



# YINSON HOLDINGS BERHAD

Company No: 259147-A  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED INCOME STATEMENT

For the Six-Month Period Ended 31 July 2015

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	31.7.2015	31.7.2014	31.7.2015	31.7.2014
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	231,451	280,514	488,049	574,584
Cost of trading goods sold	(104,111)	(156,437)	(229,841)	(316,895)
Direct expenses	(85,850)	(85,915)	(168,825)	(187,435)
Gross profit	41,490	38,162	89,383	70,254
Other operating income	29,202	12,509	36,987	23,015
Administrative expenses	5,814	(18,894)	(37,175)	(36,972)
Profit from operations	76,506	31,777	89,195	56,297
Finance costs	(10,720)	(13,914)	(24,087)	(29,665)
Share of results of joint ventures	21,327	21,207	41,588	50,445
Share of results of associates	2,102	220	2,456	82
Profit before tax	89,215	39,290	109,152	77,159
Income tax expense	(11,313)	(7,976)	(20,512)	(14,831)
<b>Profit for the period</b>	<b>77,902</b>	<b>31,314</b>	<b>88,640</b>	<b>62,328</b>
<b>Profit attributable to:</b>				
Owners of the parent	78,378	30,684	88,823	60,980
Non-controlling interests	(476)	630	(183)	1,348
	77,902	31,314	88,640	62,328
<b>Earnings per share attributable to owners of the parent:</b>				
Basic (sen)	7.34	3.23	8.32	6.42
Diluted (sen)	7.34	3.23	8.32	6.42

*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 Six-Month Period Ended 31 July 2015**

	<b>Current quarter 3 months ended</b>		<b>Cumulative quarter 6 months ended</b>	
	<b>31.7.2015 unaudited RM'000</b>	<b>31.7.2014 unaudited RM'000</b>	<b>31.7.2015 unaudited RM'000</b>	<b>31.7.2014 unaudited RM'000</b>
Profit for the period	77,902	31,314	88,640	62,328
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
- Exchange differences on translation of foreign operations	78,210	(11,004)	69,658	(11,783)
- Net gain/(loss) on available-for-sale financial assets	(1,712)	408	(1,858)	512
	<b>154,400</b>	<b>20,718</b>	<b>156,440</b>	<b>51,057</b>
<b>Total comprehensive income for the period</b>				
<b>Total comprehensive income for the period attributable to:</b>				
Owners of the parent	154,876	20,088	156,623	49,709
Non-controlling interests	(476)	630	(183)	1,348
	<b>154,400</b>	<b>20,718</b>	<b>156,440</b>	<b>51,057</b>

*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 July 2015**

	<b>AS AT 31.7.2015 Unaudited RM'000</b>	<b>AS AT 31.1.2015 Audited RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,798,580	1,158,000
Investment properties	34,333	29,598
Intangible assets	17,202	9,456
Land use rights	4,276	4,324
Investment in joint ventures	420,489	356,676
Investment in associates	33,216	29,389
Available-for-sale financial assets	8,827	9,686
Deferred tax assets	6,114	6,114
	<b>2,323,037</b>	<b>1,603,243</b>
<b>Current assets</b>		
Inventories	30,552	27,595
Trade and other receivables	424,041	427,380
Other current assets	3,916	27,988
Favourable contracts	3,296	6,255
Tax recoverable	402	849
Marketable securities	10	10
Derivatives	7	30,518
Cash and bank balances	755,928	364,378
	<b>1,218,152</b>	<b>884,973</b>
<b>TOTAL ASSETS</b>	<b>3,541,189</b>	<b>2,488,216</b>

