



YINSON HOLDINGS BERHAD
Company No: 199301004410
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT
For The Three Months Period Ended 30 April 2020

	Individual and Cumulative Period (1st quarter)		Changes (Amount / %) RM'000	%
	Current Year Quarter	Preceding Year Corresponding Quarter		
	30.4.2020 Unaudited RM'000	30.4.2019 Unaudited RM'000		
Revenue	343,747	208,996	134,751	64.5%
Direct expenses	(138,954)	(88,529)	(50,425)	57.0%
Gross profit	204,793	120,467	84,326	70.0%
Other operating income	45,296	14,111	31,185	221.0%
Administrative expenses	(89,758)	(17,010)	(72,748)	427.7%
Profit from operations	160,331	117,568	42,763	36.4%
Finance costs	(91,993)	(43,507)	(48,486)	111.4%
Share of (loss)/profit of joint ventures	(2,247)	5,616	(7,863)	-140.0%
Profit before tax	66,091	79,677	(13,586)	-17.1%
Income tax expense	(20,138)	(17,991)	(2,147)	11.9%
Profit for the period	45,953	61,686	(15,733)	-25.5%
Profit attributable to:				
Owners of the Company	46,716	49,854	(3,138)	-6.3%
Non-controlling interests	(763)	11,832	(12,595)	-106.4%
	45,953	61,686	(15,733)	-25.5%
Earnings per share attributable to owners of the Company:				
Basic (sen)	4.27	4.55	(0.28)	-6.1%
Diluted (sen)	4.25	4.55	(0.30)	-6.5%

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For The Three Months Period Ended 30 April 2020

	Individual and Cumulative Period (1st quarter)		Changes (Amount / %) RM'000	%
	Current Year Quarter 30.4.2020 Unaudited RM'000	Preceding Year Corresponding Quarter 30.4.2019 Audited RM'000		
Profit for the period	45,953	61,686	(15,733)	-25.5%
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:				
- Exchange differences on translation of foreign operations	216,046	45,764	170,282	372.1%
- Cash flows hedge reserve	(187,152)	(28,406)	(158,746)	558.8%
- Reclassification of changes in fair value of cash flow hedges	5,358	1,131	4,227	373.7%
- Put option reserve	(24,009)	(4,384)	(19,625)	447.7%
Total comprehensive income for the period	56,196	75,791	(19,595)	-25.9%
Total comprehensive income for the period attributable to:				
Owners of the Company	76,106	66,097	10,009	15.1%
Non-controlling interests	(19,910)	9,694	(29,604)	-305.4%
	56,196	75,791	(19,595)	-25.9%

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**As at 30 April 2020**

	AS AT 30.4.2020 Unaudited RM'000	AS AT 31.1.2020 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	5,345,042	4,843,583
Investment properties	17,708	17,708
Intangible assets	403,738	394,848
Investment in joint ventures	523,116	478,558
Investment in associates	2,226	1,714
Deferred tax assets	2,992	1,171
Amounts due from joint ventures	21,197	-
Other assets	10,267	68,819
Other investments	14,361	13,570
Finance lease receivables	1,575,122	1,501,015
	7,915,769	7,320,986
Current assets		
Inventories	4,866	22,080
Trade and other receivables	502,261	321,383
Amounts due from joint ventures	190,958	178,453
Other assets	113,324	159,271
Finance lease receivables	51,912	48,214
Tax recoverable	64	66
Other investments	172,151	188,762
Cash and bank balances	2,039,363	1,276,190
	3,074,899	2,194,419
TOTAL ASSETS	10,990,668	9,515,405

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**As at 30 April 2020**

	AS AT 30.4.2020 Unaudited RM'000	AS AT 31.1.2020 Audited RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	1,110,484	1,106,639
Treasury shares	(156,096)	(125,343)
Foreign currency translation reserve	339,634	141,951
Cash flows hedge reserve	(276,511)	(132,227)
Share-based option reserve	7,508	6,916
Put option reserve	(436,407)	(412,398)
Retained earnings	1,061,603	1,050,419
Equity attributable to owners of the Company	1,650,215	1,635,957
Perpetual securities issued by subsidiaries	1,847,675	1,847,675
Non-controlling interests	270,327	290,237
Total equity	3,768,217	3,773,869
Non-current liabilities		
Loans and borrowings	4,456,056	3,354,359
Lease liabilities	15,383	18,646
Other payables	755,085	714,070
Derivatives	309,590	138,700
Deferred tax liabilities	1,962	1,440
	5,538,076	4,227,215
Current liabilities		
Loans and borrowings	606,718	476,044
Lease liabilities	12,721	12,747
Trade and other payables	486,519	493,469
Amounts due to joint ventures	2,995	2,903
Derivatives	28,358	17,454
Put option liability	436,407	412,398
Tax payables	110,657	99,306
	1,684,375	1,514,321
Total liabilities	7,222,451	5,741,536
TOTAL EQUITY AND LIABILITIES	10,990,668	9,515,405
Net assets per share attributable to owners of the Company (RM)	1.51	1.49

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Three Months Period Ended 30 April 2020

	← Attributable to owners of the Company →							Total equity attributable to owners of the Company RM'000	Perpetual securities of subsidiaries RM'000	Non-controlling interests RM'000	Total equity RM'000
	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	Put option reserve RM'000	Retained earnings RM'000				
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 year	-	-	42,769	(22,142)	-	(4,384)	49,854	66,097	-	9,694	75,791
Paid and accrued perpetual securities distribution by subsidiaries	-	-	-	-	-	-	(28,564)	(28,564)	-	-	(28,564)
Issue of perpetual securities by a subsidiary	-	-	-	-	-	-	-	-	490,050	-	490,050
Redemption of perpetual securities by a subsidiary	-	-	-	-	-	-	13,492	13,492	(218,260)	-	(204,768)
Exercise of ESS	647	-	-	-	-	-	-	647	-	-	647
Issuance of ESS	-	-	-	-	1,132	-	-	1,132	-	-	1,132
Purchase of treasury shares	-	(6,409)	-	-	-	-	-	(6,409)	-	-	(6,409)
At 30 April 2019 (Unaudited)	1,101,737	(50,238)	203,386	(57,806)	3,272	(460,109)	1,051,565	1,791,807	1,847,675	312,374	3,951,856
At 1 February 2020	1,106,639	(125,343)	141,951	(132,227)	6,916	(412,398)	1,050,419	1,635,957	1,847,675	290,237	3,773,869
Total comprehensive income/(loss) for the year	-	-	197,683	(144,284)	-	(24,009)	46,716	76,106	-	(19,910)	56,196
Paid and accrued perpetual securities distribution by subsidiaries	-	-	-	-	-	-	(35,532)	(35,532)	-	-	(35,532)
Exercise of ESS	3,845	-	-	-	(657)	-	-	3,188	-	-	3,188
Issuance of ESS	-	-	-	-	1,249	-	-	1,249	-	-	1,249
Purchase of treasury shares	-	(30,753)	-	-	-	-	-	(30,753)	-	-	(30,753)
At 30 April 2020 (Unaudited)	1,110,484	(156,096)	339,634	(276,511)	7,508	(436,407)	1,061,603	1,650,215	1,847,675	270,327	3,768,217

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The Three Months Period Ended 30 April 2020

	Cumulative Period	
	30.4.2020 Unaudited RM'000	30.4.2019 Unaudited RM'000
OPERATING ACTIVITIES		
Profit before tax	66,091	79,677
Adjustments for:		
Amortisation and depreciation	75,786	57,000
Amortisation of unfavourable contracts	-	(4,901)
Unrealised gain on foreign exchange	(34,400)	(7,501)
Finance costs	91,993	43,203
Loss on disposal on other investments	443	-
Impairment loss on property, plant and equipment	6,517	-
Impairment loss on trade and other receivables	-	2,815
Impairment loss on advances to a joint venture	-	156
Loss on disposal of property, plant and equipment	-	879
Net fair value loss on derivatives	-	304
Net fair value loss on other investments	6	82
Property, plant and equipment written off	-	23
Bad debt written off	-	42
Share of loss/(profit) of joint ventures	2,247	(5,616)
Finance lease income	(42,793)	-
Interest income	(4,824)	(6,442)
Operating cash flows before working capital changes	161,066	159,721
Receivables	3,365	(69,701)
Other current assets	(33,544)	(24,395)
Inventories	17,214	(855)
Payables	(150,003)	(114,878)
Cash flows used in operations	(1,902)	(50,108)
Interest received	4,824	6,442
Finance costs paid	(6,009)	(1,438)
Tax paid	(15,804)	(10,630)
Net cash flows used in operating activities	(18,891)	(55,734)
INVESTING ACTIVITIES		
Investment in a joint venture	(31,898)	-
Dividend received from joint ventures	16,535	-
Placement of short term investment	-	(1)
Proceeds from disposal of other investments	60,351	16,149
Proceeds from disposal of property, plant and equipment	-	1,601
Purchase of intangible assets	(724)	(33)
Purchase of property, plant and equipment	(144,968)	(187,473)
Purchase of other investments	(33,168)	-
Withdrawal of deposits pledged as security	95,009	139,560
Net cash flows used in investing activities	(38,863)	(30,197)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The Three Months Period Ended 30 April 2020

	Cumulative Period	
	30.4.2020 Unaudited RM'000	30.4.2019 Unaudited RM'000
FINANCING ACTIVITIES		
Drawdown of loans and borrowings	3,552,160	708,331
Perpetual securities distribution paid	(37,975)	(23,219)
Proceeds from equity-settled share-based options	3,188	647
Proceeds from issuance of perpetual securities	-	490,050
Purchase of treasury shares	(30,753)	(6,409)
Repayment of loans and borrowings	(2,593,858)	(221,701)
Repayment of lease liabilities	(3,534)	(2,032)
Repayment of perpetual securities	-	(203,750)
Finance costs paid	(46,521)	(38,405)
Net cash flows generated from financing activities	842,707	703,512
NET INCREASE IN CASH AND CASH EQUIVALENTS	784,953	617,581
Effects of foreign exchange rate changes	50,533	30,833
CASH AND CASH EQUIVALENTS AT THE BEGINNING		
OF THE FINANCIAL PERIOD	886,358	723,509
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	1,721,844	1,371,923
	As at 30.4.2020 Unaudited RM'000	As at 30.4.2019 Unaudited RM'000
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	2,039,363	1,730,884
Short term investment	-	(363)
Deposits pledged to banks	(317,519)	(358,598)
	1,721,844	1,371,923

The 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 30 April 2020 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 2020. 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 2020 except for the adoption of Amendments to Standards and Issue Committee (IC) Interpretations effective as of 1 February 2020.

- Amendments to MFRS 3 "Definition of a Business"
- Amendments to MFRS 101 and MFRS 108 "Definition of Material"
- The Conceptual Framework for Financial Reporting (Revised 2018)

The adoption of the above amendments to published standards does not have any material impact to the Group.

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 2021.

- Amendments to MFRS 3 "Reference to the Conceptual Framework"
- Amendments to MFRS 16 "COVID-19 Related Rent Concessions"
- Amendments to MFRS 101 "Amendments on Classification of Liabilities as Current or Non-current"
- Amendments to MFRS 116 "Property, Plant and Equipment - Proceeds Before Intended Use"
- Amendments to MFRS 137 "Onerous Contracts – Cost of Fulfilling a Contract"
- Annual Improvements to MFRS Standards 2018-2020

The Directors expect that the adoption of the above standards and interpretations will either not be relevant or 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 30 April 2020, with the exception of the World Health Organisation declaring the Covid-19 outbreak a pandemic on 11 March 2020. Covid-19 has since continued to spread throughout the globe. Many countries, including Malaysia, had significant governmental measures being implemented to control the spread of the virus, including temporary closures of businesses, severe restrictions on travel and the movement of people, and other material limitations on the conduct of business. These measures have resulted in work stoppages and other disruptions.

In response to this, the Group activated its business continuity plan to minimise the disruption to its daily operations. The plan leveraged on information technology and digital infrastructure, allowing employees to communicate and collaborate remotely, both onshore and offshore. As a result, onshore based employees worked from home and were able to carry out their day-to-day tasks whilst offshore personnel underwent strict quarantine procedures before going offshore. In addition, the Group put in place additional health screenings, distributed personal protective equipment and conducted awareness initiatives to minimise disruptions.

Covid-19 poses a significant threat to the global oil and gas industry. The drastic actions taken to reduce the spread of the virus as well as the resultant global economic shutdown has seen a glut of oil supply and a sudden drop in oil demand. These have resulted in a global oil price retreat and high volatility. Oil prices are expected to trail closely to the global Covid-19 development and oil production control collaboration of major oil producing countries. Whilst these are mitigated by the fact that the Group's revenue comes primarily from long term fixed priced contracts with reputable oil companies, the Group will nevertheless continue to monitor and assess macro developments in order to take pre-emptive and proactive measures to mitigate adverse impacts, as and when necessary.

The extent to which the Covid-19 impacts the Group's operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration and severity of the outbreak, and the actions that may be required to contain Covid-19 or treat its impact. In particular, the extent of time and resources required to safely contain Covid-19 globally, could adversely impact the Group's operations, work force, cash flows and financial position for the current financial year. As a result, without a vaccine, the related impact arising from Covid-19 cannot be reasonably estimated at this time for the financial year ending 31 January 2021.

