I(b) of the RSF in such manner as the Board deems fit and expedient in the best interest of the Company subject always that such allocation, in the Board's opinion, is being made on a fair and equitable basis in accordance with Section 6.01 of the Abridged Prospectus guidelines.

No acknowledgement of the receipt of the RSF for the Excess Application or application monies will be issued by the Company or the Share Registrar in respect of the excess Rights Shares.

In respect of unsuccessful or partially successful Excess Application, the full amount or the balance of the application monies (as the case may be) will be refunded without the interest within fifteen (15) Market Days from the last date of application and payment of the excess Rights Shares by ordinary post at the address shown in the Record of Depositors at your own risk.

If you lose, misplace or for any reason require another copy of the RSF, you may obtain additional copies from your stockbrokers, Bursa Securities' website (http://www.bursamalaysia.com) or the Share Registrar at Securities Services (Holdings) Sdn Bhd, at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

10.6 Splitting

Under the CDS environment, the processes of splitting, nomination and renunciation are generated by electronic book-entries made in the CDS Accounts of the Entitled Shareholders. The provisional allotment of Rights Shares will be credited into your CDS Account. You will be notified of the crediting via the NPA which is enclosed with this Abridged Prospectus. You may sell part of or all of the Rights Shares provisionally allotted to you.

10.7 Purchases of Rights

If you have purchased any provisional allotment of Rights Shares on Bursa Securities, to enable you to accept the Rights Shares, you should obtain the RSF from one of the following:-

1) The Registered Office of the Company at:-

   No. 25, Jalan Firma 2,
   Kawasan Perindustrian Tebrau IV,
   81100 Johor Bahru,
   Johor Darul Takzim.

2) The Share Registrar at:-

   Securities Services (Holdings) Sdn Bhd
   Level 7, Menara Milenium,
   Jalan Damanlela,
   Pusat Bandar Damansara,
   Damansara Heights,
   50490 Kuala Lumpur.

3) Bursa Securities' website at the following address:-

   www.bursamalaysia.com

You are required to complete the RSF and submit the same with the requisite payment to the Share Registrar as described under Section 10.3 of this Abridged Prospectus on Procedures for Acceptance and Payment.

10.8 Laws of Foreign Jurisdiction

This Abridged Prospectus, together with the NPA and RSF, have not been and will not be registered under or be made to comply with any applicable securities legislation or equivalent legislation (or with or by any regulatory authority or other relevant body) of any country/jurisdiction other than Malaysia.

This Abridged Prospectus, together with the NPA and the RSF are not intended to be (and will not be) issued, circulated or distributed, and the Rights Issue will not be made or offered or deemed to be made or offered for purchase or subscription, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than the laws of Malaysia. The Rights Issue to which this Abridged Prospectus relates is only available to the Entitled Shareholders receiving this Abridged Prospectus, the NPA and the RSF or otherwise within Malaysia.

The Company will not make or be bound to make any enquiry as to whether you have a registered address in Malaysia other than as stated in the Record of Depositors as at the Entitlement Date and will not accept or be deemed to accept any liability whether or not any enquiry or investigation is made in connection therewith. The Company will assume that the Rights Issue and the acceptance thereof by you would not be in breach of the laws of any jurisdiction. The Company will further assume that you have accepted the Rights Issue in Malaysia and will at all applicable times be subject to the laws of Malaysia.

You and/or your renouncee(s) shall not have any right or claim against the Company, the Directors and officers, AmInvestment Bank (Principal Adviser), Kenanga Investment Bank (Financial Adviser), Joint Managing Underwriters and Joint Underwriters ("**Parties**") in respect of your rights or entitlements under the Rights Issue or to any proceeds thereof. You may only accept or renounce or transfer (as the case may be) all or part of your entitlement and exercise any other rights in respect of the Rights Issue only to the extent that it would be lawful to do so, and the Parties would not be in breach of the laws of any foreign jurisdiction/country to which that you or your renouncee(s) is or may be subject to.

If you are or may be subject to the laws or country/jurisdiction other than Malaysia ("**Foreign Shareholder(s)**"), it shall be your sole responsibility to consult your legal advisers and/or other professional advisers as to whether the acceptance or renunciation in any manner whatsoever of your entitlement under the Rights Issue would result in the contravention of any laws of such country/jurisdiction and the Parties shall not accept any responsibility or liability whatsoever to any party in the event that any acceptance or renunciation of the sale or transfer of the provisional allotment of Rights Shares made by you and/or your renouncee(s) is or shall become illegal, unenforceable, voidable or void in any country or jurisdiction.

If you are a Foreign Shareholder, remittances by you and/or your renouncee(s) who wish to accept the provisional allotment of Rights Shares subject to the above conditions must be made in the manner prescribed in Sections 10.3 and 10.5 of this Abridged Prospectus.

If you are a Foreign Shareholder, by signing the RSF, you and/or your renouncee(s) are deemed to have represented, acknowledged and declared in favour of (and which representation, acknowledgement and declaration will be relied upon by) the Parties that:-

(a) the Company would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any jurisdiction which you and/or your renouncee(s) are or may be subject to;

(b) you and/or your renouncee(s) have complied with the laws which you and/or your renouncee(s) are or may be subject to in connection with the acceptance or renunciation;

(c) you and/or your renouncee(s) are not a nominee or agent of a person in respect of whom the Company would, by acting on the acceptance or renunciation, be in breach of the laws of any jurisdiction which that person is or may be subject to;

(d) you and/or your renouncee(s) are aware that the provisional allotment of Rights Shares can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged or dealt with in any way in accordance with all applicable laws in Malaysia;

(e) you and/or your renouncee(s) have respectively received a copy of this Abridged Prospectus and have read and understood the contents of this Abridged Prospectus;

(f) you and/or your renouncee(s) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing for or purchasing the Rights Shares, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares;

Persons receiving this Abridged Prospectus, NPA and/or RSF (including without limitation custodians, nominees and trustees) must not, in connection with the Rights Issue, offer, distribute or send it into any jurisdiction where to do so would or might contravene local securities, exchange control or other relevant laws or regulations. If this Abridged Prospectus, NPA and RSF are received by any person in such jurisdictions, or by the agent or nominee of such a person, he/she/it/they must not seek to accept the offer unless he/she/it/they has/have complied with and observed the laws of the relevant jurisdiction.

Any person who does forward this Abridged Prospectus, NPA and/or RSF to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and the Company reserves the right to reject a purported acceptance of the Rights Shares from any application by Foreign Shareholders and/or their renouncee(s) in any jurisdiction other than Malaysia.

The Company reserves the right, at its absolute discretion, to treat any acceptance as invalid if the Company believes that such acceptance may violate any applicable legal or regulatory requirements. The provisional Rights Shares relating to any acceptance with is treated as invalid will be included in the pool of excess Rights Shares available for Excess Application by Entitled Shareholders and/or their renounce(s) (if applicable).

10.9 CDS Accounts

Bursa Securities has already prescribed the securities of the Company listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares are prescribed securities and as such, all dealings in the provisional allotment of Rights Shares will be by book entry through CDS Accounts and will be governed by the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) Amendment Act, 1998 and the Bursa Depository Rules. You are required to have valid and subsisting CDS Accounts in order to subscribe for the Rights Shares.

The acceptance of the Rights Shares by you or any purchaser of the rights thereof shall mean consent to receiving such Rights Shares as prescribed securities which will be credited directly into your or the purchaser's CDS Account.

All excess Rights Shares allotted shall be credited directly into the CDS Accounts of the successful applicants.

You are required to use one (1) RSF for each CDS Account. Separate RSF must be used if you have more than one CDS Account having been credited with the provisional allotments of Rights Shares.

A reply envelope is enclosed with this Abridged Prospectus. To facilitate the processing of the RSFs by the Share Registrar or the Company, you are advised to use one (1) reply envelope for each completed RSF.

10.10 Notice of Allotment

Upon allotment of the Rights Shares in respect of your acceptance and Excess Application (if any), the Rights Shares shall be credited into your CDS Account. No physical shares certificates will be issued to you in respect of the Rights Shares. However, a notice of allotment will be despatched to you by ordinary post within eight (8) Market Days from the last date of acceptance and payment of the Rights Shares and Excess Application at the address shown in the Record of Depositors at your own risk.

Where any application for the Rights Shares is not accepted due to non-compliance with the terms of the Rights Issue or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest and be despatched to you within fifteen (15) Market Days from the last date of acceptance and payment in respect of the Rights Shares by ordinary post to the address shown in the Record of Depositors at your own risk.

The allotment of the Rights Shares, despatch of notice of allotment and application to Bursa Securities for the quotation of the Rights Shares will be made within eight (8) Market Days from the last date for payment and acceptance of the Rights Shares.

Please note that a completed RSF and the payment thereof once lodged with the Share Registrar cannot subsequently be withdrawn.

The latest date and time for acceptance and payment for the Rights Share will be on 2 June 2014 at 5.00 p.m. or such later date and time as the Board at its absolute discretion may decide and announce not less than two (2) Market Days before the stipulated date and time.

An application shall not be deemed to have been accepted by reason of the remittance being presented for payment.

11. TERMS AND CONDITIONS

The issue of the Rights Shares pursuant to the Rights Issue is governed by the terms and conditions set out in this Abridged Prospectus and the accompanying NPA and RSF.

12. FURTHER INFORMATION

Please refer to the attached Appendices for further information.

Yours faithfully
For and on behalf of the Board
YINSON HOLDINGS BERHAD

Lim Chern Yuan
Group Chief Executive Officer

APPENDIX I CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTIONS IN RESPECT OF THE CORPORATE EXERCISES PASSED AT THE EGM OF THE COMPANY HELD ON 29 APRIL 2014

雲昇控股有限公司
YINSON HOLDINGS BERHAD (Co. No. : 259147-A)
No. 25, Jalan Firma 2, Kawasan Perindustrian Tebrau IV, 81100 Johor Bahru, Johor.
Tel : 07-355 2244 Fax : 07-355 2277, 355 3311
Email Address : info@yinson.com.my

Extract of Minutes of Extraordinary General Meeting of **YINSON HOLDINGS BERHAD** held on Tuesday, 29 April 2014 at 12.00 noon at Orchid Room, Level 6, Berjaya Waterfront Hotel Johor Bahru (*formerly known as The Zon Regency Hotel by the Sea*), 88, Jalan Ibrahim Sultan, Stulang Laut, 80300 Johor Bahru, Johor Darul Takzim

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ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW ORDINARY SHARES OF RM1.00 EACH IN YHB ("YHB SHARES") TO RAISE GROSS PROCEEDS OF UP TO RM600 MILLION ("PROPOSED RIGHTS ISSUE")

"**THAT** subject to the approvals of all relevant regulatory authorities being obtained (if required), authority be and is hereby given to the Board of Directors of YHB ("**Board**") to provisionally allot by way of a renounceable rights issue of such number of new YHB Shares to raise maximum gross proceeds of up to RM600 million at an issue price and entitlement basis to be determined and announced by the Board, to the shareholders of YHB whose names appear in the Record of Depositors of YHB at 5.00 p.m. on an entitlement date to be determined by the Board, and that the Rights Shares shall, upon allotment and issue, rank *pari passu* in all respect with the then existing YHB Shares, save and except that the Rights Shares shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the Rights Shares;

THAT any Rights Shares which are not validly taken up or which are not allotted for any reason whatsoever shall first be made available for excess applications in such a manner as the Board shall determine at its absolute discretion;

THAT the Rights Shares shall be listed on the Main Market of Bursa Malaysia Securities Berhad;

THAT the proceeds of the Proposed Rights Issue be utilised for the purposes as set out in the Circular to Shareholders of YHB dated 11 April 2014, and the Board be authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, subject to the approval of the relevant authorities, where required.

