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

CONDENSED CONSOLIDATED INCOME STATEMENT
For The Six Months Period Ended 31 July 2017

	Individual Period (2nd quarter)				Cumulative Period			
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes (Amount / %)		Current Year To date	Preceding Year Corresponding Period	Changes (Amount / %)	
	31.7.2017	31.7.2016			31.7.2017	31.7.2016		
	Unaudited	Unaudited			Unaudited	Unaudited		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Continuing operations								
Revenue	217,229	114,445	102,784	90%	389,642	229,843	159,799	70%
Direct expenses	(83,830)	(52,396)	(31,434)	60%	(173,462)	(118,569)	(54,893)	46%
Gross profit	133,399	62,049	71,350	115%	216,180	111,274	104,906	94%
Other operating income	5,308	13,061	(7,753)	-59%	17,294	15,630	1,664	11%
Administrative expenses	(37,071)	(16,662)	(20,409)	122%	(76,561)	(53,108)	(23,453)	44%
Profit from operations	101,636	58,448	43,188	74%	156,913	73,796	83,117	113%
Finance costs	(16,546)	(9,254)	(7,292)	79%	(22,945)	(16,634)	(6,311)	38%
Share of results of joint ventures	19,600	24,579	(4,979)	-20%	46,506	48,450	(1,944)	-4%
Share of results of associates	289	(112)	401	-358%	761	(151)	912	-604%
Profit before tax from continuing operations	104,979	73,661	31,318	43%	181,235	105,461	75,774	72%
Income tax expense	(21,412)	(13,413)	(7,999)	60%	(37,382)	(24,511)	(12,871)	53%
Profit after tax from continuing operations	83,567	60,248	23,319	39%	143,853	80,950	62,903	78%
Discontinued operations								
Profit from discontinued operations, net of tax	-	206	(206)	-100%	-	1,495	(1,495)	-100%
Profit for the period	**83,567**	**60,454**	**23,113**	**38%**	**143,853**	**82,445**	**61,408**	**74%**
Profit attributable to:								
Owners of the parent	83,597	60,362	23,235	38%	143,883	82,738	61,145	74%
Non-controlling interests	(30)	92	(122)	-133%	(30)	(293)	263	-90%
	83,567	60,454	23,113	38%	143,853	82,445	61,408	74%
Earnings per share attributable to owners of the parent:								
Basic (sen)	7.68	5.54	2.14	39%	13.22	7.59	5.63	74%
Diluted (sen)	7.66	5.54	2.12	38%	13.20	7.59	5.61	74%
Earnings per share from continuing operations attributable to owners of the parent:								
Basic (sen)	7.68	5.52	2.16	39%	13.22	7.42	5.80	78%
Diluted (sen)	7.66	5.52	2.14	39%	13.20	7.42	5.78	78%
Earnings per share from discontinued operations attributable to owners of the parent:								
Basic (sen)	-	0.02	(0.02)	-100%	-	0.17	(0.17)	-100%
Diluted (sen)	-	0.02	(0.02)	-100%	-	0.17	(0.17)	-100%

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For The Six Months Period Ended 31 July 2017

	Individual Period (2nd quarter)				Cumulative Period			
	Current Year Quarter 31.7.2017 Unaudited RM'000	**Preceding Year Corresponding Quarter 31.7.2016 Unaudited RM'000**	**Changes (Amount / %) RM'000**	**%**	**Current Year To date 31.7.2017 Unaudited RM'000**	**Preceding Year Corresponding Period 31.7.2016 Unaudited RM'000**	**Changes (Amount / %) RM'000**	**%**
Profit for the period	83,567	60,454	23,113	38%	143,853	82,445	61,408	74%
Other comprehensive income to be reclassified to profit or loss in subsequent periods:								
- Exchange differences on translation of foreign operations	(26,640)	86,278	(112,918)	-131%	(61,152)	(36,362)	(24,790)	68%
- Cash flows hedge reserve	(15,817)	(7,233)	(8,584)	119%	(35,499)	(21,850)	(13,649)	62%
Total comprehensive income for the period	**41,110**	**139,499**	**(98,389)**	**-71%**	**47,202**	**24,233**	**22,969**	**95%**
Total comprehensive income for the period attributable to:								
Owners of the parent	41,140	139,326	(98,186)	-70%	47,232	24,584	22,648	92%
Non-controlling interests	(30)	173	(203)	-117%	(30)	(351)	321	-91%
	41,110	139,499	(98,389)	-71%	47,202	24,233	22,969	95%

