



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

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**For The Three Months Period Ended 30 April 2017**

	Current and Cumulative quarter 3 months ended	
	30.4.2017	30.4.2016
	Unaudited	Unaudited
	RM'000	RM'000
<b>Continuing operations</b>		
Revenue	172,413	115,398
Direct expenses	(89,632)	(66,173)
Gross profit	82,781	49,225
Other operating income	11,986	2,569
Administrative expenses	(39,490)	(36,446)
Profit from operations	55,277	15,348
Finance costs	(6,399)	(7,380)
Share of results of joint ventures	26,906	23,871
Share of results of associates	472	(39)
Profit before tax from continuing operations	76,256	31,800
Income tax expense	(15,970)	(11,098)
Profit after tax from continuing operations	60,286	20,702
<b>Discontinued operations</b>		
Profit from discontinued operations, net of tax	-	1,289
<b>Profit for the period</b>	<b>60,286</b>	<b>21,991</b>
<b>Profit attributable to:</b>		
Owners of the parent	60,286	22,376
Non-controlling interests	-	(385)
	60,286	21,991
<b>Earnings per share attributable to owners of the parent:</b>		
Basic (sen)	5.54	2.05
Diluted (sen)	5.53	2.05
<b>Earnings per share from continuing operations attributable to owners of the parent:</b>		
Basic (sen)	5.54	1.90
Diluted (sen)	5.53	1.90
<b>Earnings per share from discontinued operations attributable to owners of the parent:</b>		
Basic (sen)	-	0.15
Diluted (sen)	-	0.15

*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 2017**

	Current and Cumulative quarter 3 months ended	
	30.4.2017 Unaudited RM'000	30.4.2016 Unaudited RM'000
Profit for the period	60,286	21,991
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
- Exchange differences on translation of foreign operations	(34,512)	(122,640)
- Cash flows hedge reserve	(19,682)	(14,617)
<b>Total comprehensive income/(loss) for the period</b>	<b>6,092</b>	<b>(115,266)</b>
<b>Total comprehensive income/(loss) for the period attributable to:</b>		
Owners of the parent	6,092	(114,742)
Non-controlling interests	-	(524)
	<b>6,092</b>	<b>(115,266)</b>

*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 30 April 2017**

	AS AT 30.4.2017 Unaudited RM'000	AS AT 31.1.2017 Audited RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,729,218	4,609,661
Investment properties	27,007	29,931
Intangible assets	27,089	27,611
Investment in joint ventures	739,135	725,545
Investment in associates	3,035	2,599
Other receivables	7,234	10,165
Deferred tax assets	10,464	-
	<b>5,543,182</b>	<b>5,405,512</b>
<b>Current assets</b>		
Inventories	10,304	5,309
Trade and other receivables	182,908	94,302
Advances to joint ventures	41,836	64,253
Advances to associates	7,265	8,257
Other current assets	44,585	45,770
Tax recoverable	5,795	5,708
Other investment	19,156	27,296
Cash and bank balances	632,764	633,922
	<b>944,613</b>	<b>884,817</b>
<b>TOTAL ASSETS</b>	<b>6,487,795</b>	<b>6,290,329</b>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****As at 30 April 2017**

	AS AT 30.4.2017 Unaudited RM'000	AS AT 31.1.2017 Audited RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	1,099,462	1,099,462
Treasury shares	(12,633)	(12,633)
Foreign currency translation reserve	312,989	347,501
Cash flows hedge reserve	(121,713)	(102,031)
Share-based option reserve	719	304
Retained earnings	688,827	636,110
<b>Equity attributable to owners of the parent</b>	<b>1,967,651</b>	<b>1,968,713</b>
Perpetual securities of a subsidiary	437,460	437,460
<b>Total equity</b>	<b>2,405,111</b>	<b>2,406,173</b>
<b>Non-current liabilities</b>		
Loans and borrowings	3,181,350	3,170,819
Unfavourable contracts	20,828	26,563
Derivatives	121,713	102,031
Deferred tax liabilities	5,343	5,450
	<b>3,329,234</b>	<b>3,304,863</b>
<b>Current liabilities</b>		
Loans and borrowings	185,215	222,354
Trade and other payables	518,465	299,767
Unfavourable contracts	20,837	21,258
Derivatives	260	425
Tax payables	28,673	35,489
	<b>753,450</b>	<b>579,293</b>
<b>Total liabilities</b>	<b>4,082,684</b>	<b>3,884,156</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,487,795</b>	<b>6,290,329</b>
<b>Net assets per share attributable to owners of the parent (RM)</b>	<b>1.8006</b>	<b>1.8015</b>