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 July 2015

	AS AT 31.7.2015 Unaudited RM'000	AS AT 31.1.2015 Audited RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Issued capital	546,399	516,399
Share premium	553,063	417,163
Foreign currency translation reserve	143,225	73,567
Available-for-sale reserve	(13,208)	(11,350)
Retained earnings	543,554	454,731
<b>Equity attributable to owners of the parent</b>	<b>1,773,033</b>	<b>1,450,510</b>
<b>Non-controlling interests</b>	<b>10,438</b>	<b>8,999</b>
<b>Total equity</b>	<b>1,783,471</b>	<b>1,459,509</b>
<b>Non-current liabilities</b>		
Loans and borrowings	882,348	474,593
Net employee defined benefit liabilities	3,407	3,233
Unfavourable contracts	50,470	56,596
Deferred tax liabilities	6,927	6,724
	<b>943,152</b>	<b>541,146</b>
<b>Current liabilities</b>		
Loans and borrowings	555,769	348,584
Trade and other payables	219,069	109,150
Unfavourable contracts	18,356	17,416
Derivatives	614	214
Tax payables	20,758	12,197
	<b>814,566</b>	<b>487,561</b>
<b>Total liabilities</b>	<b>1,757,718</b>	<b>1,028,707</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,541,189</b>	<b>2,488,216</b>
<b>Net assets per share attributable to owners of the parent (RM)</b>	<b>1.6225</b>	<b>1.4044</b>

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

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

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the Six-Month Period Ended 31 July 2015

	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	Share premium RM'000	Foreign currency translation reserve RM'000	Available-for-sale reserve RM'000	Retained earnings RM'000			
<b>At 1 February 2014</b>	258,200	112,941	20,822	(3,478)	146,642	535,127	5,919	541,046
Disposal of a subsidiary	-	-	-	-	-	-	(655)	(655)
Total comprehensive income for the period	-	-	(11,783)	512	60,980	49,709	1,348	51,057
Share issuance	258,199	309,840	-	-	-	568,039	-	568,039
Share issuance expenses	-	(5,618)	-	-	-	(5,618)	-	(5,618)
<b>At 31 July 2014</b>	<b>516,399</b>	<b>417,163</b>	<b>9,039</b>	<b>(2,966)</b>	<b>207,622</b>	<b>1,147,257</b>	<b>6,612</b>	<b>1,153,869</b>
<b>At 1 February 2015</b>	516,399	417,163	73,567	(11,350)	454,731	1,450,510	8,999	1,459,509
Acquisition of non-controlling interests	-	-	-	-	-	-	1,622	1,622
Total comprehensive income for the period	-	-	69,658	(1,858)	88,823	156,623	(183)	156,440
Share issuance	30,000	139,800	-	-	-	169,800	-	169,800
Share issuance expenses	-	(3,900)	-	-	-	(3,900)	-	(3,900)
<b>At 31 July 2015</b>	<b>546,399</b>	<b>553,063</b>	<b>143,225</b>	<b>(13,208)</b>	<b>543,554</b>	<b>1,773,033</b>	<b>10,438</b>	<b>1,783,471</b>

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 July 2015**

	6 months ended	
	31.7.2015	31.7.2014
	Unaudited	Unaudited
	RM'000	RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	109,152	77,159
Adjustments for:		
Amortisation and depreciation	51,468	44,284
Amortisation of favourable contracts	3,171	-
Amortisation of unfavourable contracts	(8,829)	(13,320)
Impairment loss on receivables	951	3,242
Unrealised (gain)/loss on foreign exchange	(22,240)	12,074
Finance costs	24,087	29,665
Gain on disposal of property, plant and equipment	(160)	-
Property, plant and equipment written off	9	122
Fair value adjustment on marketable securities	-	1
Realised loss on derivatives	8,153	-
Impairment of goodwill	1,622	-
Share of results of joint ventures	(41,588)	(50,445)
Share of results of associates	(2,456)	(82)
Interest income	(1,993)	(2,054)
Operating cash flows before working capital changes	121,347	100,646
Receivables	(5,193)	(36,689)
Other current assets	24,072	415
Inventories	(2,956)	(1,104)
Payables	100,931	(12,062)
Cash flows from operations	238,201	51,206
Interest received	1,993	2,054
Interest paid	(23,695)	(29,844)
Tax paid	(12,201)	(15,651)
<b>Net cash flows from operating activities</b>	<b>204,298</b>	<b>7,765</b>
<b>INVESTING ACTIVITIES</b>		
Proceed from dilution of subsidiary to associate	-	27
Proceeds from disposal of property, plant and equipment	160	-
Addition in investment property	(4,735)	-
Purchase of intangible assets	(7,123)	(5)
Purchase of property, plant and equipment	(120,740)	(5,295)
Investment in joint ventures	(1,472)	(1,607)
Short term investment	(6)	-
<b>Net cash flows used in investing activities</b>	<b>(133,916)</b>	<b>(6,880)</b>

