



YINSON HOLDINGS BERHAD

Company No: 259147-A
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT For the Nine-Month Period Ended 31 October 2013

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	31.10.2013 Unaudited RM'000	31.10.2012 Unaudited RM'000	31.10.2013 Unaudited RM'000	31.10.2012 Unaudited RM'000
Revenue	236,780	192,554	692,426	692,474
Cost of trading goods sold	(178,781)	(136,923)	(519,274)	(523,068)
Direct expenses	(41,163)	(35,550)	(119,918)	(107,261)
Gross profit	16,836	20,081	53,234	62,145
Other operating income	4,116	(348)	6,987	1,895
Administrative expenses	(6,816)	(3,918)	(18,315)	(12,947)
Profit from operations	14,136	15,815	41,906	51,093
Finance costs	(6,700)	(4,463)	(17,702)	(12,881)
Share of results of associates	(379)	169	(1,636)	462
Share of results of joint ventures	9,794	(40)	25,457	(234)
Profit before tax	16,851	11,481	48,025	38,440
Income tax expense	(622)	(2,155)	(4,606)	(7,412)
Profit for the period	16,229	9,326	43,419	31,028
Profit attributable to:				
Owners of the parent	15,506	8,508	41,162	29,051
Non-controlling interests	723	818	2,257	1,977
	16,229	9,326	43,419	31,028
Earnings per share attributable to owners of the parent:				
Basic (sen)	7.27	4.34	19.30	14.80
Diluted (sen)	7.27	4.34	19.30	14.80

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

YINSON HOLDINGS BERHAD (Company No. 259147-A)**(Incorporated in Malaysia)****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
For the Nine-Month Period Ended 31 October 2013

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	31.10.2013 unaudited RM'000	31.10.2012 unaudited RM'000	31.10.2013 unaudited RM'000	31.10.2012 unaudited RM'000
Profit for the period	16,229	9,326	43,419	31,028
Foreign currency translation of foreign operations	(1,992)	(692)	671	503
Net loss on fair value changes of available-for-sale investments	(4,271)	(1,068)	(7,832)	(18,511)
Total comprehensive income for the period	9,966	7,566	36,258	13,020
Total comprehensive income for the period attributable to:				
Owners of the parent	9,243	6,748	34,001	11,043
Non-controlling interests	723	818	2,257	1,977
	9,966	7,566	36,258	13,020

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

YINSON HOLDINGS BERHAD (Company No. 259147-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**As at 31 October 2013**

	AS AT 31.10.2013 Unaudited RM'000	AS AT 31.1.2013 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	230,758	232,313
Investment properties	15,175	15,175
Intangible assets	109	114
Land use rights	4,444	4,516
Investments in joint venture companies	223,080	153,498
Investment in associates	27,380	29,016
Available-for-sale investments	3,560	11,391
Deferred tax assets	1,390	-
	505,896	446,023
Current assets		
Inventories	653	680
Receivables	339,718	287,549
Prepayments	27,328	42,031
Derivatives	7,865	-
Tax recoverable	419	734
Held for trading investment securities	13	44
Cash and bank balances	61,803	23,837
	437,799	354,875
TOTAL ASSETS	943,695	800,898
EQUITY AND LIABILITIES		
Current liabilities		
Short term borrowings	342,015	309,135
Payables	97,301	65,006
Derivatives	8,113	120
Tax payables	755	647
	448,184	374,908

YINSON HOLDINGS BERHAD (Company No. 259147-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**As at 31 October 2013**

	AS AT 31.10.2013 Unaudited RM'000	AS AT 31.1.2013 Audited RM'000
Non-current liabilities		
Long term borrowings	120,885	139,406
Deferred tax liabilities	2,390	2,796
	123,275	142,202
Total liabilities	571,459	517,110
Equity attributable to owners of the parent		
Share capital	220,391	200,355
Share premium	44,362	8,076
Foreign currency translation reserve	(550)	(1,221)
Retained earnings	121,375	84,345
Fair value reserve	(18,155)	(10,323)
	367,423	281,232
Non-controlling interests	4,813	2,556
Total equity	372,236	283,788
TOTAL EQUITY AND LIABILITIES	943,695	800,898
Net assets per share attributable to owners of the parent (RM)	1.667	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)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the Nine-Month Period Ended 31 October 2013