*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 Three Months Period Ended 30 April 2017**

	Attributable to owners of the parent										Perpetual securities of a subsidiary RM'000	Non-controlling interests RM'000	Total equity RM'000
	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	Available-for-sale reserve RM'000	Retained earnings RM'000	Total equity attributable to owners of the parent RM'000			
<b>At 1 February 2016</b>	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	-	-	-	(122,501)	-	(14,617)	-	-	22,376	(114,742)	-	(524)	(115,266)
Accrued perpetual securities distributions by a subsidiary	-	-	-	-	-	-	-	-	(6,533)	(6,533)	-	-	(6,533)
Disposal of subsidiaries	-	-	-	3,015	(3,015)	-	-	-	-	-	-	-	-
Buy-back of shares by the Company	-	-	(2,129)	-	-	-	-	-	-	(2,129)	-	-	(2,129)
<b>At 30 April 2016 (Unaudited)</b>	<b>546,399</b>	<b>553,063</b>	<b>(2,129)</b>	<b>88,467</b>	<b>4,110</b>	<b>(164,318)</b>	<b>-</b>	<b>-</b>	<b>665,078</b>	<b>1,690,670</b>	<b>437,460</b>	<b>1,326</b>	<b>2,129,456</b>
<b>At 1 February 2017</b>	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
<b>At 30 April 2017 (Unaudited)</b>	<b>1,099,462</b>	<b>-</b>	<b>(12,633)</b>	<b>312,989</b>	<b>-</b>	<b>(121,713)</b>	<b>719</b>	<b>-</b>	<b>688,827</b>	<b>1,967,651</b>	<b>437,460</b>	<b>-</b>	<b>2,405,111</b>

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For The Three Months Period Ended 30 April 2017**

	3 months ended	
	30.4.2017 Unaudited RM'000	30.4.2016 Unaudited RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations	76,256	31,800
Profit before tax from discontinued operations	-	1,142
Profit before tax, total	76,256	32,942
Adjustments for:		
Amortisation and depreciation	29,689	27,289
Amortisation of unfavourable contracts	(5,315)	(4,849)
Unrealised loss on foreign exchange	15,009	15,799
Finance costs	6,565	11,885
Gain on disposal on other investment	-	(195)
Impairment loss on trade and other receivables	-	1,300
Property, plant and equipment written off	-	5
Fair value loss on investment properties	2,923	-
Fair value (gain)/loss on other investment	(186)	64
Reversal of write down of inventories	-	(576)
Share of results of joint ventures	(26,906)	(23,871)
Share of results of associates	(472)	(347)
Interest income	(1,180)	(911)
Operating cash flows before working capital changes	96,383	58,535
Receivables	(60,034)	52,323
Other current assets	1,184	26,572
Inventories	204	2,631
Payables	223,772	(157,492)
Cash flows from operations	261,509	(17,431)
Interest received	1,180	911
Interest paid	(6,565)	(12,801)
Tax paid	(22,295)	(13,399)
<b>Net cash flows generated from/(used in) operating activities</b>	<b>233,829</b>	<b>(42,720)</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	-	2
Proceeds from disposal of investment	8,000	15,732
Addition in investment	(50)	(203)
Addition in investment properties	-	(39)
Purchase of intangible assets	(804)	(2,102)
Purchase of property, plant and equipment	(243,762)	(340,222)
Withdrawal of fixed deposits for investment purpose	-	(262)
(Placement)/withdrawal of deposits pledged as security	(13,177)	24,693
Placement of short term investment	(3)	(3)
<b>Net cash flows used in investing activities</b>	<b>(249,796)</b>	<b>(302,404)</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For The Three Months Period Ended 30 April 2017**