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

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****For the Six-Month Period Ended 31 July 2015**

	6 months ended	
	31.7.2015	31.7.2014
	Unaudited	Unaudited
	RM'000	RM'000
<b>FINANCING ACTIVITIES</b>		
Repayment to directors	(350)	(85,077)
Increase in short-term borrowings	30,081	11,024
Repayment of term loans	(63,960)	(284,642)
Repayment of obligations under finance leases	(3,408)	(2,708)
Net cash outflow from dilution to associate	-	(391)
Proceeds from settlement of derivatives	22,365	-
Proceeds from shares issuance	169,800	568,039
Shares issuance expenses	(3,900)	(5,618)
Withdrawal of fixed deposit for investment purpose	8,550	-
Withdrawal of fixed deposit pledged as security	15,085	-
<b>Net cash flows from financing activities</b>	<b>174,263</b>	<b>200,627</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>244,645</b>	<b>201,512</b>
Effects of foreign exchange rate changes	64,634	2,570
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING</b>		
<b>OF THE PERIOD</b>	<b>274,595</b>	<b>184,984</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>583,874</b>	<b>389,066</b>
	<b>As at</b>	<b>As at</b>
	<b>31.7.2015</b>	<b>31.7.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	755,928	461,230
Bank overdrafts (included within short-term borrowings)	(10,306)	(8,141)
	745,622	453,089
Short term investment	(318)	-
Deposits pledged to banks	(161,430)	(64,023)
	<b>583,874</b>	<b>389,066</b>

*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 July 2015 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 2015. 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 2015 except for the adoption of Amendments to Standards and Issue Committee (IC) Interpretations effective as of 1 January 2015.

- Amendments to MFRS 119 *Defined Benefits Plans: Employee Contributions*
- Annual Improvements to MFRSs 2010 – 2012 Cycle
- Annual Improvements to MFRSs 2011 – 2013 Cycle

**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.

- a) Effective for financial periods beginning on or after 1 January 2016
  - Amendments to MFRS 116 and MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*
  - Amendments to MFRS 11 *Accounting for Acquisitions of Interest in Joint Operations*
  - Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*
  - Amendments to MFRS 127 *Equity Method in Separate Financial Statements*
  - Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between Investor and its Associate or Joint Venture*
  - Amendments to MFRSs contained in the document entitled "Annual Improvements to FRSS 2012 -2014 Cycle"
  - Amendments to MFRS 101 *Disclosure Initiative*
  - MFRS 14 : *Regulatory Deferral Accounts*
  - Amendments to MFRS 10, MFRS 12 and MFRS 128 *Investment Entities: Applying the Consolidation Exception*
- b) Effective for financial periods beginning on or after 1 January 2017
  - MFRS 15 : *Revenue from Contracts with Customers*
- c) Effective for financial periods beginning on or after 1 January 2018
  - MFRS 9 *Financial Instruments (IFRS 9 Financial Instruments as issued by IASB in July 2014)*

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the year of initial application except as discussed below, for which the effects are still being assessed.



## MFRS 9 Financial Instruments

In November 2014, MASB issued the final version of MFRS 9, replacing MFRS 139. This standard will come into effect on or after 1 January 2018 with early adoption permitted. The adoption 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 the classification and measurements of the Group's financial liabilities. MFRS9 also requires impairment assessments to be on an expected loss model, replacing MFRS 139 incurred loss model. In addition, MFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity.

### **2. Seasonal or Cyclical Factors**

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

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

Except for the issuance of the 60,000,000 ordinary shares of RM0.50 each under private placement at a value of RM2.83 for each share and for total consideration of RM169.800 million, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter ended 31 July 2015.