	Attributable to owners of the parent					Total equity RM'000	
	Share capital RM'000	Foreign currency translation reserve RM'000	Share premium RM'000	Fair value reserve RM'000	Retained earnings RM'000		
	Non-distributable		Distributable		Total equity attributable to owners of the parent RM'000	Non-controlling interests RM'000	
At 1 February 2012 (restated)	75,347	(1,038)	4,369	-	78,597	(324)	156,951
Total comprehensive income for the period	-	503	-	(18,511)	29,051	1,977	13,020
Share issuance	125,008	-	4,942	-	(24,806)	50	105,194
Share issuance expenses	-	-	(1,234)	-	-	-	(1,234)
Dividend in respect of the previous year	-	-	-	-	(3,757)	-	(3,757)
At 31 October 2012	200,355	(535)	8,077	(18,511)	79,085	1,703	270,174
At 1 February 2013	200,355	(1,221)	8,076	(10,323)	84,345	2,556	283,788
Total comprehensive income for the period	-	671	-	(7,832)	41,162	2,257	36,258
Share issuance	20,036	-	36,465	-	-	-	56,501
Share issuance expenses	-	-	(179)	-	-	-	(179)
Dividend in respect of the previous year	-	-	-	-	(4,132)	-	(4,132)
At 31 October 2013	220,391	(550)	44,362	(18,155)	121,375	4,813	372,236

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 Six-Month Period Ended 31 October 2013

	9 months ended	
	31.10.2013	31.10.2012
	Unaudited RM'000	Unaudited and restated RM'000
OPERATING ACTIVITIES		
Profit before tax	48,025	38,440
Adjustments for:		
Amortisation and depreciation	10,974	10,105
Impairment loss on receivables	4,225	180
Unrealised loss/(gain) on foreign exchange	1,108	(659)
Interest expenses	16,876	12,296
Gain on disposal of property, plant and equipment	(558)	(4)
Gain on disposal of held for trading investment securities	(1)	-
Property, plant and equipment written off	147	203
Loss on disposal of asset held for sale	-	34
Net gains on held for trading investment securities	(3)	(2)
Share of results of joint venture companies	(25,457)	234
Share of results of associates	1,636	(462)
Shares issuance expenses	-	314
Interest income	(2,987)	(1,329)
Dividend income	(1)	-
Operating cash flows before working capital changes	53,984	59,350
Receivables	(56,394)	(92,204)
Prepayments	14,704	16,734
Inventories	27	13
Payables	31,188	(7,712)
Short term deposits	(3)	-
Cash flows from/(used in) operations	43,506	(23,819)
Interest received	2,987	1,329
Interest paid	(16,747)	(12,296)
Tax paid	(5,981)	(5,402)
Net cash flows from/(used in) operating activities	23,765	(40,188)
INVESTING ACTIVITIES		
Dividend received	1	-
Proceeds from disposal of property, plant & equipment	4,323	4
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	(2,664)	(23,068)
Purchase of intangible assets	(1)	(8)
Purchase of investment property	-	(322)
Investment in joint venture companies	(44,125)	(95,683)
Investment in an associate	(1)	(26,823)
Net cash flows used in investing activities	(42,432)	(145,324)

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the Six-Month Period Ended 31 October 2013

	9 months ended	
	31.10.2013	31.10.2012
	Unaudited	Unaudited and
	RM'000	restated
	RM'000	RM'000
FINANCING ACTIVITIES		
Increase in banker acceptances	25,963	35,579
Drawdown of term loans	-	127,904
Repayment of obligations under finance lease	(2,670)	(1,285)
Repayment of term loans	(24,084)	(96,628)
Proceeds from shares issuance	56,500	105,144
Shares issuance expenses	(179)	(1,549)
Proceed from non-controlling interests	-	50
Dividends paid	(4,132)	(3,757)
Net cash flows from financing activities	51,398	165,458
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	32,731	(20,054)
Effects of foreign exchange rate changes	1,607	(3,037)
CASH AND CASH EQUIVALENTS AT THE BEGINNING		
OF THE PERIOD	11,064	20,497
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	45,402	(2,594)
	As at	As at
	31.10.2013	31.10.2012
	RM'000	RM'000
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	61,718	5,506
Bank overdrafts (included within short term borrowings)	(16,316)	(8,100)
	45,402	(2,594)
Less deposit pledged	(85)	(83)
	45,317	(2,677)

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

1. Basis of Preparation

These unaudited condensed consolidated interim financial statements (Condensed Report) of Yinson Holdings Berhad (the "Group") for the period ended 31 October 2013 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 comply 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 unaudited 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 unaudited condensed consolidated financial statements upon their initial application.

