



CONDENSED CONSOLIDATED INCOME STATEMENT
For The Six Months Period Ended 31 July 2019

	Individual Period (2nd quarter)				Cumulative Period			
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes		Current Year To date	Preceding Year Corresponding Period	Changes	
	31.7.2019 Unaudited RM'000	31.7.2018 Unaudited RM'000	(Amount / %) RM'000	%	31.7.2019 Unaudited RM'000	31.7.2018 Unaudited RM'000	(Amount / %) RM'000	%
Revenue	213,439	246,544	(33,105)	-13.4%	422,435	481,722	(59,287)	-12.3%
Direct expenses	(81,278)	(105,167)	23,889	-22.7%	(169,807)	(206,303)	36,496	-17.7%
Gross profit	132,161	141,377	(9,216)	-6.5%	252,628	275,419	(22,791)	-8.3%
Other operating income	2,507	18,484	(15,977)	-86.4%	16,618	20,209	(3,591)	-17.8%
Administrative expenses	(20,812)	(16,329)	(4,483)	27.5%	(37,822)	(31,079)	(6,743)	21.7%
Profit from operations	113,856	143,532	(29,676)	-20.7%	231,424	264,549	(33,125)	-12.5%
Finance costs	(48,471)	(46,797)	(1,674)	3.6%	(91,978)	(93,332)	1,354	-1.5%
Share of profit of joint ventures	6,162	4,704	1,458	31.0%	11,778	5,857	5,921	101.1%
Share of loss of associates	-	(65)	65	-100.0%	-	(158)	158	-100.0%
Profit before tax	71,547	101,374	(29,827)	-29.4%	151,224	176,916	(25,692)	-14.5%
Income tax expense	(16,604)	(21,071)	4,467	-21.2%	(34,595)	(35,989)	1,394	-3.9%
Profit for the period	54,943	80,303	(25,360)	-31.6%	116,629	140,927	(24,298)	-17.2%
Profit attributable to:								
Owners of the Company	41,142	73,668	(32,526)	-44.2%	90,996	134,099	(43,103)	-32.1%
Non-controlling interests	13,801	6,635	7,166	108.0%	25,633	6,828	18,805	275.4%
	54,943	80,303	(25,360)	-31.6%	116,629	140,927	(24,298)	-17.2%
Earnings per share attributable to owners of the Company:								
Basic (sen)	3.75	6.75	(3.00)	-44.5%	8.29	12.29	(4.00)	-32.6%
Diluted (sen)	3.73	6.72	(2.99)	-44.4%	8.34	12.26	(3.92)	-32.0%

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For The Six Months Period Ended 31 July 2019

	Individual Period (2nd quarter)		Changes (Amount / %)		Cumulative Period		Changes (Amount / %)	
	Current Year Quarter	Preceding Year Corresponding Quarter			Current Year To date	Preceding Year Corresponding Period		
	31.7.2019 Unaudited RM'000	31.7.2018 Unaudited RM'000	31.7.2019 Unaudited RM'000	31.7.2018 Unaudited RM'000	%	%		
Profit for the period	54,943	80,303	(25,360)	-31.6%	116,629	140,927	(24,298)	-17.2%
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:								
- Exchange differences on translation of foreign operations	(14,074)	107,962	(122,036)	-113.0%	27,306	119,316	(92,010)	-77.1%
- Cash flows hedge reserve	(58,159)	6,966	(65,125)	-934.9%	(85,434)	46,255	(131,689)	-284.7%
- Put option reserve	(3,174)	-	(3,174)	-100.0%	(3,174)	-	(3,174)	-100.0%
Total comprehensive (loss)/income for the period	(20,464)	195,231	(215,695)	-110.5%	55,327	306,498	(251,171)	-81.9%
Total comprehensive (loss)/income for the period attributable to:								
Owners of the Company	(23,158)	177,593	(200,751)	-113.0%	42,939	288,667	(245,728)	-85.1%
Non-controlling interests	2,694	17,638	(14,944)	-84.7%	12,388	17,831	(5,443)	-30.5%
	(20,464)	195,231	(215,695)	-110.5%	55,327	306,498	(251,171)	-81.9%

