



CONDENSED CONSOLIDATED INCOME STATEMENT
For The Six Months Period Ended 31 July 2018

	Individual Period (2nd quarter)				Cumulative Period			
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes		Current Year To date	Preceding Year Corresponding Period	Changes	
	31.7.2018 Unaudited RM'000	31.7.2017 Unaudited RM'000	(Amount / RM'000)	%	31.7.2018 Unaudited RM'000	31.7.2017 Unaudited RM'000	(Amount / RM'000)	%
Revenue	246,544	217,229	29,315	13.5%	481,722	389,642	92,080	23.6%
Direct expenses	(105,167)	(83,830)	(21,337)	25.5%	(206,303)	(173,462)	(32,841)	18.9%
Gross profit	141,377	133,399	7,978	6.0%	275,419	216,180	59,239	27.4%
Other operating income	18,484	5,308	13,176	248.2%	20,209	17,294	2,915	16.9%
Administrative expenses	(16,329)	(37,071)	20,742	-56.0%	(31,079)	(76,561)	45,482	-59.4%
Profit from operations	143,532	101,636	41,896	41.2%	264,549	156,913	107,636	68.6%
Finance costs	(46,797)	(16,546)	(30,251)	182.8%	(93,332)	(22,945)	(70,387)	306.8%
Share of profit of joint ventures	4,704	19,600	(14,896)	-76.0%	5,857	46,506	(40,649)	-87.4%
Share of (loss)/profit of associates	(65)	289	(354)	-122.5%	(158)	761	(919)	-120.8%
Profit before tax	101,374	104,979	(3,605)	-3.4%	176,916	181,235	(4,319)	-2.4%
Income tax expense	(21,071)	(21,412)	341	-1.6%	(35,989)	(37,382)	1,393	-3.7%
Profit for the period	80,303	83,567	(3,264)	-3.9%	140,927	143,853	(2,926)	-2.0%
Profit/(loss) attributable to:								
Owners of the Company	73,668	83,597	(9,929)	-11.9%	134,099	143,883	(9,784)	-6.8%
Non-controlling interests	6,635	(30)	6,665	-22216.7%	6,828	(30)	6,858	-22860.0%
	80,303	83,567	(3,264)	-3.9%	140,927	143,853	(2,926)	-2.0%
Earnings per share attributable to owners of the Company:								
Basic (sen)	6.75	7.68	(0.93)	-12.1%	12.29	13.22	(0.94)	-7.1%
Diluted (sen)	6.72	7.66	(0.94)	-12.3%	12.26	13.20	(0.94)	-7.1%

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 2018

	Individual Period (2nd quarter)		Changes (Amount / %) RM'000 %		Cumulative Period		Changes (Amount / %) RM'000 %	
	Current Year Quarter 31.7.2018 Unaudited RM'000	Preceding Year Corresponding Quarter 31.7.2017 Unaudited RM'000			Current Year To date 31.7.2018 Unaudited RM'000	Preceding Year Corresponding Period 31.7.2017 Unaudited RM'000		
Profit for the period	80,303	83,567	(3,264)	-3.9%	140,927	143,853	(2,926)	-2.0%
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:								
- Exchange differences on translation of foreign operations	107,962	(26,640)	134,602	-505.3%	119,316	(61,152)	180,468	-295.1%
- Cash flows hedge reserve	6,966	(15,817)	22,783	-144.0%	46,255	(35,499)	81,754	-230.3%
Total comprehensive income for the period	195,231	41,110	154,121	374.9%	306,498	47,202	259,296	549.3%
Total comprehensive income/(loss) for the period attributable to:								
Owners of the Company	177,593	41,140	136,453	331.7%	288,667	47,232	241,435	511.2%
Non-controlling interests	17,638	(30)	17,668	-58893.3%	17,831	(30)	17,861	-59536.7%
	195,231	41,110	154,121	374.9%	306,498	47,202	259,296	549.3%