### **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 July 2015 except for:

i) Yinson Acacia Ltd, a wholly-owned subsidiary within the Group incorporated a wholly-owned subsidiary, namely Yinson Heather Ltd ("YHL"), a company incorporated in the Republic of the Marshall Islands on 21 May 2015. The principal activity of YHL is investment holding.

ii) Yinson Nereus Ltd, a wholly-owned subsidiary within the Group incorporated a wholly-owned subsidiary, namely Yinson Dynamic Ltd ("YDL"), a company incorporated in the Republic of the Marshall Islands on 5 June 2015. The principal activity of YDL is investment holding.

iii) YHB incorporated a wholly-owned subsidiary, namely Yinson Dadang Limited, a company incorporated in Federal Territory of Labuan, Malaysia on 31 July 2015. Yinson Dadang Limited was subsequently changed name to Yinson Overseas Limited ("YOL") on 20 August 2015. The principal activity of YOL is investment holding.

iv) On 17 July 2015, YHB acquired the remaining 35% interest in Yinson Power Marine Sdn Bhd ("YPM") from the non-controlling interest for a consideration of RM1 to become a wholly owned subsidiary.

## 6. Segmental Information

For the Six-Month Period Ended 31 July 2015					
	Marine	Transport	Trading	Other	Consolidated
	RM'000	RM'000	RM'000	Operations	RM'000
				RM'000	
<b>Revenue</b>					
External Sales					
Gross revenue	214,304	42,307	244,336	35,673	536,620
Elimination	(15,885)	(249)	(97)	(32,340)	(48,571)
Net revenue	198,419	42,058	244,239	3,333	488,049
<b>Results</b>					
Segment results	53,642	857	12,238	22,458	89,195
Finance costs					(24,087)
Share of results of associates					2,456
Share of results of joint ventures					41,588
Income tax expense					(20,512)
Profit net of tax and before non-controlling interests					88,640
Non-controlling interests					183
Profit net of tax for the period					88,823

## Segmental Information

For the Six-Month Period Ended 31 July 2014					
	Marine	Transport	Trading	Other	Consolidated
	RM'000	RM'000	RM'000	Operations	RM'000
				RM'000	
<b>Revenue</b>					
External Sales					
Gross revenue	205,480	50,712	338,414	10,543	605,149
Elimination	(15,784)	(541)	(4,238)	(10,002)	(30,565)
Net revenue	189,696	50,171	334,176	541	574,584
<b>Results</b>					
Segment results	47,183	1,023	12,127	(4,036)	56,297
Finance costs					(29,665)
Share of results of an associate					82
Share of results of joint ventures					50,445
Income tax expense					(14,831)
Profit net of tax and before non-controlling interests					62,328
Non-controlling interests					(1,348)
Profit net of tax for the period					60,980

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 RM8.723 million as compared to the corresponding prior period ended 31 July 2014. The increase arose mainly from conversion of USD revenue due to appreciation of USD against RM. The segment results increased by RM6.459 million due to reduction in operating cost arising from more efficient cost control measures and offset by decrease in net amortisation of favourable and unfavorable contracts of RM7.662 million due to full amortisation of an unfavorable contract in Quarter 3 of the last financial year.

### **Transport**

Revenue from transport segment for the period under review has decreased by RM8.113 million or 16.2% as compared to the corresponding prior period ended 31 July 2014. The decrease was mainly due to the decrease in demand for the Group's transportation services due to the effect of festive season in the period under review.

The decrease in revenue and unfavorable exchange loss resulted in a drop in segment result by RM0.166 million as compared to corresponding prior period ended 31 July 2014.

### **Trading**

Revenue from trading segment for the period under review has decreased by RM89.937 million or 26.9% as compared to the corresponding prior period ended 31 July 2014 mainly due to the decrease in demand. However, the segment result improved by RM0.111 million as compared to the corresponding prior period ended 31 July 2014 mainly due to decrease in impairment on trade receivables by RM3 million.

