



YINSON HOLDINGS BERHAD

Company No: 259147-A
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT For The Quarter And Nine Months Ended 31 October 2014

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	31.10.2014 Unaudited RM'000	31.10.2013 Unaudited RM'000	31.10.2014 Unaudited RM'000	31.10.2013 Unaudited RM'000
Revenue	255,218	236,780	829,802	692,426
Cost of trading goods sold	(119,105)	(178,781)	(436,000)	(519,274)
Direct expenses	(83,145)	(41,163)	(270,580)	(119,918)
Gross profit	52,968	16,836	123,222	53,234
Other operating income	34,750	4,116	57,765	6,987
Administrative expenses	(5,354)	(6,816)	(42,326)	(18,315)
Profit from operations	82,364	14,136	138,661	41,906
Finance costs	(12,328)	(6,700)	(41,993)	(17,702)
Share of results of joint ventures	23,084	9,794	73,529	25,457
Share of results of associates	(70)	(379)	12	(1,636)
Profit before tax	93,050	16,851	170,209	48,025
Income tax expense	(5,189)	(622)	(20,020)	(4,606)
Profit for the period	87,861	16,229	150,189	43,419
Profit attributable to:				
Owners of the parent	86,792	15,506	147,772	41,162
Non-controlling interests	1,069	723	2,417	2,257
	87,861	16,229	150,189	43,419
Earnings per share attributable to owners of the parent: #				
Basic (sen)	9.13	2.25	15.55	5.98
Diluted (sen)	9.13	2.25	15.55	5.98

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

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

YINSON HOLDINGS BERHAD (Company No. 259147-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**For The Quarter And Nine Months Ended 31 October 2014**

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	31.10.2014 unaudited RM'000	31.10.2013 unaudited RM'000	31.10.2014 unaudited RM'000	31.10.2013 unaudited RM'000
Profit for the period	87,861	16,229	150,189	43,419
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
- Exchange differences on translation of foreign operations	12,947	(1,992)	1,164	671
- Net gain/(loss) on available-for-sale financial assets	(453)	(4,271)	59	(7,832)
Total comprehensive income for the period	100,355	9,966	151,412	36,258
Total comprehensive income for the period attributable to:				
Owners of the parent	99,286	9,243	148,995	34,001
Non-controlling interests	1,069	723	2,417	2,257
	100,355	9,966	151,412	36,258

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 2014

	AS AT 31.10.2014 Unaudited RM'000	AS AT 31.1.2014 Restated RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,044,465	1,023,958
Investment properties	15,155	15,155
Intangible assets	116	109
Land use rights	4,348	4,420
Investment in joint ventures	306,717	410,965
Investment in associates	29,657	29,211
Other receivables	-	1,981
Available-for-sale financial assets	15,884	15,733
Deferred tax assets	2,181	1,148
	1,418,523	1,502,680
Current assets		
Inventories	41,819	40,041
Trade and other receivables	402,306	376,623
Other current assets	38,963	9,420
Tax recoverable	987	420
Marketable securities	11	13
Cash and bank balances	412,728	267,077
	896,814	693,594
TOTAL ASSETS	2,315,337	2,196,274

YINSON HOLDINGS BERHAD (Company No. 259147-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 31 October 2014

	AS AT 31.10.2014 Unaudited RM'000	AS AT 31.1.2014 Restated RM'000
EQUITY AND LIABILITIES		
Equity		
Issued capital	516,399	258,200
Share premium	417,163	112,941
Foreign currency translation reserve	21,986	20,822
Retained earnings	334,504	199,642
Available-for-sale reserve	(3,419)	(3,478)
Equity attributable to owners of the parent	1,286,633	588,127
Non-controlling interests	7,681	5,919
Total equity	1,294,314	594,046
Non-current liabilities		
Loans and borrowings	415,191	668,394
Net employee defined benefit liabilities	2,511	7,669
Unfavourable contracts	53,875	75,483
Deferred tax liabilities	6,395	11,246
	477,972	762,792
Current liabilities		
Loans and borrowings	433,649	621,739
Trade and other payables	70,941	180,795
Unfavourable contracts	24,577	24,577
Derivatives	141	127
Tax payables	13,743	12,198
	543,051	839,436
Total liabilities	1,021,023	1,602,228
TOTAL EQUITY AND LIABILITIES	2,315,337	2,196,274
Net assets per share attributable to owners of the parent (RM)	1.246	2.278