	3 months ended	
	30.4.2017 Unaudited RM'000	30.4.2016 Unaudited RM'000
<b>FINANCING ACTIVITIES</b>		
Advances from directors	-	195
Repayment of borrowings	(40,702)	(36,887)
Drawdown of term loans	139,238	522,843
Repayment of term loans	(64,600)	(37,349)
Repayment of obligations under finance leases	(76)	(1,549)
Perpetual securities distribution paid	(15,569)	(14,096)
Purchase of treasury shares	-	(2,129)
<b>Net cash flows generated from financing activities</b>	<b>18,291</b>	<b>431,028</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>2,324</b>	<b>85,904</b>
Effects of foreign exchange rate changes	(7,932)	(45,155)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>504,581</b>	<b>210,969</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>498,973</b>	<b>251,718</b>
	<b>As at</b>	<b>As at</b>
	<b>30.4.2017</b>	<b>30.4.2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances		
- Continuing operations	632,764	434,126
- Discontinued operations	-	14,517
Bank overdrafts (included within short-term borrowings)		
- Continuing operations	(8,994)	(7,049)
- Discontinued operations	-	(2,025)
	623,770	439,569
Short term investment	(340)	(590)
Deposits pledged to banks	(124,457)	(187,261)
	<b>498,973</b>	<b>251,718</b>

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

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

## 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 30 April 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 MFRS/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*

The Directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the year of initial application except 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 quarter ended 30 April 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 shall terminate at 2400 hours (Vietnam time) on 30 June 2017.

Notwithstanding the receipt of the termination notice, PTSC has informed PTSC AP that Vietnam Oil & Gas Group ("PetroVietnam"), the ultimate parent of PetroVietnam Exploration Production Corporation, the joint operator of Lam Son Field has the intention for the petroleum operations to continue at Lam Son Field.

**4. Changes in Accounting Estimate**

There were no material changes in accounting estimates during the period under review that would have a material effect that would substantially affect the results of the Group.

**5. Changes in the Composition of the Group**

There were no changes in the composition of the Group during the quarter ended 30 April 2017.

## 6. Segmental Information

### For the Three Months Period Ended 30 April 2017

	Marine RM'000	Other Operations RM'000	Discontinued Operations RM'000	Elimination RM'000	Consolidated RM'000
<b>Revenue</b>					
Gross revenue	179,125	14,462	-	-	193,587
Elimination	(7,064)	(14,110)	-	-	(21,174)
Net revenue	172,061	352	-	-	172,413
<b>Results</b>					
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 from continuing operations					60,286

### For the Three Months Period Ended 30 April 2016

	Marine RM'000	Other Operations RM'000	Discontinued Operations RM'000	Elimination RM'000	Consolidated RM'000
<b>Revenue</b>					
Gross revenue	123,705	3,077	96,108	(107,492)	115,398
Elimination	(8,368)	(3,016)	(123)	11,507	-
Net revenue	115,337	61	95,985	(95,985)	115,398
<b>Results</b>					
Segment results	31,175	(15,827)	5,261	(5,261)	15,348
Finance costs					(7,380)
Share of results of joint ventures					23,871
Share of results of associates					(39)
Income tax expense					(11,098)
Profit after tax from continuing operations					20,702

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

#### **Continuing operations**

- The marine segment consists of leasing of vessels and marine related services.
- Other operations mainly consist of investment, management services and treasury services.

**Discontinued operations** include the following segments:

- The transport segment consists of the provision of trucking services.
- The trading segment consists of trading activities mainly in the construction related materials.
- 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 RM56.72 million to RM172.06 million as compared to RM115.34 million in the corresponding prior period ended 30 April 2016. The increase arose mainly from higher marine business and the stronger US Dollar had resulted in the higher revenue on translation into Ringgit. The segment results increased by RM34.11 million mainly due to profit contribution from higher recorded revenue and lower net unfavourable foreign exchange difference of RM3.03 million.

### **Other Operations**

The segment loss of other operations has reduced by RM5.82 million to RM10.00 million as compared to RM15.82 million in the corresponding prior period ended 30 April 2016. The reduction in loss was mainly attributable to lower net unfavorable foreign exchange movement of RM7.05 million but was set-off by 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 since July 2016.

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

The share of the results of joint ventures has increased by RM3.04 million to profit of RM26.91 million for the period ended 30 April 2017 as compared to RM23.87 million for the corresponding prior period ended 30 April 2016 mainly due to favorable conversion on appreciation of USD against RM.

The share of results of associates has increased to profit of RM0.47 million for the period ended 30 April 2017 compared to a loss of RM0.04 million for the period ended 30 April 2016 due to improved profitability.

### **Consolidated profit after tax**

For the current year under review, the Group's profit after tax has increased by RM39.59 million or 191.26% to RM60.29 million as compared to RM20.70 million for the corresponding prior period ended 30 April 2016. The improvement was mainly attributable to the profit contribution from higher recorded revenue from marine business, lower net unfavorable foreign exchange movement of RM10.17 million and higher contribution from joint ventures & associates of RM3.55 million. The improvements were primarily set-off by impairment loss on investment properties of RM2.92 million and higher tax expenses of RM4.87 million.

## 7. Profit Before Tax

Included in the profit before tax are the following items:

	Current and cumulative quarter 3 months ended	
	30.4.2017 Unaudited RM'000	30.4.2016 Unaudited RM'000
Interest income	(1,180)	(911)
Other income including investment income	(2,801)	(2,321)
Bad debts recovered	-	(194)
Finance costs	6,565	11,885
Depreciation of property, plant and equipment	28,690	26,836
Amortisation of intangible assets	999	453
Amortisation of unfavourable contracts	(5,315)	(4,849)
Gain on disposal on other investment	-	(195)
Impairment loss on trade and other receivables	-	1,300
Fair value loss on investment properties	2,923	-
Property, plant and equipment written off	-	5
(Gain)/loss on foreign exchange - realised	(7,819)	1,559
Loss on foreign exchange - unrealised	15,009	15,799
Net fair value (gain)/loss on other investment	(186)	64
Reversal of write down of inventories	-	(576)

## 8. Income Tax Expense

The income tax expense figures consist of:

	Current and cumulative quarter 3 months ended	
	30.4.2017 Unaudited RM'000	30.4.2016 Unaudited RM'000
<b><u>Continuing operations</u></b>		
Current income tax	15,970	13,757
Deferred income tax	-	(2,659)
	15,970	11,098
Income tax attributable to discontinued operations	-	(147)
<b>Total income tax expense</b>	<b>15,970</b>	<b>10,951</b>

The effective tax rate of continuing operations for the period ended 30 April 2017 is lower than the statutory tax rate in Malaysia due to certain income of subsidiaries are not subject to taxation and certain income of subsidiaries are subject to lower tax rates.

## 9. Earnings Per Share

### (a) Basic

Basic earnings per share amount are calculated by dividing the profit for the current and cumulative quarter of 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 and cumulative quarter 3 months ended	
	30.4.2017 Unaudited	30.4.2016 Unaudited
Profit net of tax attributable to owners of the parent used in the computation of EPS (RM'000)	60,286	22,376
Weighted average number of ordinary shares in issue ('000)	1,088,191	1,092,041
Basic earnings per share (sen)	5.54	2.05

## 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	
	30.4.2017 Unaudited	30.4.2016 Unaudited
Adjusted profit net of tax attributable to owners of the parent used in the computation of EPS (RM'000)	60,366	22,376
Weighted average number of ordinary shares in issue ('000)	1,088,191	1,092,041
Adjustments for ESS ('000)	4,000	-
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,092,191	1,092,041
Diluted earnings per share (sen)	5.53	2.05

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

During the current period under review, the Group acquired property, plant and equipment ("PPE") with aggregate cost of RM243.76 million (30 April 2016: RM341.41 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 30 April 2017 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	132,548	52,667	185,215
Long term borrowings	3,177,009	4,341	3,181,350
<b>Total borrowings</b>	<b>3,309,557</b>	<b>57,008</b>	<b>3,366,565</b>

Except for the borrowings of RM3,104.19 million denominated in United States Dollar, all other borrowings are denominated in Ringgit Malaysia.

## 14. Dividend Paid

No interim dividend has been paid for the current quarter under review.

## 15. Capital Commitments

As at 30 April 2017, the capital commitment for property, plant and equipment not provided for in the interim condensed financial statements is as follows:

- approved and contracted for – RM289.76 million
- approved but not contracted for – RM82.05 million

## 16. Changes in Contingent Liabilities and Contingent Assets

There were no 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:

- 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.
- 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.

## 18. Related Party Disclosures

Significant related party transactions are as follows:

	Current and cumulative quarter 3 months ended	
	30.4.2017 RM'000	30.4.2016 RM'000
<u>With companies substantially owned by Directors, Lim Han Weng and Bah Kim Lian</u>		
Rental income from Yinson Tyres Sdn Bhd	-	15
Transport income from Liannex Corporation (S) Pte Ltd	-	439
Transport income from Liannex Corporation Sdn Bhd	-	145
Barge income from Kargo indera Sdn Bhd	-	671
Purchases from Yinson Tyres Sdn Bhd	-	758
Management fee income from Liannex Corporation (S) Pte Ltd	250	-
<u>With Joint Ventures</u>		
Interest income from PTSC South East Asia Pte Ltd	405	474
Interest income from PTSC Asia Pacific Pte Ltd	12	28
Management fee income from Anteros Rainbow Offshore Pte Ltd	-	58
<u>With Associates</u>		
Ship management fee to Regulus Offshore Sdn Bhd	636	231
Purchase from Regulus Offshore Sdn Bhd	1,048	1,274
Rental income from Yinson Energy Sdn Bhd	20	-
Management fee income from Regulus Offshore Sdn Bhd	10	-
Marine chartering income from Regulus Offshore Sdn Bhd	2,421	-
Consultancy fee to Yinson Energy Sdn Bhd	562	553
Interest income from Yinson Energy Sdn Bhd	3	2
Interest income from Regulus Offshore Sdn Bhd	17	-

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**

	Quarter ended		%+ / (-)
	30.4.2017 RM'000	31.1.2017 RM'000	
<b><u>Continuing operations</u></b>			
Revenue	172,413	185,468	-7%
Direct expenses	(89,632)	(85,980)	4%
Gross profit	82,781	99,488	-17%
Other operating income	11,986	(13,983)	186%
Administrative expenses	(39,490)	(56,229)	-30%
Profit from operations	55,277	29,276	89%
Finance costs	(6,399)	(8,669)	-26%
Share of results of joint ventures	26,906	8,903	202%
Share of results of associates	472	773	-39%
Profit before tax from continuing operations	76,256	30,283	152%
Income tax expense	(15,970)	20,918	176%
<b>Profit after tax from continuing operations</b>	<b>60,286</b>	<b>51,201</b>	<b>18%</b>

The Group's profit before tax from continuing operations for the 1st quarter of current financial year has increased by 151.85% or RM45.98 million to RM76.26 million as compared to the RM30.28 million in the preceding quarter. The improvement was mainly due to absence of impairment loss on receivables of RM19.44 million, absence of property, plant and equipment written off of RM2.34 million, absence of impairment loss on property, plant and equipment of RM9.60 million, absence of reversal effect in previous quarter resulted in relatively higher other income accrued for reimbursable income tax expenses of RM45.35 million and improved contribution from joint ventures of RM18.00 million on absence of the sharing of impairment loss in property, plant & equipment. Improvements were primarily set-off by lower profit contribution on decreased revenue, impairment loss on investment properties of RM2.92 million and net unfavorable foreign exchange movement of RM28.10 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. 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:

### 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.

## **24. Material Litigation**

As at 30 April 2017, there was no material litigation against the Group since the last audited financial statements.

## **25. Dividend Payable**

The Board of Directors recommends a final single-tier dividend of 2.0 sen per share for the financial year ended 31 January 2017. The proposed dividend is subject to shareholders’ approval at the forthcoming Annual General Meeting on 6 July 2017. The entitlement date for the final single-tier dividend has been fixed on 20 July 2017.

## 26. Derivatives

Details of derivative financial instruments outstanding as at 30 April 2017 are as follows: -

<b>Types of derivatives</b>	<b>Contract / Notional Amount</b>	<b>Fair Value Liabilities</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Interest rate swaps</u> More than 3 years	3,342,570	(121,973)

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 RM347.28 million that receives floating interest at 3 months US\$ LIBOR and pays fixed interest at 1.58% p.a.; and
- ii. contracts amounting to RM2,995.29 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 2017, the net fair value gain on interest rate swap derivative measured at fair value through profit and loss is RM0.17 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 2017, the net fair value loss on interest rate swap derivative measured at fair value through the reserve is RM19.68 million.

## 27. Realised and Unrealised Retained Earnings

The breakdown of the retained earnings of the Group as at 30 April 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.

	<b>Current financial period ended 30.4.2017 RM'000</b>	<b>Previous financial year ended 31.1.2017 RM'000</b>
Total retained earnings of the Company and its subsidiaries:		
- Realised	411,289	343,713
- Unrealised	(12,250)	22,116
	399,039	365,829
Total retained earnings from joint ventures - realised	311,310	284,404
Total retained earnings from associates - realised	3,190	2,718
Less: Consolidation adjustments	(24,712)	(16,841)
Total Group retained earnings as per consolidated financial statements	688,827	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 19 June 2017.