



# YINSON HOLDINGS BERHAD

Company No: 259147-A  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED INCOME STATEMENT For The Quarter And Nine Months Period Ended 31 October 2015

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	31.10.2015	31.10.2014	31.10.2015	31.10.2014
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
<b>Continuing operations</b>				
Revenue	110,720	102,764	308,210	290,408
Direct expenses	(85,407)	(61,003)	(214,303)	(202,110)
Gross profit	25,313	41,761	93,907	88,298
Other operating income	78,959	35,612	120,608	58,438
Administrative expenses	(23,359)	(2,384)	(58,070)	(28,145)
Profit from operations	80,913	74,989	156,445	118,591
Finance costs	(11,980)	(9,617)	(29,758)	(32,821)
Share of results of joint ventures	25,028	23,084	66,616	73,529
Share of results of associates	203	(141)	1,327	13
Profit before tax from continuing operations	94,164	88,315	194,630	159,312
Income tax expense	(9,239)	(4,045)	(27,583)	(16,540)
Profit after tax from continuing operations	84,925	84,270	167,047	142,772
<b>Discontinued operations</b>				
(Loss)/Profit from discontinued operations, net of tax	(4,955)	3,591	1,563	7,417
<b>Profit for the period</b>	<b>79,970</b>	<b>87,861</b>	<b>168,610</b>	<b>150,189</b>
<b>Profit attributable to:</b>				
Owners of the parent	85,742	86,792	174,565	147,772
Non-controlling interests	(5,772)	1,069	(5,955)	2,417
	79,970	87,861	168,610	150,189
<b>Earnings per share attributable to owners of the parent:</b>				
Basic (sen)	8.03	9.13	16.36	15.55
Diluted (sen)	8.03	9.13	16.36	15.55
<b>Earnings per share from continuing operations attributable to owners of the parent:</b>				
Basic (sen)	8.66	8.75	16.37	14.75
Diluted (sen)	8.66	8.75	16.37	14.75
<b>(Loss)/Earnings per share from discontinued operations attributable to owners of the parent:</b>				
Basic (sen)	(0.63)	0.38	(0.01)	0.80
Diluted (sen)	(0.63)	0.38	(0.01)	0.80

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 Quarter And Nine Months Period Ended 31 October 2015

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	31.10.2015 unaudited RM'000	31.10.2014 unaudited RM'000	31.10.2015 unaudited RM'000	31.10.2014 unaudited RM'000
Profit for the period	79,970	87,861	168,610	150,189
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
- Exchange differences on translation of foreign operations	154,015	12,947	223,673	1,164
- Cash flows hedge reserve	(100,865)	-	(100,865)	-
- Net gain/(loss) on available-for-sale financial assets	(3,962)	(453)	(5,820)	59
- Reclassification of cumulative loss of AFS reserve recognised as impairment loss to profit & loss	17,170	-	17,170	-
	<b>146,328</b>	<b>100,355</b>	<b>302,768</b>	<b>151,412</b>
<b>Total comprehensive income for the period</b>				
<b>Total comprehensive income for the period attributable to:</b>				
Owners of the parent	152,100	99,286	308,723	148,995
Non-controlling interests	(5,772)	1,069	(5,955)	2,417
	<b>146,328</b>	<b>100,355</b>	<b>302,768</b>	<b>151,412</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 October 2015

	AS AT 31.10.2015 Unaudited RM'000	AS AT 31.1.2015 Audited RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,420,155	1,158,000
Investment properties	-	29,598
Intangible assets	22,133	9,456
Land use rights	-	4,324
Investment in joint ventures	593,966	356,676
Investment in associates	2,001	29,389
Available-for-sale financial assets	3,408	9,686
Deferred tax assets	-	6,114
	<b>3,041,663</b>	<b>1,603,243</b>
<b>Current assets</b>		
Inventories	4,124	27,595
Trade and other receivables	173,103	427,380
Other current assets	2,792	27,988
Favourable contracts	1,851	6,255
Tax recoverable	617	849
Marketable securities	-	10
Derivatives	-	30,518
Cash and bank balances	559,037	364,378
Assets of disposal group classified as held for sale	450,057	-
	<b>1,191,581</b>	<b>884,973</b>
<b>TOTAL ASSETS</b>	<b>4,233,244</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 October 2015