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 Months Ended 31 October 2014

	Attributable to owners of the parent				Total equity attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
	Issued capital RM'000	Foreign currency translation reserve RM'000	Share premium RM'000	Available-for-sale reserve RM'000			
At 1 February 2013	200,355	(1,221)	8,076	(10,323)	281,232	2,556	283,788
Total comprehensive income/(loss) for the period	-	671	-	(7,832)	34,001	2,257	36,258
Share issuance	20,036	-	36,465	-	56,501	-	56,501
Share issuance expenses	-	-	(179)	-	(179)	-	(179)
Dividends in respect of the previous year	-	-	-	-	(4,132)	-	(4,132)
At 31 October 2013	220,391	(550)	44,362	(18,155)	367,423	4,813	372,236
At 31 January 2014	258,200	20,822	112,941	(3,478)	535,127	5,919	541,046
Effect of purchase price allocation adjustment	-	-	-	-	53,000	-	53,000
At 31 January 2014 (Restated) / 1 February 2014	258,200	20,822	112,941	(3,478)	588,127	5,919	594,046
Reclassification to associate	-	-	-	-	-	(655)	(655)
Total comprehensive income for the period	-	1,164	-	59	148,995	2,417	151,412
Share issuance	258,199	-	309,840	-	568,039	-	568,039
Share issuance expenses	-	-	(5,618)	-	(5,618)	-	(5,618)
Dividends in respect of the previous year	-	-	-	-	(12,910)	-	(12,910)
At 31 October 2014	516,399	21,986	417,163	(3,419)	1,286,633	7,681	1,294,314

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 Nine Months Ended 31 October 2014**

	9 months ended	
	31.10.2014	31.10.2013
	Unaudited	Unaudited and
	RM'000	restated
		RM'000
OPERATING ACTIVITIES		
Profit before tax	170,209	48,025
Adjustments for:		
Amortisation and depreciation	66,466	10,974
Amortisation of unfavourable contracts	(19,618)	-
Impairment loss on receivables	4,951	4,225
Unrealised (gain)/loss on foreign exchange	(4,785)	1,108
Finance costs	41,993	16,876
Gain on disposal of property, plant and equipment	-	(558)
Gain on disposal of held for trading investment securities	-	(1)
Gain on disposal of subsidiary and joint venture	(20,866)	-
Property, plant and equipment written off	188	147
Fair value adjustment on marketable securities	2	-
Net gains on held for trading investment securities	-	(3)
Share of results of joint ventures	(73,529)	(25,457)
Share of results of associates	(12)	1,636
Interest income	(3,583)	(2,987)
Dividend income	-	(1)
Operating cash flows before working capital changes	161,416	53,984
Receivables	(29,977)	(56,394)
Other current assets	(30,637)	14,704
Inventories	(1,778)	27
Payables	(23,822)	31,188
Short term deposits	-	(3)
Cash flows from operations	75,202	43,506
Interest received	3,583	2,987
Interest paid	(41,979)	(16,747)
Tax paid	(19,955)	(5,981)
Net cash flows from operating activities	16,851	23,765
INVESTING ACTIVITIES		
Dividend received	-	1
Net proceed from disposal of subsidiary and joint venture	189,655	-
Proceeds from disposal of property, plant and equipment	-	4,323
Proceeds from disposal of held for trading investment securities	-	35
Purchase of intangible assets	(9)	(1)
Purchase of property, plant and equipment	(98,091)	(2,664)
Investment in joint ventures	(1,607)	(44,125)
Investment in associates	-	(1)
Net cash flows from/(used in) investing activities	89,948	(42,432)

YINSON HOLDINGS BERHAD (Company No. 259147-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**For The Nine Months Ended 31 October 2014**

