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

CONDENSED CONSOLIDATED INCOME STATEMENT
For The Three Months Period Ended 30 April 2018

	Individual and Cumulative Period (1st quarter)			
	Current Year Quarter 30.4.2018 Unaudited RM'000	Preceding Year Corresponding Quarter 30.4.2017 Unaudited RM'000	Changes (Amount / %) RM'000	%
Revenue	235,178	172,413	62,765	36.4%
Direct expenses	(101,136)	(89,632)	(11,504)	12.8%
Gross profit	134,042	82,781	51,261	61.9%
Other operating income	1,725	4,167	(2,442)	-58.6%
Administrative expenses	(14,750)	(31,671)	16,921	-53.4%
Profit from operations	121,017	55,277	65,740	118.9%
Finance costs	(46,535)	(6,399)	(40,136)	627.2%
Share of results of joint ventures	1,153	26,906	(25,753)	-95.7%
Share of results of associates	(93)	472	(565)	-119.7%
Profit before tax	75,542	76,256	(714)	-0.9%
Income tax expense	(14,918)	(15,970)	1,052	-6.6%
Profit for the period	**60,624**	**60,286**	**338**	**0.6%**
Profit attributable to:				
Owners of the Company	60,431	60,286	145	0.2%
Non-controlling interests	193	-	193	100.0%
	60,624	60,286	338	0.6%
Earnings per share attributable to owners of the Company:				
Basic (sen)	5.55	5.54	0.01	0.2%
Diluted (sen)	5.56	5.53	0.03	0.5%

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 Three Months Period Ended 30 April 2018

	Individual and Cumulative Period (1st quarter)			
	Current Year Quarter 30.4.2018 Unaudited RM'000	Preceding Year Corresponding Quarter 30.4.2017 Unaudited RM'000	Changes (Amount / %) RM'000	%
Profit for the period	60,624	60,286	338	0.6%
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:				
- Exchange differences on translation of foreign operations	11,354	(34,512)	45,866	-132.9%
- Cash flows hedge reserve	39,289	(19,682)	58,971	-299.6%
Total comprehensive income for the period	**111,267**	**6,092**	**105,175**	**1726.4%**
Total comprehensive income for the period attributable to:				
Owners of the Company	111,074	6,092	104,982	1723.3%
Non-controlling interests	193	-	193	100.0%
	111,267	6,092	105,175	1726.4%

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 30 April 2018

	AS AT 30.4.2018 Unaudited RM'000	AS AT 31.1.2018 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,622,956	4,535,241
Investment properties	23,607	24,308
Intangible assets	22,490	23,660
Investment in joint ventures	600,185	594,943
Investment in associates	1,748	1,949
Other receivables	-	6,497
Other assets	14,984	15,165
Finance lease receivables	14,446	14,289
	5,300,416	**5,216,052**
Current assets		
Inventories	4,298	4,378
Trade and other receivables	288,549	331,340
Advances to joint ventures	50,058	37,326
Advances to associates	380	374
Other assets	107,671	137,570
Finance lease receivables	152	343
Tax recoverable	4,010	4,375
Derivatives	2,249	1,640
Other investment	79,634	79,901
Cash and bank balances	580,484	637,120
	1,117,485	**1,234,367**
TOTAL ASSETS	**6,417,901**	**6,450,419**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 April 2018