THAT the Board be and is hereby authorised to set-off of the advances referred to in the Circular, including (without limitation) the matters referred to in Section 2.3 of the Circular, including the advances consisting the following:-

(a) The advances made by Lim Han Weng ("**LHW**") and parties related to him to YHB and its subsidiaries ("**YHB Group**") to meet the YHB Group's funding requirements amounting to approximately RM92 million as at 31 March 2014 of which up to the entire amount will be assumed by the Company as referred to in the Circular; and

YINSON HOLDINGS BERHAD (Co. No : 259147-A)
Extract of Minutes of Extraordinary General Meeting held on 29 April 2014 – Page 2 of 3

(b) Up to any further advances that may be made by LHW and parties related to him to the Group, up to the closing date for acceptance of the Proposed Rights Issue;

AND THAT the Board be and is hereby authorised to:-

(a) deal with any fractional entitlements that may arise from the Proposed Rights Issue in such manner and on such terms and conditions as the Board in its absolute discretion deems fit or expedient or in the best interest of the Company;

(b) enter into any underwriting agreement(s) for the underwriting of any part of the unsubscribed Rights Shares and all other documents, agreements and/or arrangements in connection with the underwriting of the Rights Shares with such parties and upon such terms and conditions as the Board may deem fit; and

(c) do all acts, deeds, and things and execute, sign, deliver and cause to be delivered on behalf of YHB all such transactions, arrangements, agreements and/or documents as may be necessary or expedient in order to implement, give effect to and complete the Proposed Rights Issue with full powers to assent to any condition, modification, variation and/or amendment to the terms of the Proposed Rights Issue as the Board may deem fit, necessary and/or expedient in the interest of the Company or as may be imposed by any relevant authority or consequent upon the implementation of the said conditions, modifications, variations and/or amendments and to take all steps as it considers necessary in connection with the Proposed Rights Issue."

ORDINARY RESOLUTION 2

PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF YHB FROM RM500,000,000 COMPRISING 500,000,000 YHB SHARES TO RM1,000,000,000 COMPRISING 1,000,000,000 YHB SHARES ("PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL")

"THAT subject to the approval of the relevant authorities/parties, authority be and is hereby given to the given to the Board to increase the authorised share capital of the Company from RM500,000,000 comprising 500,000,000 new YHB Shares to RM1,000,000,000 comprising 1,000,000,000 YHB Shares by the creation of 500,000,000 YHB Shares AND THAT in consequent thereof, Clause 5 of the Memorandum of Association of the Company be and is hereby amended accordingly to reflect the changes;

AND THAT the Directors be and are hereby authorised to take all such steps, execute such documents and enter into all such transactions, arrangements, agreements as it may be necessary or expedient to give effect to the Proposed Increase in Authorised Share Capital with full powers to assent to any conditions, modifications, variations and/or amendments as the Board may deem fit, necessary and/or expedient in the interests of the Company or as may be imposed by any relevant regulatory authority or consequent upon the implementation of the said conditions, modifications, variations and/or amendments."

YINSON HOLDINGS BERHAD (259147-A)
Extract of Minutes of Extraordinary General Meeting held on 29 April 2014 – Page 3 of 3

ORDINARY RESOLUTION 3

PROPOSED SHARE SPLIT INVOLVING THE SUBDIVISION OF EVERY ONE (1) YHB SHARE HELD BY ENTITLED SHAREHOLDERS OF YHB UPON COMPLETION OF THE PROPOSED RIGHTS ISSUE INTO TWO (2) ORDINARY SHARES OF RM0.50 EACH IN YHB ("SUBDIVIDED SHARES") ("PROPOSED SHARE SPLIT")

"**THAT** subject to the approval of the relevant authorities/parties, authority be and is hereby given to the Board to subdivide each of the existing ordinary shares of RM1.00 each of the Company, held by registered shareholders of YHB whose names appear in the Record of Depositors as at the close of business on a date to be determined by the Board and announced later ("**Entitlement Date**"), into two (2) fully paid-up ordinary shares of RM0.50 each ("**Subdivided Shares**") AND THAT in consequent thereof, Clause 5 of the Memorandum of Association of the Company be and is hereby amended accordingly to reflect the changes;

THAT the Subdivided Shares shall, upon allotment and issue, rank pari passu in all respects with each other;

AND THAT the Board be and is hereby authorised to give effect to the Proposed Share Split with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities and to do all such acts as it may consider necessary or expedient in the best interest of the Company to give effect to the Proposed Share Split."

CERTIFIED TRUE COPY

LIM HAN WENG
Director

TAN SOO LEONG (f)
(MACS 01516)
Secretary

Dated : 29 April 2014
Johor Bahru

1. HISTORY OF THE BUSINESS AND PRINCIPAL ACTIVITIES

YHB was incorporated in Malaysia under the Act on 9 March 1993 as a private limited company under the name of Yinson Holdings Sdn Bhd. YHB was subsequently converted into a public company on 4 February 1995 and assumed its present name. The Company was listed on the Second Board of Kuala Lumpur Stock Exchange ("**KLSE**") (now known as Bursa Securities) on 11 July 1996 and was transferred to Main Board of Bursa Securities (now known as the Main Market of Bursa Securities) on 30 July 2008.

The Company is principally an investment holding company. Its subsidiaries, jointly controlled companies and associated companies are principally engaged in provision of offshore support services which services the upstream oil and gas sector, provision of transport services, trading in construction materials, leasing of vessels, shipping services and forwarding services.

Further details of the principal activities of the subsidiaries, jointly controlled companies and associated companies of YHB are disclosed in Section 5 below.

2. SHARE CAPITAL AND MOVEMENTS IN SHARE CAPITAL

The authorised, issued and paid-up share capital of the Company as at the LPD are as follows:-

Type	No. of YHB Shares	Par Value (RM)	Amount (RM)
Authorised	500,000,000	1.00	500,000,000
Issued and paid-up	258,199,610	1.00	258,199,610

Pursuant to the Increase in Authorised Share Capital, the authorised share capital of the Company has been increased to RM1,000,000,000 comprising 1,000,000,000 YHB Shares on 29 April 2014.

As at LPD, YHB does not have any convertible securities.

The changes in the issued and paid-up ordinary share capital of the Company for the last three (3) years up to the LPD, are as follows:-

Date	No of YHB Shares[(a)]	Consideration (RM)	Type of issue	Cumulative No of YHB Shares
7 July 2011	6,600,000	1.65	Private placement	75,097,500
22 July 2011	249,700	1.70	Private placement	75,347,200
5 March 2012	113,020,800	1.00	Rights issue	188,368,000
25 May 2012	11,987,100	1.70	Private placement	200,355,100
6 June 2013	20,035,510	2.82	Private placement	220,390,610
2 December 2013	37,809,000	2.82	Issue and allotment to KCSB	258,199,610

Note:-

(a) The par value of YHB Shares allotted is RM1.00.

3. SUBSTANTIAL SHAREHOLDERS

Based on the Register of Substantial Shareholders, the substantial shareholders as at LPD and the effects of the Rights Issue and Share Split on their shareholdings are as follows:-

	Existing as at LPD				(I) After Rights Issue			
	Direct		Indirect		Direct		Indirect	
	No. of YHB Shares	%	No. of YHB Shares	%	No. of YHB Shares	%	No. of YHB Shares	%
LHW	67,068,042	26.0	34,647,350[(a)]	13.4	113,481,084[(d)]	22.0	69,294,700[(a)]	13.4
Bah Kim Lian	22,715,650	8.8	67,640,342[(b)]	26.2	45,431,300	8.8	114,625,684[(b)]	22.2
KCSB	37,809,000	14.6	10,000,000[(c)]	3.9	75,618,000	14.6	20,000,000[(c)]	3.9
Dato' Mokhzani Bin Mahathir	-	-	47,809,000	18.5	-	-	95,618,000[(e)]	18.5
Yeow Kheng Chew	-	-	47,809,000	18.5	-	-	116,273,000[(f)]	22.5
EPF	13,170,300	5.1	-	-	26,340,600	5.1	-	-

	(II) After (I) and Share Split			
	Direct		Indirect	
	No. of YHB Shares	%	No. of YHB Shares	%
LHW	226,962,168	22.0	138,589,400[(a)]	13.4
Bah Kim Lian	90,862,600	8.8	229,251,368[(b)]	22.2
KCSB	151,236,000	14.6	40,000,000[(c)]	3.9
Dato' Mokhzani Bin Mahathir	-	-	191,236,000[(e)]	18.5
Yeow Kheng Chew	-	-	232,546,000[(f)]	22.5
EPF	52,681,200	5.1	-	-

Notes:-

(a) *Deemed interested by virtue of his spouse, his children and Liannex's direct shareholdings in YHB pursuant to Section 6A of the Act.*
(b) *Deemed interested by virtue of her spouse and her children's direct shareholdings in YHB pursuant to Section 6A of the Act.*
(c) *Deemed interested by virtue of KCASB's direct shareholdings in YHB pursuant to Section 6A of the Act.*
(d) *Assuming LHW sold part of his provisional allotment of Rights Shares of 20,655,000 Rights Shares to YCM.*
(e) *Deemed interested by virtue of KCSB's and KCASB's direct shareholdings in YHB pursuant to Section 6A of the Act.*
(f) *Deemed interested by virtue of his son, YCM's, KCSB's and KCASB's direct shareholdings in YHB pursuant to Section 6A of the Act.*

4. BOARD OF DIRECTORS

The particulars of the Board as at the LPD are as follows:-

Name	Designation	Address	Nationality	Profession	Age
Lim Han Weng	Group Executive Chairman	#19-03, Blok 1, Apt. Molek Pine Jalan Molek 1/27 Taman Molek 81100 Johor Bahru	Malaysian	Company Director	62
Lim Han Joeh	Executive Director	167, Jalan Dato' Sulaiman 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur	Malaysian	Company Director	55
Bah Kim Lian	Executive Director	#19-03, Blok 1, Apt. Molek Pine Jalan Molek 1/27 Taman Molek 81100 Johor Bahru	Malaysian	Company Director	62
Bah Koon Chye	Executive Director	26, Jalan Austin Heights 1/34, Taman Mount Austin 81100 Johor Bahru	Malaysian	Company Director	50
Lim Chern Yuan	Executive Director and Group Chief Executive Officer	#19-03, Blok 1, Apt. Molek Pine Jalan Molek 1/27 Taman Molek 81100 Johor Bahru	Malaysian	Company Director	30
Dato' Adi Azmari bin B.K Koya Moideen Kutty	Independent Non-Executive Director	No 3 Jalan Sir Sultan Alaeddin Shah Dua 9/5B Section 9 40100 Shah Alam Selangor Darul Ehsan	Malaysian	Company Director	50
Kam Chai Hong	Independent Non-Executive Director	8, Jalan Kemunting Taman Kebun Teh 80250 Johor Bahru	Malaysian	Company Director	65
Tuan Haji Hassan bin Ibrahim	Independent Non-Executive Director	5, Jalan Padi Huma 8 Bandar Baru UDA 81200 Johor Bahru	Malaysian	Company Director	64

4. BOARD OF DIRECTORS *(CONT'D)*

The shareholdings of the Directors of the Company as at the LPD and the effects of the Rights Issue and Share Split on their shareholdings, assuming such Director subscribe for the Rights Issue, are as follows:-

	As at LPD				(I) After the Rights Issue[a]				(II) After (I) and Share Split			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Director	No. of YHB Shares	%	No. of YHB Shares	%	No. of YHB Shares	%	No. of YHB Shares	%	No. of YHB Shares	%	No. of YHB Shares	%
LHW	67,068,042	26.0	34,647,350[a]	13.4	113,481,084[c]	22.0	69,294,700[a]	13.4	226,962,168	22.0	138,589,400[a]	13.4
Bah Kim Lian	22,715,650	8.8	67,640,342[b]	26.2	45,431,300	8.8	114,625,684[b]	22.2	90,862,600	8.8	229,251,368[b]	22.2
Lim Han Joeh	10,327,594	4.0	-	-	20,655,188	4.0	-	-	41,310,376	4.0	-	-
Bah Koon Chye	70,000	0.03	-	-	140,000	0.03	-	-	280,000	0.03	-	-
Dato' Adi Azmari bin B.K Koya Moideen Kutty	68,700	0.03	-	-	137,400	0.03	-	-	274,800	0.03	-	-
Kam Chai Hong	66,000	0.03	-	-	132,000	0.03	-	-	264,000	0.03	-	-
Lim Chern Yuan	15,300	0.005	-	-	30,600	0.005	-	-	61,200	0.005	-	-
Tuan Haji Hassan bin Ibrahim	-	-	-	-	-	-	-	-	-	-	-	-

Save as disclosed above, the other Directors of the Company do not have any shares and/or interest in YHB.