	9 months ended	
	31.10.2014	31.10.2013
	Unaudited	Unaudited and restated
	RM'000	RM'000
FINANCING ACTIVITIES		
Repayment to directors	(85,339)	-
Dividends paid	(12,910)	(4,132)
Increase in short-term borrowings	24,850	25,963
Repayment of term loans	(442,281)	(24,084)
Repayment of obligations under finance leases	(4,182)	(2,670)
Net cash outflow from dilution to associate	(391)	-
Proceeds from shares issuance	568,039	56,500
Addition of fixed deposit pledged as security	(29)	-
Shares issuance expenses	(5,618)	(179)
Net cash flows from financing activities	42,139	51,398
NET INCREASE IN CASH AND CASH EQUIVALENTS	148,938	32,731
Effects of foreign exchange rate changes	5,743	1,607
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	184,984	11,064
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	339,665	45,402
	As at	As at
	31.10.2014	31.10.2013
	RM'000	RM'000
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	412,728	61,803
Bank overdrafts (included within short-term borrowings)	(7,159)	(16,316)
	405,569	45,487
Deposits pledged to banks	(65,904)	(85)
	339,665	45,402

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

1. Basis of Preparation

This unaudited condensed consolidated interim financial statements (Condensed Report) of Yinson Holdings Berhad (the "Group" or "YHB") for the period ended 31 October 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 2014. 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 2014 except for the adoption of Amendments to Standards and Issue Committee (IC) Interpretations effective as of 1 January 2014.

- Amendments to MFRS10 *Consolidated Financial Statements: Investment Entities*
- Amendments to MFRS 12 *Disclosure of Interests in Other Entities: Investment Entities*
- Amendments to MFRS 127 *Separate Financial Statements: Investment Entities*
- Amendment to MFRS 132 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 136 *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets*
- Amendments to MFRS 139 *Financial Instruments: Recognition and Measurement*
- IC Interpretation 21 *Levies*

MFRSs and Amendments to MFRSs issued but not yet effective

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

- MFRS 9 *Financial Instruments (IFRS 9 Financial Instruments as issued by IASB in July 2014)*
- Amendments to MFRS 119 *Defined Benefits Plans: Employee Contributions* (Effective from 1 July 2014)
- Annual Improvements to MFRSs 2010 – 2012 Cycle (effective 1 July 2014)
- Annual Improvements to MFRSs 2011 – 2013 Cycle (effective 1 July 2014)
- Amendments to MFRS 116 and MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation* (effective 1 January 2016)
- Amendments to MFRS 11 *Accounting for Acquisitions of Interest in Joint Operations* (effective 1 January 2016)
- MFRS 14 : *Regulatory Deferral Accounts* (effective 1 January 2016)
- MFRS 15 : *Revenue from Contracts with Customers* (effective 1 January 2017)
- Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants* (effective 1 January 2016)
- Amendments to MFRS 127 *Equity Method in Separate Financial Statements* (effective 1 January 2016)
- Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between Investor and its Associate or Joint Venture* (effective 1 January 2016)
- Amendments to MFRSs contained in the document entitled "Annual Improvements to FRSS 2012 -2014 Cycle "(effective 1 January 2016)

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 9 Financial Instruments

MFRS 9 reflects the first phase of work on the replacement of MFRS 139 and applies to classification and measurement of financial assets and liabilities as defined in MFRS 139. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transitional Disclosures, issued in March 2012, moved the mandatory effective date to 1 January 2015. Subsequently, on 14 February 2014, it was announced that the new effective date will be decided when the project is closer to completion. The adoption of the first phase of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurements of the Group's financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

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

Except for the disposal of the entire equity interest in Nautipa AS, a wholly-owned indirect subsidiary of YHB and its joint venture, Tinworth Pte. Ltd., for a total consideration of USD57,096 million, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter ended 31 October 2014.

4. Changes in Accounting Estimate

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

5. Changes in the Composition of the Group

There were no changes in the composition of the Group during the quarter ended 31 October 2014 except for the incorporation of wholly-owned subsidiaries, OY Offshore Pte Ltd "**OOPL**", Yinson Heather Pte Ltd "**YH**" and Yinson Trillium Limited "**YT**" on 1 October 2014 and Yinson Mawar Sdn. Bhd. "**YM**" on 21 October 2014. The principal activities of the newly incorporated companies shall be vessel owner and operator for OOPL and YH, general trading for YT and provision of marine services for YM.