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 2017

	AS AT 31.7.2017 Unaudited RM'000	AS AT 31.1.2017 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,783,149	4,609,661
Investment properties	27,007	29,931
Intangible assets	26,854	27,611
Investment in joint ventures	753,902	725,545
Investment in associates	2,155	2,599
Other receivables	7,134	10,165
Deferred tax assets	17,105	-
	5,617,306	**5,405,512**
Current assets		
Inventories	4,772	5,309
Trade and other receivables	262,957	94,302
Advances to joint ventures	57,833	64,253
Advances to associates	356	8,257
Other current assets	61,698	45,770
Tax recoverable	5,726	5,708
Other investment	15,793	27,296
Cash and bank balances	615,757	633,922
	1,024,892	**884,817**
TOTAL ASSETS	**6,642,198**	**6,290,329**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 July 2017

	AS AT 31.7.2017 Unaudited RM'000	AS AT 31.1.2017 Audited RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	1,099,462	1,099,462
Treasury shares	(12,633)	(12,633)
Foreign currency translation reserve	286,349	347,501
Cash flows hedge reserve	(137,530)	(102,031)
Share-based option reserve	1,133	304
Retained earnings	743,147	636,110
Equity attributable to owners of the parent	1,979,928	1,968,713
Perpetual securities of a subsidiary	437,460	437,460
Non-controlling interests	670	-
Total equity	**2,418,058**	**2,406,173**
Non-current liabilities		
Loans and borrowings	2,960,458	3,170,819
Other payables	356,796	-
Unfavourable contracts	15,404	26,563
Derivatives	117,899	102,031
Deferred tax liabilities	5,278	5,450
	3,455,835	**3,304,863**
Current liabilities		
Loans and borrowings	358,335	222,354
Trade and other payables	311,616	299,767
Dividend payable	21,764	-
Unfavourable contracts	20,550	21,258
Derivatives	19,740	425
Tax payables	36,300	35,489
	768,305	**579,293**
Total liabilities	**4,224,140**	**3,884,156**
TOTAL EQUITY AND LIABILITIES	**6,642,198**	**6,290,329**
Net assets per share attributable to owners of the parent (RM)	**1.8118**	**1.8015**

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Six Months Period Ended 31 July 2017

	Attributable to owners of the parent											
	Share capital RM'000	**Share premium**	**Treasury Shares** RM'000	**Foreign currency translation reserve** RM'000	**Reserves of disposal group classified as held for sale** RM'000	**Cash Flows Hedge reserve** RM'000	**Share-based option reserve** RM'000	**Retained earnings** RM'000	**Total equity attributable to owners of the parent** RM'000	**Perpetual securities of a subsidiary** RM'000	**Non-controlling interests** RM'000	**Total equity** RM'000
At 1 February 2016	546,399	553,063	-	207,953	7,125	(149,701)	-	649,235	1,814,074	437,460	1,850	2,253,384
Total comprehensive loss for the period	-	-	-	(36,304)	-	(21,850)	-	82,738	24,584	-	(351)	24,233
Discontinued operations	-	-	-	-	(7,125)	-	-	-	(7,125)	-	-	(7,125)
Accrued perpetual securities distributions by a subsidiary	-	-	-	-	-	-	-	(13,822)	(13,822)	-	-	(13,822)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,499)	(1,499)
Purchase of treasury shares	-	-	(8,714)	-	-	-	-	-	(8,714)	-	-	(8,714)
At 31 July 2016 (Unaudited)	**546,399**	**553,063**	**(8,714)**	**171,649**	**-**	**(171,551)**	**-**	**718,151**	**1,808,997**	**437,460**	**-**	**2,246,457**
At 1 February 2017	1,099,462	-	(12,633)	347,501	-	(102,031)	304	636,110	1,968,713	437,460	-	2,406,173
Total comprehensive income for the period	-	-	-	(61,152)	-	(35,499)	-	144,583	47,932	-	(30)	47,902
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	(700)	(700)	-	700	-
Accrued and paid perpetual securities distributions	-	-	-	-	-	-	-	(15,082)	(15,082)	-	-	(15,082)
Issuance of ESS	-	-	-	-	-	-	829	-	829	-	-	829
Dividend provided for	-	-	-	-	-	-	-	(21,764)	(21,764)	-	-	(21,764)
At 31 July 2017 (Unaudited)	**1,099,462**	**-**	**(12,633)**	**286,349**	**-**	**(137,530)**	**1,133**	**743,147**	**1,979,928**	**437,460**	**670**	**2,418,058**

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The Six Months Period Ended 31 July 2017