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 July 2018

	AS AT 31.7.2018 Unaudited RM'000	AS AT 31.1.2018 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,856,162	4,535,241
Investment properties	23,607	24,308
Intangible assets	403,159	23,660
Investment in joint ventures	580,862	594,943
Investment in associates	1,746	1,949
Other receivables	-	6,497
Other assets	15,244	15,165
Finance lease receivables	14,647	14,289
Derivatives	93	-
	5,895,520	5,216,052
Current assets		
Inventories	4,410	4,378
Trade and other receivables	326,568	331,340
Advances to joint ventures	63,874	37,326
Advances to associates	42	374
Other assets	145,959	137,570
Finance lease receivables	387	343
Tax recoverable	2,714	4,375
Derivatives	2,001	1,640
Other investment	67,431	79,901
Cash and bank balances	1,071,285	637,120
	1,684,671	1,234,367
TOTAL ASSETS	7,580,191	6,450,419

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 July 2018

	AS AT 31.7.2018 Unaudited RM'000	AS AT 31.1.2018 Audited RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	1,100,241	1,099,490
Treasury shares	(25,449)	(12,633)
Foreign currency translation reserve	147,277	34,351
Cash flows hedge reserve	(4,520)	(46,162)
Capital reserve	96,690	96,690
Share-based option reserve	2,086	1,962
Put option reserve	(475,628)	-
Retained earnings	1,044,913	826,703
Equity attributable to owners of the Company	1,885,610	2,000,401
Perpetual securities issued by subsidiaries	1,575,885	632,162
Non-controlling interests	307,243	595
Total equity	3,768,738	2,633,158
Non-current liabilities		
Loans and borrowings	2,470,302	2,647,066
Other payables	367,155	361,783
Unfavourable contracts	-	4,670
Derivatives	-	42,349
Deferred tax liabilities	42	42
	2,837,499	3,055,910
Current liabilities		
Loans and borrowings	238,793	363,092
Trade and other payables	189,894	331,632
Dividend payable	83	61
Unfavourable contracts	14,627	18,713
Derivatives	-	3,813
Put option liability	475,628	-
Tax payables	54,929	44,040
	973,954	761,351
Total liabilities	3,811,453	3,817,261
TOTAL EQUITY AND LIABILITIES	7,580,191	6,450,419
Net assets per share attributable to owners of the Company (RM)	1.73	1.83

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 2018

	Attributable to owners of the Company									Perpetual securities of subsidiaries RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Cash flows hedge reserve RM'000	Share-based option reserve RM'000	Capital reserve RM'000	Put option reserve RM'000	Retained earnings RM'000	Total equity attributable to owners of the Company RM'000			
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)
Cash dividend	-	-	-	-	-	-	-	(21,764)	(21,764)	-	-	(21,764)
Issuance of ESS	-	-	-	-	829	-	-	-	829	-	-	829
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
At 1 February 2018	1,099,490	(12,633)	34,351	(46,162)	1,962	96,690	-	826,703	2,000,401	632,162	595	2,633,158
Impacts arising from application of MFRS 9 (Note 27)	-	-	-	-	-	-	-	(12,401)	(12,401)	-	-	(12,401)
At 1 February 2018 (Restated)	1,099,490	(12,633)	34,351	(46,162)	1,962	96,690	-	814,302	1,988,000	632,162	595	2,620,757
Total comprehensive income for the period	-	-	112,926	41,642	-	-	-	134,099	288,667	-	17,831	306,498
Accrued and paid perpetual securities distributions	-	-	-	-	-	-	-	(37,809)	(37,809)	-	-	(37,809)
Issue of perpetual securities by a subsidiary	-	-	-	-	-	-	-	-	-	943,723	-	943,723
Effect of changes in shareholding in subsidiaries	-	-	-	-	-	-	(475,628)	177,806	(297,822)	-	288,817	(9,005)
Exercise of ESS	751	-	-	-	-	-	-	-	751	-	-	751
Issuance of ESS	-	-	-	-	124	-	-	-	124	-	-	124
Cash dividends	-	-	-	-	-	-	-	(43,485)	(43,485)	-	-	(43,485)
Purchase of treasury shares	-	(12,816)	-	-	-	-	-	-	(12,816)	-	-	(12,816)
At 31 July 2018 (Unaudited)	1,100,241	(25,449)	147,277	(4,520)	2,086	96,690	(475,628)	1,044,913	1,885,610	1,575,885	307,243	3,768,738

