



**CONDENSED CONSOLIDATED INCOME STATEMENT**  
For The Nine Months Period Ended 31 October 2019

	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 / %)	
	31.10.2019 Unaudited RM'000	31.10.2018 Unaudited RM'000	RM'000	%	31.10.2019 Unaudited RM'000	31.10.2018 Unaudited RM'000	RM'000	%
Revenue	240,966	265,576	(24,610)	-9.3%	663,401	747,298	(83,897)	-11.2%
Direct expenses	(104,696)	(104,322)	(374)	0.4%	(274,503)	(310,625)	36,122	-11.6%
Gross profit	136,270	161,254	(24,984)	-15.5%	388,898	436,673	(47,775)	-10.9%
Other operating income	20,026	36,395	(16,369)	-45.0%	36,644	56,604	(19,960)	-35.3%
Administrative expenses	(20,894)	(88,870)	67,976	-76.5%	(58,716)	(119,949)	61,233	-51.0%
Profit from operations	135,402	108,779	26,623	24.5%	366,826	373,328	(6,502)	-1.7%
Finance costs	(51,614)	(43,554)	(8,060)	18.5%	(143,592)	(136,886)	(6,706)	4.9%
Share of (loss)/profit of joint ventures	(106)	5,720	(5,826)	-101.9%	11,672	11,577	95	0.8%
Share of profit of associates	-	336	(336)	-100.0%	-	178	(178)	-100.0%
Profit before tax	83,682	71,281	12,401	17.4%	234,906	248,197	(13,291)	-5.4%
Income tax expense	(15,889)	(19,465)	3,576	-18.4%	(50,484)	(55,454)	4,970	-9.0%
<b>Profit for the period</b>	<b>67,793</b>	<b>51,816</b>	<b>15,977</b>	<b>30.8%</b>	<b>184,422</b>	<b>192,743</b>	<b>(8,321)</b>	<b>-4.3%</b>
<b>Profit attributable to:</b>								
Owners of the Company	53,967	43,397	10,570	24.4%	144,963	177,496	(32,533)	-18.3%
Non-controlling interests	13,826	8,419	5,407	64.2%	39,459	15,247	24,212	158.8%
	67,793	51,816	15,977	30.8%	184,422	192,743	(8,321)	-4.3%
<b>Earnings per share attributable to owners of the Company:</b>								
Basic (sen)	4.91	3.97	0.94	23.7%	13.20	16.23	(3.03)	-18.7%
Diluted (sen)	4.88	3.96	0.92	23.2%	13.18	16.18	(3.00)	-18.5%

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For The Nine Months Period Ended 31 October 2019**

	Individual Period (3rd quarter)				Cumulative Period			
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes		Current Year To date	Preceding Year Corresponding Period	Changes	
	31.10.2019 Unaudited RM'000	31.10.2018 Unaudited RM'000	(Amount / %) RM'000	%	31.10.2019 Unaudited RM'000	31.10.2018 Unaudited RM'000	(Amount / %) RM'000	%
Profit for the period	67,793	51,816	15,977	30.8%	184,422	192,743	(8,321)	-4.3%
Other comprehensive income to be reclassified to profit or loss in subsequent periods:								
- Exchange differences on translation of foreign operations	47,903	86,929	(39,026)	-44.9%	75,209	206,245	(131,036)	-63.5%
- Cash flows hedge reserve	(22,452)	14,992	(37,444)	-249.8%	(107,886)	61,247	(169,133)	-276.1%
- Put option reserve	(5,842)	-	(5,842)	-100.0%	(9,016)	-	(9,016)	-100.0%
<b>Total comprehensive income for the period</b>	<b>87,402</b>	<b>153,737</b>	<b>(66,335)</b>	<b>-43.1%</b>	<b>142,729</b>	<b>460,235</b>	<b>(317,506)</b>	<b>-69.0%</b>
<b>Total comprehensive income for the period attributable to:</b>								
Owners of the Company	72,996	132,249	(59,253)	-44.8%	115,935	420,916	(304,981)	-72.5%
Non-controlling interests	14,406	21,488	(7,082)	-33.0%	26,794	39,319	(12,525)	-31.9%
	<b>87,402</b>	<b>153,737</b>	<b>(66,335)</b>	<b>-43.1%</b>	<b>142,729</b>	<b>460,235</b>	<b>(317,506)</b>	<b>-69.0%</b>