	AS AT 31.10.2015 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
Perpetual securities	437,460	-
Reserves of disposal group classified as held for sale	8,065	-
Foreign currency translation reserve	289,175	73,567
Cash Flows Hedge reserve	(100,865)	-
Available-for-sale reserve	-	(11,350)
Retained earnings	609,853	454,731
<b>Equity attributable to owners of the parent</b>	<b>2,343,150</b>	<b>1,450,510</b>
<b>Non-controlling interests</b>	<b>4,666</b>	<b>8,999</b>
<b>Total equity</b>	<b>2,347,816</b>	<b>1,459,509</b>
<b>Non-current liabilities</b>		
Loans and borrowings	781,982	474,593
Net employee defined benefit liabilities	3,827	3,233
Unfavourable contracts	51,538	56,596
Deferred tax liabilities	5,297	6,724
	<b>842,644</b>	<b>541,146</b>
<b>Current liabilities</b>		
Loans and borrowings	446,628	348,584
Trade and other payables	223,704	109,150
Unfavourable contracts	20,618	17,416
Derivatives	105,535	214
Tax payables	27,604	12,197
Liabilities of disposal group classified as held for sale	218,695	-
	<b>1,042,784</b>	<b>487,561</b>
<b>Total liabilities</b>	<b>1,885,428</b>	<b>1,028,707</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,233,244</b>	<b>2,488,216</b>
<b>Net assets per share attributable to owners of the parent (RM)</b>	<b>2.1442</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 Nine Months Period Ended 31 October 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
	Non-distributable					Distributable							
	Issued capital RM'000	Share premium RM'000	Perpetual securities RM'000	Foreign currency translation reserve RM'000	Cash Flows Hedge reserve RM'000	Reserves of disposal group classified as held for sale RM'000	Available-for-sale reserve RM'000	Retained earnings RM'000	Total equity attributable to owners of the parent RM'000				
<b>At 31 January 2014 (As Previously Stated)</b>	258,200	112,941	-	20,822	-	-	(3,478)	146,642	535,127	-	5,919	541,046	
Effect of purchase price allocation adjustment	-	-	-	-	-	-	-	53,000	53,000	-	-	53,000	
<b>At 31 January 2014 (Restated) / 1 February 2014</b>	258,200	112,941	-	20,822	-	-	(3,478)	199,642	588,127	-	5,919	594,046	
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	(655)	(655)	
Total comprehensive income for the period	-	-	-	1,164	-	-	59	147,772	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)	-	-	(12,910)	
<b>At 31 October 2014</b>	<b>516,399</b>	<b>417,163</b>	<b>-</b>	<b>21,986</b>	<b>-</b>	<b>-</b>	<b>(3,419)</b>	<b>334,504</b>	<b>1,286,633</b>	<b>-</b>	<b>7,681</b>	<b>1,294,314</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	-	-	-	223,673	(100,865)	-	11,350	174,565	308,723	-	(5,955)	302,768	
Perpetual securities issuance	-	-	437,460	-	-	-	-	-	437,460	-	-	437,460	
Accrued perpetual securities distributions	-	-	-	-	-	-	-	(3,051)	(3,051)	-	-	(3,051)	
Reserves attributable to disposal group classified as held for sale	-	-	-	(8,065)	-	8,065	-	-	-	-	-	-	
Share issuance	30,000	139,800	-	-	-	-	-	-	169,800	-	-	169,800	
Share issuance expenses	-	(3,900)	-	-	-	-	-	-	(3,900)	-	-	(3,900)	
Dividends in respect of the previous year	-	-	-	-	-	-	-	(16,392)	(16,392)	-	-	(16,392)	
<b>At 31 October 2015</b>	<b>546,399</b>	<b>553,063</b>	<b>437,460</b>	<b>285,175</b>	<b>(100,865)</b>	<b>8,065</b>	<b>-</b>	<b>609,853</b>	<b>2,343,150</b>	<b>-</b>	<b>4,666</b>	<b>2,347,816</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 Nine Months Period Ended 31 October 2015