### **Other Operations**

The segment profit of other operations recorded a profit of RM22.458 million as compared to loss of RM4.036 million in corresponding prior period ended 31 July 2014. The improvement in the result was mainly attributable to the favourable net foreign exchange difference by about RM33 million but offset by realised loss on derivatives of RM8.153 million for the period ended 31 July 2015.

### **Results of Joint Ventures and Associates**

The share of the results of joint ventures has decreased to profit of RM41.588 million for the period ended 31 July 2015 as compared to RM50.445 million for the corresponding prior period ended 31 July 2014 due to the disposal of a joint venture in Quarter 3 of the previous financial year.

The share of results of associates has increased to profit of RM2.456 million for the period ended 31 July 2015 as compared to profit of RM0.082 million for the corresponding prior period ended 31 July 2014 due to improvement in the results of associates.

## **Consolidated profit before tax**

For the current period under review, the Group's profit before tax has increased by RM31.993 million or 41.5% to RM109.152 million as compared to RM77.159 million for the corresponding prior period ended 31 July 2014. The increase was mainly attributable to attributable to the favourable net foreign exchange difference by RM44.023 million in comparison to the corresponding prior period ended 31 July 2014 but offset by realised loss on derivatives of RM8.153 million and decrease in share of result of joint ventures due to the disposal of a joint venture in Quarter 3 of the previous financial year.

### **7. Profit Before Tax**

Included in the profit before tax are the following items:

	<b>Current quarter 3 months ended</b>		<b>Cumulative quarter 6 months ended</b>	
	<b>31.7.2015 RM'000</b>	<b>31.7.2014 RM'000</b>	<b>31.7.2015 RM'000</b>	<b>31.7.2014 RM'000</b>
Interest income	(799)	(1,611)	(1,933)	(2,054)
Other income including investment income	(1,043)	(3,694)	(1,533)	(6,312)
Gain on disposal of property, plant and equipment	(160)	-	(160)	-
Bad debts recovered	(73)	(42)	(73)	(52)
Finance costs	10,720	13,914	24,087	29,665
Depreciation of property, plant and equipment	26,192	22,033	51,415	44,234
Amortisation of land use rights	24	24	48	48
Amortisation of intangible assets	3	1	5	2
Amortisation of favourable contracts	1,603	-	3,171	-
Amortisation of unfavourable contracts	(4,462)	(6,587)	(8,829)	(13,320)
Impairment loss on receivables	801	1,666	951	3,242
Property, plant and equipment written off	-	122	9	122
(Gain)/loss on foreign exchange - realised	(4,825)	310	(10,986)	(1,277)
(Gain)/Loss on foreign exchange - unrealised	(39,041)	6,671	(22,240)	12,074
Net fair value adjustment on marketable securities	-	1	-	1
Fair value gain on derivatives	(10,221)	-	-	-
Realised loss on derivatives	5,307	-	8,153	-
Impairment of goodwill	1,622	-	1,622	-

## 8. Income Tax Expense

The income tax expense figures consist of:

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	31.7.2015	31.7.2014	31.7.2015	31.7.2014
	RM'000	RM'000	RM'000	RM'000
Current period income tax	11,285	8,316	20,549	15,557
Deferred tax:				
- Relating to origination and reversal of temporary difference	28	(340)	(37)	(726)
<b>Total income tax expense</b>	<b>11,313</b>	<b>7,976</b>	<b>20,512</b>	<b>14,831</b>

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 2016, 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	
	31.7.2015	31.7.2014	31.7.2015	31.7.2014
Profit net of tax attributable to owners of the parent used in the computation of EPS (RM'000)	78,378	30,684	88,823	60,980
Weighted average number of ordinary shares in issue ('000)	1,067,154	950,475	1,067,154	950,475
Basic earnings per share (sen)	7.34	3.23	8.32	6.42

### (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 July 2015.

## 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 RM637.916 million (31 July 2014: RM10.833 million).

The Group disposed PPE with a carrying amount of RM 1 and a gain on disposal of RM 0.160 million was recognized and included in other operating income. There was no disposal in the corresponding period ended 31 July 2014.