	6 months ended	
	31.7.2017 Unaudited RM'000	**31.7.2016 Unaudited RM'000**
OPERATING ACTIVITIES		
Profit before tax from continuing operations	181,235	105,461
Profit before tax from discontinued operations	-	1,905
Profit before tax, total	181,235	107,366
Adjustments for:		
Amortisation and depreciation	86,924	55,051
Amortisation of unfavourable contracts	(10,466)	(9,710)
Unrealised loss on foreign exchange	21,882	6,634
Finance costs	23,263	24,669
Gain on disposal of subsidiaries and associate	-	(1,324)
Gain on a bargain purchase of acquisition of a subsidiary	(20)	-
Gain on disposal on other investment	(415)	(195)
Gain on disposal of property, plant and equipment	(124)	(1)
Impairment loss on trade and other receivables	1,592	12,426
Impairment loss on available-for-sale financial assets	-	285
Impairment loss on property, plant and equipment	17,662	-
Property, plant and equipment written off	32	51
Fair value loss on investment properties	2,923	-
Fair value gain on derivatives	(318)	-
Fair value (gain)/loss on other investment	(115)	1,141
Reversal of write down of inventories	-	(576)
Share of results of joint ventures	(46,506)	(48,450)
Share of results of associates	(761)	(505)
Interest income	(2,116)	(2,022)
Operating cash flows before working capital changes	274,672	144,840
Receivables	(180,958)	73,256
Other current assets	(15,928)	(1,108)
Inventories	537	841
Payables	173,213	(113,620)
Cash flows from operations	251,536	104,209
Interest received	2,116	2,022
Interest paid	(23,263)	(25,722)
Tax paid	(35,285)	(17,691)
Net cash flows generated from operating activities	**195,104**	**62,818**
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	150	3,310
Proceeds from disposal of investment	11,477	15,732
Proceeds from disposal of subsidiaries	-	123,489
Addition in other investment	-	(239)
Addition in investment properties	-	(29,969)
Purchase of intangible assets	(1,719)	(3,613)
Purchase of property, plant and equipment	(266,473)	(624,580)
Investment in a subsidiary	(469)	-
Dividend received	-	2,251
(Placement)/withdrawal of deposits pledged as security	(6,767)	19,030
Placement of short term investment	(6)	(6)
Net cash flows used in investing activities	**(263,807)**	**(494,595)**

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The Six Months Period Ended 31 July 2017

	6 months ended	
	31.7.2017 Unaudited RM'000	**31.7.2016 Unaudited RM'000**
FINANCING ACTIVITIES		
Advances from directors	-	(19,443)
Repayment of borrowings	(39,959)	(7,179)
Drawdown of term loans	302,105	806,539
Repayment of term loans	(233,381)	(72,359)
Repayment of obligations under finance leases	(164)	(4,047)
Perpetual securities distribution paid	(4,613)	(14,096)
Purchase of treasury shares	-	(8,714)
Net cash flows generated from financing activities	**23,988**	**680,701**
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(44,715)	248,924
Effects of foreign exchange rate changes	23,740	(30,188)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	504,581	210,969
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	**483,606**	**429,705**

	As at 31.7.2017 RM'000	**As at 31.7.2016 RM'000**
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances		
- Continuing operations	615,757	594,469
- Discontinued operations	-	40,269
Bank overdrafts (included within short-term borrowings)		
- Continuing operations	(8,670)	(7,724)
- Discontinued operations	-	-
	607,087	627,014
Short term investment	(341)	(331)
Deposits pledged to banks	(123,140)	(196,978)
	483,606	**429,705**

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

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

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 2017 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 2017. 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 2017 except for the adoption of Amendments to Standards and Issue Committee (IC) Interpretations effective as of 1 January 2017.

- Annual improvements to MFRS/FRS 12 “Disclosures of Interests in Other Entities”
- Amendments to MRFS/FRS 107 “Statement of Cash Flows – Disclosure Initiative”
- Amendments to MFRS/FRS 112 "Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses"

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 2018

- Annual Improvements to MFRS/FRS 1 "First-time Adoption of Malaysian Financial Reporting Standards"
- Amendments to MFRS/FRS 2 "Classification and Measurement of Share-based Payment Transactions"
- Amendments to MFRS/FRS 4 “Applying MFRS/FRS 9 “Financial Instruments” with MFRS/FRS 4 “Insurance Contracts”
- Annual Improvements to MFRS/FRS 128 "Investments in Associates and Joint Ventures"
- Amendments to MFRS/FRS 140 "Clarification on 'Change in Use' - Assets transferred to or from Investment Properties"
- IC Interpretation 22 "Foreign Currency Transactions and Advance Consideration"
- MFRS/FRS 9 “Financial Instruments”
- MFRS 15 “Revenue from Contracts with Customer”

b) Effective for financial periods beginning on or after 1 January 2019

- MFRS 16: Leases
- IC Interpretation 23 "Uncertainty over Income Tax Treatments"

The Directors expect that the adoption of the above standards and interpretations will either not relevant or do not have impact on the financial statements in the year of initial application except for MFRS 9, MFRS 15 and MFRS 16. The adoption of these new standards may result in change in accounting policies for which the effect of adopting will be quantified when the standards are effective.