	AS AT 30.4.2018 Unaudited RM'000	AS AT 31.1.2018 Audited RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	1,100,061	1,099,490
Treasury shares	(17,249)	(12,633)
Foreign currency translation reserve	45,705	34,351
Cash flows hedge reserve	(6,873)	(46,162)
Capital reserve	96,690	96,690
Share-based option reserve	1,972	1,962
Retained earnings	820,247	826,703
Equity attributable to owners of the Company	2,040,553	2,000,401
Perpetual securities issued by subsidiaries	632,162	632,162
Non-controlling interests	1,067	595
Total equity	**2,673,782**	**2,633,158**
Non-current liabilities		
Loans and borrowings	2,575,945	2,647,066
Other payables	357,447	361,783
Unfavourable contracts	-	4,670
Derivatives	4,594	42,349
Deferred tax liabilities	42	42
	2,938,028	**3,055,910**
Current liabilities		
Loans and borrowings	390,360	363,092
Trade and other payables	303,781	331,632
Dividend payable	43,535	61
Unfavourable contracts	18,825	18,713
Derivatives	2,279	3,813
Tax payables	47,311	44,040
	806,091	**761,351**
Total liabilities	**3,744,119**	**3,817,261**
TOTAL EQUITY AND LIABILITIES	**6,417,901**	**6,450,419**
Net assets per share attributable to owners of the Company (RM)	**1.86**	**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.

YINSON HOLDINGS BERHAD (Company No. 259147-A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Three Months Period Ended 30 April 2018

	Attributable to owners of the Company										
	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	**Retained earnings** RM'000	**Total equity attributable to owners of the Company** RM'000	**Perpetual securities of subsidiaries** RM'000	**Non-controlling interests** RM'000	**Total equity** 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	-	-	(34,512)	(19,682)	-	-	60,286	6,092	-	-	6,092
Accrued and paid perpetual securities distributions	-	-	-	-	-	-	(7,569)	(7,569)	-	-	(7,569)
Issuance of ESS	-	-	-	-	415	-	-	415	-	-	415
At 30 April 2017 (Unaudited)	**1,099,462**	**(12,633)**	**312,989**	**(121,713)**	**719**	**-**	**688,827**	**1,967,651**	**437,460**	**-**	**2,405,111**
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	-	-	11,354	39,289	-	-	60,431	111,074	-	193	111,267
Accrued and paid perpetual securities distributions	-	-	-	-	-	-	(11,001)	(11,001)	-	-	(11,001)
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	-	279	279
Exercise of ESS	571	-	-	-	(128)	-	-	443	-	-	443
Issuance of ESS	-	-	-	-	138	-	-	138	-	-	138
Cash dividends	-	-	-	-	-	-	(43,485)	(43,485)	-	-	(43,485)
Purchase of treasury shares	-	(4,616)	-	-	-	-	-	(4,616)	-	-	(4,616)
At 30 April 2018 (Unaudited)	**1,100,061**	**(17,249)**	**45,705**	**(6,873)**	**1,972**	**96,690**	**820,247**	**2,040,553**	**632,162**	**1,067**	**2,673,782**

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 Three Months Period Ended 30 April 2018

	Cumulative Period	
	30.4.2018 Unaudited RM'000	30.4.2017 Unaudited RM'000
OPERATING ACTIVITIES		
Profit before tax	75,542	76,256
Adjustments for:		
Amortisation and depreciation	67,384	29,689
Amortisation of unfavourable contracts	(4,681)	(5,315)
Unrealised loss on foreign exchange	(365)	15,009
Finance costs	47,144	6,565
Loss on disposal of property, plant and equipment	19	-
Fair value loss on investment properties	700	2,923
Net fair value loss/(gain) on other investment	818	(186)
Net fair value gain on derivatives	(608)	-
Share of results of joint ventures	(1,153)	(26,906)
Share of results of associates	93	(472)
Interest income	(2,474)	(1,180)
Operating cash flows before working capital changes	182,419	96,383
Receivables	63,377	(60,034)
Other current assets	(11,848)	1,184
Inventories	80	204
Payables	(95,314)	223,772
Cash flows from operations	138,714	261,509
Interest received	2,474	1,180
Interest paid	(42,511)	(6,565)
Tax paid	(11,589)	(22,295)
Net cash flows generated from operating activities	**87,088**	**233,829**
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	97	-
Proceeds from disposal of investment	-	8,000
Addition in investment	-	(50)
Investment in subsidiary	328	-
Purchase of intangible assets	(10)	(804)
Purchase of property, plant and equipment	(65,558)	(243,762)
Withdrawal/(placement) of deposits pledged as security	63,369	(13,177)
Placement of short term investment	(3)	(3)
Net cash flows used in investing activities	**(1,777)**	**(249,796)**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The Three Months Period Ended 30 April 2018