## 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

Except for the issuance of the 60,000,000 ordinary shares of RM0.50 each under private placement at a value of RM2.83 for each share and for total consideration of RM169.800 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

The Group's total borrowings as at 31 July 2015 are as follows:

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short term borrowings	306,820	248,949	555,769
Long term borrowings	882,348	-	882,348
<b>Total borrowings</b>	<b>1,189,168</b>	<b>248,949</b>	<b>1,438,117</b>

Except for the borrowings of RM629.267 million denominated in United States Dollar, all other borrowings are denominated in Ringgit Malaysia.

## 14. Dividend Paid

No interim dividend has been declared or paid for the current quarter ended 31 July 2015 (31 July 2014: Nil).

## 15. Capital Commitments

As at 31 July 2015, the capital commitment for property, plant and equipment not provided for in the interim condensed financial statements is as follows:

- approved and contracted for – RM1,123 million
- approved but not contracted for – RM10 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 6 months ended	
	31.7.2015	31.7.2014	31.7.2015	31.7.2014
	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	30	30
Transport income from Liannex Corporation (S) Pte Ltd	607	992	1,006	2,655
Transport income from Handal Indah Sdn Bhd	1	3	1	3
Transport income from Handal Ceria Sdn Bhd	9	-	9	-
Transport income from Waja Securities Sdn Bhd	3	-	3	-
Sales of goods to Handal Indah Sdn Bhd	-	-	-	8
Purchases from Yinson Tyres Sdn Bhd	838	970	1,662	1,827
Barge income from Liannex Corporation (S) Pte Ltd	49	856	690	1,809
Barge income from Kargo Indera Sdn Bhd	300	-	300	-
Purchases of goods from Liannex Corporation (S) Sdn Bhd	-	9	-	12
<u>With joint ventures</u>				
Interest income from PTSC South East Asia Pte Ltd	419	240	813	597
Interest income from PTSC Asia Pacific Pte Ltd	27	-	52	-
<u>With associates</u>				
Ship management fee charges from Regulus Offshore Sdn Bhd	217	152	416	304
Administrative charges from Regulus Offshore Sdn Bhd	-	8	-	20
Management fee charges from Yinson Energy Sdn Bhd	1,289	-	1,289	-
Purchases from Regulus Offshore Sdn Bhd	480	474	594	476
Rental income from Regulus Offshore Sdn Bhd	63	31	124	61
Management fee income from Regulus Offshore Sdn Bhd	10	-	20	-
Management fee income from Yinson Energy Sdn Bhd	19	-	38	-

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 except for:

### (i) Joint Venture between Yinson Heather Ltd ("YHL") and Four Vanguard Sevicos E Navegacao LDA ("FVSN")

YHL, an indirect wholly-owned subsidiary of YHB, had on 30 July 2015 entered into a Joint Venture Deed ("JVD") with FVSN, an indirect wholly-owned subsidiary of Premuda S.p.a. to establish a joint venture company ("JVC") for the purpose of acquiring a vessel owned by FVSN ("Four Rainbow"). Four Rainbow will then be used in bidding for FPSO projects to be leased to potential charterers.

The JVD is conditional on the satisfaction or waiver of the Conditions Precedent as stipulated in the JVD. On 28 September 2015, YHL and FVSN had agreed that all Conditions Precedent of the JVD had been fulfilled and/or waived.

### (ii) Issuance of Perpetual Securities

Yinson TMC Sdn. Bhd. ("YTMC"), a wholly-owned subsidiary of YHB, had on 17 September 2015 made a lodgement to the Securities Commission Malaysia ("SC") for the proposed issuance of Regulation S guaranteed senior perpetual capital securities ("Perpetual Securities") pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC. The proposed issuance size of the Perpetual Securities is USD100 million (or equivalent to RM425 million based on the exchange rate of USD1.00:MYR4.25, being Bank Negara Malaysia's middle rate as at 5.00pm on 17 September 2015).