Notes:-

(a) *Deemed interested by virtue of his spouse, his children and Liannex's direct shareholdings in YHB pursuant to Section 6A of the Act.*

(b) *Deemed interested by virtue of her spouse and her children's direct shareholdings in YHB pursuant to Section 6A of the Act.*

(c) *Assuming LHW sold part of his provisional allotment of Rights Shares of 20,655,000 Rights Shares to YCM*

5. SUBSIDIARIES, JOINTLY CONTROLLED COMPANIES AND ASSOCIATED COMPANIES

As at the LPD, the subsidiaries, jointly controlled companies and associated companies of YHB are as follows:-

Name of company	Date / Country of incorporation	Issued and paid-up capital RM (unless denominated otherwise)	Effective Equity interest held %	Principal activities
Subsidiaries				
Yinson Production AS (formerly known as Fred Olsen Production ASA)	5.11.1980 / Norway	NOK105,930,000	100	Provision of general management, financial and cash management, accounting and reporting services to subsidiaries
Yinson Transport (M) Sdn Bhd	05.04.1984 / Malaysia	1,000,000	100	Provision of transport services, trading in construction materials and rental of properties
Yinson Corporation Sdn Bhd	10.08.1973 / Malaysia	30,000,000	100	Provision of transport services and trading in construction materials
Yinson Marine Services Sdn Bhd	28.07.2007 / Malaysia	300,000	100	Provision of marine transport services and trading of lubricants
Yinson Shipping Sdn Bhd	26.06.2008 / Malaysia	100,000	100	Provision of shipping and forwarding services (temporary ceased business) (Dormant)
Yinson Power Marine Sdn Bhd	19.09.2008 / Malaysia	500,000	65	Provision of marine transport services
Yinson Vietnam Company Limited ("**Yinson Vietnam**")	10.11.2008 / Vietnam	VND888,621,328	100	Provision of construction works, consulting construction and project management
Yinson Tulip Ltd	07.01.2010 / Labuan	USD10,000	100	Leasing of ships on a bare boat basis
Yinson Offshore Limited	19.04.2010 / Labuan	USD10,000	100	Trading and shipping operations
Yinson Port Ventures Pte. Ltd. ("**Yinson Port**")	01.07.2011 / Singapore	SGD 1	100	Investment holding company
Yinson Indah Limited	03.10.2011 / Labuan	USD1,000	60	Leasing of vessel on bareboat basis
Yinson Orchid Pte. Ltd.	23.2.2012 / Singapore	USD2	100	Vessel owner and operator
Yinson Hibiscus Limited	20.07.2012 / Labuan	USD10,000	100	Trading - leasing of ships on time charter basis
Yinson Production Limited	28.05.2013 / Labuan	USD100,000	100	Investment holding company

Name of company	Date / Country of incorporation	Issued and paid-up capital RM (unless denominated otherwise)	Effective Equity interest held %	Principal activities
Adoon Pte Ltd	01.12.2004 / Singapore	USD24,000,000	100	Leasing of vessel and ship management services
Knock Allan Pte Ltd	06.02.2007 / Singapore	USD90,000,000	100	Leasing of vessel and ship management services
Fred Olsen Production Pte Ltd	01.09.2006 / Singapore	USD1	100	Ship management services
Knock Borgen Pte Ltd	24.05.2005 / Singapore	USD800,000	100	Dormant
Knock Taggart Pte Ltd	24.05.2005 / Singapore	USD800,000	100	Dormant
Fred. Olsen Production (Cyprus) Ltd	15.12.2006 / Cyprus	USD65,135	100	Presently under liquidation
Adoon AS	19.01.2007 / Norway	NOK200,000	100	Investment / Holding company
Allan AS	19.01.2007 / Norway	NOK200,000	100	Investment / Holding company
Nevis 1 AS	19.01.2007 / Norway	NOK300,000	100	Dormant
Dee AS	30.01.2007 / Norway	NOK400,000	100	Dormant
Taggart AS	19.01.2007 / Norway	NOK300,000	100	Dormant
Nautipa AS	30.11.2005 / Norway	NOK4,100,000	100	Investment / Holding Company
Yinson Production Pte Ltd	28.01.2014 / Singapore	USD1	100	Ship management services and service activities incidental to oil and gas extraction (excluding surveying)
<u>Subsidiary of Yinson Vietnam</u>				
Yen Son Diversified Company Limited	30.12.2010 / Vietnam	VND6,000,000	51	Provision of warehousing facilities.

APPENDIX II INFORMATION ON YHB *(CONT'D)*

Name of company	Date / Country of incorporation	Issued and paid-up capital RM (unless denominated otherwise)	Effective Equity interest held %	Principal activities
Jointly Controlled Companies				
PTSC South East Asia Pte. Ltd. (formerly known as Yinson Maritime Pte Ltd) ("**PTSC SEA**")	10.06.2011 / Singapore	USD30,000,000 and SGD1	49	Provision of floating marine assets for chartering
PTSC Asia Pacific Pte. Ltd.	14.06.2012 / Singapore	USD100,000,000	49	Provision of floating marine assets for chartering
Tinworth Pte Ltd	24.05.2005 / Singapore	USD23,000,000	50	Leasing of vessel and ship management services
Associated companies				
Yinson Energy Sdn Bhd	12.09.2013 / Malaysia	100,000	30	Provision of comprehensive marine services and charter of floating production facilities in support of the exploration and production activities of oil and gas companies
Fred. Olsen Production (West Africa) Ltd	16.05.2002 / Nigeria	NOK25,000	40	Administrative / Base office
Regulus Offshore Sdn Bhd	07.07.2011 / Malaysia	100,000	49	Provision of ship and crew management services
Associated company of Yinson Port				
PTSC Phu My Port Joint Stock Company	04.04.2011 / Vietnam	VND350,000,000,000	40	Manage operation of port including cargo handling and provision of related services

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6. PROFIT AND DIVIDEND RECORD

The folllowing table summarises the relevant financial information based on the audited consolidated statements of comprehensive income for the FYE 31 January 2011, 2012 and 2013 and the unaudited financial statements for the FYE 31 January 2014.

	←---Audited	---Audited---	---Audited→	Unaudited
FYE 31 January	**2011 RM ('000)**	**2012 RM ('000)**	**2013 RM ('000)**	**2014 RM ('000)**
Revenue	640,817	715,824	865,221	945,896
Cost of sales	(582,186)	(652,131)	(767,786)	(848,190)
Gross profit	58,631	63,693	97,435	97,706
Other income	702	4,396	4,754	61,329
Operating expenses	(18,889)	(15,479)	(29,096)	(64,786)
Earnings before interest, taxation, depreciation, amortisation	40,444	52,610	73,093	94,249
Depreciation and amortisation	(7,589)	(8,796)	(13,711)	(21,338)
Interest income	102	187	3,037	3,694
Finance costs	(7,915)	(11,209)	(17,286)	(28,971)
Share of profits and losses of associates	-	-	(427)	(1,316)
Share of profits and losses of joint ventures	-	(23)	(267)	34,040
Profit before taxation	25,042	32,769	44,439	80,358
Taxation	(6,764)	(6,539)	(8,156)	(9,506)
Profit for the financial year/ period	18,278	26,230	36,283	70,852
Attributable to:-				
Equity holders of the Company	18,541	26,569	33,884	67,492
Non controlling interests	(263)	(339)	2,399	3,360
Profit for the financial year / period	18,278	26,230	36,283	70,852
EPS attributable to equity holders of the Company (sen)				
- Basic	27.1	36.7	17.3	31.6
- Diluted	27.1	36.7	17.3	31.6
Weighted average number of YHB Shares in issue ('000)	68,498	72,409	196,225	213,310
Gross profit margin (%)	9.15	8.90	11.26	10.33
PAT margin (%)	2.85	3.66	4.19	7.49
Net dividend per share (sen)	1.875	1.875	1.875	-

Commentary on Financial Performance

FYE 31 January 2011

Revenue for FYE 31 January 2011 was RM640.82 million, 36% higher than that of FYE 31 January 2010 which was at RM470.17 million. The increase in revenue in FYE 31 January 2011 was mainly attributable to increase in volume of sales from trading business due to strong growth in the Malaysian economy and expansion in the marine transport business.

The Group's PBT for the FYE 31 January 2011 increased by 145% or RM14.82 million to RM25.04 million compared to RM10.22 million for the preceding financial year. The increase was mainly attributable to significant increase in sales and profit margin from trading business and increase in contribution from expansion of marine transport business.

Correspondingly, PAT for the FYE 31 January 2011 increased by RM10.89 million to RM18.28 million compared to RM7.39 million for preceding financial year.

FYE 31 January 2012

For the FYE 31 January 2012, the Group's revenue increased by 12% or RM75.01 million to RM715.82 million compared to RM640.82 million for the preceding year. The increase in revenue for FYE 31 January 2012 is mainly due to the increase in volume of sales from trading and marine transport businesses.

The Group's PBT for the FYE 31 January 2012 increased by 31% or RM7.73 million to RM32.77 million compared to RM25.04 million for the preceding financial year. The increase in PBT resulted of the increase in contribution from transport and marine transport businesses, gain on disposal of a subsidiary arising from the write back of accumulated losses recognised from previous financial years of RM1.20 million and gain from disposals of assets (comprising land use rights, property, plant and equipment as well as non-current asset held for sale) of RM2.20 million.

Correspondingly, the PAT for the FYE 31 January 2012 increased by RM7.95 million to RM26.23 million compared to RM18.28 million for the preceding financial year.

FYE 31 January 2013

For the FYE 31 January 2013, the Group's total revenue increased by 21% or RM149.4 million to RM865.22 million compared to RM715.82 million for the previous year mainly attributable to the marine and trading business segments.

The Group's PBT for FYE 31 January 2013 increased by 36% or RM11.67 million to RM44.44 million compared to RM32.77 million in the FYE 31 January 2012. 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 RM3.02 million.