	Cumulative Period	
	30.4.2018 Unaudited RM'000	30.4.2017 Unaudited RM'000
FINANCING ACTIVITIES		
Drawdown of borrowings	90,630	-
Repayment of borrowings	(20,986)	(40,702)
Drawdown of term loans	-	139,238
Repayment of term loans	(160,640)	(64,600)
Repayment of obligations under finance leases	(91)	(76)
Perpetual securities distribution paid	(30,652)	(15,569)
Purchase of treasury shares	(4,616)	-
Proceeds from equity-settled share-based options	571	-
Net cash flows (used in)/generated from financing activities	**(125,784)**	**18,291**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(40,473)	2,324
Effects of foreign exchange rate changes	45,445	(7,932)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	291,295	504,581
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	**296,267**	**498,973**

	As at 30.4.2018 RM'000	As at 30.4.2017 RM'000
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	580,484	632,764
Bank overdrafts (included within short-term borrowings)	-	(8,994)
	580,484	623,770
Short term investment	(351)	(340)
Bank balance in Escrow account	(65,481)	-
Deposits pledged to banks	(218,385)	(124,457)
	296,267	**498,973**

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 30 April 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 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 30 April 2018 except for disclosure made in Note 23 (iv).

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 30 April 2018 except for:

a) On 2 March 2018, YHB had incorporated two subsidiaries in the Republic of the Marshall Islands as follow:

   i). Yinson Ghacacia Ltd (“YGL”) is 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.

6. Segmental Information

For the Three Months Period Ended 30 April 2018

	Offshore & Marine RM'000	Other Operations RM'000	Elimination RM'000	Consolidated RM'000
Revenue				
Gross revenue	263,954	27,828	-	291,782
Elimination	(28,987)	(27,617)	-	(56,604)
Net revenue	234,967	211	-	235,178
Results				
Segment results	131,413	(10,396)	-	121,017
Finance costs				(46,535)
Share of results of joint ventures				1,153
Share of results of associates				(93)
Income tax expense				(14,918)
Profit after tax				60,624

For the Three Months Period Ended 30 April 2017

	Offshore & Marine RM'000	Other Operations RM'000	Elimination RM'000	Consolidated RM'000
Revenue				
Gross revenue	179,125	14,462	-	193,587
Elimination	(7,064)	(14,110)	-	(21,174)
Net revenue	172,061	352	-	172,413
Results				
Segment results	65,280	(10,003)	-	55,277
Finance costs				(6,399)
Share of results of joint ventures				26,906
Share of results of associates				472
Income tax expense				(15,970)
Profit after tax				60,286

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.

6. Segmental Information (continued)

Offshore & Marine

Revenue from offshore & marine segment for the period under review has increased by RM62.91 million to RM234.97 million as compared to RM172.06 million in the corresponding prior period ended 30 April 2017. The increase mainly due to the effect of additional bareboat chartering contribution as a result of the deployment of FPSO John Agyekum Kufuor (“FPSO JAK”) to Ghana began June 2017. The segment results increased by RM66.13 million mainly due to better profit contribution on the higher recorded revenue, lower administrative overheads and net favorable foreign exchange movement.

Other Operations

The segment loss of other operations has increased marginally by RM0.40 million to RM10.40 million as compared to loss of RM10.00 million in the corresponding prior period ended 30 April 2017. The loss was mainly attributed to higher administrative overheads and higher net fair value loss on other investment but set-off by lower fair value loss on investment properties.

Results of Joint Ventures and Associates

The share of the results of joint ventures has decreased by RM25.76 million to profit of RM1.15 million for the period ended 30 April 2018 as compared to RM26.91 million for the corresponding prior period ended 30 April 2017 mainly due to comparatively lower scheduled contract chartering rate for FSO PTSC Bien Dong 01, lower chartering rate from the interim contract entered for continue deployment of FPSO PTSC Lam Son and higher operating cost incurred during start-up phase of FPSO JAK’s operating and maintenance activities.

The share of results of associates decreased to loss of RM0.09 million for the period ended 30 April 2018 as compared to profit of RM0.47 million for the period ended 30 April 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 increased marginally by RM0.34 million or 0.56% to RM60.63 million as compared to RM60.29 million for the corresponding prior period ended 30 April 2017. The increase was mainly attributable better profit contribution margin on higher recorded revenue, lower administrative overheads of RM9.87 million, lower fair value loss on investment properties of RM2.22 million, lower net unfavorable foreign exchange movement of RM6.19 million and lower income tax expense of RM1.05 million. These improvements are set-off by higher finance cost of RM40.14 million and lower share of results in joint ventures of RM25.76 million.

Consolidated financial position

For the current year under review, the Group’s current assets has decreased by RM116.88 million or 9.47% to RM1,117.49 million from RM1,234.37 million for the last audited financial year ended 31 January 2018. The decrease mainly due to resources allocated to fund the Group’s new contract secured. Whereas, the Group’s current liabilities has increased by RM44.74 million or 5.88% to RM806.09 million from RM761.35 million for the last audited financial year ended 31 January 2018 mainly due to the effect of accrued special dividend payable of 4.0 sen per share for financial year ended 31 January 2018.

The Group’s liquidity indicators, Current Ratio (Calculated as “Current Assets” divided by “Current Liabilities”) reduced to 1.39 times as compared to 1.62 times for the last audited financial year ended 31 January 2018, reduction 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 0.89 times as compared to 0.90 times for the last audited financial year ended 31 January 2018, marginal improvement mainly attributed to lower cash and bank balances.

7. Profit Before Tax

Included in the profit before tax are the following items:

	Current and cumulative quarter 3 months ended	
	30.4.2018 Unaudited RM'000	30.4.2017 Unaudited RM'000
Interest income	(2,474)	(1,180)
Other income including investment income	(123)	(2,801)
Finance costs	47,144	6,565
Depreciation of property, plant and equipment	66,110	28,690
Amortisation of intangible assets	1,274	999
Amortisation of unfavourable contracts	(4,681)	(5,315)
Loss on disposal on property, plant and equipment	19	-
Fair value loss on investment properties	700	2,923
Net loss on foreign exchange	997	7,190
Net fair value loss/(gain) on other investment	818	(186)
Net fair value gain on derivatives	(608)	-

8. Income Tax Expense

The income tax expense figures consist of:

	Current and cumulative quarter 3 months ended	
	30.4.2018 Unaudited RM'000	**30.4.2017 Unaudited RM'000**
Current income tax	14,918	15,970

The effective tax rate for the year ended 30 April 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 and cumulative quarter 3 months ended	
	30.4.2018 Unaudited	**30.4.2017 Unaudited**
Profit net of tax attributable to owners of the parent used in the computation of EPS (RM'000)	60,431	60,286
Weighted average number of ordinary shares in issue ('000)	1,088,789	1,088,191
Basic earnings per share (sen)	5.55	5.54

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 and cumulative quarter	
	3 months ended	
	30.4.2018 Unaudited	30.4.2017 Unaudited
Adjusted profit net of tax attributable to owners of the parent used in the computation of EPS (RM'000)	60,745	60,366
Weighted average number of ordinary shares in issue ('000)	1,088,789	1,088,191
Adjustments for ESS ('000)	4,378	4,000
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,093,167	1,092,191
Diluted earnings per share (sen)	5.56	5.53

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 RM125.68 million (30 April 2017: RM243.76 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 158,633 new ordinary shares arising from the exercise of options under Employees' Share Scheme; and

(b) The Company repurchased 1,240,600 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 30 April 2018 and 30 April 2017 are as follows:

	As at 30 April 2018		
	Short term RM'000	**Long term RM'000**	**Total borrowings RM'000**
Secured			
Term loans	174,719	2,424,711	2,599,430
Obligations under finance lease	320	88	408
Sukuk	75,315	151,146	226,461
Revolving credits	21,449	-	21,449
	271,803	2,575,945	2,847,748
Unsecured			
Revolving credits	118,557	-	118,557
	118,557	-	118,557
Total loans and borrowings	**390,360**	**2,575,945**	**2,966,305**

	As at 30 April 2017		
	Short term RM'000	**Long term RM'000**	**Total borrowings RM'000**
Secured			
Term loans	129,429	2,931,101	3,060,530
Obligations under finance lease	312	409	721
Sukuk	2,807	245,499	248,306
	132,548	3,177,009	3,309,557
Unsecured			
Bank overdrafts	8,994	-	8,994
Revolving credits	43,673	4,341	48,014
	52,667	4,341	57,008
Total loans and borrowings	**185,215**	**3,181,350**	**3,366,565**

Except for the borrowings of RM2,675.01 million (30 April 2017: RM3,104.19 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 30 April 2018, the capital commitment not provided for in the interim condensed financial statements is as follows:

- approved and contracted for – RM151.03 million
- approved but not contracted for – RM1.37 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 except for disclosure made in Note 23.

18. Related Party Disclosures

Significant related party transactions are as follows:

	Current and cumulative quarter 3 months ended	
	30.4.2018 RM'000	30.4.2017 RM'000
With companies substantially owned by Directors, Lim Han Weng and Bah Kim Lian		
Rental income from Kargo Indera Sdn Bhd	34	-
Management fee income from Liannex Corporation (S) Pte Ltd	-	250
With Joint Ventures		
Interest income from PTSC South East Asia Pte Ltd	-	405
Interest income from PTSC Asia Pacific Pte Ltd	-	12
With Associates		
Ship management fee to Regulus Offshore Sdn Bhd	-	636
Purchase from Regulus Offshore Sdn Bhd	-	1,048
Rental income from Yinson Energy Sdn Bhd	11	20
Management fee income from Yinson Ghazania Operations Ltd	3	-
Management fee income from Regulus Offshore Sdn Bhd	-	10
Interest income from Regulus Offshore Sdn Bhd	-	17
Marine chartering income from Regulus Offshore Sdn Bhd	-	2,421
Consultancy fee to Yinson Energy Sdn Bhd	439	562
Interest income from Yinson Energy Sdn Bhd	4	3

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

Note 20

	Current quarter 30.4.2018 RM'000	Immediate Preceding Quarter 31.1.2018 RM'000	Changes (Amount / %)	
Revenue	235,178	257,394	(22,216)	-8.63%
Direct expenses	(101,136)	(96,550)	(4,586)	4.75%
Gross profit	134,042	160,844	(26,802)	-16.66%
Other operating income	1,725	2,624	(899)	-34.26%
Administrative expenses	(14,750)	(30,791)	16,041	-52.10%
Profit from operations	121,017	132,677	(11,660)	-8.79%
Finance costs	(46,535)	(54,440)	7,905	-14.52%
Share of results of joint ventures	1,153	(4,311)	5,464	-126.75%
Share of results of associates	(93)	(127)	34	-26.77%
Profit before tax	75,542	73,799	1,743	2.36%
Income tax expense	(14,918)	(16,801)	1,883	-11.21%
Profit after tax	60,624	56,998	3,626	6.36%

The Group's profit before tax for the first quarter of current financial year has increased by 2.36% or RM1.74 million to RM75.54 million as compared to the RM73.80 million in the preceding quarter. The increase was mainly attributable to lower administrative overheads of RM13.82 million, lower impairment on plant and equipment of RM6.65 million, lower fair value loss on investment properties of RM2.00 million, lower finance cost of RM7.91 million and positive share of results from joint ventures of RM5.46 million. These improvements are set-off mainly by lower profit contribution on recorded revenue translated at weaker US Dollar, higher operating expenses incurred and unfavorable foreign movement of RM4.38 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

The corporate proposal announced but not completed as at the date of issue of the quarterly report is as follow:

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

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 ("YTL") 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.

Subsequently, YTL had on 21 November 2017 executed a conditional share purchase agreement ("SPA") with the following parties:
(a) Japan Sankofa Offshore Production Pte. Ltd. as the purchaser;
(b) YHB as the seller guarantor ("Seller Guarantor"); and
(c) Sumitomo Corporation ("Sumitomo") as a purchaser guarantor;
(d) Kawasaki Kisen Kaisha, Ltd (""K" Line") as a purchaser guarantor;
(e) JGC Corporation ("JGC") as a purchaser guarantor; and
(f) Development Bank of Japan Inc. ("DBJ") as a purchaser guarantor

for the proposed disposal of 26% equity interest in YPWAPL to the Purchaser for a total cash consideration of a maximum of US$117.00 million (equivalent to approximately RM 488.53million) ("Proposed Disposal").

The Proposed Disposal is an opportunity for the YHB Group to partially monetise its investment in YPWAPL at an attractive price, and free up the Group's financial resources to expand and bid for future projects, while at the same time, enabling the Group to continue participating and benefitting from the prospects of YP(WA)PL and the Ghana FPSO project, as YHB will still have an effective 74% equity interest and retain management control in YPWAPL by consolidation as a subsidiary upon the Proposed Disposal.

The strategic partnership with 4 established and prominent institutions, namely (i) Sumitomo, a Japanese conglomerate with diversified businesses, (ii) "K" Line, one of the largest Japanese shipping companies, (iii) JGC, an international engineering, procurement and construction player, specialising in the oil and gas sector, and (iv) DBJ, a A1/A rated Japanese bank owned by the Government of Japan, provides a tremendous opportunity to build a long term relationship with each other, on which the parties may potentially leverage as a consortium to bid for future projects.

The Proposed Disposal has been completed on 6 June 2018.

23. Status of Corporate Proposals (continued)

The corporate proposal announced but not completed as at the date of issue of the quarterly report is as follow (continued):

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

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	-	Within 24 months
Repayment of borrowings	208,775	74,961	Within 24 months
Working capital	Up to 177,459	7,811	Within 24 months
Estimated expenses	2,088	-	Within 6 months
Total	**Up to 488,534**	**82,772**	

ii. Establishment of a Perpetual Senior Sukuk Mudharabah and Subordinated Sukuk Mudharabah (collectively as "Sukuk Mudharabah") Programme of RM1.5 billion

On 14 February 2018, Yinson TMC Sdn Bhd ("YTMC"), a wholly-owned subsidiary of YHB has made a lodgement to the Securities Commission Malaysia ("SC") for the establishment of a RM1.5 billion Sukuk Mudharabah Programme ("Programme") pursuant to the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

The Programme shall have a perpetual tenure, unrated and is structured based on the Shariah principle of Mudharabah.

Proceeds from the issuance are to be used for the Group's general corporate purpose, refinance the Group's outstanding loans and borrowings and for defray fees, cost and expenses in relation to the issuance of the Programme.

On 8 May 2018, YTMC issued a RM950 million Sukuk Mudharabah under the Programme.

iii. Proposed novation of contract for provision of EPCIC and leasing for Layang FPSO facilities dated 27 November 2014 between JX Nippon Oil & Gas Exploration (Malaysia) Limited ("Nippon") and TH Heavy Engineering Berhad ("THHE") to Yinson Energy

On 29 November 2017, Yinson Energy Sdn Bhd ("Yinson Energy"), an associate company of YHB, acting on behalf of YHB, has affirmed affidavits and extended copies thereof to the High Court of Malaya at Kuala Lumpur in connection with an application made by THHE to enter into and complete a proposed novation of the EPCIC and leasing contract for a floating production storage and offloading facility (FPSO) dated 27 November 2014 between Nippon and THHE, to Yinson Energy ("Proposed Novation").

The contract is for the engineering, procurement, construction, installation and commission and leasing of a FPSO to be deployed at the Layang field in Block SK10, offshore Miri, Sarawak.

The proposed novation will be subjected to the satisfaction of conditions precedent, which includes a court order being obtained by THHE, and Yinson Energy is to have no liability or responsibility whatsoever to Nippon or THHE for any loss or liability arising in relation to matters prior to the complete satisfaction (or waiver) or all such conditions precedent.

23. Status of Corporate Proposals (continued)

The corporate proposal announced but not completed as at the date of issue of the quarterly report is as follow (continued):

iii. Proposed novation of contract for provision of EPCIC and leasing for Layang FPSO facilities dated 27 November 2014 between JX Nippon Oil & Gas Exploration (Malaysia) Limited ("Nippon") and TH Heavy Engineering Berhad ("THHE") to Yinson Energy (continued)

On 21 December 2017, the High Court of Malaya at Kuala Lumpur has granted to THHE such an order under Section 368(4) of the Companies Act 2016 for leave to enter into the Proposed Novation ("Validation Order").

On 12 February 2018, the Court of Appeal dismissed the appeal by Globalmariner Offshore Services Sdn. Bhd. ("GMOS") against the Validation Order.

On 22 February 2018, GMOS filed an application for leave to appeal to the Federal Court in relation to the dismissal by the Court of Appeal. The application is now pending hearing and the novation agreement in relation to the Proposed Novation is being finalised amongst Yinson Energy, Nippon and THHE.

On 30 April 2018, Yinson Energy (as the exclusive agent of Yinson Production AS, an indirect wholly-owned subsidiary of the Company) entered into: (a) a novation agreement ("Novation Agreement") with Nippon and THHE in respect of the Proposed Novation; and (b) an ancillary consideration agreement with THHE.

On 7 May 2018, the Federal Court dismissed GMOS's application for leave to appeal to the Federal Court in relation to the above dismissal by the Court of Appeal.

On 1 June 2018, the Novation Agreement was rendered unconditional and the novation became effective.

iv. 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.

24. Material Litigation

As at 30 April 2018, there was no material litigation against the Group since the last audited financial statements.

25. Dividend Payable

On 29 March 2018, the Board of Directors recommended a final single-tier dividend of 2.0 sen per share for the financial year ended 31 January 2018. The proposed dividend is subject to shareholders' approval at the forthcoming Annual General Meeting. If approved, the entitlement date for the dividend is 2 August 2018 and is payable on 27 August 2018.

26. Derivatives

Details of derivative financial instruments outstanding as at 30 April 2018 are as follows: -

Types of derivatives	Contract / Notional Amount	Fair Value Assets/ (Liabilities)
	RM'000	RM'000
Interest rate swaps		
1 to 3 years	196,175	2,249
More than 3 years	2,332,717	(6,873)

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 RM196.18 million that receives floating interest at 3 months US$ LIBOR and pays fixed interest at 1.58% p.a.; and

ii. contracts amounting to RM2,332.72 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, 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 30 April 2018, the net fair value gain on interest rate swap derivative measured at fair value through profit and loss is RM0.61 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 30 April 2018, the net fair value gain on interest rate swap derivative measured at fair value through the reserve is RM39.29 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 RM'000	Effect of MFRS 9 RM'000	Restated as at 1.2.2018 RM'000
Consolidated Statement of Financial Position			
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 27 June 2018.