- MFRS 10 Consolidated Financial Statements (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)
- Amendments to MFRS 134 Interim Financial Reporting (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 (effective from 1 January 2015)
- Amendments to MFRS 10, 12 and 127 Investment Entities (effective from 1 February 2014)
- Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities (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 period under review that would have a material effect that would substantially affect the results of the Group.

5. Changes in the Composition of the Group

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. YPL has not commenced its operations.

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.

6. Segmental Information

For the Nine-Month Period Ended 31 October 2013					
	Marine	Transport	Trading	Other	Consolidated
	RM'000	RM'000	RM'000	Operations	RM'000
				RM'000	
Revenue					
External Sales					
Gross revenue	100,068	80,847	545,166	826	726,907
Elimination	(30,016)	(620)	(3,827)	(18)	(34,481)
Net revenue	70,052	80,227	541,339	808	692,426
Results					
Segment results	19,541	5,134	14,244	2,987	41,906
Finance costs					(17,702)
Share of results of an associates					(1,636)
Share of results of joint venture companies					25,457
Income tax expense					(4,606)
Profit net of tax and before non-controlling interests					43,419
Non-controlling interests					(2,257)
Profit net of tax for the period					41,162

For the Nine-Month Period Ended 31 October 2012					
	Marine	Transport	Trading	Other	Consolidated
	RM'000	RM'00	RM'000	Operations	RM'000
				RM'000	RM'000
Revenue					
External Sales					
Gross revenue	78,948	85,313	560,145	6,714	731,120
Elimination	(25,361)	(78)	(7,189)	(6,018)	(38,646)
Net revenue	53,587	85,235	552,956	696	692,474
Results					
Segment results	18,061	6,734	26,350	(52)	51,093
Finance costs					(12,881)
Share of results of an associate					462
Share of results of joint venture companies					(234)
Income tax expensen					(7,412)
Profit net of tax and before non-controlling interests					31,028
Non-controlling interests					(1,977)
Profit net of tax for the period					29,051

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 RM16.465 million as compared to the corresponding prior period ended 31 October 2012. The increase was mainly due to the increase in contribution from chartering of two new vessels during the period under review. The increase in revenue resulted in an increase of the segment results for the period under review by RM1.480 million as compared to the corresponding prior period ended 31 October 2012.

Transport

Revenue from transport segment for the period under review has decreased by RM5.008 million or 5.9% as compared to the corresponding prior period ended 31 October 2012. The decrease was mainly due to the decrease in demand for the Group's transportation services. The decrease in revenue and drop in gross profit margin resulted in a decrease of the segment result by RM1.6 million as compared to the corresponding prior period ended 31 October 2012.

Trading

Revenue from trading segment for the period under review has decreased by RM11.617 million or 2.1% as compared to the corresponding prior period ended 31 October 2012. The decrease was mainly due to the decrease in demand and drop in average unit price of trading materials. The decrease in revenue, drop in gross profit margin and increase in provision for impairment of receivable have resulted in a decrease of the segment results by RM12.106 million as compared to the corresponding prior period ended 31 October 2012.

Other Operations

The segment profit of other operations increased to RM2.987 million as compared to loss of RM0.052 million in corresponding prior period ended 31 October 2012. The increase was mainly attributable to capital gain from sales of a non-recurrent item, increase in unrealised exchange gain and bad debt recovered.

Results of Joint Ventures and Associate

The share of the results of joint venture companies has increased to profit of RM25.457 million for the period ended 31 October 2013 as compared to loss of RM0.234 million for the corresponding prior period ended 31 October 2012 due to the revenue contribution from the commencement of floating storage and offloading vessel ("FSO") of a joint venture company.

Consolidated profit before tax

For the current period under review, the Group's profit before tax has increased by RM9.585 million or 25% to RM48.025 million as compared to RM38.440 million for the corresponding prior period ended 31 October 2012. The increase was mainly attributable to increase in contribution from marine segment, joint venture company and other operations and was partly offset by decrease in contribution from trading and transport segments, increase in net borrowing expenses of RM2.9 million and increase in share of loss in associate of RM2.1 million.