On 8 October 2014, Yinson Production AS (*formerly known as Fred. Olsen Production ASA*), a wholly-owned indirect subsidiary of YHB, has completed the disposal of its entire equity interest in Nautipa AS "**NAS**" and 50% equity interest in joint venture, Tinworth Pte. Ltd. Accordingly, NAS is no longer a subsidiary of YHB and Tinworth Pte. Ltd. is no longer a joint venture in the group.

6. Segmental Information

For Nine Months Ended 31 October 2014					
	Marine	Transport	Trading	Other	Consolidated
	RM'000	RM'000	RM'000	Operations	RM'000
				RM'000	
Revenue					
External Sales					
Gross revenue	317,597	74,526	467,236	15,323	874,682
Elimination	(24,116)	(657)	(5,593)	(14,514)	(44,880)
Net revenue	293,481	73,869	461,643	809	829,802
Results					
Segment results	86,737	2,666	17,805	31,453	138,661
Finance costs					(41,993)
Share of results of joint ventures					73,529
Share of results of associates					12
Income tax expense					(20,020)
Profit net of tax and before non-controlling interests					150,189
Non-controlling interests					(2,417)
Profit net of tax for the period					147,772

Segmental Information

For Nine Months 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 joint ventures					25,457
Share of results of associates					(1,636)
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 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 RM223.429 million as compared to the corresponding prior period ended 31 October 2013. The increase was mainly due to increase in contribution from new subsidiary, Yinson Production AS ("YPAS"), acquired in December 2013. The increase in revenue resulted in an increase in segment results for the period under review by RM67.196 million as compared to the corresponding prior period ended 31 October 2013.

Transport

Revenue from transport segment for the period under review has decreased by RM6.358 million or 7.9% as compared to the corresponding prior period ended 31 October 2013. 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 in segment result by RM2.468 million as compared to corresponding prior period ended 31 October 2013.

Trading

Revenue from trading segment for the period under review has decreased by RM79.696 million or 14.7% as compared to the corresponding prior period ended 31 October 2013. The decrease was mainly due to the decrease in demand. The decrease in revenue and increase in impairment on trade receivables of RM0.5 million was offset by improvement in profit margin and resulted in an improvement in segment result by RM3.561 million as compared to the corresponding prior period ended 31 October 2013.

Other Operations

The segment results in other operations increased to RM31.453 million as compared to RM2.987 million in corresponding prior period ended 31 October 2013. The increase was mainly attributable to the gain on disposal of subsidiary and joint venture of RM20.866 million, increase in foreign exchange gain to RM6.100 million as compared to RM1.402 million in corresponding prior period ended 31 October 2013 and increase in sundry income by RM2.902 million.

Results of Joint Ventures and Associates

The share of the results of joint ventures has increased to profit of RM73.529 million for the period ended 31 October 2014 as compared to RM25.457 million for the corresponding prior period ended 31 October 2013 was mainly due to contribution of RM28.868 million from a floating, production and storage and offloading facility ("FPSO") operation which come on-stream during the period and RM15.356 million from the joint venture of subsidiary acquired in December 2013.

The share of results of associates has recorded a profit of RM0.012 million for the period ended 31 October 2014 as compared to a loss of RM1.636 million for the corresponding prior period ended 31 October 2013 due to improvement in the results of an associate.

Consolidated profit before tax

For the current period under review, the Group's profit before tax has increased by RM122.184 million or 254% to RM170.209 million as compared to RM48.025 million for the corresponding prior period ended 31 October 2013. The increase was mainly attributable to the gain from disposal of subsidiary and joint venture, increase contribution from marine segment, favorable foreign exchange fluctuation, improved contribution from trading segment and increase in share of results of joint ventures.