Correspondingly, the PAT for the FYE 31 January 2013 increased by RM10.05 million to RM36.28 million compared to RM26.23 million for the preceding financial year.

Unaudited FYE 31 January 2014

The YHB Group recorded an increase in revenue of 9.3% from RM865.2 million for the twelve (12)-month FYE 31 January 2013 to RM945.9 million for the twelve (12)-month FYE 31 January 2014. Following the increase in the revenue, the PBT of the YHB Group also shows an increase of 81% from RM44.44 million for twelve (12)-month FYE 31 January 2013 to RM80.36 million for the twelve (12)-month FYE 31 January 2014. The increase in PBT was mainly attributable to higher profit from the joint venture company, PTSC South East Asia Pte Ltd which has commenced its FSO operation. Excluding this, the PBT increased by only 3.6% or RM1.61 million mainly attributable to the increase in contribution from chartering of two (2) vessels during the period under review and the contribution from newly acquired subsidiary, YPAS.

Following the increased revenue, the YHB Group's PAT for the twelve (12)-month FYE 31 January 2014 also marked growth of 95.3% from RM36.28 million in 2013 to RM70.85 million in the current year.

7. SHARE PRICES

The monthly high and low prices of YHB Shares as traded for the past twelve (12) months on the Main Market of Bursa Securities up to April 2014 are as follows:-

	High (RM)	Low (RM)
2013		
May	3.36	2.75
June	5.15	3.37
July	5.20	4.70
August	5.15	4.55
September	5.00	4.79
October	5.00	4.77
November	6.12	4.80
December	6.77	5.84
2014		
January	7.65	6.77
February	8.97	7.33
March	9.22	8.45
April	8.92	8.49

The last transacted price of YHB Shares on Bursa Securities on 23 January 2014, being the last market day, prior to the announcement of the Rights Issue was RM7.34 per YHB Share.

The last transacted price of the YHB Shares on Bursa Securities on 17 April 2014, being the last transacted market price on the LPD was RM8.84 per YHB Share.

The last transacted price of the YHB Shares on Bursa Securities on 12 May 2014, being the last transacted market price on the day prior to the ex-date on 14 May 2014 was RM8.00 per YHB Share.

(Source: Bloomberg (Malaysia) Sdn Bhd)

8. OTHER INFORMATION AND UPDATES

In compliance with the Listing Requirements, any material developments on the YHB Group will be announced on the website of Bursa Securities at www.bursamalaysia.com. Kindly refer to the Bursa Securities' website for the ongoing development on YHB, if applicable.

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REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Prepared for inclusion in the Abridged Prospectus to be dated 16 May 2014)

7 May 2014

The Board of Directors
Yinson Holdings Berhad
No. 25, Jalan Firma Dua
Kawasan Perindustrian Tebrau IV
81100 Johor Bahru
Johor Darul Ta'zim

Dear Sirs

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
YINSON HOLDINGS BERHAD

We have completed our assurance engagement to report on the pro forma consolidated statements of financial position of Yinson Holdings Berhad ("YHB" or the "Company") and its subsidiaries as at 31 January 2013. The pro forma consolidated statements of financial position have been prepared by the Directors of YHB (the "Directors") in connection with the following proposals:

(i) Renounceable Rights Issue of 258,199,610 new ordinary shares of RM1.00 each in YHB ("YHB Shares") on the basis of one (1) Rights Share for every one (1) YHB Share held by the entitled Shareholders at an issue price of RM2.20 per Rights Share ("Rights Issue"); and

(ii) Share Split involving the subdivision of one (1) existing YHB Share into two (2) ordinary shares of RM0.50 each ("Subdivided Share") ("Share Split")

(Collectively referred to as "Proposals").

The pro forma consolidated statements of financial position as at 31 January 2013 includes the related notes as set out on pages 50 to 56 of the Abridged Prospectus to be dated 16 May 2014 issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma consolidated statements of financial position are described in Note 1.

The pro forma consolidated statements of financial position have been compiled by the Directors to illustrate the impacts of the events or transactions set out in Note 5 on the Company's financial position as at 31 January 2013 as if the events or transactions had taken place at 31 January 2013. As part of this process, information about the financial position has been extracted by the Directors from the financial statements for the year ended 31 January 2013, on which an audit report has been published.

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The Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position

The Directors are responsible for compiling the pro forma consolidated statements of financial position on the basis of the applicable criteria.

Our Responsibilities

Our responsibility is to express an opinion, as required by the Securities Commission Malaysia, about whether the pro forma consolidated statements of financial position have been compiled, in all material respects, by the Directors on the basis of the applicable criteria.

We conducted our engagement in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the pro forma consolidated statements of financial position on the basis of the applicable criteria.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated statements of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated statements of financial position.

The purpose of pro forma consolidated statements of financial position included in the Abridged Prospectus is solely to illustrate the impact of the significant events and transactions on unadjusted financial information of the entity as if the events had occurred and the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

A reasonable assurance engagement to report on whether the pro forma consolidated statements of financial position have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of pro forma consolidated statements of financial position provide a reasonable basis for presenting the significant effects directly attributable to the events and transactions, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma consolidated statements of financial position reflect the proper application of those adjustments to the unadjusted consolidated statements of financial position.

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The procedures selected depend on our judgment, having regard to our understanding of the nature of the Company, the events and transactions in respect of which the pro forma consolidated statements of financial position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated statements of financial position.

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

Opinion

In our opinion:

(i) the pro forma consolidated statements of financial position of YHB as at 31 January 2013, which have been compiled by the Directors, have been properly compiled on the basis stated in Note 1 of the pro forma consolidated statements of financial position using financial statements prepared in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards, and in a manner consistent with both the format of the financial statements and the accounting policies adopted by YHB; and

(ii) the adjustments made to the information used in the preparation of the pro forma consolidated statements of financial position as at 31 January 2013 is appropriate for the purposes of preparing the pro forma consolidated statements of financial position.

Other matters

This letter is issued for the sole purpose of complying with the Prospectus Guidelines - Division 5: Abridged Prospectus issued by Securities Commission Malaysia in connection with the Proposals. Our work had been carried out in accordance with Malaysian Approved Standards on Assurance Engagements and accordingly should not be relied upon as if it had been carried out in accordance with standards and practices in other jurisdictions. Therefore, this letter is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the Proposals described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this letter in connection with any type of transaction, including the sale of securities other than the Proposals.

Yours faithfully

Ernst & Young	Lee Ah Too
AF: 0039	2187/09/15(J)
Chartered Accountants	Chartered Accountant

APPENDIX III PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE YHB GROUP AS AT 31 JANUARY 2013 TOGETHER WITH THE NOTES AND THE REPORTING ACCOUNTANTS' LETTER THEREON *(CONT'D)*

Ernst & Young (AF: 0039)
Chartered Accountants, Melaka
For identification purposes only

Yinson Holdings Berhad
Pro Forma Consolidated Statements of Financial Position
As at 31 January 2013

	As at 31.1.2013 Audited RM'000	Adjustment 1 RM'000	Pro Forma I RM'000	Adjustment 2 RM'000	Pro Forma II RM'000	Adjustment 3 RM'000	Pro Forma III RM'000
Assets							
Non-current assets							
Property, plant and equipment	232,313	817,842	1,050,155	30,000	1,080,155		1,080,155
Investment properties	15,175		15,175		15,175		15,175
Land use rights	4,516		4,516		4,516		4,516
Intangible assets	114	37,469	37,583		37,583		37,583
Investment in joint ventures	153,498		153,498		153,498		153,498
Investment in an associate	29,016		29,016		29,016		29,016
Available-for-sale investments	11,391	16,822	28,213		28,213		28,213
Other receivables	-	7,096	7,096		7,096		7,096
Deferred tax assets	-	454	454		454		454
	446,023		1,325,706		1,355,706		1,355,706
Current assets							
Inventories	680	2,656	3,336		3,336		3,336
Trade and other receivables	287,549	71,415	358,964		358,964		358,964
Other current assets	42,031		42,031		42,031		42,031
Tax recoverable	734		734		734		734
Held for trading investment securities	44		44		44		44
Cash and bank balances	23,837	308,077	331,914	203,039	534,953		534,953
	354,875		737,023		940,062		940,062
Total assets	800,898		2,062,729		2,295,768		2,295,768
Equity and liabilities							
Current liabilities							
Loans and borrowings	309,135	248,438	557,573	(237,000)	320,573		320,573
Trade and other payables	65,006	140,097	205,103	(92,000)	113,103		113,103
Derivative	120		120		120		120
Tax payables	647	13,527	14,174		14,174		14,174
Other current liabilities	-	8,732	8,732		8,732		8,732
	374,908		785,702		456,702		456,702

APPENDIX III PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE YHB GROUP AS AT 31 JANUARY 2013 TOGETHER WITH THE NOTES AND THE REPORTING ACCOUNTANTS' LETTER THEREON *(CONT'D)*

Ernst & Young (AF: 0039)
Chartered Accountants, Melaka
For identification purposes only

Yinson Holdings Berhad
Pro Forma Consolidated Statements of Financial Position
As at 31 January 2013 (cont'd)

	As at 31.1.2013 Audited RM'000	Adjustment 1 RM'000	Pro Forma I RM'000	Adjustment 2 RM'000	Pro Forma II RM'000	Adjustment 3 RM'000	Pro Forma III RM'000
Equity and liabilities (cont'd)							
Net current (liabilities)/assets	(20,033)		(48,679)		483,360		483,360
Non-current liabilities							
Loans and borrowings	139,406	548,057	687,463		687,463		687,463
Deferred tax liabilities	2,796		2,796		2,796		2,796
Net employee defined benefit liabilities	-	7,544	7,544		7,544		7,544
Unfavorable contracts	-	100,514	100,514		100,514		100,514
	142,202		798,317		798,317		798,317
Total liabilities	517,110		1,584,019		1,255,019		1,255,019
Net assets	283,788		478,710		1,040,749		1,040,749
Equity attributable to owners of the parent							
Share capital	200,355	57,845	258,200	258,199	516,399		516,399
Share premium	8,076	104,866	112,942	303,840	416,782		416,782
Reserves	72,801	32,211	105,012		105,012		105,012
	281,232		476,154		1,038,193		1,038,193
Non-controlling interests	2,556		2,556		2,556		2,556
Total equity	283,788		478,710		1,040,749		1,040,749
Total equity and liabilities	800,898		2,062,729		2,295,768		2,295,768
Net Assets (NA)	281,232		476,154		1,038,193		1,038,193
Number of YHB Shares in issue ('000)	200,355		258,200		516,399		1,032,798
NA per YHB Share (RM)	1.40		1.84		2.01		1.01

Yinson Holdings Berhad
(Incorporated in Malaysia)

Ernst & Young (AF: 0039)
Chartered Accountants, Melaka
For identification purposes only

Notes to Pro Forma Consolidated Statements of Financial Position
As at 31 January 2013

1. Basis of preparation

The Pro Forma Consolidated Statements of Financial Position of Yinson Holdings Berhad ("YHB") and its subsidiaries (collectively known as "YHB Group"), for which the Directors are solely responsible, have been prepared for illustrative purposes only, for the inclusion in the Abridged Prospectus ("AP") to the shareholders of YHB (the "Shareholders") in relation to the:

(i) Renounceable Rights Issue of 258,199,610 new ordinary shares of RM1.00 each in YHB ("YHB Shares") on the basis of one (1) Rights Share for every one (1) YHB Share held by the entitled Shareholders at an issue price of RM2.20 per Rights Share ("Rights Issue"); and

(ii) Share Split involving the subdivision of one (1) existing YHB Share into two (2) ordinary shares of RM0.50 each ("Subdivided Share") ("Share Split")

(collectively referred to as the "Proposals").