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 2018

	Cumulative Period	
	31.7.2018 Unaudited RM'000	31.7.2017 Unaudited RM'000
OPERATING ACTIVITIES		
Profit before tax	176,916	181,235
Adjustments for:		
Amortisation and depreciation	136,960	86,924
Amortisation of unfavourable contracts	(9,489)	(10,466)
Fair value loss on investment properties	700	2,923
Finance costs	93,693	23,263
Gain on a bargain purchase of acquisition of a subsidiary	-	(20)
Gain on disposal on other investment	-	(415)
Impairment loss on property, plant and equipment	5,937	17,662
Impairment loss on trade and other receivables	-	1,592
Interest income	(5,885)	(2,116)
Loss/(gain) on disposal of property, plant and equipment	255	(124)
Net fair value gain on derivatives	(361)	(318)
Net fair value loss/(gain) on other investment	834	(115)
Property, plant and equipment written off	-	32
Share of (loss)/profit of associates	158	(761)
Share of profit of joint ventures	(5,857)	(46,506)
Unrealised (gain)/loss on foreign exchange	(13,673)	21,882
Operating cash flows before working capital changes	380,188	274,672
Receivables	60,078	(180,958)
Other current assets	(25,024)	(15,928)
Inventories	(32)	537
Payables	(218,514)	173,213
Cash flows from operations	196,696	251,536
Interest received	5,885	2,116
Interest paid	(90,635)	(23,263)
Tax paid	(25,658)	(35,285)
Net cash flows generated from operating activities	86,288	195,104
INVESTING ACTIVITIES		
Dividend received	45,279	-
Investment in a subsidiary	328	(469)
Placement of short term investment	(5)	(6)
Proceeds from disposal of investment	-	11,477
Proceeds from disposal of property, plant and equipment	398	150
Proceeds from disposal of shareholdings in a subsidiary	415,786	-
Purchase of intangible assets	(381,467)	(1,719)
Purchase of property, plant and equipment	(221,384)	(266,473)
Withdrawal/(placement) of deposits pledged as security	86,256	(6,767)
Net cash flows used in investing activities	(54,809)	(263,807)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The Six Months Period Ended 31 July 2018

	Cumulative Period	
	31.7.2018 Unaudited RM'000	31.7.2017 Unaudited RM'000
FINANCING ACTIVITIES		
Dividends paid	(43,485)	-
Drawdown of borrowings	179,923	-
Drawdown of term loans	-	302,105
Perpetual securities distribution paid	(22,000)	(4,613)
Proceeds from equity-settled share-based options	751	-
Proceeds from issuance of perpetual securities	943,723	-
Purchase of treasury shares	(12,816)	-
Repayment of borrowings	(205,923)	(39,959)
Drawdown/(repayment) of obligations under finance leases	27	(164)
Repayment of term loans	(414,977)	(233,381)
Net cash flows generated from financing activities	425,223	23,988
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	456,702	(44,715)
Effects of foreign exchange rate changes	51,990	23,740
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	291,295	504,581
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	799,987	483,606
	As at	As at
	31.7.2018	31.7.2017
	RM'000	RM'000
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	1,071,285	615,757
Bank overdrafts (included within short-term borrowings)	-	(8,670)
	1,071,285	607,087
Short term investment	(355)	(341)
Deposits pledged to banks	(270,943)	(123,140)
	799,987	483,606

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 2018 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 2018. 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 2018 except for the adoption of Amendments to Standards and Issue Committee (IC) Interpretations effective as of 1 February 2018.

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

The adoption of the above amendments to published standards does not have any material impact to the Group, other than MFRS 9 as disclosed in Note 27.

There is no material impact on adoption of MFRS 15 as significant portion of the Group's revenue source is governed under MFRS 117 "Leases".