7. Profit Before Tax

Included in the profit before tax are the following items:

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	31.10.2014 RM'000	31.10.2013 RM'000	31.10.2014 RM'000	31.10.2013 RM'000
Interest income	(1,529)	(965)	(3,583)	(2,987)
Other income including investment income	(282)	(2,828)	(6,594)	(3,084)
Gain on disposal of property, plant and equipment	-	(260)	-	(558)
Gain on disposal of subsidiary and joint venture	(20,866)	-	(20,866)	-
Bad debts recovered	(11)	(62)	(63)	(355)
Finance costs	12,328	6,212	41,993	16,876
Depreciation of property, plant and equipment	22,157	3,710	66,391	10,896
Amortisation of land use rights	24	24	72	72
Amortisation of intangible assets	1	2	3	6
Amortisation of unfavourable contracts	(6,298)	-	(19,618)	-
Impairment loss on receivable	1,709	4,075	4,951	4,225
Property, plant and equipment written off	66	86	188	147
Gain on foreign exchange - realised	(978)	(707)	(2,255)	(707)
(Gain)/Loss on foreign exchange - unrealised	(16,859)	(466)	(4,785)	1,108
Net fair value adjustment on marketable securities	1	-	2	-
Gain on disposal of held for trading investment securities	-	(1)	-	(1)
Net fair value adjustment on held for trading investment securities	-	-	-	(3)
Net (gain)/loss on fair value changes of derivatives/forward currency	-	(483)	-	7,865
Loss/(Gain) 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	
	31.10.2014	31.10.2013	31.10.2014	31.10.2013
	RM'000	RM'000	RM'000	RM'000
Current period income tax	5,484	1,593	21,041	6,402
Deferred tax:				
- Relating to origination and reversal of temporary difference	(295)	(971)	(1,021)	(1,796)
Total income tax expense	5,189	622	20,020	4,606

The effective tax rate of the Group is lower than the statutory tax rate in Malaysia due to certain income of subsidiaries 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 2015, 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 6 months ended	
	31.10.2014	31.10.2013	31.10.2014	31.10.2013
Profit net of tax attributable to owners of the parent used in the computation of EPS (RM'000)	86,792	15,506	147,772	41,162
Weighted average number of ordinary shares in issue ('000) #	950,475	688,075	950,475	688,075
Basic earnings per share (sen)	9.13	2.25	15.55	5.98

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

(b) Diluted

Diluted earnings per share is the same as basic earnings per share as there is no dilutive potential ordinary shares outstanding as at 31 October 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 RM105.142 million (31 October 2013: RM9.573 million).

There was no disposal of property, plant and equipment (“PPE”) by the Group during the current period ended 31 October 2014 while in corresponding prior period ended 31 October 2013 PPE with a carrying amount of RM3.765 million was disposed and a gain on disposal of RM0.558 million was 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 financial assets and marketable securities were measured using Level 1 method of hierarchy and interest rate swap were measured by using Level 2 method in the hierarchy in determining their fair value.

12. Debt and Equity Securities

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

13. Interest-bearing Loans and Borrowings

The Group’s total borrowings as at 31 October 2014 are as follows:

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short term borrowings	216,583	217,066	433,649
Long term borrowings	415,191	-	415,191
Total borrowings	631,774	217,066	848,840

Except for the borrowings of RM646.224 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 2014, the shareholders of the Company have approved the payment of Final Single-tier Dividend of 1.25 sen per share in respect of the financial year ended 31 January 2014. The dividend was paid on 12 September 2014.

15. Capital Commitments

As at 31 October 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 – RM122.322 million
- approved but not contracted for – RM6.975 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	
	31.10.2014	31.10.2013	31.10.2014	31.10.2013
	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	1,178	1,682	3,833	5,173
Transport income from Handal Indah Sdn Bhd	6	6	9	11
Transport income from Kargo Indera Sdn Bhd	-	-	-	112
Sales of goods to Handal Indah Sdn Bhd	-	20	8	220
Sales of goods to Triton Commuter Sdn Bhd	-	166	-	320
Purchases from Yinson Tyres Sdn Bhd	956	836	2,783	2,476
Interest expense from Liannex Corporation (S) Pte Ltd	-	8	-	23
Barge income from Liannex Corporation (S) Pte Ltd	1,025	935	2,834	2,785
Purchases of goods from Liannex Corporation (S) Sdn Bhd	36	32	48	103
<u>With joint ventures</u>				
Sales of goods to PTSC South East Asia Pte Ltd	-	755	-	755
Interest income from PTSC South East Asia Pte Ltd	488	250	1,085	250
Interest income from PTSC Asia Pacific Pte Ltd	29	551	29	2,465
<u>With associate</u>				
Ship management fee from Regulus Offshore Sdn Bhd	152	-	456	-
Management fee from Regulus Offshore Sdn Bhd	-	-	20	-
Purchases from Regulus Offshore Sdn Bhd	95	-	571	-
Rental income from Regulus Offshore Sdn Bhd	63	-	124	-