2. Seasonal or Cyclical Factors

The Group's operations were generally not affected by any material seasonal or cyclical factors.

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the period ended 31 July 2017 except for a joint venture company, PTSC Asia Pacific Pte Ltd ("PTSC AP") has been served notice of termination for convenience on 31 March 2017 for its Bareboat Charter arrangement with PetroVietnam Technical Services Corporation ("PTSC") at Lam Son Field. The Bareboat Charter was terminated at 2400 hours (Vietnam time) on 30 June 2017.

On 30 June 2017, PTSC AP has received a letter of intent from PTSC ("LOI") expressing its intention to continue deploy the FPSO PTSC Lam Son for the petroleum operations within the Lam Son Field with effective from 1 July 2017. The LOI is valid for a maximum period of 6 weeks from the date of the LOI.

Pursuant to the acceptance of the LOI, discussions have been held between PTSC (together with PTSC AP) and Vietnam Oil & Gas Group ("PetroVietnam"), the ultimate parent of PetroVietnam Exploration Production Corporation and PC Vietnam Limited, the joint operator of Lam Son Field, to finalise the Early Termination Payment ("ETP") and a new charter contract for continue deployment of FPSO PTSC Lam Son at Lam Son Field.

Upon the finalisation of the negotiations of the ETP and new charter contract for the continuing deployment of the FPSO Lam Son, YHB will together with its joint venturer in PTSC AP, review the impact to the carrying amount of FPSO Lam Son recorded in PTSC AP's accounting book. YHB currently holds 49% equity interest in PTSC AP.

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 period ended 31 July 2017 except for:

i. YHB incorporated a wholly-owned subsidiary, Yinson Juniper Ltd ("YJL"), a company incorporated in British Virgin Islands on 29 May 2017. The principal activities of YJL are to procure capital and funding for companies within its group, investment holding and provision of financial and treasury management services to companies within its group.

ii. YHB had on 6 June 2017 increased its investment in Regulus Offshore Sdn Bhd ("ROSB") from 49% to 70% by acquiring 21,000 ordinary shares representing 21% of the issued share capital of ROSB for a total consideration of RM469,461 ("the Acquisition"). Subsequent to the Acquisition, ROSB became a 70% owned subsidiary of YHB.

6. Segmental Information

For the Six Months Period Ended 31 July 2017

	Marine RM'000	Other Operations RM'000	Discontinued Operations RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
Gross revenue	402,926	91,925	-	-	494,851
Elimination	(13,977)	(91,232)	-	-	(105,209)
Net revenue	388,949	693	-	-	389,642
Results					
Segment results	176,825	(19,912)	-	-	156,913
Finance costs					(22,945)
Share of results of joint ventures					46,506
Share of results of associates					761
Income tax expense					(37,382)
Profit after tax from continuing operations					143,853

For the Six Months Period Ended 31 July 2016

	Marine RM'000	Other Operations RM'000	Discontinued Operations RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
Gross revenue	245,042	12,212	221,121	(248,532)	229,843
Elimination	(15,264)	(12,147)	(155)	27,566	-
Net revenue	229,778	65	220,966	(220,966)	229,843
Results					
Segment results	74,739	(943)	9,283	(9,283)	73,796
Finance costs					(16,634)
Share of results of joint ventures					48,450
Share of results of associates					(151)
Income tax expense					(24,511)
Profit after tax from continuing operations					80,950

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 and marine related services.
b) Other operations mainly 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.

6. Segmental Information (continued)

Marine

Revenue from marine segment for the period under review has increased by RM159.17 million to RM388.95 million as compared to RM229.78 million in the corresponding prior period ended 31 July 2016. The increase arose mainly from higher marine business with the chartering commencement of FPSO John Agyekum Kufuor ("FPSO JAK") in June 2017 and the stronger US Dollar had resulted in the higher revenue on translation into Ringgit. The segment results increased by RM102.09 million mainly due to better profit contribution from the higher recorded revenue and lower impairment loss on trade and other receivables but set-off by impairment loss on property, plant & equipment.

Other Operations

The segment loss of other operations has increased by RM18.97 million to RM19.91 million as compared to RM0.94 million in the corresponding prior period ended 31 July 2016. The increase in loss was mainly attributable to higher net unfavorable foreign exchange movement of RM14.61 million and impairment loss on investment properties of RM2.92 million.

Discontinued Operations

Discontinued operations have ceased contributing to the Group upon completion of the divestment exercise on non-oil & gas subsidiaries in July 2016.