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 February 2019

- Annual Improvements to MFRS Standards ^{2015 – 2017} Cycle
 - MFRS 3 "Business Combinations"
 - MFRS 11 "Joint Arrangements"
 - MFRS 112 "Income Taxes"
 - MFRS 123 "Borrowing Costs"
- Amendments to MFRS 9 "Prepayment Features with Negative Compensation"
- Amendments to MFRS 128 "Long-term Interests in Associates and Joint Ventures"
- MFRS 16 "Leases"
- IC Interpretation 23 "Uncertainty over Income Tax Treatments"

1. Basis of Preparation (continued)

MFRSs and Amendments to MFRSs issued but not yet effective (continued)

b) Effective for financial periods beginning on or after 1 February 2020

- Amendments to MFRS 2 “Share-based Payment”
- Amendments to MFRS 3 “Business Combinations”
- Amendments to MFRS 101 “Presentation of Financial Statements”
- Amendments to MFRS 108 “Accounting Policies, Changes in Accounting Estimates and Errors”
- Amendments to MFRS 134 “Interim Financial Reporting”
- Amendments to MFRS 137 “Provisions, Contingent Liabilities and Contingent Assets”
- Amendments to MFRS 138 “Intangible Assets”

The Directors expect that the adoption of the above standards and interpretations will either not be relevant or do not have material impact on the financial statements in the year of initial application.

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 2018.

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 2018 except for:

- a) On 2 March 2018, YHB had incorporated two subsidiaries in the Republic of the Marshall Islands as follows:
 - i). Yinson Ghacacia Ltd (“YGL”) is a wholly-owned subsidiary held through Yinson Acacia Ltd. The principal activity of YGL is investment holding.
 - ii). Yinson Gazania Production Ltd (“YGPL”) is a 90% owned subsidiary of YGL. The principal activity of YGPL is provision of floating marine assets for chartering.
- b) On 30 March 2018, YHB had incorporated a wholly-owned subsidiary, Yinson Lavender Operations Sdn Bhd (“YLOSB”) in Malaysia. The principal activity of YLOSB is operating and maintaining floating production storage and offloading vessels and other offshore facilities for the production of offshore oil and gas fields.

5. Changes in the Composition of the Group (continued)

- c) On 16 May 2018, YHB had incorporated two wholly-owned indirect subsidiaries in the Republic of the Marshall Islands as follow:
- i). Yinson Nepeta Holdings Ltd (“YNHL”) is held through Yinson Acacia Ltd. The principal activity of YNHL is investment holding.
 - ii). Yinson Nepeta Production Ltd (“YNPL”) is a wholly-owned subsidiary of YNHL. The principal activity of YNPL is provision of floating marine assets for chartering.
- d) On 6 June 2018, following the completion of the disposal of 26% equity interest of Yinson Production (West Africa) Pte Ltd (“YPWAPL”) to a consortium of Japanese companies, the Group’s effective equity interest in YPWAPL has reduced from 100% to 74%.

6. Segmental Information

For the Six Months Period Ended 31 July 2018

	Offshore & Marine RM'000	Other Operations RM'000	Elimination RM'000	Consolidated RM'000
Revenue				
Gross revenue	555,956	283,297	-	839,253
Elimination	(75,079)	(282,452)	-	(357,531)
Net revenue	480,877	845	-	481,722
Results				
Segment results	264,667	(118)	-	264,549
Finance costs				(93,332)
Share of results of joint ventures				5,857
Share of results of associates				(158)
Income tax expense				(35,989)
Profit after tax				140,927

For the Six Months Period Ended 31 July 2017

	Offshore & Marine RM'000	Other 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				143,853

6. Segmental Information (continued)

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

- a) Offshore & marine segment consists of leasing of vessels and marine related services.
- b) Other operations mainly consist of investment, management services and treasury services.

Transactions between segments are carried out on mutually agreed basis. The effects of such inter-segment transactions are eliminated on consolidation.

Offshore & Marine

Revenue from offshore & marine segment for the period under review has increased by RM91.93 million to RM480.88 million as compared to RM388.95 million in the corresponding prior period ended 31 July 2017. The increase mainly due to the effect of full 6-month bareboat chartering contribution in current period from FPSO John Agyekum Kufuor ("FPSO JAK") as opposed to previous corresponding financial period contribution commenced in June 2017. The segment results increased by RM87.84 million mainly due to the better profit contribution margin on higher recorded revenue, lower administrative overheads, lower impairment loss on plant and equipment and net favorable foreign exchange movement.