The Pro Forma Consolidated Statements of Financial Position have been prepared based on the audited consolidated financial statements of YHB for the financial year ended 31 January 2013 and in a manner consistent with both the format of the financial statements and the accounting policies adopted by YHB for the financial year ended 31 January 2013. Each adjustments made to the information used in the preparation of the Pro Forma Consolidated Statements of Financial Position is appropriate for the purpose of preparing the Pro Forma Consolidated Statements of Financial Position.

Adjustments for certain subsequent events related the the Proposals have been illustrated in the Pro Forma Consolidated Statements of Financial Position, as described in Note 2 to the Pro Forma Consolidated Statements of Financial Position.

The Pro Forma Consolidated Statements of Financial Position have been prepared for illustrative purposes only to show the effects of the Proposals had the Proposals been completed on 31 January 2013.

The audited consolidated financial statements of YHB for the financial year ended 31 January 2013 have been prepared in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

The auditors' report on YHB's financial statements for the year ended 31 January 2013 was not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Companies Act, 1965.

2. Completed subsequent events

2.1 Private placement

YHB had, on 10 June 2013, completed the private placement of 20.036 million ordinary shares of RM1.00 each to third-party investors at an issue price of RM2.82 per share. Share issuance expenses of RM0.179 million was incurred in connection with the private placement and these expenses had been offset against the share premium.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Notes to Pro Forma Consolidated Statements of Financial Position (cont'd)
As at 31 January 2013

2. Completed subsequent events (cont'd)

2.2 Share issuance

YHB had, on 5 December 2013, completed the share issuance of 37.809 million ordinary shares of RM1.00 each to Kencana Capital Sdn. Bhd. at an issue price of RM2.82 per share. Share issuance expenses of RM0.233 million was incurred and these expenses had been offset against the share premium.

2.3 Acquisition of Yinson Production AS

On 20 December 2013, YHB had via it's wholly owned subsidiary, Yinson Production Limited, which is incorporated in Malaysia on 28 May 2013, acquired 97.1% interests in Yinson Production AS ("YPAS") (formerly known as Fred. Olsen Production ASA) and the balance of 2.9% interests was acquired on 10 January 2014 pursuant to the compulsory acquisition.

The purchase consideration for the acquisition of YPAS was approximately RM556.470 million. Transaction costs of approximately RM15.941 million in connection with the acquisition was incurred and charged to profit or loss, in accordance with MFRS 3 (Revised): Business Combinations.

The Purchase Price Allocation ("PPA") exercise is still ongoing at the date of this report. The initial accounting for the business combination is incomplete and hence the fair value of the assets and liabilities of YPAS were measured using provisional amounts based on the Directors' best estimates. In accordance with MFRS 3 (Revised): Business Combinations, the provisional amounts may be adjusted retrospectively during the measurement period, which is the period not exceeding twelve months after the acquisition date. Any adjustment to the provisional amounts will have consequential effects to the gain on a bargain purchase. Gain on a bargain purchase is the excess of acquisition-date fair values of the identifiable assets acquired and liabilities assumed over the purchase consideration transferred.

2.4 Advances from Mr. Lim Han Weng and Mdm. Bah Kim Lian, two of the directors of YHB. Mdm. Bah Kim Lian is also the wife of Mr. Lim Han Weng

The total outstanding advances from Mr. Lim Han Weng and Mdm. Bah Kim Lian, as at 17 April 2014, being the latest practicable date prior to the AP ("LPD"), is approximately RM92 million, for capital expenditures as well as working capital purposes. The advances made from Mr. Lim Han Weng and Mdm. Bah Kim Lian subsequent to 31 January 2013 up to LPD amounts to RM91.382 million.

3. Rights Issue

The Rights Issue entails provisional allotment of 258,199,610 Rights Shares to the shareholders of YHB whose names appear in the Record of Depositors of YHB on the Rights Issue Entitlement Date, on the basis of one (1) Rights Share for every one (1) existing YHB Share held by the Shareholders at an issue price of RM2.20.

Details of utilisation	**RM'mil**
- Repayment of advances from Mr. Lim Han Weng and Mdm. Bah Kim Lian	92
- Warehousing facilities	30
- Repayment of bank borrowings of which approximately RM89 million is related to the acquisition of YPAS	237
- Working capital	203
- Defray expenses in relation to the Proposals	6
	568

Yinson Holdings Berhad
(Incorporated in Malaysia)

Ernst & Young (AF: 0039)
Chartered Accountants, Melaka
For identification purposes only

Notes to Pro Forma Consolidated Statements of Financial Position (cont'd)
As at 31 January 2013

4. Share Split

The Share Split entails the subdivision of every one (1) existing YHB Share held by the Shareholders of YHB whose names appear in YHB's Record of Depositors on the Share Split Entitlement Date, into two (2) Subdivided Shares.

5. Adjustments

5.1 Pro Forma I: Completed subsequent events

Pro Forma I incorporates the effects of completed subsequent events as follow:

(i) Private placement

Cash inflows of RM56.323 million net of expenses of RM0.179 million, increase of issued and paid-up share capital of RM20.036 million and increase in share premium of RM36.287 million net of expenses of RM0.179 million.

(ii) Share issuance

Cash inflows of RM106.388 million net of expenses of RM0.233 million, increase of issued and paid-up share capital of RM37.809 million and increase in share premium of RM68.579 million net of expenses of RM0.233 million.

(iii) Acquisition of YPAS

The net assets at fair value of YPAS, which are measured using provisional amounts, are assumed to be 100% taken over by YHB on date of acquisition are as follow:

	USD'000	RM'000*
Non-current assets		
Property, plant and equipment	248,483	817,842
Intangible asset	11,384	37,469
Available-for-sale investments	5,111	16,822
Other receivables	2,156	7,096
Deferred tax asset	138	454
	267,272	879,683
Current assets		
Receivables	21,698	71,415
Inventories	807	2,656
Cash and bank balances	62,616	206,091
	85,121	280,162
Non-current liabilities		
Loans and borrowings	89,100	293,258
Net employee defined benefit liabilities	2,292	7,544
Unfavorable contracts	30,539	100,514
	121,931	401,316
Current liabilities		
Loans and borrowings	25,197	82,932
Payables	14,801	48,715
Tax payable	4,110	13,527
Contingent tax liabilities	2,653	8,732
	46,761	153,906
NET ASSETS	183,701	604,623

Yinson Holdings Berhad
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Notes to Pro Forma Consolidated Statements of Financial Position (cont'd)
As at 31 January 2013

5. Adjustments (cont'd)

5.1 Pro Forma I: Completed subsequent events (cont'd)

(iii) Acquisition of YPAS (cont'd)

* The net assets of YPAS are translated using exchange rate of USD1: RM3.2913.

The acquisition is assumed to be financed on the date of acquisition as follow:

	RM'000
Loans and borrowings:	
- *Current*	165,506
- *Non-current*	254,799
Cash	136,166
Total purchase consideration	556,471
(Less): Net assets at fair value	(604,623)
Gain on a bargain purchase	(48,152)
Transaction costs	15,941
	(32,211)

(iv) Advances from directors of YHB

Cash inflows and increase of amount due to directors of RM91.382 million respectively.

5.2 Pro Forma II: Rights Issue

Entitlement basis: One (1) Rights Share for every one (1) YHB Share held; and

Issue price: RM2.20, representing a 59.4% discount to the theoretical ex-rights price of RM5.42 based on the five (5)-day volume weighted average price of YHB Shares up to and including 25 April 2014, being the last trading date prior to the price-fixing date, of RM8.63.

Pro Forma II incorporates the effects of Pro Forma I and the effects of the Rights Issue as follow:

- Cash inflows of RM476.039 million arising from the 258,199,610 Rights Shares issued at RM2.20, as the amount of RM92.000 million to be utilised to repay advances from a director, Lim Han Weng and parties related to him will be directly set-off against the subscription monies due from Lim Han Weng and parties related to him in respect of their entitlement pursuant to the Rights Issue;
- Increase of issued and paid-up share capital of RM258.199 million and increase in share premium of RM303.840 million net of expenses of RM6.000 million;
- Cash outflows of RM237.000 million which is part of the proceeds raised from the Rights Issue being used to settle part of the bank borrowings of YHB;
- Cash outflows of RM30.000 million which is part of the proceeds raised from the Rights Issue being used to construct warehousing facilities for lease at PTSC Phu My Port located in Phu My I Industrial Zone, Tan Thanh District, Ba RiaVung Tau, Vietnam; and

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Notes to Pro Forma Consolidated Statements of Financial Position (cont'd)
As at 31 January 2013

5. Adjustments (cont'd)

5.2 Pro Forma II: Rights Issue (cont'd)

- Cash outflows of RM6.000 million which is part of the proceeds raised from the Rights Issue being used for the defray expenses in relation to the Proposals.

5.3 Pro Forma III: Share Split

Pro Forma III incorporates the effects of Pro Forma II and the effects of the Share Split, which the issued and paid-up share capital of YHB will be divided from 516.399 million YHB Shares into 1,032.798 million YHB Shares.

YINSON HOLDINGS BERHAD

(259147 A)

(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements

31 January 2013

Yinson Holdings Berhad
(Incorporated in Malaysia)

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Yinson Holdings Berhad
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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

Yinson Holdings Berhad
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Dividends (cont'd)

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.

Yinson Holdings Berhad
(Incorporated in Malaysia)

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

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.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Other statutory information

(a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

 (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

 (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

 (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

 (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

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

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

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

Yinson Holdings Berhad
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Other statutory information (cont'd)

(f) In the opinion of the directors:

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

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

Significant events

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

Subsequent events

Details of subsequent events are disclosed in Note 39 to the financial statements.

Yinson Holdings Berhad
(Incorporated in Malaysia)

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

Yinson Holdings Berhad
(Incorporated in Malaysia)

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 11 to 99 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 11 to 100 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared)
by the abovenamed Tan Fang Fing)
at Johor Bahru in the State of Johor)
on 27 May 2013.)   Tan Fang Fing

Before me,

Commissioner of Oath
Ahmad Bin Kemin
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 11 to 99.

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.

Independent auditors' report to the members of
Yinson Holdings Berhad (cont'd)
(Incorporated in Malaysia)

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.

Independent auditors' report to the members of
Yinson Holdings Berhad (cont'd)
(Incorporated in Malaysia)

Other reporting responsibilities

The supplementary information set out in Note 46 on page 100 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

Yinson Holdings Berhad
(Incorporated in Malaysia)

Income statements
For the financial year ended 31 January 2013

	Note	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 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 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.

Yinson Holdings Berhad
(Incorporated in Malaysia)

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.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Consolidated statement 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

Yinson Holdings Berhad
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Consolidated statement of financial position as at 31 January 2013 (cont'd)

	Note	31.1.2013 RM	31.1.2012 RM	1.2.2011 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.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Company statement 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.

Yinson Holdings Berhad
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Consolidated statement of changes in equity
For the financial year ended 31 January 2013

		Attributable to owners of parent							
		Non-Distributable				Distributable			
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
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.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Company statement of changes in equity
For the financial year ended 31 January 2013

	Note		Non-Distributable	Distributable	
		Share capital RM	Share premium RM	Retained earnings RM Note 35(b)	Total RM
Company					
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.