Results of Joint Ventures and Associates

The share of the results of joint ventures has decreased by RM1.94 million to profit of RM46.51 million for the period ended 31 July 2017 as compared to RM48.45 million for the corresponding prior period ended 31 July 2016 mainly due to the early cessation of profit contribution from FPSO PTSC Lam Son petroleum operations at Lam Son Field and contract scheduled chartering rate downwards adjustment but set-off by favorable conversion on appreciation of USD against RM.

The share of results of associates has increased to profit of RM0.76 million for the period ended 31 July 2017 as compared to a loss of RM0.15 million for the period ended 31 July 2016 mainly due to an associated company incorporated in Ghana has commenced operation and maintenance services for FPSO JAK.

Consolidated profit after tax

For the current year under review, the Group's profit after tax from continuing operations has increased by RM62.90 million or 77.71% to RM143.85 million as compared to RM80.95 million for the corresponding prior period ended 31 July 2016. The improvement was mainly attributable to the better profit contribution on higher recorded revenue from marine business and lower impairment loss on trade and other receivables of RM10.84 million. The positive effects are set-off mainly by the presence of impairment loss in property, plant and equipment of RM17.66 million, fair value loss on investment properties of RM2.92 million, higher net unfavorable foreign exchange movement of RM15.51 million and higher finance cost of RM6.31 million and higher income tax expense of RM12.87 million.

Consolidated financial position

For the current year under review, the Group's current assets has increased by RM140.07 million or 15.83% to RM1,024.89 million from RM884.82 million for the last audited financial year ended 31 January 2017. The increase mainly due to higher trade and other receivables with the expanded Marine business into Ghana through FPSO JAK chartering contract. Whereas, the Group's current liabilities has increased by RM189.02 million or 32.63% to RM768.31 million from RM579.29 million for the last audited financial year ended 31 January 2017 upon reclassification of certain loan maturity profile.

6. Segmental Information (continued)

Consolidated financial position (continued)

The Group's liquidity indicators, Current Ratio (Calculated as "Current Assets" divided by "Current Liabilities") reduced to 1.33 times as compared to 1.53 times for the last audited financial year ended 31 January 2017 mainly due to certain financial liabilities maturity profile reclassification; and Net Gearing Ratio (Calculated as "Total Loans and Borrowings" less "Cash and Bank Balances" divided by "Total Equity") is 1.12 times as compared to 1.15 times for the last audited financial year ended 31 January 2017.

7. Profit Before Tax

Included in the profit before tax are the following items:

	Current quarter 3 months ended		Cumulative 6 months ended	
	31.7.2017 Unaudited RM'000	31.7.2016 Unaudited RM'000	31.7.2017 Unaudited RM'000	31.7.2016 Unaudited RM'000
Interest income	(936)	(1,111)	(2,116)	(2,022)
Other income including investment income	(5,650)	(4,394)	(8,451)	(6,715)
Bad debts recovered	-	(8)	-	(202)
Finance costs	16,698	12,784	23,263	24,669
Depreciation of property, plant and equipment	56,246	26,923	84,936	53,759
Amortisation of intangible assets	989	839	1,988	1,292
Amortisation of unfavourable contracts	(5,151)	(4,861)	(10,466)	(9,710)
Gain on disposal on property, plant and equipment	(124)	-	(124)	-
Gain on disposal on other investment	(415)	-	(415)	(195)
Gain on disposal of subsidiaries and associate	-	(1,324)	-	(1,324)
Impairment loss on trade and other receivables	1,592	11,126	1,592	12,426
Impairment loss on available-for-sale financial assets	-	285	-	285
Impairment loss on property, plant and equipment	17,662	-	17,662	-
Fair value loss on investment properties	-	-	2,923	-
Property, plant and equipment written off	32	46	32	51
Gain on disposal of property, plant and equipment	(124)	(1)	(124)	(1)
(Gain)/loss on foreign exchange - realised	1,766	(7,877)	(6,053)	(6,318)
Loss/(gain) on foreign exchange - unrealised	6,873	(9,165)	21,882	6,634
Net fair value loss/(gain) on other investment	71	1,077	(115)	1,141
Reversal of write down of inventories	-	-	-	(576)

8. Income Tax Expense

The income tax expense figures consist of:

	Current quarter 3 months ended		Cumulative 6 months ended	
	31.7.2017 Unaudited RM'000	**31.7.2016 Unaudited RM'000**	**31.7.2017 Unaudited RM'000**	**31.7.2016 Unaudited RM'000**
<u>Continuing operations</u>				
Current income tax	21,420	14,398	37,390	28,155
Deferred income tax	(8)	(985)	(8)	(3,644)
	21,412	13,413	37,382	24,511
Income tax attributable to discontinued operations	-	557	-	410
Total income tax expense	**21,412**	**13,970**	**37,382**	**24,921**

The effective tax rate of continuing operations for the period ended 31 July 2017 is lower than the statutory tax rate in Malaysia due to certain income of subsidiaries are not subject to taxation or 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 the financial years, net of tax, attributable to owners of the parent by the weighted average number of shares outstanding during the financial period.