The Perpetual Securities are unconditionally and irrevocably guaranteed by YHB and shall constitute direct, unsecured, unconditional and unsubordinated obligations of YTMC and rank at least pari passu with all other present and future unconditional, unsubordinated and unsecured obligations of YTMC at all times, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. The Perpetual Securities are unrated and will not be listed on Bursa Malaysia Securities Berhad or on any other stock exchange and will carry an initial periodic distribution rate of 7% per annum. The Perpetual Securities have no fixed maturity date but are callable 5 years from date of issuance at their principal amount. The Perpetual Securities may also be redeemed upon the occurrence of certain events as more particularly detailed in the terms and conditions of the Perpetual Securities.

The proceeds arising from the Perpetual Securities will be utilised for the repayment of existing borrowings, capital expenditure, capital investments and other general corporate purposes of YHB and/or its subsidiaries. On 25 September 2015, YTMC had issued USD100 million Perpetual Securities by way of private placement.

### (iii) Incorporation of new subsidiary

Yinson Heather Ltd, an indirect wholly-owned subsidiary of YHB had incorporated a wholly-owned subsidiary, namely Anteros Rainbow Offshore Limited ("ARO"), a company incorporated in Singapore on 22 September 2015. The principal activity of ARO is owning and chartering of vessel.



**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 2nd quarter of FY 2016 has increased by RM69.278 million to RM89.215 million as compared to the RM19.937 million for preceding quarter (1st quarter of FY 2016). The increase was mainly attributable to foreign exchange gain of RM54.506 million from favorable currency fluctuation and net gain from derivatives of RM17.981 million.

**21. Commentary on Prospects**

Going forward, the global economy is projected to remain on a moderate growth path, with diverging growth momentum across major economies. Global growth has become more vulnerable to increased downside risks. The movement in the oil price, the stability of the local currency and any policy adjustments in the advanced and emerging economies will have impact to the Group to certain extent in today's macroeconomic environment. Amid this challenging global economic environment, the Group shall strive to sustain satisfactory results for the financial year ending 31 January 2016.

**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 proposal announced but not completed as at the date of issue of the quarterly report:-

(i) Proposed Employees' Share Scheme

On 17 March 2015, the Company proposed to establish and implement an employees' share scheme up to ten percent (10%) of the total issued and paid-up share capital of the Company (excluding treasury shares) at any point in time during the duration of the scheme for the eligible Directors (including non-executive directors) and employees of the Company and its subsidiaries ("Proposed ESS").

Bursa Malaysia Securities Berhad has vide its letter dated 25 May 2015, approved the listing of such number of additional new ordinary shares of RM0.50 each in YHB representing up to ten percent (10%) of the issued and paid-up ordinary share capital (excluding treasury shares) of YHB to be issued pursuant to the Proposed ESS which is subject to conditions set by Bursa Securities as stated in the announcement dated 26 May 2015. On 23 July 2015, the proposed ESS was approved by the shareholders of YHB in the Extraordinary General Meeting.

(ii) Proposed Private Placement

On 25 June 2015, YHB proposed to undertake a Proposed Private Placement of new ordinary shares of RM0.50 each in the Company ("Placement Shares") of up to 103,279,844 Placement Shares, representing up to ten percent (10%) of the issued and paid-up share capital of YHB to third party investors. It shall be undertaken in accordance with the general mandate approved by shareholders on 31 July 2014 and 23 July 2015. Bursa had on 30 June 2015, approved the listing of and quotation of the Proposed Private Placement subject to conditions set by Bursa.

On 7 July 2015, 60,000,000 ordinary shares of RM0.50 each were issued under private placement at a value of RM2.83 for each share for a total consideration of RM169.800 million. As at 28 September 2015, there are 43,279,844 Placement Shares remained unissued.

(iii) Offer from Liannex Labuan Limited

On 29 June 2015, the Company had received a letter of offer from Liannex Labuan Limited ("Liannex Labuan") to acquire from YHB the following companies as well as the repayment of inter-company loans owing to YHB by the said subsidiaries at an offer price of RM228.0 million ("Offer Letter"):-

- i) Yinson Corporation Sdn Bhd;
- ii) Yinson Transport Sdn Bhd;
- iii) Yinson Shipping Sdn Bhd;
- iv) Yinson Power Marine Sdn Bhd;
- v) Yinson Port Ventures Pte Ltd; and
- vi) Yinson Vietnam Company Limited.