7. Profit Before Tax

Included in the profit before tax are the following items

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	31.10.2013 RM'000	31.10.2012 RM'000	31.10.2013 RM'000	31.10.2012 RM'000
Interest income	(965)	(746)	(2,987)	(1,329)
Other income including investment income	(2,828)	(105)	(3,084)	(359)
Gain on disposal of property, plant and equipment	(260)	(3)	(558)	(4)
Loss on disposal of assets held for sale	-	-	-	34
Loss on disposal of unquoted investments	-	188	-	152
Bad debts recovered	(62)	-	(355)	-
Interest expense	6,212	4,110	16,876	12,296
Depreciation of property, plant and equipment	3,710	3,562	10,896	10,024
Amortisation of land use rights	24	24	72	72
Amortisation of intangible assets	2	3	6	9
Impairment loss on receivable	4,075	60	4,225	180
Property, plant and equipment written off	86	-	147	85
Loss/(gain) on foreign exchange - realised	(707)	244	(707)	576
Loss/(gain) on foreign exchange - unrealised	(466)	(792)	1,108	(659)
Gain on disposal of held for trading investment securities	(1)	-	(1)	-
Net fair value adjustment on held for trading investment securities	-	-	(3)	(2)
Net (gain) loss on fair value changes of derivatives /forward currency contracts	(483)	-	7,865	120
(Gain)/loss on fair value of firm commitment	63	-	(8,177)	-

8. Income Tax Expense

The income tax expense figures consist of:

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	31.10.2013	31.10.2012	31.10.2013	31.10.2012
Current period income tax	RM'000 1,593	RM'000 2,220	RM'000 6,402	RM'000 7,676
Deferred tax : - Relating to origination and reversal of temporary difference	(971)	(65)	(1,796)	(264)
Total income tax expense	622	2,155	4,606	7,412

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 2013, net of tax, attributable to owners of the parent by the weighted average number of shares in issue 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 9 months ended	
	31.10.2013	31.10.2012	31.10.2013	31.10.2012
Profit net of tax attributable to owners of the parent used in the computation of EPS (RM'000)	15,506	8,508	41,162	29,051
Weighted average number of ordinary shares in issue ('000)	213,310	196,225	213,310	196,225
Basic earnings per share (sen)	7.27	4.34	19.30	14.80

(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 October 2013.

10. Acquisitions and disposals of property, plant and equipment

During the current period under review, the Group acquired property, plant and equipment with aggregate cost of RM9.573 million (31 October 2012: RM94.527 million).

Property, plant and equipment with a carrying amount of RM3.765 million were disposed by the Group during the current period ended 31 October 2013 (31 October 2012: RM0.610 million), resulting in a gain on disposal of RM0.558 million (31 October 2012: RM0.040 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 prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs that are based on observable market data, either directly or indirectly
- Level 3 - Inputs that are not based on observable market data

As at reporting date, the carrying amounts of available-for-sale investments and held for trading investment securities 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 the 20,035,510 ordinary shares of RM1.00 each under private placements for RM2.82 for each share with total consideration of RM56.5 million, 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

Details of total Group's borrowings as at 31 October 2013 are as follows:

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short term borrowings	35,965	306,050	342,015
Long term borrowings	120,885	-	120,885
Total borrowings	156,850	306,050	462,900

Except for the borrowings of RM286.767 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

Capital commitment for the approved and contracted for property, plant and equipment but not provided for in the interim condensed financial statements as at 31 October 2013 amounting to RM4.8 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 9 months ended	
	31.10.2013	31.10.2012	31.10.2013	31.10.2012
	RM'000	RM'000	RM'000	RM'000
<u>With companies substantially owned by directors, Lim Han Weng and Bah Kim Lian</u>				
Rental income from Yinson Tyres Sdn Bhd	15	15	45	45
Transport income from Liannex Corporation (S) Pte Ltd	1,682	1,743	5,173	5,664
Transport income from Liannex Corporation Sdn Bhd	-	164	-	164
Transport income from Handal Indah Sdn Bhd	6	-	11	1
Transport charges to Tuck Seng Loong (JB) and Kargo Indera Sdn Bhd	-	167	112	167
Sales of goods to Handal Indah Sdn Bhd	20	121	220	313
Sales of goods to Triton Commuter Sdn Bhd	166	84	320	307
Purchases from Yinson Tyres Sdn Bhd	836	699	2,476	2,468
Interest expense from Liannex Corporation (S) Pte Ltd	8	15	23	36
Barge income from Liannex Corporation (S) Pte Ltd	935	628	2,785	2,743
Purchases of goods from Liannex Corporation (S) Sdn Bhd	32	-	103	-
<u>With joint venture companies</u>				
Sales of goods to PTSC Asia Pacific Pte Ltd	-	1,895	-	2,643
Sales of goods to PTSC South East Asia Pte Ltd	755	-	755	-
Interest income from PTSC South East Asia Pte	250	-	250	-
Interest income from PTSC Asia Pacific Pte Ltd	551	-	2,465	-