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

18. Event After The Reporting Date

There was no material event subsequent to the end of the current quarter.

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 2015 has increased by RM53.760 million to RM93.050 million as compared to the RM39.290 million for the preceding quarter. The increase was mainly attributable to gain on disposal of subsidiary and joint venture of RM20.866 million, increase in forex exchange gain by RM24.819 million and improvement in contribution from marine segment.

21. Commentary on Prospects

Going forward, global growth is expected to remain moderate. Growth in advanced economy is expected to remain uneven and there remains considerable downside risks to global growth. While risks to growth have increased, the Malaysian economy is expected to remain on a steady growth path.

Barring unforeseen circumstances, the Group expects operational results for the current financial year to improve due to contribution from newly acquired business and contribution from joint venture in FPSO operations which come on-stream during 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) Status of Utilisation of Proceeds from Rights Issue ("RI")

Purpose	Proposed Utilisation	Actual utilisation of RI as at 22December 2014	Initial timeframe for utilisation of RI proceeds from date of listing (i.e. 13 June 2014)	Balance of unutilised RI proceeds
	RM'000	RM'000		RM'000
Repayment of Lim Han Weng advances	92,000	(92,000)	Within 3 months	-
Warehousing facilities	30,000	(12,026)	Within 24 months	17,974
Repayment of bank borrowings	237,000	(219,846)	Within 6 months	17,154
Working capital	203,000	(168,753)	Within 24 months	34,247
Defray expenses in relation to the Corporate Exercise	6,000	(5,594)	Within 3 months	406
Total	568,000	(498,219)		69,781

b) Status of Utilisation of Proceeds from Disposal of Subsidiary and Joint Venture

Purpose	Proposed Utilisation	Actual utilisation as at 22 December 2014	Initial timeframe for utilisation of proceeds from date of Disposal (i.e. 8 October 2014)	Balance of unutilised proceeds
	RM000	RM000		RM000
Repayment of long term bank borrowings	126,400	(126,400)	Within 6 months	-
Working capital	60,480	(25,425)	Within 24 months	35,055
Defray expenses in relation to the Disposal	510	(450)	Within 3 months	60
Total	187,390	(152,275)		35,115

24. Material Litigation

As at 31 October 2014, there was no material litigation against the Group since the last audited financial statements.

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 2014 are as follow:-

Types of derivatives	Contract / Notional Amount	Fair Value Liabilities
	RM'000	RM'000
Interest rate swap	69,056	141

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 RM47.181 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 RM21.875 million that receives a fixed rate of 2.5% p.a. + COF and pays a fixed rate of 2.5% p.a. + COF + fixed rate of 1.04% p.a. less one month LIBOR rate.

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 October 2014, the net fair value loss on interest rate swap derivative measured at fair value through profit and loss is RM0.014 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 October 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 period ended 31.10.2014 RM'000	Previous financial year ended 31.1.2014 Restated RM'000
Total retained earnings of the Company and its subsidiaries:-		
- Realised	226,269	109,925
- Unrealised	2,853	57,776
	229,122	167,701
Total retained earnings from joint ventures- realised	108,924	35,396
Total accumulated losses from an associates - realised	(1,709)	(1,743)
Less Consolidation adjustments	(1,833)	(1,712)
Total Group retained earnings as per consolidated financial statements	334,504	199,642

28. Auditors' Report on Preceding Annual Financial Statements

The Auditors' Report on the financial statements for the year ended 31 January 2014 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 22 December 2014.