Yinson Holdings Berhad
(Incorporated in Malaysia)

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)
Cash flows (used in)/from operations - carried forward	(30,493,705)	41,572,434	(77,032,065)	1,243,039

Yinson Holdings Berhad
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Statements of cash flows (cont'd)
For the financial year ended 31 January 2013

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Cash flows (used in)/from operations - brought forward	(30,493,705)	41,572,434	(77,032,065)	1,243,039
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
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)

Yinson Holdings Berhad
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Statements of cash flows (cont'd)
For the financial year ended 31 January 2013

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Financing activities				
Increase 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.

Notes to the financial statements
For the financial year ended 31 January 2013

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. Summary of significant accounting policies (cont'd)

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.

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

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

2.2 Application of MFRS (cont'd)

(c) Amendment to MFRS 12 - Deferred tax on investment properties (cont'd)

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.

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.

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

2.2 Application of MFRS (cont'd)

(e) Effect of MFRSs adoption

The reconciliation of equity and cash and cash and cash equivalents for the comparative year and of equity and cash 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

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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

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

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

Description	Effective for annual periods beginning on or after
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

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.

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

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

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 note 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.

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.

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

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

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.

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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. Summary of significant accounting policies (cont'd)

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.

2.6 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.

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

2.6 Foreign currencies (cont'd)

(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.

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%

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

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

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.

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

2.9 Intangible assets (cont'd)

(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.

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. Summary of significant accounting policies (cont'd)

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.

2.12 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.

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

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. Summary of significant accounting policies (cont'd)

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.

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.

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

2.15 Financial assets (cont'd)

(c) Available-for-sale financial assets

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

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

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

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

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

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

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

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.

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

2.16 Impairment of financial assets (cont'd)

(c) Available-for-sale financial assets

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

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

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

2.17 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. Summary of significant accounting policies (cont'd)

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.

(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.

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

2.20 Financial liabilities (cont'd)

(b) Other financial liabilities

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

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

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

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

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

2.21 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.

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

2.24 Leases (cont'd)

(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).

2.25 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. Summary of significant accounting policies (cont'd)

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.

(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.

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

2.26 Income taxes (cont'd)

(b) Deferred tax (cont'd)

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

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

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

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

(c) Sales tax

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

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

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

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. Summary of significant accounting policies (cont'd)

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.

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.

3.2 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.

3 Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(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	-	-

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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

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11. Income tax expense (cont'd)

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
Group	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 2012 RM	2011 RM	Dividend recognised in year 2013 RM	2012 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.

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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

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

Group	**Leasehold land**	**Buildings**	**Motor vehicles**	**Vessel, tugboats, and barges**	***Other assets**	**Total**
Accumulated depreciation	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
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)
Disposals	-	-	(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)
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.

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

(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

(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 RM	31.1.2012 RM	1.2.2011 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 RM	31.1.2012 RM	1.2.2011 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	**2012**
	RM	**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 RM	Golf membership RM	Total 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
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 Limited. (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.

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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
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 Limited (ii)	Malaysia	100	-	-	Dormant.
Yinson Orchid Pte. Ltd. (ii)(iii)	Singapore	100	-	-	Vessel owner and operator.
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.

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18. Investment in subsidiaries (cont'd)

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	-
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	-

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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.

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

(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).

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19. Investment in joint venture companies (cont'd)

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	**31.1.2012**	**1.2.2011**
	RM	**RM**	**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 (%) 31.1.2013	31.1.2012	1.2.2011	Principal activities
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 business and services.

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

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20. Investment in associate (cont'd)

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 RM	**31.1.2012 RM**	**1.2.2011 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		
Group	**31.1.2013 RM**	**31.1.2012 RM**	**1.2.2011 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	**31.1.2012**	**1.2.2011**
	RM	**RM**	**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

24. Trade and other receivables (cont'd)

	Company		
	31.1.2013	**31.1.2012**	**1.2.2011**
	RM	**RM**	**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

(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)

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

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25. Other current assets

	Group		
	31.1.2013	31.1.2012	1.2.2011
	RM	RM	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	31.1.2012	1.2.2011
	RM	RM	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	31.1.2012	1.2.2011
	RM	RM	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	31.1.2012	1.2.2011
	RM	RM	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	31.1.2012	1.2.2011
	RM	RM	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

27. Cash and cash equivalents (cont'd)

(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.

(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, 1.12.2011 : 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)

(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.

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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

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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	Maturity	31.1.2013 RM	31.1.2012 RM	1.2.2011 RM
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

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29. Borrowings (cont'd)

(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	**31.1.2012**	**1.2.2011**
	RM	**RM**	**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

	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.

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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

31. Trade and other payables (cont'd)

	31.1.2013	Company 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

(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.

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31. Trade and other payables (cont'd)

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	2012
	RM	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

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33. Deferred tax (cont'd)

		Group	
	31.1.2013	**31.1.2012**	**1.2.2011**
	RM	**RM**	**RM**
Presented after appropriate offsetting as follows:			
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	**Unutilised tax losses and unabsorbed capital allowances**	**Provision**	**Total**
	RM	**RM**	**RM**	**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.

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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	-

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36. Significant related party transactions (cont'd)

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

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
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

	Group		
	31.1.2013	31.1.2012	1.2.2011
	RM	RM	RM
(a) Capital commitments			
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		
	31.1.2013	31.1.2012	1.2.2011
	RM	RM	RM
(a) Capital commitments			
Approved and contracted:			
Property, plant and equipment	29,334,000	133,528,000	-

37. Commitments (cont'd)

(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 RM	31.1.2012 RM	1.2.2011 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.

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

Group	31.1.2013 RM	31.1.2012 RM	1.2.2011 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 2013, 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
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.

40. Fair value of financial instruments (cont'd)

(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.

(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 RM	31.1.2012 RM	1.2.2011 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

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 (cont'd)

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.

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.

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

(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.

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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)

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Company				
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

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 RM	2012 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

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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 RM	31.1.2012 RM	1.2.2011 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%

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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.

(b) Geographical information

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

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44. Segment information (cont'd)

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

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44. Segment 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 RM	31.1.2012 RM	1.2.2011 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

YINSON HOLDINGS BERHAD

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

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

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

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CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
For the Twelve-Month Period Ended 31 January 2014

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

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

YINSON HOLDINGS BERHAD (Company No. 259147-A)

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 January 2014

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

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 January 2014

	AS AT 31.1.2014 Unaudited	AS AT 31.1.2013 Audited
	RM'000	RM'000
Non-current liabilities		
Long term borrowings	668,394	139,406
Deferred tax liabilities	11,342	2,796
Net pension fund	7,669	-
Other intangible liabilities	100,060	-
	787,465	142,202
Total liabilities	1,626,875	517,110
Equity attributable to owners of the parent		
Share capital	258,200	200,355
Share premium	112,941	8,076
Foreign currency translation reserve	2,499	(1,221)
Retained earnings	147,705	84,345
Fair value reserve	(3,477)	(10,323)
	517,868	281,232
Non-controlling interests	5,916	2,556
Total equity	523,784	283,788
TOTAL EQUITY AND LIABILITIES	2,150,659	800,898
Net assets per share attributable to owners of the parent (RM)	2.006	1.404

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

YINSON HOLDINGS BERHAD (Company No. 259147-A)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Twelve-Month Period Ended 31 January 2014

	Attributable to owners of the parent							Total equity
	Non-distributable				Distributable			
	Share capital RM'000	Share premium RM'000	Foreign exchange translation reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	RM'000
At 1 February 2012	75,347	4,369	(1,038)	-	79,024	157,702	(324)	157,378
Total comprehensive income for the year	-	-	(183)	(10,323)	33,884	23,378	2,398	25,776
Dividend in respect of the previous year	-	-	-	-	(3,757)	(3,757)	-	(3,757)
Share issuance	125,008	4,942	-	-	(24,806)	105,144	482	105,626
Share issuance expenses	-	(1,235)	-	-	-	(1,235)	-	(1,235)
At 31 January 2013	200,355	8,076	(1,221)	(10,323)	84,345	281,232	2,556	283,788
At 1 February 2013	200,355	8,076	(1,221)	(10,323)	84,345	281,232	2,556	283,788
Total comprehensive income for the year	-	-	3,720	6,846	67,492	78,058	3,360	81,418
Dividend in respect of the previous year	-	-	-	-	(4,132)	(4,132)	-	(4,132)
Share issuance	57,845	105,277	-	-	-	163,122	-	163,122
Share issuance expenses	-	(412)	-	-	-	(412)	-	(412)
At 31 January 2014	258,200	112,941	2,499	(3,477)	147,705	517,868	5,916	523,784

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

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

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

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

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

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

	12 months ended 31.1.2014	31.1.2013
	Unaudited RM'000	Audited and restated RM'000
FINANCING ACTIVITIES		
Increase in banker acceptances	63,513	7,323
Drawdown of term loans	404,647	216,777
Repayment of obligations under finance lease	(3,796)	(1,877)
Repayment of term loans	(32,502)	(103,943)
Proceeds from shares issuance	163,122	105,144
Shares issuance expenses	(412)	(1,235)
Dividends paid	(4,132)	(3,757)
Proceed from non-controlling interests	-	482
Net cash flows from financing activities	590,440	218,914
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	187,306	(6,081)
Effects of foreign exchange rate changes	(2,879)	(3,352)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	11,064	20,497
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	195,491	11,064

	As at 31.1.2014 RM'000	As at 31.1.2013 RM'000
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	210,587	23,754
Bank overdrafts (included within short term borrowings)	(15,096)	(12,690)
Fixed deposits	66,997	83
	262,488	11,147
Less deposits pledged	(66,997)	(83)
	195,491	11,064

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

YINSON HOLDINGS BERHAD (Company No. 259147-A)

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

1. **Basis of Preparation**

These unaudited condensed consolidated interim financial statements (Condensed Report) of Yinson Holdings Berhad (the "Group" or "YHB") for the year ended 31 January 2014 have been prepared in accordance with *MFRS134: Interim Financial Reporting*, paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This Condensed Report also complies with *IAS34: Interim Financial Reporting* issued by the International Accounting Standards Board ("IASB").

This Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 31 January 2013. The significant accounting policies and methods adopted for the Condensed Report are consistent with those adopted for the audited financial statements for the financial year ended 31 January 2013. The adoption of the following MFRSs and Amendments to MFRSs that came into effect on 1 February 2013 did not have any significant impact on the Condensed Report upon their initial application.

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

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

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

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

2. **Seasonal or Cyclical Factors**

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial year to-date.

4. Changes in Accounting Estimate

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

5. Changes in the Composition of the Group

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

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

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

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

6. Segmental Information

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

Segmental Information

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

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

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

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

Marine

Revenue from marine segment for the period under review has increased by RM58.372 million as compared to the corresponding prior period ended 31 January 2013. The increase was mainly due to the increase in contribution from chartering of two vessels during the year under review and the contribution from newly acquired subsidiary, YPAS. The increase in revenue resulted in an increase of the segment results for the year under review by RM5.476 million as compared to the corresponding prior period ended 31 January 2013.

Transport

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

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

Trading

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

Other Operations

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

Results of Joint Ventures and Associates

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

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

Consolidated profit before tax

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

7. Profit Before Tax

Included in the profit before tax are the following items:

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

8. Income Tax Expense

The income tax expense figures consist of:

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

The effective tax rate of the Group is lower than the statutory tax rate in Malaysia due to certain incomes are not subject to taxation and certain income of subsidiaries are subject to lower tax rates.