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

(a) Acquisition of Fred. Olsen Production ASA ("FOP")

On 20 December 2013, YHB announced the settlement of the Offer Price to the FOP's shareholders who have accepted the Offer has been completed on 20 December 2013. Following the settlement, the Offer has now been completed and YHB owns 102,823,421 FOP Shares, equalling 97.1% of the outstanding FOP Shares and votes in FOP.

Upon the completion of the Offer, YHB intends to initiate a compulsory acquisition of the remaining FOP Shares not owned by YHB in accordance with applicable laws, and to propose that FOP applies for a delisting of FOP Shares from the Oslo Stock Exchange. It is expected that a compulsory acquisition of the remaining FOP Shares will be effected mid-January 2014.

(b) Share Issuance

On 4 December 2013, the Company announced the issuance of 37,809,000 new ordinary shares of RM1.00 each in YHB to a third party investor at an issue price of RM2.82 per share. The share issuance has been completed on 5 December 2013 with the listing of 37,809,000 new shares.

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 3rd quarter of FY 2014 has increased by RM3.647 million to RM16.851 million as compared to the RM13.204 million for preceding quarter. The increase was mainly due to gain on foreign exchange of RM3.7 million, capital gain from sales of non-recurring item and increase in contribution from joint venture business and offset by increase in provision for impairment of receivable.

21. Commentary on Prospects

The global economy expanded at a modest pace during the 9 months of 2013. Going forward, emerging signs of a recovery in the major advanced economies are expected to provide some support to overall global growth which will support growth in the Malaysian economy.

Barring unforeseen circumstances, the Group shall strive to sustain a satisfactory performance for the rest of the current 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 (a) and (b) have been completed as at the date of issue of these financial statements.
- b) Status of Utilisation of Proceeds From Share Placement ("SP") as at 30 December 2013.

Purpose	Proposed Utilisation	Actual utilisation of SP as at 30 December 2013	Initial timeframe for utilisation of SP proceeds from date of listing (i.e. 10 June 2013)	Balance of unutilised SP proceeds
To fund the Group's business expansion	RM'000 56,300	RM'000 56,321	Within 9 months	RM'000 Completed
Estimated expenses in relation to the Proposed Private Placement	200	179	Within 3 months	Completed
Total	56,500	56,500		-

24. Material Litigation

As at 31 October 2013, there was no material litigation against the Group.

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 October 2013 are as follow:-

Types of derivatives	Contract / Notional Amount	Fair Value Liabilities / Assets
	RM'000	RM'000
Interest rate swap	80,989	248
Forward foreign currency exchange contracts	515,463	7,865

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 RM56.133 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 RM24.856 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.

Forward foreign currency exchange contracts

The Group has entered into a few forward foreign currency exchange contracts to mitigate the Group's potential exposure from fluctuations in foreign exchange rate of NOK against USD arising from a firm commitment in acquiring all ordinary shares of FOP as disclosed in Note 18. The forward foreign currency exchange contracts have maturities range from six to twelve months.

The forward foreign currency exchange contracts are measured at fair value and the gains or losses arising from the change in fair value of these contracts will be taken to profit or loss.

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

The net fair value loss on interest rate swap derivative measured at fair value through profit and loss for current period is RM0.129 million.

As at reporting date, the Group had applied fair value hedge accounting. The loss on change in fair value of the forward foreign currency exchange contracts amounting to RM7.865 million recognised to the profit or loss has been offset by the gain on fair value change in the firm commitment.

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 October 2013 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 period ended 31.10.2013	Previous financial year ended 31.1.2013
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries:-		
- Realised	97,374	91,357
- Unrealised	(1,642)	(2,113)
	95,732	89,244
Total retained earnings from joint venture companies- realised	25,166	(290)
Total accumulated losses from an associates - realised	(2,062)	(427)
Less Consolidation adjustments	2,539	(4,182)
Total Group retained earnings as per consolidated financial statements	121,375	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 30 December 2013.