(collectively "Target Subsidiaries"). The Target Subsidiaries represent the non-oil and gas business of YHB. The Board of YHB had on even date, acknowledged the receipt of the Offer Letter and commenced negotiations on the terms of the transaction.

YHB had on 28 September 2015 entered into a conditional share sale agreement ("SSA") to divest its entire equity interest in the Target Subsidiaries to Liannex Labuan for a total cash consideration of RM168.0 million, subject to adjustments in accordance with the SSA. In addition, Liannex Labuan shall settle all inter-company loans owing to YHB by the Target Subsidiaries as at Completion Date.

(b) Status of Utilisation of Proceeds

i) Status of Utilisation of Proceeds from Private Placement

Purpose	* Proposed Utilisation	Actual utilisation as at 28 Sept 2015	Initial timeframe for utilisation of proceeds from date of Private Placement (i.e. 8 July 2015)	Balance of unutilised proceeds
Repayment of bank borrowings	RM'000 165,555	RM'000 (165,555)	Within 12 months	RM'000 -
Defray expenses in relation to the PS *	4,245	(4,245)	Within 12 months	-
<b>Total</b>	<b>169,800</b>	<b>(169,800)</b>		-

\* Proposed Utilisation were disclosed based on the 60,000,000 Placement Shares issued at RM2.83 per Placement Share. Remaining RM112,000 of funds initially intended for defray expenses but not utilised has been channelled towards working capital purposes.

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

Purpose	Proposed Utilisation	Actual utilisation as at 28 Sept 2015	Initial timeframe for utilisation of proceeds from date of Disposal (i.e. 8 October 2014)	Balance of unutilised proceeds
	RM'000	RM'000		RM'000
Repayment of long term bank borrowings	126,400	(126,400)	Within 6 months	-
Working capital	60,480	(60,480)	Within 24 months	-
Defray expenses in relation to the Disposal <sup>+</sup>	510	(510)	Within 3 months	-
<b>Total</b>	<b>187,390</b>	<b>(187,390)</b>		-

<sup>+</sup> Remaining RM60,000 of funds initially intended for defray expenses but not utilised has been channelled towards working capital purposes.

**24. Material Litigation**

As at 31 July 2015, 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**

Details of derivative financial instruments outstanding as at 31 July 2015 are as follows:-

Types of derivatives	Contract / Notional Amount	Fair Value Assets/(Liabilities)
	RM'000	RM'000
<u>Interest rate swaps</u>		
1 to 3 years	45,015	7
1 to 3 years	21,616	(95)
More than 3 years	382,410	(519)

The fair values of the above derivatives were based on quotes obtained from the respective counterparty banks.

**Interest rate swaps**

The Group 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 RM45.015 million that receives floating interest at US\$ LIBOR + 2.75% p.a. and pays fixed interest at 3.40% p.a.;
- ii. contract amounting to RM21.616 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; and

- iii. contract amounting to RM382.410 million that receives floating interest at 3 months US\$ LIBOR p.a. and pays fixed interest at 1.58% p.a.

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. As at 31 July 2015, the net fair value loss on interest rate swap derivative measured at fair value through profit and loss is RM0.393 million.

## 27. Realised and Unrealised Retained Earnings

The breakdown of the retained earnings of the Group as at 31 July 2015 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.

	<b>Current financial period ended</b>	<b>Previous financial year ended</b>
	<b>31.7.2015</b>	<b>31.1.2015</b>
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries:-		
- Realised	389,002	262,416
- Unrealised	24,370	87,634
	413,372	350,050
Total retained earnings from joint ventures- realised	151,369	109,781
Total accumulated profits/(losses) from associates - realised	1,203	(1,269)
Less Consolidation adjustments	(22,390)	(3,831)
Total Group retained earnings as per consolidated financial statements	543,554	454,731

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

The Auditors' Report on the financial statements for the year ended 31 January 2015 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 28 September 2015.