9. **Earnings Per Share**

(a) **Basic**

Basic earnings per share amount are calculated by dividing the profit for the current and cumulative quarter of financial year 2014, net of tax, attributable to owners of the parent by the weighted average number of shares outstanding during the period.

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

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31.1.2014	31.1.2013	31.1.2014	31.1.2013
Profit net of tax attributable to owners of the parent used in the computation of EPS (RM'000)	26,330	4,833	67,492	33,884
Weighted average number of ordinary shares in issue ('000)	213,310	196,225	213,310	196,225
Basic earnings per share (sen)	12.34	2.46	31.64	17.27

(b) **Diluted**

Diluted earnings per share is the same as basic earnings per share as there is no dilutive potential ordinary shares outstanding as at 31 January 2014.

10. Acquisitions and disposals of property, plant and equipment

During the current period under review, the Group acquired property, plant and equipment ("PPE") with aggregate cost of RM11.092 million (31 January 2013: RM97.538 million). The significant net increase in carrying value of PPE by RM830.435 million as compared to corresponding prior period is mainly due to acquisition of YPAS's PPE which had a carrying value of RM799.5 million.

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

11. Fair Value Hierarchy

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

As at reporting date, the carrying amounts of available-for-sale investments, held for trading investment securities and interest rate swap were measured by using Level 1 method in the hierarchy in determining their fair value.

12. Debt and Equity Securities

Except for the issuance of 57, 844,510 new shares of RM1.00 each as provided in note 23 (b) and (c), there were no other issuances, repayment of debts, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current period under review.

13. Interest-bearing Loans and Borrowings

The Group's total borrowings as at 31January 2014 are as follows:

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

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

14. Dividend Paid

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

15. Capital Commitments

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

- approved and contracted for – RM36.1 million
- approved but not contracted for – RM15.8 million

16. Changes in Contingent Liabilities and Contingent Assets

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

17. Related Party Disclosures

Significant related party transactions are as follows:

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31.1.2014	31.1.2013	31.1.2014	31.1.2013
	RM'000	RM'000	RM'000	RM'000
With companies substantially owned by directors, Lim Han Weng and Bah Kim Lian				
Rental income from Yinson Tyres Sdn Bhd	15	15	60	60
Transport income from Liannex Corporation (S) Pte Ltd	1,875	2,060	7,048	7,724
Transport income from Liannex Corporation Sdn Bhd	-	613	-	164
Transport income from Handal Indah Sdn Bhd	-	-	11	1
Transport charges to Tuck Seng Loong (JB) and Kargo Indera Sdn Bhd	-	613	112	780
Sales of goods to Handal Indah Sdn Bhd	11	106	231	420
Sales of goods to Triton Commuter Sdn Bhd	34	95	353	402
Purchases from Yinson Tyres Sdn Bhd	776	719	3,251	3,620
Interest expense from Liannex Corporation (S) Pte Ltd	8	56	31	61
Barge income from Liannex Corporation (S) Pte Ltd	477	877	3,262	2,743
Purchases of goods from Liannex Corporation (S) Sdn Bhd	42	-	145	-
With joint ventures				
Sales of goods to PTSC Asia Pacific Pte Ltd	-	1,581	-	2,643
Interest income from PTSC South East Asia Pte Ltd	371	753	622	753
Interest income from PTSC Asia Pacific Pte Ltd	232	2,251	2,698	2,251

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

18. Event After The Reporting Date

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

i. Proposed Renounceable Rights Issue of new ordinary shares of RM1.00 to raise maximum gross proceeds of up to RM500 million;

ii. Proposed increase in the Authorised Share Capital of YHB from RM500,000,000 comprising 500,000,000 YHB Shares of RM1.00 to RM1,000,000,000 comprising 1,000,000,000 YHB shares of RM1.00; and

iii. Proposed share split involving the subdivision of every one (1) YHB Share held by entitled shareholders of YHB upon completion of the Proposed Rights Issue into two (2) ordinary shares of RM0.50 each.

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

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

19. Performance Review

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

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

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

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

21. Commentary on Prospects

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

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

22. Profit Forecast

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

23. Status of Corporate Proposals

a) The corporate proposals announced as provided in Note 18 have not been completed as at the date of issue of these financial statements.

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

Purpose	Proposed Utilisation	Actual utilisation of SP as at 25 March 2014	Initial timeframe for utilisation of SP proceeds from date of listing (i.e. 10 June 2013)	Balance of unutilised SP proceeds
	RM'000	RM'000		
To fund the Group's business expansion	56,300	56,321	Within 9 months	Completed
Estimated expenses in relation to the Proposed Private Placement	200	179	Within 3 months	Completed
Total	56,500	56,500		-

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

Purpose	Proposed Utilisation	Actual utilisation of SP as at 25 March 2014	Initial timeframe for utilisation of SP proceeds from date of listing (i.e. 2 December 2013)	Balance of unutilised SP proceeds
	RM'000	RM'000		
To finance the Group's acquisition of YPAS	106,422	106,389	Conditions precedent to sucessful acquisition of YPAS	Completed
Expenses in relation to the Private Placement	200	233		Completed
	106,622	106,622		

24. Material Litigation

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

<u>Acorn Geophysical Ltd ("Acorn") vs Yinson Production AS ("YPAS")</u>

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

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

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

25. Dividend Payable

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

26. Derivatives

a) Disclosure of Derivatives

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

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

Interest rate swaps

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

i. contract amounting to RM56.588 million that receives floating interest at SIBOR + 2.75% p.a. and pays fixed interest at 3.40% p.a.; and

ii. contract amounting to RM25.586 million that receives a fixed rate of 2.5% p.a. + COF and pays a fixed rate of 2.5% p.a. + COF + fixed rate of 1.4% p.a. less one month LIBOR rate.

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

The interest rate swaps have been classified as At Fair Value Through Profit or Loss which is measured at fair value and the changes in fair value will be taken to profit or loss.

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

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

27. Realised and Unrealised Retained Earnings

The breakdown of the retained earnings of the Group as at 31 January 2014 into realised and unrealised is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 20 December 2010, and prepared in accordance with *Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses* in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

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

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

The Auditors' Report on the financial statements for the year ended 31 January 2013 was not qualified.

29. **Authorised For Issue**

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 March 2014.

雲昇控股有限公司
YINSON HOLDINGS BERHAD (Co. No. : 259147-A)
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Date: 7 MAY 2014

The Shareholders of **YINSON HOLDINGS BERHAD ("YHB")**

Dear Sir / Madam,

On behalf of the Board of Directors of YHB ("**Board**"), I wish to report, after making due enquiries in relation to the interval between 31 January 2013 (being the date to which the last audited consolidated financial statements of YHB and its subsidiaries ("**YHB Group**") have been made up) and the date hereof (being a date not earlier than fourteen (14) days before the date of issuance of this Abridged Prospectus), that:-

(i) the business of the YHB Group has, in the opinion of the Board, been satisfactorily maintained;

(ii) in the opinion of the Board, no circumstance has arisen since the last audited consolidated financial statements of the YHB Group which has adversely affected the trading or the value of the assets of the YHB Group.

(iii) the current assets of the YHB Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(iv) save as disclosed in this Abridged Prospectus, there are no contingent liabilities which has arisen by reason of any guarantee or indemnity given by the YHB Group;

(v) since the last audited consolidated financial statements of the YHB Group, there has been no default or any known event that could give rise to a default situation, on payments of either interest and/or principal sums in relation to any borrowings of the YHB Group; and

(vi) save as disclosed in this Abridged Prospectus, there has been no material change in the published reserves or any unusual factor affecting the profits of the YHB Group since the last audited consolidated financial statements of the YHB Group.

Yours faithfully,
For and on behalf of the Board of
YINSON HOLDINGS BERHAD

Lim Han Weng
Group Executive Chairman

1. SHARE CAPITAL

(a) No securities will be allotted or issued on the basis of this Abridged Prospectus later than twelve (12) months after the date of issuance of this Abridged Prospectus.

(b) As at the LPD, there is only one (1) class of share in the Company, namely ordinary shares of RM1.00 each, all of which rank *pari passu* with one another.

(c) Save as disclosed in Section 2 of Appendix II, no shares of the Company have been issued or proposed or intended to be issued as fully or partly paid-up in cash or otherwise than in cash within two (2) years preceding the date of this Abridged Prospectus.

(d) Save for the Rights Issue, no person has been or is entitled to be granted an option to subscribe for any shares of the Company and no capital of the Company is under any option or agreed conditionally or unconditionally to be put under any option as at the date of this Abridged Prospectus.

2. DIRECTORS

(a) There is no shareholding qualification for Directors.

(b) The provisions in the Articles of Association in relation to the remuneration of the Directors are as follows:-

Article 88(A)

The remuneration of the Directors, who hold no executive office with the Company, for their services as Directors shall be determined by the Company by ordinary resolution at a general meeting. If the remuneration of each such non-executive Director is not specifically fixed by the Company in general meeting then the quantum of remuneration to be paid to each non-executive Director, within the overall limits fixed by the Company in general meeting, shall be decided by resolution of the full Board of Directors. In default of any decision being made in this respect by the full Board of Directors, the remuneration payable to the non-executive Directors shall be divided equally amongst them and such a Director holding office for part only of a year shall be entitled to a proportionate part of a full year's remuneration. The non-executive Directors shall be paid by a fixed sum and not by a commission on or a percentage of profits or turnover.

Article 88(B)

Fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.

Article 88(C)

Executive Directors of the Company shall be remunerated in the manner referred to in Article 105 but such remuneration shall not include a commission on or a percentage of turnover.

Article 105

Subject to any other provisions of these presents, the remuneration of any Managing Director or Executive Director for his services as such shall be determined by the Directors and may be of any description.

3. MATERIAL CONTRACTS

Save as disclosed below, there are no other material contracts, not being contracts in the ordinary course of business which have been entered into by the YHB Group within two (2) years preceding the date of this Abridged Prospectus:-

(a) Underwriting Agreement dated 29 April 2014 entered between YHB, the Joint Managing Underwriters and the Joint Underwriters relating to the Rights Issue;

(b) Shareholders Agreement dated 29 November 2013 between YHB, Iftisham Binti Hj. Ab. Aziz ("**Iftisham**") and Rozlan Bin M Taha ("**Rozlan**") to, inter alia, define the relationship, rights and obligations of the parties towards each other as shareholders of Yinson Energy Sdn Bhd ("**YESB**") and their relationship with, rights and obligations towards YESB. YESB is 30% held by YHB and 35% held by Iftisham and Rozlan respectively;

(c) Shareholder's Loan Agreement dated 12 August 2013 between YHB and PTSC SEA pursuant to which YHB has agreed to make available to PTSC SEA a loan of up to USD12,000,000.00 to be transferred to PTESC SEA via instalments;

(d) Shareholders Agreement dated 11 June 2013 between PTSC and YHB to regulate the operation and management of PTSC AP, which is 51% owned by PTSC and 49% owned by YHB. PTSC AP was incorporated for the purpose of, among others, assuming and regulating PTSC and YHB's rights and obligations under the Consortium Agreement referred to in item (i) below;

(e) The Company and FOP had on 7 June 2013, entered into a Transaction Agreement to acquire all the FOP Shares at an offer price of NOK9.40 per ordinary shares of NOK1.00 each in YPAS ("**YPAS Share**") in cash via a conditional takeover offer pursuant to the Norwegian Securities Trading Act 2007;

(f) The Company and KCSB had on 7 June 2013 entered into the Share Issuance Amended Restated Agreement with KCSB to amend and restate the Share Issuance Agreement to reflect all terms of the Share Issuance as well as additional and/or revised terms arising from the YPAS Acquisition. The proceeds from the Share Issuance were utilised to part finance the YPAS Acquisition. The issue size was 37,809,000 YHB Shares issued at an issue price of RM2.82 per YHB Share;

(g) The Company and KCSB had on 31 May 2013, entered into the Share Issuance Agreement for the issuance and allotment of not more than fifteen percent (15%) of the enlarged share capital of YHB (upon completion of the Private Placement and Share Issuance) at the issue price of RM2.82, satisfied in cash for purposes of financing the acquisition of suitable business entities and/or assets to be identified;

(h) Shareholders Agreement dated 5 December 2012 between Yinson Vietnam and Yen Son Transport Company Limited ("**Yen Son Transport**") to regulate the conduct of the business and affairs of Yen Son Diversified Company Limited ("**Yen Son**"), which is 51% held by Yinson Vietnam and 49% held by Yen Son Transport. Yen Son was incorporated to undertake the business of investment in warehousing facilities; and

(i) Consortium Agreement dated 9 June 2012 between PTSC and YHB in relation to the execution and performance of the engineering, procurement, construction and installation contract and the bareboat charter contract for the provision and charter of a FPSO.