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

	Current quarter 3 months ended		Cumulative 6 months ended	
	31.7.2017 Unaudited	**31.7.2016 Unaudited**	**31.7.2017 Unaudited**	**31.7.2016 Unaudited**
Profit net of tax attributable to owners of the parent used in the computation of EPS (RM'000)	83,597	60,362	143,883	82,738
Weighted average number of ordinary shares in issue ('000)	1,088,191	1,090,459	1,088,191	1,090,422
Basic earnings per share (sen)	7.68	5.54	13.22	7.59

9. **Earnings Per Share (continued)**

(b) **Diluted**

Diluted earnings per share are calculated by dividing the Group's profit for the financial period attributable to owners of the Company (adjusted for interest income, net of tax, earned on the proceeds arising from the conversion of the Employee Share Scheme ("ESS") options) ("Adjusted profit") by the weighted average number of ordinary shares as adjusted for the basic EPS and includes all potential dilutive shares arising from the ESS options granted by the reporting date, as if the options had been exercised on the first day of the financial year or the date of the grant, if later.

	Current quarter 3 months ended		Cumulative 6 months ended	
	31.7.2017 Unaudited	**31.7.2016 Unaudited**	**31.7.2017 Unaudited**	**31.7.2016 Unaudited**
Adjusted profit net of tax attributable to owners of the parent used in the computation of EPS (RM'000)	83,679	60,362	144,214	82,738
Weighted average number of ordinary shares in issue ('000)	1,088,191	1,090,459	1,088,191	1,090,422
Adjustments for ESS ('000)	4,000	-	4,000	-
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,092,191	1,090,459	1,092,191	1,090,422
Diluted earnings per share (sen)	7.66	5.54	13.20	7.59

10. **Acquisitions and disposals of property, plant and equipment**

There was no material acquisition and disposal during the current period under review except for the Group acquired property, plant and equipment ("PPE") with aggregate cost of RM423.40 million (31 July 2016: RM631.79 million).

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 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 issuances, repayment of debts, share cancellations and resale of treasury shares during the current financial period under review.

13. Interest-bearing Loans and Borrowings

The Group's total borrowings as at 31 July 2017 and 31 July 2016 are as follows:

	As at 31 July 2017		
	Short term RM'000	**Long term RM'000**	**Total borrowings RM'000**
Secured			
Term loans	298,635	2,713,890	3,012,525
Obligations under finance lease	363	329	692
Sukuk	-	246,239	246,239
	298,998	2,960,458	3,259,456
Unsecured			
Bank overdrafts	8,670	-	8,670
Revolving credits	50,667	-	50,667
	59,337	-	59,337
Total loans and borrowings	**358,335**	**2,960,458**	**3,318,793**

	As at 31 July 2016		
	Short term RM'000	**Long term RM'000**	**Total borrowings RM'000**
Secured			
Term loans	175,665	2,100,679	2,276,344
Obligations under finance lease	302	644	946
	175,967	2,101,323	2,277,290
Unsecured			
Bank overdrafts	7,724	-	7,724
Revolving credits	41,324	45,275	86,599
	49,048	45,275	94,323
Total loans and borrowings	**225,015**	**2,146,598**	**2,371,613**

Except for the borrowings of RM3,056.74 million denominated in United States Dollar, all other borrowings are denominated in Ringgit Malaysia.

Higher outstanding total loans and borrowings is mainly due to additional term loan drawdown for the construction of FPSO JAK during the financial period under review.

14. Dividend Paid

Dividend approved and paid in respect of ordinary shares:

	2018		2017	
	Dividend per share Sen	Amount of single-tier dividend RM'000	Dividend per share Sen	Amount of single-tier dividend RM'000
The Company				
Final dividend paid in respect of the financial years ended:				
- 31 January 2017	2.0	21,764	-	-
- 31 January 2016	-	-	2.0	21,791
Special dividend paid in respect of the financial year ended:				
- 31 January 2017	-	-	14.6	159,077
Dividends recognised as distribution to ordinary equity holders of the Company	**2.0**	**21,764**	**16.6**	**180,868**

At the Annual General Meeting held on 6 July 2017, the shareholders of the Company have approved the payment of final single-tier dividend of 2.0 sen per share for the financial year ended 31 January 2017. The dividend was paid on 18 August 2017.

15. Capital Commitments

As at 31 July 2017, the capital commitment not provided for in the interim condensed financial statements is as follows:

- approved and contracted for – RM59.75 million
- approved but not contracted for – RM1.47 billion

16. Changes in Contingent Liabilities and Contingent Assets

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

17. Event After the Reporting Date

There was no material event after the end of the current quarter.