Other Operations

The segment loss of other operations has reduced at RM0.12 million with an improvement of RM19.79 million as compared to loss of RM19.91 million in the corresponding prior period ended 31 July 2017. The improvement was mainly driven by net favorable foreign exchange movement on the strengthening of US Dollar.

Results of Joint Ventures and Associates

The share of the results of joint ventures has decreased by RM40.65 million to profit of RM5.86 million for the period ended 31 July 2018 as compared to RM46.51 million for the corresponding prior period ended 31 July 2017 mainly due to comparatively lower scheduled contract chartering rate for FSO PTSC Bien Dong 01 and lower chartering rate from the interim contract entered for continue deployment of FPSO PTSC Lam Son.

The share of results of associates reported a loss of RM0.16 million for the period ended 31 July 2018 as compared to profit of RM0.76 million for the period ended 31 July 2017 mainly due to the absence of share of results upon an associated company reclassification as the Company's subsidiary since June 2017.

Consolidated profit after tax

For the current period under review, the Group's profit after tax has decreased by RM2.92 million or 2.03% to RM140.93 million as compared to RM143.85 million for the corresponding prior period ended 31 July 2017. The decrease was mainly attributable to higher finance cost of RM70.39 million, higher depreciation and amortisation of RM50.04 million and lower share of results in joint ventures of RM40.65 million. The reduction is set-off by profit on higher recorded revenue, lower administrative overheads of RM17.77 million, lower fair value loss on investment properties of RM2.22 million, higher net favorable foreign exchange movement of RM29.13 million and lower impairment loss on plant and equipment of RM11.73 million.

6. Segmental Information (continued)

Consolidated financial position

For the current year under review, the Group's current assets has increased by RM450.30 million or 36.48% to RM1,684.67 million from RM1,234.37 million for the last audited financial year ended 31 January 2018. The increase mainly due to the issuance of a RM950 million Sukuk Mudharabah Programme in May 2018 and proceeds from the 26% equity interest disposal in a subsidiary. Whereas, the Group's current liabilities has increased by RM212.60 million or 27.92% to RM973.95 million from RM761.35 million for the last audited financial year ended 31 January 2018 mainly due to the recognition of put option liability arising from the disposal of 26% equity interest in a subsidiary but set-off by repayment effect of loans and borrowings.

The Group's liquidity indicators, Current Ratio (Calculated as "Current Assets" divided by "Current Liabilities") increased to 1.73 times as compared to 1.62 times for the last audited financial year ended 31 January 2018, increase is in accordance to the deliberation on the movement of the Group's current assets and current liabilities; and Net Gearing Ratio (Calculated as "Total Loans and Borrowings" less "Cash and Bank Balances" divided by "Total Equity") is 0.43 times as compared to 0.90 times for the last audited financial year ended 31 January 2018, improvement mainly attributed to lower loans and borrowings, higher cash and bank balances and equity enhancement effect from the issuance of Sukuk Mudharabah Programme in May 2018.

7. Profit Before Tax

Included in the profit before tax are the following items:

	Current quarter 3 months ended		Cumulative 6 months ended	
	31.7.2018 Unaudited RM'000	31.7.2017 Unaudited RM'000	31.7.2018 Unaudited RM'000	31.7.2017 Audited RM'000
Interest income	(3,411)	(936)	(5,885)	(2,116)
Other income including investment income	(289)	(5,650)	(412)	(8,451)
Finance costs	46,549	16,698	93,693	23,263
Depreciation of property, plant and equipment	68,279	56,246	134,389	84,936
Amortisation of intangible assets	1,297	989	2,571	1,988
Amortisation of unfavourable contracts	(4,808)	(5,151)	(9,489)	(10,466)
Loss/(gain) on disposal on property, plant and equipment	236	(124)	255	(124)
Gain on disposal on other investment	-	(415)	-	(415)
Impairment loss on trade and other receivables	-	1,592	-	1,592
Impairment loss on property, plant and equipment	5,937	17,662	5,937	17,662
Fair value loss on investment properties	-	-	700	2,923
Property, plant and equipment written off	-	32	-	32
Net (gain)/loss on foreign exchange	(14,297)	8,639	(13,300)	15,829
Net fair value loss/(gain) on other investment	16	71	834	(115)
Net fair value loss/(gain) on derivatives	247	(152)	(361)	(318)