	9 months ended	
	31.10.2015	31.10.2014
	Unaudited	Unaudited
	RM'000	RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations	194,630	159,312
Profit before tax from discontinued operations	1,299	10,897
Profit before tax, total	195,929	170,209
Adjustments for:		
Amortisation and depreciation	81,187	66,466
Amortisation of favourable contracts	4,983	-
Amortisation of unfavourable contracts	(13,875)	(19,618)
Impairment loss on receivables	7,436	4,951
Unrealised gain on foreign exchange	(103,885)	(4,785)
Finance costs	40,050	41,993
Gain on disposal of subsidiary and joint venture	-	(20,866)
Loss on disposal of property, plant and equipment	639	-
Property, plant and equipment written off	9	188
Fair value adjustment on marketable securities	-	2
Realised loss on derivatives	8,153	-
Write-down of inventories	8,000	-
Impairment of property, plant and equipment	18,983	-
Impairment of available-for-sale financial assets	17,170	-
Impairment of goodwill	1,622	-
Share of results of joint ventures	(66,616)	(73,529)
Share of results of associates	(3,430)	(12)
Interest income	(3,096)	(3,583)
Operating cash flows before working capital changes	193,259	161,416
Receivables	(56,249)	(29,977)
Other current assets	24,099	(30,637)
Inventories	1,667	(1,778)
Payables	116,643	(23,822)
Cash flows from operations	279,419	75,202
Interest received	3,096	3,583
Interest paid	(35,595)	(41,979)
Tax paid	(17,278)	(19,955)
<b>Net cash flows from operating activities</b>	<b>229,642</b>	<b>16,851</b>
<b>INVESTING ACTIVITIES</b>		
Net proceed from disposal of subsidiary and joint venture	-	189,655
Proceeds from disposal of property, plant and equipment	374	-
Addition in investment property	(6,592)	-
Purchase of intangible assets	(10,758)	(9)
Purchase of property, plant and equipment	(406,413)	(98,091)
Investment in joint ventures	(97,932)	(1,607)
Short term investment	(77,358)	-
<b>Net cash flows (used in)/from investing activities</b>	<b>(598,679)</b>	<b>89,948</b>

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the Nine Months Period Ended 31 October 2015

	9 months ended	
	31.10.2015 Unaudited RM'000	31.10.2014 Unaudited RM'000
<b>FINANCING ACTIVITIES</b>		
Advances from/(Repayment to) directors	282	(85,339)
Dividends paid	(16,392)	(12,910)
Increase in short-term borrowings	43,081	24,850
Repayment of term loans	(453,302)	(442,281)
Repayment of obligations under finance leases	(5,131)	(4,182)
Net cash outflow from dilution to associate	-	(391)
Proceeds from settlement of derivatives	22,364	-
Proceeds from perpetual securities issuance	437,460	-
Proceeds from shares issuance	169,800	568,039
Shares issuance expenses	(3,900)	(5,618)
Withdrawal of fixed deposit for investment purpose	8,550	-
Addition of fixed deposit pledged as security	(56,825)	(29)
<b>Net cash flows from financing activities</b>	<b>145,987</b>	<b>42,139</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(223,050)</b>	<b>148,938</b>
Effects of foreign exchange rate changes	215,538	5,743
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>274,595</b>	<b>184,984</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>267,083</b>	<b>339,665</b>
	<b>As at</b>	<b>As at</b>
	<b>31.10.2015</b>	<b>31.10.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances		
- Continuing operations	559,037	412,728
- Discontinued operations	18,127	-
Bank overdrafts (included within short-term borrowings)	(11,396)	(7,159)
	<b>565,768</b>	<b>405,569</b>
Short term investment	(77,671)	-
Deposits pledged to banks	(221,014)	(65,904)
	<b>267,083</b>	<b>339,665</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 October 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 2018
  - MFRS 15 : *Revenue from Contracts with Customers*
  - 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 USD100 million Perpetual Securities on 25 September 2015 by Yinson TMC Sdn. Bhd., a wholly-owned subsidiary of YHB, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter ended 31 October 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 October 2015 except for:

i) Yinson Heather Ltd ("YHL"), 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. On 30 July 2015, YHL entered a Joint Venture Deed ("JVD") with Four Vanguard Sevicos E Navegacao LDA ("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. ARO became a company jointly owned by YHL and FVSN upon completion of joint venture on 7 October 2015.

ii) YHB had on 19 October 2015 disposed one (1) share, representing 100% of the issued and paid-up share capital of Yinson Port Ventures Pte Ltd ("YPVPL") to Yinson Overseas Limited ("YOL") for a total consideration of SGD1.00 ("the Disposal"). Subsequent to the Disposal, YPVPL became a wholly-owned subsidiary of YOL, which in turn a wholly-owned subsidiary of YHB.

## 6. Segmental Information

For the Nine Months Period Ended 31 October 2015				
	Continuing operations		Discontinued	Consolidated
	Marine	Other	Operations	
	RM'000	Operations	Operations	RM'000
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>				
External Sales				
Gross revenue	334,326	33,039	426,824	794,189
Elimination	(26,215)	(32,940)	(576)	(59,731)
Net revenue	308,111	99	426,248	734,458
<b>Results</b>				
Segment results	78,595	77,850	9,488	165,933
Finance costs				(40,050)
Share of results of joint ventures				66,616
Share of results of associates				3,430
Income tax expense				(27,319)
Profit net of tax and before non-controlling interests				168,610
Non-controlling interests				5,955
Profit net of tax for the period				174,565

## Segmental Information

For the Nine Months Period Ended 31 October 2014				
	Continuing operations		Discontinued	Consolidated
	Marine	Other	Operations	
	RM'000	Operations	Operations	RM'000
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>				
External Sales				
Gross revenue	314,515	14,521	545,646	874,682
Elimination	(24,116)	(14,512)	(6,251)	(44,879)
Net revenue	290,399	9	539,395	829,803
<b>Results</b>				
Segment results	87,206	31,385	20,070	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

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

Continuing operations:

- (a) The marine segment consists of leasing of vessels, provision of barge services and marine management services.
- (b) Other operations consist of investment, management services and treasury services.

Discontinued operations include the following segments:

- (a) The transport segment consists of the provision of trucking services.
- (b) The trading segment consists of trading activities mainly in the construction related materials.
- (c) Other discontinued operations consist of provision of warehouses and rental from investment properties

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 RM17.712 million to RM308.111 million as compared to RM290.399 million in the corresponding prior period ended 31 October 2014. The increase arose mainly from conversion of USD revenue due to appreciation of USD against RM. The segment results decreased by RM8.611 million mainly due to impairment of plant and equipment of RM18.983 million but offset by reduction in operating cost arising from more efficient cost control measures.

### **Other Operations**

The segment profit of other operations has increased by RM46.465 million to RM77.850 million as compared to RM31.385 million in the corresponding prior period ended 31 October 2014. Excluding the gain on disposal of subsidiary and joint venture RM20.866 million recorded in last financial period which was none in the current period, the increase was RM67.331 million. The increase was mainly attributable to the favourable net foreign exchange difference by about RM105 million but offset by impairment of available-for-sale financial assets RM16.102 million, realised loss on derivatives of RM8.153 million and fair value loss on interest rate swaps by RM4.449 million for the period ended 31 October 2015.