4. MATERIAL LITIGATION

Save as disclosed below, as at the LPD, the YHB Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board has no knowledge of any proceedings pending or threatened against the YHB Group or of any facts likely to give rise to any proceedings which may materially affect the financial position or business of the YHB Group.

Acorn Geophysical Ltd ("Acorn") vs YPAS

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

Acorn commenced proceedings in respect of its claim in the High Court in London ("**Court**") on 12 September 2013 ("**Proceedings**"). YPAS is defending Acorn's claim and has launched a counterclaim against Acorn. YPAS has filed its defence and counterclaim and Acorn has filed a reply and defence to counterclaim. The Proceedings are currently suspended. The case management conference initially fixed by the Court for 9 May 2014 has been adjourned indefinitely by agreement between the parties so as to allow the parties time to consider their position. Either party may re-start the Proceedings upon four weeks' notice to the other party. No further procedural steps have been undertaken or completed and no date for the trial has been fixed.

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

Other material potential disputes

Prosafe Nautipa AS ("**PNAS**") asserts that the YPAS Acquisition by YHB triggered a mandatory provision in a shareholders deed dated 29 May 2006 between PNAS and Nautipa AS ("**NAS**") relating to Tinworth Pte. Ltd ("**Tinworth**") ("**Deed**"), which requires NAS to transfer the entirety of NAS' shareholding in Tinworth to PNAS upon payment of market value for the shareholding by PNAS. NAS is a wholly-owned subsidiary of YHB Group via YPAS. By a notice dated 20 February 2014 ("**Notice**"), PNAS has sought to initiate the transfer process in its favour. NAS denies that the transfer provisions have been triggered and asserts that the Notice is a material breach of the Deed triggering the mandatory provisions in the Deed requiring PNAS to transfer the entirety of PNAS' shareholding in Tinworth to NAS upon payment of market value for the shareholding by NAS. By a notice dated 31 March 2014, NAS has sought to initiate the transfer process in its favour.

The counsel of NAS is of the view that the outcome of the matter will most likely be in favour of NAS.

For information, PNAS and NAS each owns 50% equity interest in Tinworth.

5. GENERAL

(a) Save as disclosed below and in this Abridged Prospectus, the financial condition and operations of the Group are not likely to be affected by any of the following:-

(i) Known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the liquidity of the Group;

(ii) Material commitments for capital expenditure;

(iii) Unusual or infrequent events or transactions or any significant economic changes that materially affect the amount of reported income from the operations; and

(iv) Known trends or uncertainties which have had, or will have, a material favourable or unfavourable impact on revenues or operating income.

However, pursuant to the YPAS Acquisition, which was completed on 10 January 2014, the YHB Group's consolidated revenue for the FYE 31 January 2015 and onwards is expected to increase due to the revenue contribution from the YPAS Group.

(b) Save as disclosed in this Abridged Prospectus, there is no material information including specific trade factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of the Group.

(c) There is no existing or proposed service contract entered or to be entered into by the Company with any Director or proposed Director, other than those which are expiring or determinable by the employing company without payment of compensation (other than statutory compensation) within one (1) year from the date of this Abridged Prospectus.

6. CONSENTS

(a) The written consents of the Principal Adviser, Financial Adviser, Solicitor for the Rights Issue, Company Secretary, Share Registrar, Joint Managing Underwriters, Joint Underwriters and Principal Bankers, for the inclusion in this Abridged Prospectus of their names in the form and context in which such names appear, have been given before the issue of this Abridged Prospectus and have not subsequently been withdrawn;

(b) The written consent of Bloomberg to the inclusion in this Abridged Prospectus of its name and citation of the market data made available to its subscribers in the form and context in which such name and market data appear has been given before the issuance of this Abridged Prospectus and has not been subsequently withdrawn;

(c) The written consent of Converging Knowledge to the inclusion in this Abridged Prospectus of its name and all references thereto in the form and context in which they so appear in this Abridged Prospectus; and

(d) The written consent of the Auditors and Reporting Accountants, Ernst & Young, for the inclusion in this Abridged Prospectus of their name and the proforma consolidated statements of financial position of the YHB Group as at 31 January 2013 together with the notes and the Reporting Accountants' letter as well as the audited consolidated financial statements of YHB for the financial year ended 31 January 2013 together with the Auditors' report thereon, in the form and context in which such name appear have been given before the issue of this Abridged Prospectus and has not subsequently been withdrawn.

7. CONFLICT OF INTERESTS

(a) AmInvestment Bank

AmInvestment Bank, its related and associated companies, as well as its holding company, AMMB Holdings Berhad and the subsidiaries and associated companies of its holding company ("**AmBank Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and funds management and credit transaction service businesses. The Ambank Group has engaged and/or may in the future, engage in transactions with and perform services for YHB Group, in addition to the role involved in the Rights Issue. In addition, in the ordinary course of business, any member of the AmBank Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with YHB Group, hold long or short positions, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of YHB Group. This is a result of the businesses of AmBank Group generally acting independently of each other and accordingly there may be situations where parts of AmBank Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interests of YHB Group.

As at the LPD, the AmBank Group has extended credit facilities to YHB Group amounting to approximately RM447.5 million of which the outstanding amount is approximately RM439.9 million. Approximately RM210.4 (37%) of the Rights Issue proceeds will be utilised to repay the said borrowings. Notwithstanding the above, AmInvestment Bank is of the view that the aforementioned extension of credit facilities does not result in a conflict of interest situation in its capacity as the Principal Adviser, Joint Managing Underwriter and Joint Underwriter for the Rights Issue as the extension of credit facilities arose in the ordinary course of business of the AmBank Group and that the proceeds from the Rights Issue will be utilised to repay the said facilities in accordance with the terms and conditions of respective facility agreements; the operation of AmBank Group is regulated by the Financial Services Act, 2013 and its internal Chinese Wall policy and the outstanding amount owed by the YHB Group is not material when compared to the audited total assets of the AmBank Group for the FYE 31 March 2013.

Accordingly, AmInvestment Bank is not aware of any circumstances that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as the Principal Adviser, Joint Managing Underwriter and Joint Underwriter to the Company for the Rights Issue.

(b) Kenanga Investment Bank

Kenanga Investment Bank is not aware of any circumstances that exist or are likely to give rise to a possible conflict of interest situation in relation to its capacity as the Financial Adviser, Joint Managing Underwriter and Joint Underwriter to the Company in relation to the Rights Issue.

Kenanga Investment Bank, its related and associated companies (the "**KIBB Group**") form a diversified financial group and are engaged in a wide range of investment banking, brokerage, securities trading, asset and funds management and credit transaction service businesses. The KIBB Group has engaged and may in the future, engage in transactions with and perform services for YHB and/or its affiliates, in addition to roles set out in this Abridged Prospectus. In addition, in the ordinary course of business, any member of the KIBB Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with YHB and/or its affiliates, hold long or short positions, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of YHB and/or its affiliates. This is a result of the businesses of KIBB Group generally acting independently of each other and accordingly, there may be situations where parts of the KIBB Group and/or its customers now have or in the future, may have interest or taken actions that may conflict with the interests of the Company.

KIBB Group has in the ordinary course of their banking business, granted credit facilities to certain parties related to the Group. The credit facility granted is not material when compared to the audited total assets of KIBB Group as at LPD and therefore would not give rise to a conflict of interest situation.

(c) Affin Investment Bank

Affin Investment Bank, and its related and associated companies, as well as its holding company, Affin Holdings Berhad and the subsidiaries and associated companies of its holding company ("**Affin Bank Group**") are engaged in a wide range of investment banking activities which include corporate finance advisory, equity capital markets, debt and capital markets, structured lending and treasury solutions, market trading and research, investment management business and retail banking.

In the ordinary course of business, Affin Bank Group has engaged and/or may in the future, engage in transactions with and perform services for the YHB Group. Affin Bank Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with the YHB Group, hold long or short positions, and may trade or otherwise effect transactions for its own account or the account of its other customer in debt or equity securities or financing of the YHB Group. Generally, given that various business units of Affin Bank Group are acting independently of each other, situations may arise where Affin Bank Group and/or its customers now, or in the future, may have interest or take actions that may result in conflict of interests with the YHB Group.

Affin Investment Bank has in the ordinary course of business, granted a term loan facility to LHW, Group Executive Chairman of YHB. Notwithstanding the above, Affin Investment Bank is of the opinion that the aforementioned extension of the term loan facility does not result in a conflict of interest in its capacity to act as a Joint Underwriter for the Rights Issue.

Affin Investment Bank hereby confirm that Affin Investment Bank has no conflict of interest to participate in the underwriting of YHB Shares pursuant to the Rights Issue.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during normal office hours from Monday to Friday (except public holidays) at the Registered Office of YHB for a period of twelve (12) months from the date of this Abridged Prospectus:-

(a) The Memorandum and Articles of Association of the Company;

(b) The certified true extract of the ordinary resolutions in respect of the Corporate Exercises passed at the EGM of YHB, as set out in Appendix I of this Abridged Prospectus;

(c) The proforma consolidated statement of financial position of YHB as at 31 January 2013 together with the notes and the Reporting Accountants' letter thereon, as set out in Appendix III of this Abridged Prospectus;

(d) The audited consolidated financial statements of YHB for the FYE 31 January 2012 and FYE 31 January 2013 as well as the unaudited consolidated financial statements for the twelve (12)-month FYE 31 January 2014;

(e) The Independent Market Research Report on Floating Production Storage and Offloading – Global, which includes Nigeria, Gabon and Vietnam dated 25 April 2014 by Converging Knowledge;

(f) The irrevocable undertaking letter by the Undertaking Parties in relation to the Undertaking referred to in Section 3 of this Abridged Prospectus;

(g) The Directors' Report as set out in Appendix VI of this Abridged Prospectus;

(h) The letters of consent referred to in Section 6 of this Appendix;

(i) the relevant cause papers in respect of the material litigation referred to in Section 4 of this Appendix; and

(j) The material contracts referred to in Section 3 of this Appendix.

9. RESPONSIBILITY STATEMENTS

(a) The Board have seen and approved this Abridged Prospectus together with the accompanying documents and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after having made all reasonable inquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.

(b) AmInvestment Bank, being the Principal Adviser of this Rights Issue, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue.