



CONDENSED CONSOLIDATED INCOME STATEMENT
For The Nine Months Period Ended 31 October 2017

	Individual Period (3rd quarter)				Cumulative Period			
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes		Current Year To date	Preceding Year Corresponding Period	Changes	
	31.10.2017 Unaudited RM'000	31.10.2016 Unaudited RM'000	(Amount / RM'000	%	31.10.2017 Unaudited RM'000	31.10.2016 Unaudited RM'000	(Amount / RM'000	%
Continuing operations								
Revenue	263,120	127,944	135,176	106%	652,762	357,787	294,975	82%
Direct expenses	(93,778)	(66,806)	(26,972)	40%	(267,240)	(185,375)	(81,865)	44%
Gross profit	169,342	61,138	108,204	177%	385,522	172,412	213,110	124%
Other operating income	(4,962)	11,553	(16,515)	-143%	12,332	27,183	(14,851)	-55%
Administrative expenses	(28,469)	(13,600)	(14,869)	109%	(105,030)	(66,708)	(38,322)	57%
Profit from operations	135,911	59,091	76,820	130%	292,824	132,887	159,937	120%
Finance costs	(30,155)	(7,011)	(23,144)	330%	(53,100)	(23,645)	(29,455)	125%
Share of results of joint ventures	886	25,104	(24,218)	-96%	47,392	73,554	(26,162)	-36%
Share of results of associates	94	251	(157)	-63%	855	100	755	755%
Profit before tax from continuing operations	106,736	77,435	29,301	38%	287,971	182,896	105,075	57%
Income tax expense	(15,514)	(15,113)	(401)	3%	(52,896)	(39,624)	(13,272)	33%
Profit after tax from continuing operations	91,222	62,322	28,900	46%	235,075	143,272	91,803	64%
Discontinued operations								
Profit from discontinued operations, net of tax	-	787	(787)	-100%	-	2,282	(2,282)	-100%
Profit for the period	91,222	63,109	28,113	45%	235,075	145,554	89,521	62%
Profit attributable to:								
Owners of the parent	91,156	63,109	28,047	44%	235,039	145,847	89,192	61%
Non-controlling interests	66	-	66	100%	36	(293)	329	-112%
	91,222	63,109	28,113	45%	235,075	145,554	89,521	62%
Earnings per share attributable to owners of the parent:								
Basic (sen)	8.38	5.79	2.59	45%	21.60	13.38	8.22	61%
Diluted (sen)	8.35	5.79	2.56	44%	21.55	13.38	8.17	61%
Earnings per share from continuing operations attributable to owners of the parent:								
Basic (sen)	8.38	5.72	2.66	46%	21.60	13.14	8.46	64%
Diluted (sen)	8.35	5.72	2.63	46%	21.55	13.14	8.41	64%
Earnings per share from discontinued operations attributable to owners of the parent:								
Basic (sen)	-	0.07	(0.07)	-100%	-	0.24	(0.24)	-100%
Diluted (sen)	-	0.07	(0.07)	-100%	-	0.24	(0.24)	-100%

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For The Nine Months Period Ended 31 October 2017

	Individual Period (3rd quarter)				Cumulative Period				
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes (Amount / %)		Current Year To date	Preceding Year Corresponding Period	Changes (Amount / %)		
	31.10.2017 Unaudited RM'000	31.10.2016 Unaudited RM'000	RM'000	%	31.10.2017 Unaudited RM'000	31.10.2016 Unaudited RM'000	RM'000	%	%
Profit for the period	91,222	63,109	28,113	45%	235,075	145,554	89,521	62%	
Other comprehensive income to be reclassified to profit or loss in subsequent periods:									
- Exchange differences on translation of foreign operations	(30,034)	62,928	(92,962)	-148%	(91,186)	26,566	(117,752)	-443%	
- Cash flows hedge reserve	26,743	(16,550)	43,293	-262%	(8,756)	(38,400)	29,644	-77%	
Total comprehensive income for the period	87,931	109,487	(21,556)	-20%	135,133	133,720	1,413	1%	
Total comprehensive income for the period attributable to:									
Owners of the parent	87,865	109,487	(21,622)	-20%	135,097	134,071	1,026	1%	
Non-controlling interests	66	-	66	100%	36	(351)	387	-110%	
	87,931	109,487	(21,556)	-20%	135,133	133,720	1,413	1%	

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 October 2017**

	AS AT 31.10.2017 Unaudited RM'000	AS AT 31.1.2017 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,686,384	4,609,661
Investment properties	27,007	29,931
Intangible assets	26,481	27,611
Investment in joint ventures	745,863	725,545
Investment in associates	2,226	2,599
Other receivables	7,052	10,165
Deferred tax assets	17,373	-
	5,512,386	5,405,512
Current assets		
Inventories	4,657	5,309
Trade and other receivables	329,423	94,302
Advances to joint ventures	68,513	64,253
Advances to associates	359	8,257
Other current assets	43,320	45,770
Tax recoverable	5,534	5,708
Derivatives	517	-
Other investment	15,664	27,296
Cash and bank balances	747,511	633,922
	1,215,498	884,817
TOTAL ASSETS	6,727,884	6,290,329

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 October 2017

	AS AT 31.10.2017 Unaudited RM'000	AS AT 31.1.2017 Audited RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	1,099,462	1,099,462
Treasury shares	(12,633)	(12,633)
Foreign currency translation reserve	255,799	347,501
Cash flows hedge reserve	(110,787)	(102,031)
Share-based option reserve	1,548	304
Retained earnings	780,816	636,110
Equity attributable to owners of the parent	2,014,205	1,968,713
Perpetual securities of a subsidiary	632,511	437,460
Non-controlling interests	737	-
Total equity	2,647,453	2,406,173
Non-current liabilities		
Loans and borrowings	2,854,228	3,170,819
Other payables	370,958	-
Unfavourable contracts	10,148	26,563
Derivatives	94,973	102,031
Deferred tax liabilities	5,218	5,450
	3,335,525	3,304,863
Current liabilities		
Loans and borrowings	314,640	222,354
Trade and other payables	305,594	299,767
Dividend payable	43,572	-
Unfavourable contracts	20,314	21,258
Derivatives	15,814	425
Tax payables	44,972	35,489
	744,906	579,293
Total liabilities	4,080,431	3,884,156
TOTAL EQUITY AND LIABILITIES	6,727,884	6,290,329
Net assets per share attributable to owners of the parent (RM)	1.8432	1.8015

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Nine Months Period Ended 31 October 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	Retained earnings RM'000	Total equity attributable to owners of the parent RM'000			
At 1 February 2016	546,399	553,063	-	207,953	7,125	(149,701)	-	649,235	1,814,074	437,460	1,850	2,253,384
Total comprehensive loss for the period	-	-	-	26,624	-	(38,400)	-	145,847	134,071	-	(351)	133,720
Discontinued operations	-	-	-	-	(7,125)	-	-	-	(7,125)	-	-	(7,125)
Accrued perpetual securities distributions by a subsidiary	-	-	-	-	-	-	-	(21,328)	(21,328)	-	-	(21,328)
Cash dividend	-	-	-	-	-	-	-	(21,791)	(21,791)	-	-	(21,791)
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,499)	(1,499)
Purchase of treasury shares	-	-	(8,714)	-	-	-	-	-	(8,714)	-	-	(8,714)
At 31 October 2016 (Unaudited)	546,399	553,063	(8,714)	234,577	-	(188,101)	-	751,963	1,889,187	437,460	-	2,326,647
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	-	-	-	(91,186)	-	(8,756)	-	235,039	135,097	-	36	135,133
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	-	-	701	701
Accrued perpetual securities distributions by a subsidiary	-	-	-	-	-	-	-	(23,241)	(23,241)	-	-	(23,241)
Issue of perpetual securities by a subsidiary	-	-	-	(516)	-	-	-	-	(516)	414,251	-	413,735
Redemption of perpetual securities by a subsidiary	-	-	-	-	-	-	-	(1,801)	(1,801)	(219,200)	-	(221,001)
Issuance of ESS	-	-	-	-	-	-	1,244	-	1,244	-	-	1,244
Cash dividend	-	-	-	-	-	-	-	(65,291)	(65,291)	-	-	(65,291)
At 31 October 2017 (Unaudited)	1,099,462	-	(12,633)	255,799	-	(110,787)	1,548	780,816	2,014,205	632,511	737	2,647,453

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 Nine Months Period Ended 31 October 2017

	9 months ended	
	31.10.2017	31.10.2016
	Unaudited	Unaudited
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax from continuing operations	287,971	182,896
Profit before tax from discontinued operations	-	2,889
Profit before tax, total	287,971	185,785
Adjustments for:		
Amortisation and depreciation	159,027	81,787
Amortisation of unfavourable contracts	(15,557)	(14,637)
Unrealised loss/(gain) on foreign exchange	11,696	(12,179)
Finance costs	54,043	30,698
Loss on disposal of subsidiaries and associate	-	3,511
Gain on a bargain purchase of acquisition of a subsidiary	(20)	-
Gain on disposal on other investment	(415)	(195)
Gain on disposal of property, plant and equipment	(124)	-
(Reversal of)/impairment loss on trade and other receivables	(659)	12,913
Impairment loss on available-for-sale financial assets	-	755
Impairment loss on property, plant and equipment	26,145	2,034
Property, plant and equipment written off	35	51
Fair value loss on investment properties	2,923	-
Fair value gain on derivatives	(943)	-
Fair value (gain)/loss on other investment	(136)	1,598
Reversal of write down of inventories	-	(576)
Share of results of joint ventures	(47,392)	(73,554)
Share of results of associates	(855)	(756)
Interest income	(3,396)	(3,092)
Operating cash flows before working capital changes	472,343	214,143
Receivables	(252,272)	45,324
Other current assets	2,450	(13,422)
Inventories	652	302
Payables	300,356	(30,063)
Cash flows from operations	523,529	216,284
Interest received	3,396	3,092
Interest paid	(49,373)	(33,310)
Tax paid	(41,344)	(23,046)
Net cash flows generated from operating activities	436,208	163,020
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	162	3,310
Proceeds from disposal of investment	11,446	40,941
Proceeds from disposal of subsidiaries	-	136,355
Addition in other investment	-	(290)
Addition in investment properties	-	(29,969)
Purchase of intangible assets	(2,511)	(4,859)
Purchase of property, plant and equipment	(407,248)	(985,676)
Investment in a subsidiary	(469)	-
Dividend received	-	2,251
Placement of fixed deposits for investment purpose	(9,774)	-
(Placement)/withdrawal of deposits pledged as security	(191,226)	27,416
Placement of short term investment	(9)	(9)
Net cash flows used in investing activities	(599,629)	(810,530)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The Nine Months Period Ended 31 October 2017

	9 months ended	
	31.10.2017	31.10.2016
	Unaudited	Unaudited
	RM'000	RM'000
FINANCING ACTIVITIES		
Advances from directors	-	(19,266)
Dividends paid	(21,764)	(21,791)
Repayment of borrowings	(67,009)	6,902
Drawdown of term loans	308,826	1,129,154
Repayment of term loans	(325,978)	(199,737)
Repayment of obligations under finance leases	(260)	(4,122)
Repayment of perpetual securities	(219,200)	-
Proceeds from issuance of perpetual securities	414,251	-
Perpetual securities distribution paid	(21,496)	(28,600)
Purchase of treasury shares	-	(8,714)
Net cash flows generated from financing activities	67,370	853,826
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(96,051)	206,316
Effects of foreign exchange rate changes	32,377	(8,885)
CASH AND CASH EQUIVALENTS AT THE BEGINNING		
OF THE YEAR	504,581	210,969
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	440,907	408,400
	As at	As at
	31.10.2017	31.10.2016
	RM'000	RM'000
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances		
- Continuing operations	747,511	568,425
- Discontinued operations	-	40,269
Bank overdrafts (included within short-term borrowings)		
- Continuing operations	-	(8,310)
- Discontinued operations	-	-
	747,511	600,384
Short term investment	(345)	(334)
Deposits pledged to banks	(306,259)	(191,650)
	440,907	408,400

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

1. Basis of Preparation

This unaudited condensed consolidated interim financial statements (Condensed Report) of Yinson Holdings Berhad (the "Group" or "YHB") for the period ended 31 October 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.

- 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"
- Annual Improvements to MFRSs 2014 – 2016 Cycle: MFRS 12 'Disclosures of Interests in Other Entities'

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 1 "First-time Adoption of Malaysian Financial Reporting Standards"
- Amendments to MFRS 2 "Classification and Measurement of Share-based Payment Transactions"
- Amendments to MFRS 4 "Applying MFRS/FRS 9 "Financial Instruments" with MFRS 4 "Insurance Contracts"
- 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"

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

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

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

2. Seasonal or Cyclical Factors

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

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

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

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

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

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

4. Changes in Accounting Estimate

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

5. Changes in the Composition of the Group

There were no changes in the composition of the Group during the period ended 31 October 2017 except for:

- a) YHB incorporated a wholly-owned subsidiary, Yinson Macacia Limited ("YML"), a company incorporated in the Federal Territory of Labuan, Malaysia on 10 October 2017. The principal activities of YML is investment holding.

6. Segmental Information

For the Nine Months Period Ended 31 October 2017

	Marine RM'000	Other Operations RM'000	Discontinued Operations RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
Gross revenue	727,213	135,791	-	-	863,004
Elimination	(75,399)	(134,843)	-	-	(210,242)
Net revenue	651,814	948	-	-	652,762
Results					
Segment results	324,861	(32,037)	-	-	292,824
Finance costs					(53,100)
Share of results of joint ventures					47,392
Share of results of associates					855
Income tax expense					(52,896)
Profit after tax from continuing operations					235,075

For the Nine Months Period Ended 31 October 2016

	Marine RM'000	Other Operations RM'000	Discontinued Operations RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
Gross revenue	390,463	18,881	221,121	(272,678)	357,787
Elimination	(32,845)	(18,712)	(155)	51,712	-
Net revenue	357,618	169	220,966	(220,966)	357,787
Results					
Segment results	132,602	285	9,283	(9,283)	132,887
Finance costs					(23,645)
Share of results of joint ventures					73,554
Share of results of associates					100
Income tax expense					(39,624)
Profit after tax from continuing operations					143,272

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 RM294.19 million to RM651.81 million as compared to RM357.62 million in the corresponding prior period ended 31 October 2016. The increase arose mainly from higher marine business with the chartering commencement of FPSO John Agyekum Kufuor ("FPSO JAK") in June 2017 and the stronger US Dollar had resulted in the higher revenue on translation into Ringgit. The segment results increased by RM192.26 million mainly due to better profit contribution from the higher recorded revenue and lower impairment loss on trade and other receivables but set-off by impairment loss on property, plant & equipment.

Other Operations

The segment loss of other operations has increased by RM32.33 million to loss of RM32.04 million as compared to profit of RM0.29 million in the corresponding prior period ended 31 October 2016. The increase in loss was mainly attributable to higher net unfavorable foreign exchange movement of RM20.17 million, impairment loss on investment properties of RM2.92 million and higher administrative overheads.

Discontinued Operations

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

Results of Joint Ventures and Associates

The share of the results of joint ventures has decreased by RM26.16 million to profit of RM47.39 million for the period ended 31 October 2017 as compared to RM73.55 million for the corresponding prior period ended 31 October 2016 mainly due to the early cessation of profit contribution from FPSO PTSC Lam Son petroleum operations at Lam Son Field and contract scheduled chartering rate downwards adjustment.

The share of results of associates has increased to profit of RM0.86 million for the period ended 31 October 2017 as compared to a profit of RM0.10 million for the period ended 31 October 2016 mainly due to an associated company incorporated in Ghana has commenced operation and maintenance services for FPSO JAK.

Consolidated profit after tax

For the current year under review, the Group's profit after tax from continuing operations has increased by RM91.81 million or 64.08% to RM235.08 million as compared to RM143.27 million for the corresponding prior period ended 31 October 2016. The improvement was mainly attributable to the better profit contribution on higher recorded revenue from marine business and net lower impairment loss and recovery on trade and other receivables of RM13.57 million. The positive effects are set-off mainly by higher impairment loss in property, plant and equipment of RM24.11 million, fair value loss on investment properties of RM2.92 million, higher net unfavorable foreign exchange movement of RM26.16 million and higher finance cost of RM29.46 million and higher income tax expense of RM13.27 million.

Consolidated financial position

For the current year under review, the Group's current assets has increased by RM330.68 million or 37.37% to RM1,215.50 million from RM884.82 million for the last audited financial year ended 31 January 2017. The increase mainly due to higher trade and other receivables with the expanded Marine business into Ghana through FPSO JAK chartering contract. Whereas, the Group's current liabilities has increased by RM165.62 million or 28.59% to RM744.91 million from RM579.29 million for the last audited financial year ended 31 January 2017 upon reclassification of certain loan maturity profile.

6. Segmental Information (continued)

Consolidated financial position (continued)

The Group's liquidity indicators, Current Ratio (Calculated as "Current Assets" divided by "Current Liabilities") increased to 1.63 times as compared to 1.53 times for the last audited financial year ended 31 January 2017 mainly due to higher trade and other receivables as a result of the expansion of Marine business into Ghana; and Net Gearing Ratio (Calculated as "Total Loans and Borrowings" less "Cash and Bank Balances" divided by "Total Equity") is 0.91 times as compared to 1.15 times for the last audited financial year ended 31 January 2017, improvement mainly attributed to the successful issuance of USD100 million perpetual securities in October 2017.

7. Profit Before Tax

Included in the profit before tax are the following items:

	Current quarter 3 months ended		Cumulative 9 months ended	
	31.10.2017 Unaudited RM'000	31.10.2016 Unaudited RM'000	31.10.2017 Unaudited RM'000	31.10.2016 Unaudited RM'000
Interest income	(1,280)	(1,070)	(3,396)	(3,092)
Other income including investment income	868	(5,753)	(7,583)	(12,468)
Bad debts recovered	-	-	-	(202)
Finance costs	30,780	6,029	54,043	30,698
Depreciation of property, plant and equipment	71,114	26,087	156,050	79,846
Amortisation of intangible assets	989	649	2,977	1,941
Amortisation of unfavourable contracts	(5,091)	(4,927)	(15,557)	(14,637)
Gain on disposal on property, plant and equipment	-	-	(124)	-
Gain on disposal on other investment	-	-	(415)	(195)
Loss on disposal of subsidiaries and associate	-	4,835	-	3,511
(Reversal of) / impairment loss on trade and other receivables	(2,251)	487	(659)	12,913
Impairment loss on available-for-sale financial assets	-	470	-	755
Impairment loss on property, plant and equipment	8,483	2,034	26,145	2,034
Fair value loss on investment properties	-	-	2,923	-
Property, plant and equipment written off	3	-	35	51
Loss/(gain) on foreign exchange - realised	11,030	9,011	4,977	2,693
(Gain)/loss on foreign exchange - unrealised	(10,186)	(18,813)	11,696	(12,179)
Net fair value (gain)/loss on other investment	(21)	457	(136)	1,598
Net fair value gain on derivatives	(625)	-	(943)	-
Reversal of write down of inventories	-	-	-	(576)

8. Income Tax Expense

The income tax expense figures consist of:

	Current quarter 3 months ended		Cumulative 9 months ended	
	31.10.2017 Unaudited RM'000	31.10.2016 Unaudited RM'000	31.10.2017 Unaudited RM'000	31.10.2016 Unaudited RM'000
Continuing operations				
Current income tax	15,514	16,962	52,904	45,117
Deferred income tax	-	(1,849)	(8)	(5,493)
	15,514	15,113	52,896	39,624
Income tax attributable to discontinued operations	-	197	-	607
Total income tax expense	15,514	15,310	52,896	40,231

The effective tax rate of continuing operations for the period ended 31 October 2017 is lower than the statutory tax rate in Malaysia due to certain income of subsidiaries are not subject to taxation or subject to lower tax rates.

9. Earnings Per Share

(a) Basic

Basic earnings per share amount are calculated by dividing the profit for the current and cumulative quarter of the financial years, net of tax, attributable to owners of the parent by the weighted average number of shares outstanding during the financial period.

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

	Current quarter 3 months ended		Cumulative 9 months ended	
	31.10.2017 Unaudited	31.10.2016 Unaudited	31.10.2017 Unaudited	31.10.2016 Unaudited
Profit net of tax attributable to owners of the parent used in the computation of EPS (RM'000)	91,156	63,109	235,039	145,847
Weighted average number of ordinary shares in issue ('000)	1,088,191	1,089,567	1,088,191	1,090,422
Basic earnings per share (sen)	8.38	5.79	21.60	13.38

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 9 months ended	
	31.10.2017 Unaudited	31.10.2016 Unaudited	31.10.2017 Unaudited	31.10.2016 Unaudited
Adjusted profit net of tax attributable to owners of the parent used in the computation of EPS (RM'000)	91,238	63,109	235,368	145,847
Weighted average number of ordinary shares in issue ('000)	1,088,191	1,089,567	1,088,191	1,090,422
Adjustments for ESS ('000)	4,000	-	4,000	-
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,092,191	1,089,567	1,092,191	1,090,422
Diluted earnings per share (sen)	8.35	5.79	21.55	13.38

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 RM455.26 million (31 October 2016: RM985.68 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 except for the following:

- a) On 5 October 2017, Yinson Juniper Ltd (“YJL”), a wholly-owned subsidiary of YHB has completed an issuance of USD100 million perpetual securities (“Perpetual Securities”) under its USD500 million Multi-Currency Perpetual Securities Programme (“Programme”).

The Programme is unconditionally and irrevocably guaranteed by YHB. The Perpetual Securities have a perpetual tenor with a call option on the fifth anniversary of their issuance. They were issued at par with a coupon rate of 7.85% and are officially listed on the Singapore Exchange Securities Trading Limited on 6 October 2017

Proceeds from the issuance are to be used for the Group’s general corporate purpose and, in particular, future capital investments.

- b) On 5 October 2017, Yinson TMC Sdn Bhd (“YTMC”), a wholly-owned subsidiary of YHB has redeemed USD50 million of its Perpetual Securities issued on 25 September 2015. As at period ended 31 October 2017, USD50 million Perpetual Securities remain outstanding.

13. Interest-bearing Loans and Borrowings

The Group’s total borrowings as at 31 October 2017 and 31 October 2016 are as follows:

	As at 31 October 2017		
	Short term RM'000	Long term RM'000	Total borrowings RM'000
<u>Secured</u>			
Term loans	289,279	2,631,434	2,920,713
Obligations under finance lease	349	247	596
Sukuk	2,309	222,547	224,856
	291,937	2,854,228	3,146,165
<u>Unsecured</u>			
Revolving credits	22,703	-	22,703
	22,703	-	22,703
Total loans and borrowings	314,640	2,854,228	3,168,868

13. Interest-bearing Loans and Borrowings (continued)

	As at 31 October 2016		
	Short term RM'000	Long term RM'000	Total borrowings RM'000
Secured			
Term loans	172,351	2,363,952	2,536,303
Obligations under finance lease	305	568	873
	172,656	2,364,520	2,537,176
Unsecured			
Bank overdrafts	8,310	-	8,310
Revolving credits	45,480	47,896	93,376
	53,790	47,896	101,686
Total loans and borrowings	226,446	2,412,416	2,638,862

Except for the borrowings of RM2,921.98 million (31 October 2016: RM2,343.70 million) denominated in United States Dollar, all other borrowings are denominated in Ringgit Malaysia

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

14. Dividend Paid

Dividend approved and paid in respect of ordinary shares:

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

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

An interim single-tier dividend of 4.0 sen per ordinary share in respect of financial year ending 31 January 2018 has been declared on 27 September 2017. Approximately a total amount of RM43.57 million dividend is payable on 22 December 2017 and the entitlement date for the dividend payment was 30 November 2017.

15. Capital Commitments

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

- approved and contracted for – RM245.80 million
- approved but not contracted for – RM1.44 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 the following:

- a) YHB had on 28 November 2017, through Yinson Macacia Limited, a wholly-owned subsidiary of YHB, incorporated a wholly-owned subsidiary, Yinson Lavender Limited (“YLL”), in the Federal Territory of Labuan, Malaysia.

The principal activities of YLL are provision of floating production storage and offloading (FPSO) vessel for chartering and service activities incidental to oil and gas extraction.

- b) On 5 December 2017, Yinson Clover Ltd (“YCL”), an indirect wholly-owned subsidiary of YHB had jointly incorporated a joint venture company, PTSC Ca Rong Do Ltd (“PTSC CRD”) in the Republic of The Marshall Islands with PetroVietnam Technical Services Corporation (“PTSC”).

The shares are held 51% by PTSC and 49% by YCL. The principal activity of PTSC CRD is provision of floating marine assets for chartering.

- c) 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 TH Heavy Engineering Berhad (“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 JX Nippon Oil & Gas Exploration (Malaysia) Limited (“Nippon”) and THHE, to Yinson Energy.

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.

The parties are currently in the midst of finalising the other terms of the proposed novation and the application has been fixed for case management.

18. Related Party Disclosures

Significant related party transactions are as follows:

	Current quarter 3 months ended		Cumulative 9 months ended	
	31.10.2017 RM'000	31.10.2016 RM'000	31.10.2017 RM'000	31.10.2016 RM'000
<u>With companies substantially owned by Directors, Lim Han Weng and Bah Kim Lian</u>				
Rental income from Kargo Indera Sdn Bhd	34	-	45	-
Rental income from Yinson Tyres Sdn Bhd	-	-	-	30
Transport income from Liannex Corporation (S) Pte Ltd	-	-	-	797
Transport income from Liannex Corporation Sdn Bhd	-	-	-	1,955
Transport income from Handal Indah Sdn Bhd	-	-	-	1
Transport income from Waja Securities Sdn Bhd	-	-	-	21
Barge Income from Kargo indera Sdn Bhd	-	309	-	1,297
Purchases from Yinson Tyres Sdn Bhd	-	-	-	1,384
Management fee income from Liannex Corporation (S) Pte Ltd	250	-	750	-
Ship Management Fee from Liannex Corporation (S) Pte Ltd	96	-	176	-
Purchases on behalf of Liannex Corporation (S) Pte Ltd	103	-	229	-
<u>With Joint Ventures</u>				
Interest income from PTSC South East Asia Pte Ltd	345	527	1,093	1,500
Interest income from PTSC Asia Pacific Pte Ltd	-	29	12	87
<u>With Associates</u>				
Ship management fee to Regulus Offshore Sdn Bhd	-	1,202	848	1,666
Purchase from Regulus Offshore Sdn Bhd	-	1,355	2,044	4,071
Rental income from Regulus Offshore Sdn Bhd	-	-	-	63
Rental income from Yinson Energy Sdn Bhd	16	-	55	-
Management fee income from Regulus Offshore Sdn Bhd	-	-	10	-
Marine chartering income from Regulus Offshore Sdn Bhd	-	1,925	3,241	1,925
Consultancy fee to Yinson Energy Sdn Bhd	692	547	1,806	1,688
Interest income from Yinson Energy Sdn Bhd	5	4	16	9

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	Immediate Preceding Quarter	Changes	
	31.10.2017	31.7.2017	(Amount / %)	
	RM'000	RM'000		
Continuing operations				
Revenue	263,120	217,229	45,891	21.13%
Direct expenses	(93,778)	(83,830)	(9,948)	11.87%
Gross profit	169,342	133,399	35,943	26.94%
Other operating (expenses)/income	(4,962)	5,308	(10,270)	-193.48%
Administrative expenses	(28,469)	(37,071)	8,602	-23.20%
Profit from operations	135,911	101,636	34,275	33.72%
Finance costs	(30,155)	(16,546)	(13,609)	82.25%
Share of results of joint ventures	886	19,600	(18,714)	-95.48%
Share of results of associates	94	289	(195)	-67.47%
Profit before tax from continuing operations	106,736	104,979	1,757	1.67%
Income tax expense	(15,514)	(21,412)	5,898	-27.55%
Profit after tax from continuing operations	91,222	83,567	7,655	9.16%

The Group's profit before tax from continuing operations for the third quarter of current financial year has increased by 1.67% or RM1.76 million to RM106.74 million as compared to the RM104.98 million in the preceding quarter. The improvement was mainly due to higher profit contribution from Marine business on the full quarter chartering recognition from FPSO JAK, lower impairment loss on property, plant and equipment of RM9.18 million and net favorable foreign exchange movement of RM7.80 million. Improvements were primarily set-off by higher finance cost of RM13.61 million and lower in share of joint ventures' results of RM18.71 million.

21. Commentary on Prospects

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

22. Profit Forecast

The disclosure requirements for explanatory notes for the variance of actual profit after tax and non-controlling interests and forecast profit after tax and non-controlling interests are not applicable.

23. Status of Corporate Proposals

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

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

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

The Contract is a time charter contract comprising the bareboat scope of work (“Bareboat SOW”) and operation and maintenance of the Floating Production Storage and Offloading (“FPSO”). It is the intention of PTSC and YCL to jointly undertake the execution and performance of the Bareboat SOW via a joint venture company (“JVC”), which has been duly incorporated on 5 December 2017 with PTSC holds 51% and YCL holds 49% of the equity stake in the JVC. The JVC will enter into 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 Firm Charter Period is expected to commence from August 2019. The estimated aggregate value of the bareboat charter contract is approximately USD1.00 billion (equivalent to approximately RM4.40 billion) for the entire fifteen-year charter inclusive of all five yearly extension options.

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

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

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

The Programme is unconditionally and irrevocably guaranteed by YHB. The Perpetual Securities have a perpetual tenor with a call option on the fifth anniversary of their issuance. They were issued at par with a coupon rate of 7.85% and are officially listed on the Singapore Exchange Securities Trading Limited on 6 October 2017

Proceeds from the issuance are to be used for the Group’s general corporate purpose and, in particular, future capital investments.

On 5 October 2017, YJL has completed an issuance of USD100 million perpetual securities (“Perpetual Securities”) under its Programme.

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 disposal of 26% equity interest of Yinson Production (West Africa) Pte Ltd (“YPWAPL”) to a consortium of Japanese companies (the “Consortium”)

YPWAPL, an indirect wholly-owned subsidiary of YHB, had on 30 June 2017 entered into a Heads of Agreement (“HOA”) with a consortium of Japan-incorporated companies for a proposed disposal of 26% equity interest of YPWAPL via Yinson Trillium Limited (“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 has 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 Yen2,076.6 billion market capitalised 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.

Completion of the Proposed Disposal is subjected to conditions precedent fulfilment by all parties on or before 30 June 2018.

24. Material Litigation

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

25. Dividend Payable

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

26. Derivatives

Details of derivative financial instruments outstanding as at 31 October 2017 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	338,560	517
More than 3 years	2,864,006	(110,787)

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 RM338.56 million that receives floating interest at 3 months US\$ LIBOR and pays fixed interest at 1.58% p.a.; and
- ii. contracts amounting to RM2,864.01 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 31 October 2017, the net fair value gain on interest rate swap derivative measured at fair value through profit and loss is RM0.95 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 October 2017, the net fair value loss on interest rate swap derivative measured at fair value through the reserve is RM8.76 million.

27. Realised and Unrealised Retained Earnings

The breakdown of the retained earnings of the Group as at 31 October 2017 into realised and unrealised is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 20 December 2010, and prepared in accordance with *Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses* in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Current financial period ended 31.10.2017 RM'000	Previous financial year ended 31.1.2017 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	494,864	343,713
- Unrealised	(2,008)	22,116
	492,856	365,829
Total retained earnings from joint ventures - realised	331,795	284,404
Total retained earnings from associates - realised	2,478	2,718
Less: Consolidation adjustments	(46,313)	(16,841)
Total Group retained earnings as per consolidated financial statements	780,816	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 13 December 2017.