18. Related Party Disclosures

Significant related party transactions are as follows:

	Current quarter 3 months ended		Cumulative 6 months ended	
	31.7.2017 RM'000	31.7.2016 RM'000	31.7.2017 RM'000	31.7.2016 RM'000
With companies substantially owned by Directors, Lim Han Weng and Bah Kim Lian				
Rental income from Kargo Indera Sdn Bhd	11	-	11	-
Rental income from Yinson Tyres Sdn Bhd	-	15	-	30
Transport income from Liannex Corporation (S) Pte Ltd	-	358	-	797
Transport income from Liannex Corporation Sdn Bhd	-	1,810	-	1,955
Transport income from Handal Indah Sdn Bhd	-	1	-	1
Transport income from Waja Securities Sdn Bhd	-	21	-	21
Barge income from Kargo indera Sdn Bhd	-	117	-	788
Purchases from Yinson Tyres Sdn Bhd	-	626	-	1,384
Management fee income from Liannex Corporation (S) Pte Ltd	250	-	500	-
Ship Management Fee from Liannex Corporation (S) Pte Ltd	80	-	80	-
Purchases on behalf of Liannex Corporation (S) Pte Ltd	126	-	126	-
With Joint Ventures				
Interest income from PTSC South East Asia Pte Ltd	343	499	748	973
Interest income from PTSC Asia Pacific Pte Ltd	-	29	12	57
Management fee income from Anteros Rainbow Offshore Pte Ltd	-	(58)	-	-
With Associates				
Ship management fee to Regulus Offshore Sdn Bhd	212	234	848	465
Purchase from Regulus Offshore Sdn Bhd	996	1,442	2,044	2,716
Rental income from Yinson Energy Sdn Bhd	19	-	38	-
Management fee income from Regulus Offshore Sdn Bhd	-	-	10	-
Marine chartering income from Regulus Offshore Sdn Bhd	820	-	3,241	-
Consultancy fee to Yinson Energy Sdn Bhd	552	589	1,114	1,142
Interest income from Yinson Energy Sdn Bhd	8	5	10	5
Interest income from Regulus Offshore Sdn Bhd	11	23	28	23

The Directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that have been mutually agreed.

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

	Current quarter 31.7.2017 RM'000	Immediate Preceding Quarter 30.4.2017 RM'000	Changes (Amount / %)	
Continuing operations				
Revenue	217,229	172,413	44,816	26%
Direct expenses	(83,830)	(89,632)	5,802	-6%
Gross profit	133,399	82,781	50,618	61%
Other operating income	5,308	11,986	(6,678)	-56%
Administrative expenses	(37,071)	(39,490)	2,419	-6%
Profit from operations	101,636	55,277	46,359	84%
Finance costs	(16,546)	(6,399)	(10,147)	159%
Share of results of joint ventures	19,600	26,906	(7,306)	-27%
Share of results of associates	289	472	(183)	-39%
Profit before tax from continuing operations	104,979	76,256	28,723	38%
Income tax expense	(21,412)	(15,970)	(5,442)	34%
Profit after tax from continuing operations	83,567	60,286	23,281	39%

The Group's profit before tax from continuing operations for the 2nd quarter of current financial year has increased by 37.66% or RM28.72 million to RM104.98 million as compared to the RM76.26 million in the preceding quarter. The improvement was mainly due to higher profit contribution from Marine business on the chartering commencement of FPSO JAK, absence of impairment loss on investment properties of RM2.92 million and lower administration expenses recorded of RM2.42 million. Improvements were primarily set-off by impairment loss on trade and other receivables of RM1.59 million, impairment loss on property, plant and equipment of RM17.66 million, net unfavorable favorable exchange movement of RM1.45 million, higher finance cost of RM10.15 million, lower in share of joint ventures' results of RM7.31 million and higher income tax expense of RM5.44 million.

21. Commentary on Prospects

The short-term to medium-term outlook in the oil and gas sector remains challenging and uncertain due to protracted oversupply, emerging new alternative energy resources and financial institutions risk appetite towards the sector. Overall global economic conditions remain challenging, with higher downside risks. Moving forward, global economic activity is expected to remain subdued despite unprecedented easing of monetary conditions in major economies. Amid the challenging global economic environment and the volatility of other currencies against USD, the Group shall strive to achieve satisfactory results for the financial year ending 31 January 2018.

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 is as follow:

i. Contract award for Ca Rong Do Field development – Block 07/03 Offshore Vietnam ("Contract")

On 26 April 2017, Yinson Clover Ltd ("YCL"), an indirect wholly-owned subsidiary of YHB had entered into the Contract with Talisman Vietnam 07/03 B.V. ("TLV"). As a requirement under the bid for the Contract, YCL had also on even date entered into a novation agreement with TLV and PetroVietnam Technical Services Corporation ("PTSC") for the novation of all rights and liabilities under the Contract to PTSC.