### **Discontinued Operations**

Revenue from discontinued operations mainly consist of transport segment and trading segment. Revenue from transport segment for the period under review has decreased by RM8.424 million or 11.4% as compared to the corresponding prior period ended 31 October 2014. The decrease was mainly due to the decrease in demand for the Group's transportation services.

Revenue from trading segment for the period under review has decreased by RM110.582 million or 24.0% as compared to the corresponding prior period ended 31 October 2014 mainly due to the decrease in sales volume.

The decrease of segment results in discontinued operations by RM10.582 million was mainly due to write down of inventories of RM8.000 million in trading segment and increase in impairment on trade receivables by about RM2.5 million.

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

The share of the results of joint ventures has decreased by RM6.913 million to profit of RM66.616 million for the period ended 31 October 2015 as compared to RM73.529 million for the corresponding prior period ended 31 October 2014 mainly due to the disposal of a joint venture end of Quarter 3 in the previous financial year.

The share of results of associates has increased to profit of RM3.430 million for the period ended 31 October 2015 as compared to profit of RM0.012 million for the corresponding prior period ended 31 October 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 from continuing operations has increased by RM35.318 million or 22.2% to RM194.630 million as compared to RM159.312 million for the corresponding prior period ended 31 October 2014. Excluding the gain on disposal of subsidiary and joint venture of RM20.866 million recorded in last financial period which was none in the current period, the increase was RM56.184 million. This increase was mainly attributable to the favourable net foreign exchange difference by about RM110 million but offset by realised loss on derivatives of RM8.153 million, impairment of available-for-sale financial assets RM16.102 million, impairment of plant and equipment of RM18.983 million and decrease in share of results in joint ventures by RM6.913 million.

The Group's discontinued operations recorded a decrease in profit before tax by RM9.598 million to RM1.299 million as compared to profit before tax of RM10.897 million for the corresponding prior period ended 31 October 2014. This decrease was mainly attributable to the write down of inventories RM8.000 million and increase in impairment on trade receivables by about RM2.5 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	
	31.10.2015 RM000	31.10.2014 RM000	31.10.2015 RM000	31.10.2014 RM000
Interest income	(1,163)	(1,529)	(3,096)	(3,583)
Other income including investment income	(473)	(282)	(2,006)	(6,594)
Loss on disposal of property, plant and equipment	799	-	639	-
Gain on disposal of subsidiary and joint venture	-	(20,866)	-	(20,866)
Bad debts recovered	(10)	(11)	(83)	(63)
Finance costs	15,963	12,328	40,050	41,993
Depreciation of property, plant and equipment	29,486	22,157	80,901	66,391
Amortisation of land use rights	24	24	72	72
Amortisation of intangible assets	209	1	214	3
Amortisation of favourable contracts	1,812	-	4,983	-
Amortisation of unfavourable contracts	(5,046)	(6,298)	(13,875)	(19,618)
Impairment loss on receivables	8,073	1,709	9,024	4,951
Property, plant and equipment written off	-	66	9	188
Gain on foreign exchange - realised	(1,701)	(978)	(12,687)	(2,255)
Gain on foreign exchange - unrealised	(81,645)	(16,859)	(103,885)	(4,785)
Net fair value adjustment on marketable securities	-	1	-	2
Realised loss on derivatives	-	-	8,153	-
Impairment of goodwill	-	-	1,622	-
Impairment of property, plant and equipment	18,983	-	18,983	-
Impairment of available-for-sale financial assets	17,170	-	17,170	-
Write-down of inventories	8,000	-	8,000	-

## 8. Income Tax Expense

The income tax expense figures consist of:

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	31.10.2015	31.10.2014	31.10.2015	31.10.2014
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
Current income tax	9,246	4,064	27,583	16,563
Deferred income tax	(7)	(19)	-	(23)
	9,239	4,045	27,583	16,540
Income tax attributable to discontinued operations	(2,432)	1,144	(264)	3,480
<b>Total income tax expense</b>	<b>6,807</b>	<b>5,189</b>	<b>27,319</b>	<b>20,020</b>

The effective tax rate of continuing operations 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 9 months ended	
	31.10.2015	31.10.2014	31.10.2015	31.10.2014
Profit net of tax attributable to owners of the parent used in the computation of EPS (RM'000)	85,742	86,792	174,565	147,772
Weighted average number of ordinary shares in issue ('000)	1,067,154	950,475	1,067,154	950,475
Basic earnings per share (sen)	8.03	9.13	16.36	15.55

### (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 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 RM1,224.768 million (31 October 2014: RM105.142 million).

The Group disposed PPE with a carrying amount of RM1.013 million and a loss on disposal of RM0.639 million was recognized and included in administrative expenses. There was no disposal in the corresponding period ended 31 October 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 USD100 million Perpetual Securities on 25 September 2015 by Yinson TMC Sdn. Bhd. ("YTMC"), a wholly-owned subsidiary of YHB, 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.

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.

### 13. Interest-bearing Loans and Borrowings

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

Continuing	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short term borrowings	368,959	77,669	446,628
Long term borrowings	781,982	-	781,982
<b>Total borrowings</b>	<b>1,150,941</b>	<b>77,669</b>	<b>1,228,610</b>

  

Discontinued	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short term borrowings	6,790	185,369	192,159
Long term borrowings	5,981	-	5,981
<b>Total borrowings</b>	<b>12,771</b>	<b>185,369</b>	<b>198,140</b>

  

Grand total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Short term borrowings	375,749	263,038	638,787
Long term borrowings	787,963	-	787,963
<b>Total borrowings</b>	<b>1,163,712</b>	<b>263,038</b>	<b>1,426,750</b>

Except for the borrowings of RM969.109 million denominated in United States Dollar, all other borrowings are denominated in Ringgit Malaysia.

### 14. Dividend Paid

At the Annual General Meeting held on 23 July 2015, the shareholders of the Company have approved the payment of Final Single-tier Dividend of 1.5 sen per share in respect of the financial year ended 31 January 2015. The dividend was paid on 15 September 2015.

### 15. Capital Commitments

As at 31 October 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 – RM2,299 million
- approved but not contracted for – RM2,179 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	
	31.10.2015	31.10.2014	31.10.2015	31.10.2014
	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	45	45
Transport income from Liannex Corporation (S) Pte Ltd	667	1,178	1,673	3,833
Transport income from Handal Indah Sdn Bhd	7	6	8	9
Transport income from Handal Ceria Sdn Bhd	-	-	9	-
Transport income from Waja Securities Sdn Bhd	165	-	168	-
Sales of goods to Handal Indah Sdn Bhd	-	-	-	8
Purchases from Yinson Tyres Sdn Bhd	767	956	2,429	2,783
Barge income from Liannex Corporation (S) Pte Ltd	213	1,025	903	2,834
Barge income from Kargo Indera Sdn Bhd	316	-	616	-
Purchases of goods from Liannex Corporation (S) Sdn Bhd	-	36	-	48
<u>With joint ventures</u>				
Interest income from PTSC South East Asia Pte Ltd	485	488	1,298	1,085
Interest income from PTSC Asia Pacific Pte Ltd	31	29	83	29
<u>With associates</u>				
Ship management fee charges from Regulus Offshore Sdn Bhd	212	152	628	456
Administrative charges from Regulus Offshore Sdn Bhd	-	-	-	20
Management fee charges from Yinson Energy Sdn Bhd	569	-	1,858	-
Marine chartering charges from Regulus Offshore Sdn Bhd	3,575	-	3,575	-
Purchases from Regulus Offshore Sdn Bhd	1,017	95	1,611	571
Rental income from Regulus Offshore Sdn Bhd	63	63	187	124
Management fee income from Regulus Offshore Sdn Bhd	10	-	30	-
Management fee income from Yinson Energy Sdn Bhd	19	-	57	-