8. Income Tax Expense

The income tax expense figures consist of:

	Current quarter 3 months ended		Cumulative 6 months ended	
	31.7.2018 Unaudited RM'000	31.7.2017 Unaudited RM'000	31.7.2018 Unaudited RM'000	31.7.2017 Audited RM'000
Current income tax	21,071	21,420	35,989	37,390
Deferred income tax	-	(8)	-	(8)
Total income tax expense	21,071	21,412	35,989	37,382

The effective tax rate for the period ended 31 July 2018 is lower than the statutory tax rate in Malaysia due to certain income of subsidiaries are not subject to tax 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 Company 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	
	31.7.2018 Unaudited	31.7.2017 Unaudited	31.7.2018 Unaudited	31.7.2017 Audited
Profit net of tax attributable to owners of the Company used in the computation of EPS (RM000)	73,668	83,597	134,099	143,883
Weighted average number of ordinary shares in issue ('000)	1,091,001	1,088,191	1,091,557	1,088,191
Basic earnings per share (sen)	6.75	7.68	12.29	13.22

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	
	31.7.2018 Unaudited	31.7.2017 Unaudited	31.7.2018 Unaudited	31.7.2017 Audited
Adjusted profit net of tax attributable to owners of the parent used in the computation of EPS (RM'000)	73,897	83,679	135,017	144,214
Weighted average number of ordinary shares in issue ('000)	1,091,001	1,088,191	1,091,557	1,088,191
Adjustments for ESS ('000)	9,318	4,000	9,318	4,000
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,100,319	1,092,191	1,100,875	1,092,191
Diluted earnings per share (sen)	6.72	7.66	12.26	13.20

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 RM274.71 million (31 July 2017: RM423.40 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

Save as disclosed below, there were no issuances, repayment of debts, share cancellations and resale of treasury shares during the current financial period under review.

- (a) The Company increased its issued and paid-up share capital by way of issuance of 208,633 new ordinary shares arising from the exercise of options under Employees' Share Scheme; and
- (b) The Company repurchased 3,146,800 of its issued share from open market on Bursa Malaysia Securities Berhad.

13. Interest-bearing Loans and Borrowings

The Group's total borrowings as at 31 July 2018 and 31 July 2017 are as follows:

	As at 31 July 2018		
	Short term RM'000	Long term RM'000	Total borrowings RM'000
Secured			
Term loans	193,070	2,470,005	2,663,075
Obligations under finance lease	230	297	527
Revolving credits	410	-	410
	193,710	2,470,302	2,664,012
Unsecured			
Revolving credits	45,083	-	45,083
	45,083	-	45,083
Total loans and borrowings	238,793	2,470,302	2,709,095

	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

Except for the borrowings of RM2,708.57 million (31 July 2017: RM3,056.74 million) denominated in US Dollar, all other borrowings are denominated in Ringgit Malaysia

Lower outstanding total loans and borrowings is mainly due repayments and lower conversion rate between US Dollar and Ringgit Malaysia.

14. Dividend Paid

Dividend approved and paid in respect of ordinary shares:

	2019		2018	
	Dividend per share Sen	Amount of single-tier dividend RM'000	Dividend per share Sen	Amount of single-tier dividend RM'000
The Company				
Special dividend paid in respect of the financial year ended: - 31 January 2018	4.0	43,485	-	-
Interim dividend paid in respect of the financial year ended: - 31 January 2018	-	-	4.0	43,527
Final dividend paid in respect of the financial years ended: - 31 January 2017	-	-	2.0	21,764
Dividends recognised as distribution to ordinary equity holders of the Company	4.0	43,485	6.0	65,291

15. Capital Commitments

As at 31 July 2018, the capital commitment not provided for in the interim condensed financial statements is as follows:

- approved and contracted for – RM294.89 million
- approved but not contracted for – RM1.08 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	
	31.07.2018 RM'000	31.7.2017 RM'000	31.07.2018 RM'000	31.7.2017 RM'000
<u>With companies controlled by Directors</u>				
Rental income from Kargo Indera Sdn Bhd	23	11	56	11
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
Service Fee income from King Kong Creative Media Sdn Bhd	2	-	2	-
Service Fee income from Yinson Capital Sdn Bhd	7	-	7	-
Service Fee income from Manja Studios Sdn Bhd	2	-	2	-
Service Fee income from Liannex Enterprise Sdn Bhd	7	-	7	-
<u>With Joint Ventures</u>				
Interest income from PTSC South East Asia Pte Ltd	-	343	-	748
Interest income from PTSC Asia Pacific Pte Ltd	-	-	-	12
<u>With Associates</u>				
Ship management fee to Regulus Offshore Sdn Bhd	-	212	-	848
Purchase from Regulus Offshore Sdn Bhd	-	996	-	2,044
Rental income from Yinson Energy Sdn Bhd	-	19	11	38
Management fee income from Yinson Ghazania Operations Ltd	3	-	6	-
Management fee income from Regulus Offshore Sdn Bhd	-	-	-	10
Interest income from Regulus Offshore Sdn Bhd	-	11	-	28
Marine chartering income from Regulus Offshore Sdn Bhd	-	820	-	3,241
Consultancy fee to Yinson Energy Sdn Bhd	-	552	439	1,114
Interest income from Yinson Energy Sdn Bhd	-	8	4	10

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 31.7.2018 RM'000	Immediate Preceding Quarter 30.4.2018 RM'000	Changes (Amount / %)	
Revenue	246,544	235,178	11,366	4.83%
Direct expenses	(105,167)	(101,136)	(4,031)	3.99%
Gross profit	141,377	134,042	7,335	5.47%
Other operating income	18,484	1,725	16,759	971.54%
Administrative expenses	(16,329)	(14,750)	(1,579)	10.71%
Profit from operations	143,532	121,017	22,515	18.60%
Finance costs	(46,797)	(46,535)	(262)	0.56%
Share of results of joint ventures	4,704	1,153	3,551	307.98%
Share of results of associates	(65)	(93)	28	-30.11%
Profit before tax	101,374	75,542	25,832	34.20%
Income tax expense	(21,071)	(14,918)	(6,153)	41.25%
Profit after tax	80,303	60,624	19,679	32.46%

The Group's profit before tax for the second quarter of current financial year has increased by 34.20% or RM25.83 million to RM101.37 million as compared to the RM75.54 million in the preceding quarter. The increase was mainly attributable to profit on higher recorded revenue translated at stronger US Dollar, favorable foreign exchange movement of RM15.30 million and higher share of results from joint ventures of RM3.55 million.

21. Commentary on Prospects

The short-term to medium-term outlook in the oil and gas industry remains challenging and uncertain due to emerging new alternative energy resources and financial institutions risk appetite towards the sector. Overall current global economic is exposed to the risk of increasing trade protectionism and certain geopolitical conditions remain fragile, with higher downside risks. Tendency to uphold the unprecedented easing of monetary conditions in major economies to encourage businesses has weaker with the Federal Reserve of United States adopting gradual incremental on interest rate. Nevertheless, the lagging investment for the industry in the past years could promote the increase in demand to replenish the depleting production globally.

Amid the challenging global economic environment and the volatility of other currencies against US Dollar, the Group shall strive to achieve satisfactory results for the financial year ending 31 January 2019.

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 and Utilisation of Proceeds

(a) Contract award for Ca Rong Do Field development – Block 07/03 Offshore Vietnam (“Contract”)

On 25 March 2018, PTSC Ca Rong Do Ltd (“PTSC CRD”), a joint venture company owned by Yinson Clover Ltd (“YCL”) and PetroVietnam Technical Services Corporation (“PTSC”) (each holding 49% and 51% respectively in PTSC CRD) had received a notice (“Notice”) from PTSC under the Bareboat Charter Contract.