The Contract is a time charter contract comprising the bareboat scope of work ("Bareboat SOW") and operation and maintenance of the Floating Production Storage and Offloading ("FPSO"). It is the intention of PTSC and YCL to jointly undertake the execution and performance of the Bareboat SOW via a joint venture company ("JVC") to be held 51% by PTSC and 49% by YCL. Upon incorporation, the JVC will enter a bareboat charter contract with PTSC for the Bareboat SOW.

The FPSO is to be chartered on a time charter basis for a firm period of ten years ("Firm Charter Period") with five extension options of one year each exercisable by TLV upon completion of the Firm Charter Period. The estimated aggregate value of the bareboat charter is approximately USD1.00 billion (equivalent to approximately RM4.40 billion) for the entire fifteen-year charter inclusive of all five yearly extension options.

The Firm Charter Period is expected to commence from August 2019.

YCL had on 19 May 2017 entered into a consortium agreement with PTSC to jointly undertake the execution and performance of the Bareboat SOW.

During the extraordinary general meeting held on 6 July 2017, the shareholders of YHB have approved the proposed joint venture and provision of financial assistance to the JVC.

ii. Proposed disposal of 26% equity interest of Yinson Production (West Africa) Pte Ltd ("YPWAPL") to a consortium of Japanese companies (the "Consortium")

YPWAPL, an indirect wholly-owned subsidiary of YHB, had on 30 June 2017 entered into a Heads of Agreement ("HOA") with a consortium of Japan-incorporated companies for a proposed disposal of 26% equity interest of YPWAPL via Yinson Trillium Limited and Yinson Production Pte Ltd. The consideration is expected to be in the range of USD104 million to USD117 million, subject to adjustments and contract.

The HOA was entered to form a collaboration through YPWAPL in relation to the chartering of a floating production, storage and offloading ("FPSO") facility by eni ghana exploration and production ltd ("Eni Ghana") at Offshore Cape Three Point Block in Ghana. The FPSO, named as FPSO John Agyekum Kufuor, had produced its first oil on 22 May 2017.

23. Status of Corporate Proposals (continued)

iii. Establishment of a Multi-currency Perpetual Securities Programme of up to USD500 million

On 12 July 2017, Yinson Juniper Ltd, a wholly-owned subsidiary of YHB has made a lodgement to the Securities Commission Malaysia ("SC") for the establishment of a USD500 million Multi-currency Perpetual Securities Programme ("Programme") pursuant to the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

The Programme is unconditionally and irrevocably guaranteed by YHB and will be listed on the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST").

Proceeds from issuances of the Perpetual Securities will be utilised by YHB Group for its general corporate purposes.

At the date of this report, no issuance has been made.

24. Material Litigation

As at 31 July 2017, there was no material litigation against the Group since the last audited financial statements.

25. Dividend Payable

The Board of Directors has declared an interim single-tier dividend of 4 sen per ordinary share, amounting to approximately RM43.5 million, which is payable on 22 December 2017. The entitlement date for the dividend payment is 30 November 2017.

26. Derivatives

Details of derivative financial instruments outstanding as at 31 July 2017 are as follows: -

Types of derivatives	Contract / Notional Amount	Fair Value Liabilities
	RM'000	RM'000
Interest rate swaps		
1 to 3 years	342,504	(108)
More than 3 years	2,954,097	(137,530)

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 RM342.50 million that receives floating interest at 3 months US$ LIBOR and pays fixed interest at 1.58% p.a.; and

ii. contracts amounting to RM2,954.10 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.

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26. Derivatives (continued)

For item i, the interest rate swap has 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 2017, the net fair value gain on interest rate swap derivative measured at fair value through profit and loss is RM0.32 million.

For item ii, 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 July 2017, the net fair value loss on interest rate swap derivative measured at fair value through the reserve is RM35.50 million.

27. Realised and Unrealised Retained Earnings

The breakdown of the retained earnings of the Group as at 31 July 2017 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 31.7.2017 RM'000	**Previous financial year ended 31.1.2017 RM'000**
Total retained earnings of the Company and its subsidiaries:		
- Realised	479,852	343,713
- Unrealised	(12,543)	22,116
	467,309	365,829
Total retained earnings from joint ventures - realised	330,909	284,404
Total retained earnings from associates - realised	2,384	2,718
Less: Consolidation adjustments	(57,455)	(16,841)
Total Group retained earnings as per consolidated financial statements	743,147	636,110

28. Auditors' Report on Preceding Annual Financial Statements

The Auditors' Report on the financial statements for the year ended 31 January 2017 was not qualified.

29. Authorised For Issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 September 2017.