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 July 2019

	AS AT 31.7.2019 Unaudited RM'000	AS AT 31.1.2019 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	5,720,166	5,298,201
Investment properties	20,108	20,108
Intangible assets	401,765	401,468
Investment in joint ventures	484,178	483,040
Investment in associates	1,729	1,718
Other assets	14,260	14,754
Finance lease receivables	15,005	15,169
	6,657,211	6,234,458
Current assets		
Inventories	9,845	9,926
Trade and other receivables	321,072	282,101
Amounts due from joint ventures	178,461	147,095
Other assets	143,792	115,151
Finance lease receivables	506	468
Tax recoverable	2,209	3,703
Derivatives	255	893
Other investments	214,714	72,226
Cash and bank balances	1,685,908	1,217,279
	2,556,762	1,848,842
TOTAL ASSETS	9,213,973	8,083,300

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 July 2019

	AS AT 31.7.2019 Unaudited RM'000	AS AT 31.1.2019 Audited RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	1,102,614	1,101,090
Treasury shares	(50,293)	(43,829)
Foreign currency translation reserve	185,748	160,617
Cash flows hedge reserve	(105,678)	(35,664)
Share-based option reserve	4,855	2,140
Put option reserve	(437,474)	(455,725)
Retained earnings	1,035,985	1,016,783
Equity attributable to owners of the Company	1,735,757	1,745,412
Perpetual securities issued by subsidiaries	1,847,675	1,575,885
Non-controlling interests	293,643	302,680
Total equity	3,877,075	3,623,977
Non-current liabilities		
Loans and borrowings	3,403,856	2,748,368
Lease liabilities	14,968	-
Other payables	639,085	355,344
Derivatives	113,592	36,358
Deferred tax liabilities	549	546
	4,172,050	3,140,616
Current liabilities		
Loans and borrowings	286,732	401,362
Lease liabilities	8,790	-
Trade and other payables	305,754	371,221
Amounts due to joint ventures	3,593	8,528
Dividend payable	21,647	77
Unfavourable contracts	-	4,906
Derivatives	11,281	3,082
Put option liability	437,474	455,725
Tax payables	89,577	73,806
	1,164,848	1,318,707
Total liabilities	5,336,898	4,459,323
TOTAL EQUITY AND LIABILITIES	9,213,973	8,083,300
Net assets per share attributable to owners of the Company (RM)	1.59	1.60

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Six Months Period Ended 31 July 2019

	Attributable to owners of the Company									Perpetual securities of subsidiaries RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Cash flows hedge reserve RM'000	Share-based option reserve RM'000	Capital reserve RM'000	Put option reserve RM'000	Retained earnings RM'000	Total equity attributable to owners of the Company RM'000			
At 1 February 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	-	-	-	-	-	-	-	(18,526)	(18,526)	-	-	(18,526)
At 1 February 2018 (Restated)	1,099,490	(12,633)	34,351	(46,162)	1,962	96,690	-	808,177	1,981,875	632,162	595	2,614,632
Total comprehensive income for the period	-	-	112,926	41,642	-	-	-	134,099	288,667	-	17,831	306,498
Paid and accrued perpetual securities distribution by subsidiaries	-	-	-	-	-	-	-	(37,809)	(37,809)	-	-	(37,809)
Issue of perpetual securities by a subsidiary	-	-	-	-	-	-	-	-	-	943,723	-	943,723
Effect of changes in shareholding in subsidiaries	-	-	-	-	-	-	(475,628)	177,806	(297,822)	-	288,817	(9,005)
Exercise of ESS	751	-	-	-	-	-	-	-	751	-	-	751
Issuance of ESS	-	-	-	-	124	-	-	-	124	-	-	124
Cash dividends to owners of the Company	-	-	-	-	-	-	-	(43,485)	(43,485)	-	-	(43,485)
Purchase of treasury shares	-	(12,816)	-	-	-	-	-	-	(12,816)	-	-	(12,816)
At 31 July 2018 (Unaudited)	1,100,241	(25,449)	147,277	(4,520)	2,086	96,690	(475,628)	1,038,788	1,879,485	1,575,885	307,243	3,762,613
At 1 February 2019	1,101,090	(43,829)	160,617	(35,664)	2,140	-	(455,725)	1,016,783	1,745,412	1,575,885	302,680	3,623,977
Total comprehensive income/(loss) for the period	-	-	25,131	(70,014)	-	-	(3,174)	90,996	42,939	-	12,388	55,327
Paid and accrued perpetual securities distribution by subsidiaries	-	-	-	-	-	-	-	(63,678)	(63,678)	-	-	(63,678)
Issue of perpetual securities by a subsidiary	-	-	-	-	-	-	-	-	-	490,050	-	490,050
Redemption of perpetual securities by a subsidiary	-	-	-	-	-	-	-	13,491	13,491	(218,260)	-	(204,769)
Exercise of ESS	1,524	-	-	-	-	-	-	-	1,524	-	-	1,524
Issuance of ESS	-	-	-	-	2,715	-	-	-	2,715	-	-	2,715
Cash dividends to owners of the Company	-	-	-	-	-	-	-	(21,607)	(21,607)	-	-	(21,607)
Cash dividends to non-controlling interests	-	-	-	-	-	-	21,425	-	21,425	-	(21,425)	-
Purchase of treasury shares	-	(6,464)	-	-	-	-	-	-	(6,464)	-	-	(6,464)
At 31 July 2019 (Unaudited)	1,102,614	(50,293)	185,748	(105,678)	4,855	-	(437,474)	1,035,985	1,735,757	1,847,675	293,643	3,877,075

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The Six Months Period Ended 31 July 2019

	Cumulative Period	
	31.7.2019 Unaudited RM'000	31.7.2018 Unaudited RM'000
OPERATING ACTIVITIES		
Profit before tax	151,224	176,916
Adjustments for:		
Amortisation and depreciation	116,120	136,960
Amortisation of unfavourable contracts	(4,936)	(9,489)
Unrealised gain on foreign exchange	(6,355)	(13,673)
Finance costs	91,340	93,693
Loss on disposal on other investments	385	-
Fair value loss on investment properties	-	700
Impairment loss on property, plant and equipment	4,862	5,937
Impairment loss on trade and other receivables	4,066	-
Reversal of impairment loss on advances to a joint venture	(240)	-
Loss on disposal of property, plant and equipment	886	255
Net fair value loss/(gain) on derivatives	638	(361)
Net fair value loss on other investments	123	834
Property, plant and equipment written off	24	-
Bad debt written off	42	-
Share of loss of associates	-	158
Share of profit of joint ventures	(11,778)	(5,857)
Interest income	(11,901)	(5,885)
Operating cash flows before working capital changes	334,500	380,188
Receivables	(52,759)	60,078
Other current assets	(36,053)	(25,024)
Inventories	81	(32)
Payables	115,672	(218,514)
Cash flows from operations	361,441	196,696
Interest received	11,901	5,885
Interest paid	(89,319)	(90,635)
Tax paid	(17,779)	(25,658)
Net cash flows generated from operating activities	266,244	86,288
INVESTING ACTIVITIES		
Investment in a subsidiary	-	328
Dividend received from joint ventures	14,210	45,279
Placement of short term investment	361	(5)
Proceeds from disposal of other investments	20,354	-
Proceeds from disposal of property, plant and equipment	1,588	398
Proceeds from disposal of shareholdings in a subsidiary	-	415,786
Purchase of intangible assets	(185)	(381,467)
Purchase of property, plant and equipment	(409,129)	(221,384)
Purchase of other investments	(162,130)	-
Withdrawal of deposits pledged as security	90,338	86,256
Net cash flows used in investing activities	(444,593)	(54,809)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The Six Months Period Ended 31 July 2019

	Cumulative Period	
	31.7.2019 Unaudited RM'000	31.7.2018 Unaudited RM'000
FINANCING ACTIVITIES		
Dividends paid to owners of the Company	-	(43,485)
Dividends paid to non-controlling interests	(21,425)	-
Drawdown of loans and borrowings	910,023	179,923
Drawdown of finance leases obligations	-	322
Perpetual securities distribution paid	(55,254)	(22,000)
Proceeds from equity-settled share-based options	1,524	751
Proceeds from issuance of perpetual securities	490,050	943,723
Purchase of treasury shares	(6,464)	(12,816)
Repayment of loans and borrowings	(378,769)	(620,900)
Repayment of obligations under finance leases	(192)	(295)
Repayment of lease liabilities	(4,046)	-
Repayment of perpetual securities	(203,750)	-
Net cash flows generated from financing activities	731,697	425,223
NET INCREASE IN CASH AND CASH EQUIVALENTS	553,348	456,702
Effects of foreign exchange rate changes	2,520	51,990
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	723,509	291,295
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	1,279,377	799,987
	As at 31.7.2019 Unaudited RM'000	As at 31.7.2018 Unaudited RM'000
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	1,685,908	1,071,285
Short term investment	-	(355)
Deposits pledged to banks	(406,531)	(270,943)
	1,279,377	799,987

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 financial period ended 31 July 2019 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 2019. 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 2019 except for the adoption of Amendments to Standards and Issue Committee (IC) Interpretations effective as of 1 February 2019.

- 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"
- Annual Improvements to MFRSs 2015 - 2017 Cycle
 - MFRS 3 "Business Combinations"
 - MFRS 11 "Joint Arrangements"
 - MFRS 112 "Income Taxes"
 - MFRS 123 "Borrowing Costs"

The adoption of the above amendments to published standards does not have any material impact to the Group, other than MFRS 16 as disclosed in Note 27.

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.

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 financial period ended 31 July 2019.

4. Changes in Accounting Estimate

There were no material changes in accounting estimates during the financial 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 financial period ended 31 July 2019 except for:

(i) Incorporation of subsidiaries

Name of subsidiaries	Date of incorporation	Countries of incorporation	Proportion of ownership interest (%)	Principal activities
Yinson Boronia Production B.V.	25 February 2019	Netherlands	100%	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Yinson Global Corporation (HK) Limited	9 May 2019	Hong Kong	100%	Investment holdings
Yinson Boronia Servicos De Operacao Ltda	15 May 2019	Brazil	100%	Provision of operations and maintenance services of floating marine assets to the offshore oil and gas industry
Yinson Renewable (HK) Limited	9 July 2019	Hong Kong	100%	Investment holdings

6. Segmental Information

For the Six Months Period Ended 31 July 2019

	Offshore & Marine RM'000	Other Operations RM'000	Consolidated RM'000
Revenue			
Gross revenue	440,306	213,487	653,793
Elimination	(29,958)	(201,400)	(231,358)
Net revenue	410,348	12,087	422,435
Results			
Segment results	221,788	9,636	231,424
Finance costs			(91,978)
Share of profit of joint ventures			11,778
Income tax expense			(34,595)
Profit after tax			116,629

For the Six Months Period Ended 31 July 2018

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

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 financial period under review has decreased by RM70.53 million to RM410.35 million as compared to RM480.88 million in the corresponding financial period ended 31 July 2018. The decrease mainly due to the effect of cessation of revenue contribution from FPSO Allan's charter at Olowi field in Gabon, presence of impairment loss on advances to a joint venture and net unfavorable foreign exchange movement, set-off by lower depreciation and amortization and lower impairment loss on property, plant and equipment.

Other Operations

The segment turned into profit at RM9.64 million as compare to loss of RM0.12 million in the corresponding financial period ended 31 July 2018. The improvement was mainly driven by higher interest income, absence of fair value loss on investment properties and lower fair value loss on other investments but set-off by net unfavourable foreign exchange movement.

Results of Joint Ventures and Associates

The share of the results of joint ventures has improved by RM5.92 million to profit of RM11.78 million for the financial period ended 31 July 2019 as compared to RM5.86 million for the corresponding financial period ended 31 July 2018 mainly due to lower operating expenditure from the operation and maintenance entity of FPSO John Agyekum Kufuor ("FPSO JAK").

As of the financial period ended 31 July 2019, the Company has left with an inactive associate investment where results contribution is immaterial.

Consolidated profit after tax

For the current financial period under review, the Group's profit after tax decreased by RM24.30 million or 17.24% to RM116.63 million as compared to RM140.93 million for the corresponding financial period ended 31 July 2018. The decrease was mainly attributable to lower profit contribution on weaker recorded revenue upon FPSO Allan's charter cessation at the end of last financial year, net unfavorable forex movement of RM12.55 million and presence of impairment loss on trade and other receivables of RM4.07 million. The decrease are partially set-off by lower impairment loss on property, plant and equipment of RM1.08 million, higher share of results in joint ventures of RM5.92 million, lower finance cost of RM1.35 million, higher interest income earned of RM6.02 million and lower tax expenses of RM1.39 million.

Consolidated financial position

For the current financial year under review, the Group's current assets has increased by RM707.92 million or 38.29% to RM2,556.76 million from RM1,848.84 million for the last audited financial year ended 31 January 2019. The increase mainly due to strengthen cash equivalent assets resulted from additional drawn-down of loans and borrowings and new issuances of USD120.00 million Perpetual Securities. Whereas, the Group's current liabilities has decreased by RM153.86 million or 11.67% to RM1,164.85 million from RM1,318.71 million for the last audited financial year ended 31 January 2019 mainly due to repayment of short-term loans and borrowings and substitution of existing conversion project's payables with long-term loans and borrowings.

The Group's liquidity indicators, Current Ratio (Calculated as "Current Assets" divided by "Current Liabilities") improved to 2.19 times as compared to 1.40 times for the last audited financial year ended 31 January 2019. The improvement 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 0.52 times as compared to 0.53 times for the last audited financial year ended 31 January 2019, improvement mainly attributed to higher cash and bank balances and equity enhancement effect from the issuances of Perpetual Securities.

7. Profit Before Tax

Included in the profit before tax are the following items:

	Current quarter 3 months ended		Cumulative 6 months ended	
	31.7.2019 Unaudited RM'000	31.7.2018 Unaudited RM'000	31.7.2019 Unaudited RM'000	31.7.2018 Unaudited RM'000
Interest income	(5,459)	(3,411)	(11,901)	(5,885)
Other income including investment income	(186)	(289)	(3,261)	(412)
Finance costs	48,137	46,549	91,340	93,693
Depreciation of property, plant and equipment	57,782	68,279	113,463	134,389
Amortisation of intangible assets	1,338	1,297	2,657	2,571
Amortisation of unfavourable contracts	(35)	(4,808)	(4,936)	(9,489)
Loss on disposal on property, plant and equipment	7	236	886	255
Loss on disposal on other investment	385	-	385	-
Impairment loss on trade and other receivables	29	-	4,066	-
Impairment /(reversal of) loss on advances to a joint venture	826	-	(240)	-
Impairment loss on property, plant and equipment	4,862	5,937	4,862	5,937
Fair value loss on investment properties	-	-	-	700
Property, plant and equipment written off	1	-	24	-
Net loss/(gain) on foreign exchange	2,425	(14,297)	(750)	(13,300)
Net fair value loss on other investments	41	16	123	834
Net fair value loss/(gain) on derivatives	334	247	638	(361)
Bad debt written off	-	-	42	-

8. Income Tax Expense

The income tax expense figures consist of:

	Current quarter 3 months ended		Cumulative 6 months ended	
	31.7.2019 Unaudited RM'000	31.7.2018 Unaudited RM'000	31.7.2019 Unaudited RM'000	31.7.2018 Unaudited RM'000
Current income tax	16,604	21,071	34,595	35,989

The effective tax rate for the current quarter ended 31 July 2019 is lower than the statutory tax rate in Malaysia due to certain income of subsidiaries are not subject to tax or subject to lower tax rates.

9. Earnings Per Share

(a) Basic

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

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

	Current quarter 3 months ended		Cumulative 6 months ended	
	31.7.2019 Unaudited	31.7.2018 Unaudited	31.7.2019 Unaudited	31.7.2018 Unaudited
Profit net of tax attributable to owners of the Company used in the computation of EPS (RM'000)	41,142	73,668	90,996	134,099
Weighted average number of ordinary shares in issue ('000)	1,097,686	1,091,001	1,097,802	1,091,557
Basic earnings per share (sen)	3.75	6.75	8.29	12.29

9. Earnings Per Share (continued)

(b) Diluted

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

	Current quarter 3 months ended		Cumulative 6 months ended	
	31.7.2019 Unaudited	31.7.2018 Unaudited	31.7.2019 Unaudited	31.7.2018 Unaudited
Adjusted profit net of tax attributable to owners of the parent used in the computation of EPS (RM'000)	41,648	73,897	93,024	135,017
Weighted average number of ordinary shares in issue ('000)	1,097,686	1,091,001	1,097,802	1,091,557
Adjustments for ESS ('000)	17,417	9,318	17,417	9,318
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,115,103	1,100,319	1,115,219	1,100,875
Diluted earnings per share (sen)	3.73	6.72	8.34	12.26

10. Acquisitions and disposals of property, plant and equipment

There was no material acquisition and disposal during the current financial period under review except for the Group acquired property, plant & equipment ("PPE") with aggregate cost of RM506.70 million (31 July 2018: RM274.71 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) Yinson Juniper Ltd (“YJL”), a wholly-owned subsidiary of YHB has completed 2 fresh issuances of Perpetual Securities valued USD90 million and USD30 million respectively on bought deal basis under its USD500 million Multi-Currency Perpetual Securities Programme (“Programme”) on 29 March 2019 and 5 April 2019 respectively.

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 8.10% per annum and will subject to an agreed step-up margin of 5% per annum above the prevailing U.S. Treasury Rate after First Reset Date.

- (b) On 25 March 2019, Yinson TMC Sdn Bhd (“YTMC”), a wholly-owned subsidiary of YHB had fully repurchased and cancelled the outstanding USD50 million hybrid Perpetual Securities.
- (c) The Company increased its issued and paid-up share capital by way of issuance of 430,100 new ordinary shares arising from the exercise of options under Employees’ Share Scheme; and
- (d) The Company repurchased 1,414,700 of its issued shares from open market on Bursa Malaysia Securities Berhad.

13. Interest-bearing Loans and Borrowings

The Group’s total borrowings as at 31 July 2019 and 31 July 2018 are as follows:

	As at 31 July 2019		
	Short term RM'000	Long term RM'000	Total borrowings RM'000
<u>Secured</u>			
Term loans	265,352	3,402,961	3,668,313
Obligations under finance lease	288	895	1,183
Revolving credits	414	-	414
	266,054	3,403,856	3,669,910
<u>Unsecured</u>			
Revolving credits	20,678	-	20,678
	20,678	-	20,678
Total loans and borrowings	286,732	3,403,856	3,690,588

13. Interest-bearing Loans and Borrowings (continued)

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

Except for the borrowings of RM3,689.41 million (31 July 2018: RM2,708.57 million) denominated in US Dollar, all other borrowings are denominated in Ringgit Malaysia.

Higher outstanding total loans and borrowings is mainly due additional term loan drawdown for project and working capital.

14. Dividend Paid

Dividend approved and paid in respect of ordinary shares:

	As at 31 July 2019		As at 31 July 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 in respect of the financial year ended: - 31 January 2018	-	-	4.0	43,452
Dividends recognised as distribution to ordinary equity holders of the Company	-	-	4.0	43,452

15. Capital Commitments

As at 31 July 2019, the capital commitment not provided for in the interim condensed financial statements is as follows:

- approved and contracted for – RM488.86 million
- approved but not contracted for – RM234.41 million

16. Changes in Contingent Liabilities and Contingent Assets

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

17. Event After the Reporting Date

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

18. Related Party Disclosures

Significant related party transactions are as follows:

	Current and cumulative quarter 3 months ended		Cumulative 6 months ended	
	31.7.2019 RM'000	31.7.2018 RM'000	31.7.2019 RM'000	31.7.2018 RM'000
<u>With companies controlled by Directors</u>				
Rental income from Kargo Indera Sdn Bhd	-	23	-	56
Service Fee income from King Kong Creative Media Sdn Bhd	5	2	9	2
Service Fee income from Yinson Capital Sdn Bhd	20	7	39	7
Service Fee income from Manja Studios Sdn Bhd	2	2	6	2
Service Fee income from Liannex Enterprise Sdn Bhd	20	7	39	7
Sales of goods to Liannex Corporation (S) Pte Ltd	101	-	101	-
Sales of barges to Yinson Power Marine Sdn Bhd	-	-	1,600	-
<u>With Associates</u>				
Rental income from Yinson Energy Sdn Bhd	-	-	-	11
Management fee income from Yinson Ghazania Operations Ltd	-	3	-	6
Consultancy fee to Yinson Energy Sdn Bhd	-	-	-	439
Interest income from Yinson Energy Sdn Bhd	-	-	-	4

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	
	31.7.2019	30.4.2019	(Amount / %)	
	RM'000	RM'000		
Revenue	213,439	208,996	4,443	2.13%
Direct expenses	(81,278)	(88,529)	7,251	-8.19%
Gross profit	132,161	120,467	11,694	9.71%
Other operating income	2,507	14,111	(11,604)	-82.23%
Administrative expenses	(20,812)	(17,010)	(3,802)	22.35%
Profit from operations	113,856	117,568	(3,712)	-3.16%
Finance costs	(48,471)	(43,507)	(4,964)	11.41%
Share of profit of joint ventures	6,162	5,616	546	9.72%
Profit before tax	71,547	79,677	(8,130)	-10.20%
Income tax expense	(16,604)	(17,991)	1,387	-7.71%
Profit after tax	54,943	61,686	(6,743)	-10.93%

The Group's profit before tax for the second quarter of current financial year is lower by 10.20% or RM8.13 million to RM71.55 million as compared to the RM79.68 million in the immediate preceding quarter. The decrease was mainly attributable to net unfavorable foreign exchange movement of RM5.60 million, presence of impairment loss on property, plant and equipment of RM4.86 million and higher finance costs of RM4.96 million, partially set-off by improved profit contribution on lower operating expenditure and lower impairment loss on advances to a joint venture, trade and other receivables of RM2.12 million.

21. Commentary on Prospects

The long-term outlook in the oil and gas industry remains challenging with the emergence of 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, geopolitical conditions uncertainty, with higher downside risks. Monetary policy uncertainties in major economies and unsettled global trade disputes will result in prolong negative effect to world economy. Nevertheless, the Management is optimistic that the industry will replenish its production capacity with new FPSO awards in current financial year to counter the lagging investment effect from the past years.

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 2020.

22. Profit Forecast

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

23. Status of Corporate Proposals and Utilisation of Proceeds

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

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

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

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

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

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

On 16 September 2019, PTSC CRD received a notice from PTSC informing that the Bareboat Charter Contract will be terminated due to a prolonged force majeure event pursuant to the terms therein. The effective date of the termination will be determined upon discussions between TLV and PTSC.

PTSC CRD will assert its rights under all relevant contracts and in laws, for any advances, claims, liabilities, losses and/or damages against or suffered by it in any way concerning the matter.

(b) Potential part acquisition of Ezion Holdings Limited (“EHL”)

On 31 March 2019, Yinson Eden Pte Ltd (formerly known as Yinson Boronia Production (S) Pte Ltd) (“YEPL”), an indirect wholly owned subsidiary of the Company, entered into a Conditional Debt Conversion Agreement and Conditional Option Agreement, with EHL, a Singapore company specialises in the development, ownership and chartering of offshore assets to support the offshore energy markets, with the intention to acquire a majority stake in EHL.

YEPL is currently in advanced stage of discussions with certain lenders including major secured lenders of EHL and/ or its subsidiaries and jointly owned companies (collectively “EHL Group”)(“Designated Lenders”) to acquire the benefits and rights in respect of up to USD916,000,000 (equivalent to approximately RM3,739,112,000) of the existing loans extended to the relevant EHL Group company (“Existing Loans”) under the relevant facility and/ or credit agreements (“Existing Financing Agreements”) with such Designated Lenders (“Relevant Debts”) through debt assignments.

23. Status of Corporate Proposals and Utilisation of Proceeds

(b) Potential part acquisition of Ezion Holdings Limited (“EHL”) (continued)

The Conditional Debt Conversion Agreement allows YEPL to capitalise the Relevant Debts into EHL shares at SGD0.055 per share. The Conditional Option Agreement allows YEPL to subscribe for up to 3.36 billion EHL shares at the exercise price of SGD0.0605 per share at any time during a period of 5 years commencing from the date of the issuance of options. Upon completion of the debt conversion, YEPL will hold a minimum of 70% of EHL’s enlarged share capital. The debt assignment, debt conversion and the subscription options are collectively known as the “Proposals”.

The Proposals are subject to, amongst others, finalisation of the debt assignment with the lenders and a whole host of regulatory approvals. It is YEPL’s intention to retain the listing status of EHL. The Proposals are inter-conditional and the completion of such Proposals shall take place simultaneously.

As at the date of reporting, the execution of the Debt Assignment Agreements are still pending.

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

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

Purpose	Proposed utilisation RM’000	Actual utilisation RM’000	Intended timeframe for utilisation
Capital expenditure	100,212	100,212	Within 24 months
Repayment of borrowings	208,775	188,338	Within 24 months
Working capital	Up to 177,459	177,339	Within 24 months
Estimated expenses	2,088	2,088	Within 6 months
Total	Up to 488,534	467,977	

On 20 June 2019, Yinson Trillium Limited, a wholly-owned subsidiary of the Group, received the remaining consideration amounting to a total sum of USD13.0 million (equivalent to approximately RM54.3 million) from Japan Sankofa Offshore Production Pte. Ltd. for the disposal 26% equity interest of Yinson Production (West Africa) Pte Ltd. As such, the total final consideration for the disposal is USD117.0 million (equivalent to approximately RM488.5 million), which is the maximum consideration receivable for the disposal.

24. Material Litigation

As at 31 July 2019, there was no material litigation against the Group since the last audited financial statements.

25. Dividend Payable

The Board of Directors has declared an interim single-tier dividend of 4.0 sen per ordinary share, amounting to approximately RM43.22 million, which is payable on 20 December 2019. The entitlement date for the dividend payment is 28 November 2019.

26. Derivatives

Details of derivative financial instruments outstanding as at 31 July 2019 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	82,480	255
More than 3 years	2,941,465	(124,873)

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 following floating rate term loans:

- i. contract amounting to RM82.48 million that pays floating interest at 3 months US\$ LIBOR;
- ii. contracts amounting to RM2,146.13 million that pays floating interest at 3 months US\$ LIBOR; and
- iii. contracts amounting to RM795.34 million that pays floating interest at 3 months US\$ LIBOR.

For item i, the interest rate swap has been classified as At Fair Value through Profit or Loss which is measured at fair value and the changes in fair value will be taken to profit or loss. As at 31 July 2019, the net fair value loss on interest rate swap derivative measured at fair value through profit and loss is RM0.64 million.

For item ii and iii, the interest rate swaps have been classified as Cash Flows Hedge which is measured at fair value and the changes in fair value will be taken to cash flows hedge reserve. As at 31 July 2019, the net fair value loss on interest rate swap derivative measured at fair value through the reserve is RM85.43 million.

27. Adoption of MFRS 16

MFRS 16 "Leases" supersedes MFRS 117 "Leases" and the related interpretations. MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognise a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for most leases.

The right-of-use asset is depreciated in accordance with the principle in MFRS 116 "Property, Plant and Equipment" and the lease liability is accreted over time with interest expense recognised in the profit or loss.

For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

27. Adoption of MFRS 16 (continued)

The Group has elected to apply the following exemptions and practical expedients in recognition and measurement of right-of-use assets and lease liabilities:

- (a) Not to reassess whether a contract is, or contains, a lease at 1 February 2019;
- (b) Not to apply MFRS 16 to leases for which lease term ends within 12 months from 1 February 2019;
- (c) Not to apply MFRS 16 for short term leases (leases with a lease term of 12 months or less) and lease contracts for which the underlying asset is of low value (below USD 5,000);
- (d) Uses a single discount rate to a portfolio of leases with reasonably similar characteristics;
- (e) Exclude initial direct costs from the measurement of the right-of-use asset at 1 February 2019; and
- (f) Uses hindsight, such as in determining the lease term if the contract contains option to extend or terminate the lease.

Impact of adoption

The Group has adopted MFRS 16 using the modified retrospective method of adoption with the date of initial application from 1 February 2019. Comparatives for financial year ended 31 January 2019 are not restated.

The effect of adoption as at 1 February 2019 is as follows:

Consolidated Statement of Financial Position

	RM'000
<u>Assets</u>	
Property, plant and equipment	27,198
<u>Liabilities</u>	
Lease liabilities	<u>27,198</u>

28. Auditors' Report on Preceding Annual Financial Statements

The Auditors' Report on the financial statements for the financial year ended 31 January 2019 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 25 September 2019.