In the Notice, PTSC informed that on 24 March 2018, PTSC has been notified by Talisman Vietnam 07/03 B.V. (“TLV”) of a force majeure event under the Contract where TLV has been directed by Government of Vietnam not to carry out scheduled work program for CRD Project.

The Contract is a time charter contract comprising the bareboat scope of work (“Bareboat SOW”) and operation and maintenance of the FPSO.

YCL, an indirect wholly-owned subsidiary of YHB had on 26 April 2017 entered into the Contract with TLV for CRD Project. As a requirement under the bid for the Contract, YCL had also on even date entered into a novation agreement with TLV and PTSC for the novation of all rights and liabilities under the Contract to PTSC.

PTSC CRD was incorporated on 5 December 2017 to jointly undertake the execution and performance of the Bareboat SOW.

YHB, together with PTSC will jointly discuss with TLV for next course of action pursuant to the force majeure event. Pending resolution of this matter, and in compliance with the Notice, PTSC CRD will endeavour to take all reasonable actions to mitigate the effects of the alleged force majeure event.

There is no material development on the status of the contract for the quarter under review.

(b) Utilisation of proceeds from the disposal of 26% equity interest of Yinson Production (West Africa) Pte Ltd to a consortium of Japanese companies

The details of the utilisation of the proceeds are as follows:

Purpose	Proposed utilisation RM’000	Actual utilisation RM’000	Intended timeframe for utilisation
Capital expenditure	100,212	61,973	Within 24 months
Repayment of borrowings	208,775	77,667	Within 24 months
Working capital	Up to 177,459	8,093	Within 24 months
Estimated expenses	2,088	2,059	Within 6 months
Total	Up to 488,534	149,792	

24. Material Litigation

As at 31 July 2018, 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 RM43.4 million, which is payable on 21 December 2018. The entitlement date for the dividend payment is 29 November 2018.

26. Derivatives

Details of derivative financial instruments outstanding as at 31 July 2018 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	203,260	2,001
More than 3 years	2,359,442	93

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 floating rate term loans:

- i. contract amounting to RM203.26 million that receives floating interest at 3 months US\$ LIBOR and pays fixed interest at 1.58% p.a.; and
- ii. contracts amounting to RM2,359.44 million that receive floating interest at 3 months US\$ LIBOR and pays fixed interest at 2.88% p.a.

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 2018, the net fair value gain on interest rate swap derivative measured at fair value through profit and loss is RM0.36 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 2018, the net fair value gain on interest rate swap derivative measured at fair value through the reserve is RM46.26 million.

27. Adoption of MFRS 9

MFRS 9 introduces new requirements in three main areas, which are classification and measurement of financial assets, expected credit loss model on impairment and hedge accounting. The Group has adopted the new rules retrospectively from 1 February 2018, with practical expedients permitted under the standard. Comparatives for financial year ended 31 January 2018 will not be restated. The impact of adoption of MFRS 9 are described below:

(i) Classification and measurement of financial assets

There is no impact on the classification and measurement of financial assets as significant portion of the Group's financial assets are debt instruments currently classified as loan and receivables and measured at amortised cost.

(ii) Hedge accounting

The current hedge relationships are align with the new hedge accounting rules and in accordance to the Group's risk management practices.

(iii) Expected credit loss model on impairment

The Group has performed impairment assessment for trade and other receivables, finance lease receivables and cash and bank balances at the end of reporting period, using both historical and forward-looking information available. The assessment has resulted in a decrease in opening retained earnings as at 1 February 2018 of RM12.40 million, with corresponding decrease in other receivables as presented below:

	Reported as at 31.1.2018 <u>RM'000</u>	Effect of MFRS 9 <u>RM'000</u>	Restated as at 1.2.2018 <u>RM'000</u>
<u>Consolidated Statement of Financial Position</u>			
Trade and other receivables	331,340	(12,401)	318,939
Retained earnings	826,703	(12,401)	814,302

28. Auditors' Report on Preceding Annual Financial Statements

The Auditors' Report on the financial statements for the year ended 31 January 2018 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 24 September 2018.