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 31 October 2019**

	<b>AS AT 31.10.2019 Unaudited RM'000</b>	<b>AS AT 31.1.2019 Audited RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	6,254,496	5,298,201
Investment properties	17,708	20,108
Intangible assets	405,588	401,468
Investment in joint ventures	490,500	483,040
Investment in associates	1,752	1,718
Other assets	14,140	14,754
Finance lease receivables	15,356	15,169
	<b>7,199,540</b>	<b>6,234,458</b>
<b>Current assets</b>		
Inventories	8,400	9,926
Trade and other receivables	301,824	282,101
Amounts due from joint ventures	183,456	147,095
Other assets	187,863	115,151
Finance lease receivables	554	468
Tax recoverable	2,723	3,703
Derivatives	74	893
Other investments	190,473	72,226
Cash and bank balances	1,397,630	1,217,279
	<b>2,272,997</b>	<b>1,848,842</b>
<b>TOTAL ASSETS</b>	<b>9,472,537</b>	<b>8,083,300</b>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 31 October 2019**

	<b>AS AT 31.10.2019 Unaudited RM'000</b>	<b>AS AT 31.1.2019 Audited RM'000</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	1,103,922	1,101,090
Treasury shares	(50,293)	(43,829)
Foreign currency translation reserve	229,422	160,617
Cash flows hedge reserve	(124,481)	(35,664)
Share-based option reserve	6,307	2,140
Put option reserve	(443,203)	(455,725)
Retained earnings	1,011,561	1,016,783
<b>Equity attributable to owners of the Company</b>	<b>1,733,235</b>	<b>1,745,412</b>
Perpetual securities issued by subsidiaries	1,847,675	1,575,885
Non-controlling interests	307,936	302,680
<b>Total equity</b>	<b>3,888,846</b>	<b>3,623,977</b>
<b>Non-current liabilities</b>		
Loans and borrowings	3,543,354	2,748,368
Lease liabilities	9,754	-
Other payables	646,624	355,344
Derivatives	132,641	36,358
Deferred tax liabilities	756	546
	<b>4,333,129</b>	<b>3,140,616</b>
<b>Current liabilities</b>		
Loans and borrowings	343,611	401,362
Lease liabilities	13,338	-
Trade and other payables	297,257	371,221
Amounts due to joint ventures	4,008	8,528
Dividend payable	43,270	77
Unfavourable contracts	-	4,906
Derivatives	14,832	3,082
Put option liability	443,203	455,725
Tax payables	91,043	73,806
	<b>1,250,562</b>	<b>1,318,707</b>
<b>Total liabilities</b>	<b>5,583,691</b>	<b>4,459,323</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>9,472,537</b>	<b>8,083,300</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>1.58</b>	<b>1.60</b>

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For The Nine Months Period Ended 31 October 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			
<b>At 1 February 2018</b>	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)
<b>At 1 February 2018 (Restated)</b>	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	-	-	190,684	52,736	-	-	-	177,496	420,916	-	39,319	460,235
Paid and accrued perpetual securities distribution by subsidiaries	-	-	-	-	-	-	-	(66,211)	(66,211)	-	-	(66,211)
Issue of perpetual securities by a subsidiary	-	-	-	-	-	-	-	-	-	943,723	-	943,723
Effect of changes in shareholding in subsidiaries	-	-	-	-	-	-	(489,551)	177,806	(311,745)	-	289,557	(22,188)
Exercise of ESS	858	-	-	-	-	-	-	-	858	-	-	858
Issuance of ESS	-	-	-	-	230	-	-	-	230	-	-	230
Cash dividends to owners of the Company	-	-	-	-	-	-	-	(108,520)	(108,520)	-	-	(108,520)
Purchase of treasury shares	-	(22,027)	-	-	-	-	-	-	(22,027)	-	-	(22,027)
Redemption of convertible notes instrument by a subsidiary	-	-	-	-	-	(96,690)	-	-	(96,690)	-	-	(96,690)
<b>At 31 October 2018 (Unaudited)</b>	<b>1,100,348</b>	<b>(34,660)</b>	<b>225,035</b>	<b>6,574</b>	<b>2,192</b>	<b>-</b>	<b>(489,551)</b>	<b>988,748</b>	<b>1,798,686</b>	<b>1,575,885</b>	<b>329,471</b>	<b>3,704,042</b>
<b>At 1 February 2019</b>	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	-	-	68,805	(88,817)	-	-	(9,016)	144,963	115,935	-	26,794	142,729
Paid and accrued perpetual securities distribution by subsidiaries	-	-	-	-	-	-	-	(98,848)	(98,848)	-	-	(98,848)
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	2,832	-	-	-	-	-	-	-	2,832	-	-	2,832
Issuance of ESS	-	-	-	-	4,167	-	-	-	4,167	-	-	4,167
Cash dividends to owners of the Company	-	-	-	-	-	-	-	(64,828)	(64,828)	-	-	(64,828)
Cash dividends to non-controlling interests	-	-	-	-	-	-	21,538	-	21,538	-	(21,538)	-
Purchase of treasury shares	-	(6,464)	-	-	-	-	-	-	(6,464)	-	-	(6,464)
<b>At 31 October 2019 (Unaudited)</b>	<b>1,103,922</b>	<b>(50,293)</b>	<b>229,422</b>	<b>(124,481)</b>	<b>6,307</b>	<b>-</b>	<b>(443,203)</b>	<b>1,011,561</b>	<b>1,733,235</b>	<b>1,847,675</b>	<b>307,936</b>	<b>3,888,846</b>

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For The Nine Months Period Ended 31 October 2019**

	Cumulative Period	
	31.10.2019 Unaudited RM'000	31.10.2018 Unaudited RM'000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	234,906	248,197
Adjustments for:		
Amortisation and depreciation	178,797	209,729
Amortisation of unfavourable contracts	(4,962)	(14,446)
Unrealised gain on foreign exchange	(18,951)	(45,590)
Finance costs	142,773	136,929
Loss/(gain) on disposal on other investments	610	(123)
Fair value loss on investment properties	2,400	4,200
Impairment loss on property, plant and equipment	4,887	71,797
Impairment loss on trade and other receivables	2,248	-
Reversal of impairment loss on advances to a joint venture	(241)	-
Loss on disposal of property, plant and equipment	890	255
Net fair value loss/(gain) on derivatives	819	(44)
Net fair value (gain)/loss on other investments	(212)	1,404
Property, plant and equipment written off	28	-
Bad debt written off	582	-
Share of profit of associates	-	(178)
Share of profit of joint ventures	(11,672)	(11,577)
Interest income	(18,949)	(10,070)
Operating cash flows before working capital changes	513,953	590,483
Receivables	(63,991)	(14,149)
Other current assets	(40,617)	(34,678)
Inventories	1,526	380
Payables	155,935	(161,177)
Cash flows from operations	566,806	380,859
Interest received	18,949	10,070
Interest paid	(134,828)	(140,880)
Tax paid	(33,671)	(35,364)
<b>Net cash flows generated from operating activities</b>	<b>417,256</b>	<b>214,685</b>
<b>INVESTING ACTIVITIES</b>		
Investment in subsidiaries	-	834
Dividend received from joint ventures	14,210	45,279
Proceeds from capital reduction of a joint venture	-	50,240
Withdrawal/(placement) of short term investment	361	(7)
Proceeds from disposal of other investments	71,627	15,723
Proceeds from disposal of property, plant and equipment	1,616	399
Proceeds from disposal of shareholdings in a subsidiary	-	415,786
Purchase of intangible assets	(183)	(380,023)
Purchase of property, plant and equipment	(979,432)	(390,366)
Purchase of other investments	(187,273)	-
Withdrawal of deposits pledged as security	98,451	78,719
<b>Net cash flows used in investing activities</b>	<b>(980,623)</b>	<b>(163,416)</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For The Nine Months Period Ended 31 October 2019**

	Cumulative Period	
	31.10.2019 Unaudited RM'000	31.10.2018 Unaudited RM'000
<b>FINANCING ACTIVITIES</b>		
Dividends paid to owners of the Company	(21,607)	(65,168)
Dividends paid to non-controlling interests	(21,538)	-
Drawdown of loans and borrowings	1,151,926	222,111
Drawdown of finance leases obligations	-	1,330
Perpetual securities distribution paid	(71,653)	(45,498)
Proceeds from equity-settled share-based options	2,832	858
Proceeds from issuance of perpetual securities	490,050	943,723
Purchase of treasury shares	(6,464)	(22,027)
Repayment of loans and borrowings	(494,866)	(648,060)
Repayment of obligations under finance leases	(267)	(361)
Repayment of lease liabilities	(4,046)	-
Repayment of perpetual securities	(203,750)	-
<b>Net cash flows generated from financing activities</b>	<b>820,617</b>	<b>386,908</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>257,250</b>	<b>438,177</b>
Effects of foreign exchange rate changes	11,946	49,937
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<b>723,509</b>	<b>291,295</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b>992,705</b>	<b>779,409</b>
	<b>As at 31.10.2019 Unaudited RM'000</b>	<b>As at 31.10.2018 Unaudited RM'000</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	1,397,630	1,066,615
Short term investment	-	(358)
Deposits pledged to banks	(404,925)	(286,848)
	<b>992,705</b>	<b>779,409</b>

*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 October 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 October 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 October 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 Renewables (HK) Limited	9 July 2019	Hong Kong	100%	Investment holdings
Yinson Renewables (S) Pte Ltd	1 November 2019	Singapore	100%	Investment holdings
Yinson Renewables AS	8 November 2019	Oslo	100%	Investment holdings and provision of management services

## 6. Segmental Information

### For the Nine Months Period Ended 31 October 2019

	Offshore & Marine RM'000	Other Operations RM'000	Consolidated RM'000
<b>Revenue</b>			
Gross revenue	699,868	354,844	1,054,712
Elimination	(44,392)	(346,919)	(391,311)
Net revenue	655,476	7,925	663,401
<b>Results</b>			
Segment results	353,369	13,457	366,826
Finance costs			(143,592)
Share of profit of joint ventures			11,672
Income tax expense			(50,484)
Profit after tax			184,422

### For the Nine Months Period Ended 31 October 2018

	Offshore & Marine RM'000	Other Operations RM'000	Consolidated RM'000
<b>Revenue</b>			
Gross revenue	846,261	340,668	1,186,929
Elimination	(101,225)	(338,406)	(439,631)
Net revenue	745,036	2,262	747,298
<b>Results</b>			
Segment results	347,401	25,927	373,328
Finance costs			(136,886)
Share of profit of joint ventures			11,577
Share of profit of associates			178
Income tax expense			(55,454)
Profit after tax			192,743

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 for the financial period under review has decreased by RM89.56 million to RM655.48 million as compared to RM745.04 million in the corresponding financial period ended 31 October 2018. The decrease mainly due to the effect of cessation of revenue contribution from FPSO Allan's charter at Olowi field in Gabon. Meanwhile, the segment results increased by RM5.97 million to RM353.37 million as compared to RM347.40 million in the corresponding financial period ended 31 October 2018 where loss of income from FPSO Allan and higher administrative overheads was mainly set-off by lower depreciation charges and lower impairment loss on property, plant and equipment.

### **Other Operations**

The segment results for financial period under review has decreased by RM12.47 million to RM13.46 million as compared to RM25.93 million in the corresponding financial period ended 31 October 2018. The decrease is mainly due to net unfavorable foreign exchange movement and higher finance costs but set-off by lower administrative overheads and income tax expenses.

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

The share of the results of joint ventures has improved marginally by RM0.09 million to profit of RM11.67 million for the financial period ended 31 October 2019 as compared to RM11.58 million for the corresponding financial period ended 31 October 2018.

As of the financial period ended 31 October 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 RM8.32 million or 4.32% to RM184.42 million as compared to RM192.74 million for the corresponding financial period ended 31 October 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 RM36.66 million, presence of impairment loss on trade and other receivables of RM2.25 million and higher financing cost of RM6.71 million. The decrease are partially set-off by lower impairment loss on property, plant and equipment of RM66.91 million, lower fair value loss on investment properties of RM1.80 million, higher interest income earned of RM8.88 million and lower tax expenses of RM4.97 million.

### **Consolidated financial position**

For the current financial year under review, the Group's current assets has increased by RM424.16 million or 22.94% to RM2,273.00 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 RM68.15 million or 5.17% to RM1,250.56 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 1.82 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; Net Gearing Ratio (Calculated as "Total Loans and Borrowings" less "Cash and Bank Balances plus other investments" divided by "Total Equity") is 0.59 times as compared to 0.51 times for the last audited financial year ended 31 January 2019, the leverage of the Group higher mainly attributed to higher loans and borrowings drawdown to fund project execution needs.

## 7. Profit Before Tax

Included in the profit before tax are the following items:

	Current quarter 3 months ended		Cumulative 9 months ended	
	31.10.2019 Unaudited RM'000	31.10.2018 Unaudited RM'000	31.10.2019 Unaudited RM'000	31.10.2018 Unaudited RM'000
Interest income	(7,048)	(4,185)	(18,949)	(10,070)
Other income including investment income	(2,705)	(58)	(5,966)	(470)
Finance costs	51,433	43,236	142,773	136,929
Depreciation of property, plant and equipment	61,303	71,172	174,766	205,561
Amortisation of intangible assets	1,374	1,597	4,031	4,168
Amortisation of unfavourable contracts	(26)	(4,957)	(4,962)	(14,446)
Loss on disposal on property, plant and equipment	4	-	890	255
Loss/(gain) on disposal on other investment	225	(123)	610	(123)
(Reversal of)/impairment loss on trade and other receivables	(1,818)	-	2,248	-
Reversal of impairment loss on advances to a joint venture	(1)	-	(241)	-
Impairment loss on property, plant and equipment	25	65,860	4,887	71,797
Fair value loss on investment properties	2,400	3,500	2,400	4,200
Property, plant and equipment written off	4	-	28	-
Net gain on foreign exchange	(7,860)	(31,972)	(8,610)	(45,272)
Net fair value (gain)/loss on other investments	(335)	570	(212)	1,404
Net fair value loss/(gain) on derivatives	181	317	819	(44)
Bad debt written off	540	-	582	-

## 8. Income Tax Expense

The income tax expense figures consist of:

	Current quarter 3 months ended		Cumulative 9 months ended	
	31.10.2019 Unaudited RM'000	31.10.2018 Unaudited RM'000	31.10.2019 Unaudited RM'000	31.10.2018 Unaudited RM'000
Current income tax	15,691	19,465	50,286	55,454
Deferred income tax	198	-	198	-
<b>Total income tax expense</b>	<b>15,889</b>	<b>19,465</b>	<b>50,484</b>	<b>55,454</b>

The effective tax rate for the current quarter ended 31 October 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 9 months ended	
	31.10.2019 Unaudited	31.10.2018 Unaudited	31.10.2019 Unaudited	31.10.2018 Unaudited
Profit net of tax attributable to owners of the Company used in the computation of EPS (RM'000)	53,967	43,397	144,963	177,496
Weighted average number of ordinary shares in issue ('000)	1,098,019	1,092,414	1,098,138	1,093,618
Basic earnings per share (sen)	4.91	3.97	13.20	16.23

## 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	
	31.10.2019 Unaudited	31.10.2018 Unaudited	31.10.2019 Unaudited	31.10.2018 Unaudited
Adjusted profit net of tax attributable to owners of the parent used in the computation of EPS (RM'000)	54,464	43,624	146,955	178,406
Weighted average number of ordinary shares in issue ('000)	1,098,019	1,092,414	1,098,138	1,093,618
Adjustments for ESS ('000)	17,064	9,233	17,064	9,233
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,115,083	1,101,647	1,115,202	1,102,851
Diluted earnings per share (sen)	4.88	3.96	13.18	16.18

## 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 RM1,035.53 million (31 October 2018: RM457.20 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 766,100 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 October 2019 and 31 October 2018 are as follows:

	As at 31 October 2019		
	Short term RM'000	Long term RM'000	Total borrowings RM'000
<b><u>Secured</u></b>			
Term loans	329,709	3,542,523	3,872,232
Obligations under finance lease	277	831	1,108
Revolving credits	9,424	-	9,424
	<b>339,410</b>	<b>3,543,354</b>	<b>3,882,764</b>
<b><u>Unsecured</u></b>			
Revolving credits	4,201	-	4,201
	<b>4,201</b>	<b>-</b>	<b>4,201</b>
<b>Total loans and borrowings</b>	<b>343,611</b>	<b>3,543,354</b>	<b>3,886,965</b>

### 13. Interest-bearing Loans and Borrowings (continued)

	As at 31 October 2018		
	Short term RM'000	Long term RM'000	Total borrowings RM'000
<b>Secured</b>			
Term loans	202,421	2,486,958	2,689,379
Obligations under finance lease	378	1,092	1,470
Revolving credits	418	-	418
	203,217	2,488,050	2,691,267
<b>Unsecured</b>			
Revolving credits	107,952	-	107,952
	107,952	-	107,952
<b>Total loans and borrowings</b>	<b>311,169</b>	<b>2,488,050</b>	<b>2,799,219</b>

Except for the borrowings of RM3,876.86 million (31 October 2018: RM2,735.82 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 purposes.

### 14. Dividend Paid

Dividend approved and paid in respect of ordinary shares:

	As at 31 October 2019		As at 31 October 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				
Final dividend in respect of the financial year ended: - 31 January 2019	2.0	21,607	-	-
Interim dividend in respect of the financial year ended: - 31 January 2019	-	-	4.0	43,311
Final dividend in respect of the financial year ended: - 31 January 2018	-	-	2.0	21,705
<b>Dividends recognised as distribution to ordinary equity holders of the Company</b>	<b>2.0</b>	<b>21,607</b>	<b>6.0</b>	<b>65,016</b>

### 15. Capital Commitments

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

- approved and contracted for – RM149.90 million
- approved but not contracted for – RM5,105.14 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 quarter 3 months ended		Cumulative 9 months ended	
	31.10.2019 RM'000	31.10.2018 RM'000	31.10.2019 RM'000	31.10.2018 RM'000
<u>With companies controlled by Directors</u>				
Rental income from Kargo Indera Sdn Bhd	-	-	-	56
Service fee income from King Kong Creative Media Sdn Bhd	5	5	14	6
Service fee income from Yinson Capital Sdn Bhd	20	20	59	26
Service fee income from Manja Studios Sdn Bhd	-	5	6	6
Service fee income from Liannex Enterprise Sdn Bhd	20	20	59	26
Sales of goods to Liannex Corporation (S) Pte Ltd	-	-	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	-	9
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 31.10.2019 RM'000	Immediate Preceding Quarter 31.7.2019 RM'000	Changes (Amount / %)	
Revenue	240,966	213,439	27,527	12.90%
Direct expenses	(104,696)	(81,278)	(23,418)	28.81%
Gross profit	136,270	132,161	4,109	3.11%
Other operating income	20,026	2,507	17,519	698.80%
Administrative expenses	(20,894)	(20,812)	(82)	0.39%
Profit from operations	135,402	113,856	21,546	18.92%
Finance costs	(51,614)	(48,471)	(3,143)	6.48%
Share of (loss)/profit of joint ventures	(106)	6,162	(6,268)	-101.72%
Profit before tax	83,682	71,547	12,135	16.96%
Income tax expense	(15,889)	(16,604)	715	-4.31%
<b>Profit after tax</b>	<b>67,793</b>	<b>54,943</b>	<b>12,850</b>	<b>23.39%</b>

The Group's profit before tax for the third quarter of current financial year is higher by 16.96% or RM12.14 million to RM83.68 million as compared to the RM71.55 million in the immediate preceding quarter. The increase was mainly attributable to net favorable foreign exchange movement of RM10.29 million, net reversal in impairment loss on trade and other receivables of RM1.85 million and lower impairment loss on property, plant and equipment of RM4.84 million, partially set-off by fair value loss on investment properties of RM2.40 million and collective loss reported in joint ventures entities resulted in lower share of results in joint ventures of RM6.27 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, we remain optimistic about the industry's overall outlook, reflected in part by our recent successful bid in Brazil for the FPSO Marlim 2 project and other potential upcoming projects in the pipeline.

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 which specialises in the development, ownership and chartering of offshore assets, with the intention to acquire a majority stake in EHL. The Conditions Precedent for both the agreements were not fulfilled by the Long-Stop Date i.e. by 30 September 2019. As such, the Conditional Debt Conversion Agreement and the Conditional Option Agreement have lapsed and the respective obligations of EHL and YEPL ceased with no further effect. Notwithstanding, EHL and YEPL remain in discussions to explore possible ways to move forward.

## 23. Status of Corporate Proposals and Utilisation of Proceeds (continued)

- (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	205,040	Within 24 months
Working capital	Up to 177,459	177,339	Within 24 months
Estimated expenses	2,088	2,088	Within 6 months
<b>Total</b>	<b>Up to 488,534</b>	<b>484,679</b>	

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.

- (d) Letter of intent for project Marlim 2 FPSO

On 11 October 2019, Yinson Production Pte Ltd ("YPPL"), an indirect wholly owned subsidiary of YHB, has been awarded two Letters of Intent (collectively "LOIs") by Petroleo Brasileiro S.A. ("Petrobras") for, respectively, the provision of:

- (i) a floating production storage and offloading facility ("Marlim 2 FPSO") to the Marlim Field located offshore Brazil in the north-eastern part of the Campos Basin; and
- (ii) operation and maintenance services during the charter phase of Marlim 2 FPSO.

Following the LOIs, Yinson Boronia Production B.V. ("YBP"), an indirect subsidiary of the Company incorporated in the Netherlands, will enter into a charter contract with Petrobras for the provision of Marlim 2 FPSO ("Charter Contract") and Yinson Boronia Serviços de Operação Ltda, a subsidiary of YBP incorporated in Brazil, will enter into a service contract with Petrobras for the provision of operation and maintenance services of Marlim 2 FPSO ("Service Contract") (The Charter Contract and Service Contract are collectively referred as the "Contracts").

The Marlim 2 FPSO is to be chartered for a firm period of 9,125 days or approximately 25 years under the Contracts. The estimated aggregate value of the Contracts is approximately equivalent to USD5.4 billion (equivalent to approximately RM 22.7 billion), subject to terms and condition of the Contracts. The Marlim 2 FPSO is expected to commence operation by the first quarter of 2023.

## 24. Material Litigation

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

## 25. Dividend Payable

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

## 26. Derivatives

Details of derivative financial instruments outstanding as at 31 October 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	83,560	74
More than 3 years	2,889,697	(147,473)

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 RM83.56 million that pays floating interest at 3 months US\$ LIBOR;
- ii. contracts amounting to RM2,107.80 million that pays floating interest at 3 months US\$ LIBOR; and
- iii. contracts amounting to RM781.90 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 October 2019, the net fair value loss on interest rate swap derivative measured at fair value through profit and loss is RM0.82 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 October 2019, the net fair value loss on interest rate swap derivative measured at fair value through the reserve is RM107.89 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**

	<b>RM'000</b>
<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 18 December 2019.