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

	Quarter ended		%+/( -)
	31.10.2015 RM'000	31.7.2015 RM'000	
<b>Continuing operations</b>			
Revenue	110,720	98,405	13%
Direct expenses	(85,407)	(65,797)	30%
Gross profit	25,313	32,608	-22%
Other operating income	78,959	34,007	132%
Administrative expenses	(23,359)	3,092	-855%
Profit from operations	80,913	69,707	16%
Finance costs	(11,980)	(8,094)	48%
Share of results of joint ventures	25,028	21,327	17%
Share of results of associates	203	1,290	-84%
Profit before tax from continuing operations	94,164	84,230	12%
Income tax expense	(9,239)	(10,341)	-11%
Profit after tax from continuing operations	84,925	73,889	15%
<b>Discontinued operations</b>			
Profit from discontinued operations, net of tax	(4,955)	4,013	-223%
<b>Profit for the period</b>	<b>79,970</b>	<b>77,902</b>	<b>3%</b>

The Group's profit before tax from continuing operations for the 3rd quarter of FY 2016 has increased by 12% or RM9.934 million to RM94.164 million as compared to the RM84.230 million for preceding quarter. The increase was mainly attributable to foreign exchange gain of about RM38 million from favourable currency fluctuation and reduction in realised loss on derivatives by RM5.308 million but offset by impairment of available-for-sale financial assets RM16.102 million and impairment in plant and equipment by RM18.983 million.

## 21. Commentary on Prospects

Going forward, the global growth is expected to remain moderate. While major advanced economies continue to improve, the pace of recovery will be modest. Downside risks to global growth remain high arising from the moderating growth momentum in a number of major economies, uncertainty surrounding energy and commodity prices. 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

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. YHB obtained all required approvals and complied with the requirements pertaining to the ESS on 3 November 2015 (the effective date of the implementation of the ESS).

### (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. Bursa had vide its letter dated 14 December 2015, granted YHB an extension of time of six (6) months from 30 December 2015 up till 29 June 2016 to complete the Proposed Private Placement.

### (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.

## 24. Material Litigation

As at 31 October 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 October 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	69,734	(221)
More than 3 years	3,394,445	(105,314)

The fair values of the interest rate swaps 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 RM46.882 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 RM22.852 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;
- iii. contract amounting to RM429.550 million that receives floating interest at 3 months US\$ LIBOR and pays fixed interest at 1.58% p.a.; and
- iv. contracts amounting to RM2,964.895 million that receive floating interest at 3 months US\$ LIBOR and pays fixed interest at 2.88% p.a.

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

For item i to iii, 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 October 2015, the net fair value loss on interest rate swap derivative measured at fair value through profit and loss is RM4.456 million.

For item iv, the interest rate swaps have been classified as Cash Flows Hedge which is measured at fair value and the changes in fair value will be taken to cash flows hedge reserve. As at 31 October 2015, the net fair value loss on interest rate swap derivative measured at fair value through the reserve is RM100.865 million.

## 27. Realised and Unrealised Retained Earnings

The breakdown of the retained earnings of the Group as at 31 October 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>31.10.2015</b>	<b>31.1.2015</b>
	RM'000	RM'000
<b>Total retained earnings of the Company and its subsidiaries:-</b>		
- Realised	333,238	262,416
- Unrealised	105,968	87,634
	439,206	350,050
Total retained earnings from joint ventures- realised	176,398	109,781
Total accumulated profits/(losses) from associates - realised	2,177	(1,269)
Less Consolidation adjustments	(7,928)	(3,831)
<b>Total Group retained earnings as per consolidated financial statements</b>	<b>609,853</b>	<b>454,731</b>

## 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 December 2015.