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 30 April 2020 except for:

(a) Incorporation of subsidiaries

Name of subsidiaries	Date of incorporation	Country of incorporation	Proportion of ownership interest (%)	Principal activities
Yinson Bergenia Consortium Pte. Ltd.	7 February 2020	Singapore	100%	Investment holding
Yinson Bergenia Holdings Pte. Ltd.	7 February 2020	Singapore	100%	Investment holding
Yinson Bergenia Production B.V.	14 February 2020	Netherlands	100%	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Yinson Production EPC Pte. Ltd.	6 April 2020	Singapore	100%	Investment holding and provision of engineering, procurement and construction for floating production system and management services
Yinson Bergenia Servicos De Operacao Ltda	7 April 2020	Brazil	100%	Provision of operations and maintenance services of floating marine assets to the offshore oil and gas industry

5. Changes in the Composition of the Group (continued)

There were no changes in the composition of the Group during the financial period ended 30 April 2020 except for: (continued)

(b) Acquisition of a joint venture

On 26 March 2020, Yinson Renewables (S) Pte. Ltd., a wholly owned subsidiary of the Group, has entered into multiple agreements to acquire a 37.5% equity interest in Rising Sun Energy Private Limited ("RSE"), an India-incorporated company with two operational solar plants in the Bhadla Solar Park, Rajasthan, India.

Yinson Renewables (S) Pte. Ltd. has paid INR554 million (RM32 million) for the stake.

The two adjoining solar plants have a combined generation capacity of 140MW (AC rated), and achieved their scheduled commissioning dates in 2017. 25-year Power Purchase Agreements, expiring in 2042, have been signed with NTPC Limited, India's largest power utility company, majority owned by the Government of India.

6. Segmental Information

For the Three Months Period Ended 30 April 2020

	Offshore & Marine RM'000	Other Operations RM'000	Renewables RM'000	Consolidated RM'000
Revenue				
Gross revenue	347,086	63,623	-	410,709
Elimination	(6,612)	(60,350)	-	(66,962)
Net revenue	340,474	3,273	-	343,747
Results				
Segment results	159,363	1,684	(716)	160,331
Finance costs				(91,993)
Share of loss of joint ventures				(2,247)
Income tax expense				(20,138)
Profit after tax				45,953

6. Segmental Information (continued)

For the Three Months Period Ended 30 April 2019

	Offshore & Marine RM'000	Other Operations RM'000	Consolidated RM'000
Revenue			
Gross revenue	220,420	45,752	266,172
Elimination	(16,956)	(40,220)	(57,176)
Net revenue	203,464	5,532	208,996
Results			
Segment results	111,621	5,947	117,568
Finance costs			(43,507)
Share of profit of joint ventures			5,616
Income tax expense			(17,991)
Profit after tax			61,686

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

- Offshore & marine segment consists of leasing of vessels and marine related services.
- Other operations mainly consist of investment, management services and treasury services.
- Renewables segment consists of owning and operating renewable energy generation assets.

Transactions between segments are carried out on mutually agreed basis. The effects of such inter-segment transactions are eliminated on consolidation.

Offshore & Marine

Revenue for the financial period under review has increased by RM137.01 million to RM340.47 million as compared to RM203.46 million in the corresponding financial period ended 30 April 2019. The increased revenue is mainly due to contribution from FPSO Helang that has commenced lease in December 2019. Meanwhile, the segment results higher by RM47.74 million to RM159.36 million as compared to RM111.62 million in the corresponding financial period ended 30 April 2019 mainly attributed to charter contribution from FPSO Helang and tankers.

Other Operations

The segment results for financial period under review has reduced by RM4.27 million to RM1.68 million as compared to RM5.95 million in the corresponding financial period ended 30 April 2019. The reduction is mainly due to higher administrative overheads.

Renewables

This is a new start-up business segment in the current financial period. During the financial period under review, acquisition of 37.5% equity interest in RSE with 2 adjoining operational solar plants situated in India has been concluded in March 2020 as disclosed in Note 5 (b).

Results of Joint Ventures and Associates

Joint ventures have collectively resulted in share of losses RM2.25 million for the financial period ended 30 April 2020 as compared to share of profit RM5.62 million for the corresponding financial period ended 30 April 2019 mainly due to lower contribution rate from FPSO Lam Son pursuant to the finalized charter contract in March 2020 and higher operating overheads.

6. Segmental Information (continued)

Consolidated profit after tax

For the current financial period under review, the Group's profit after tax decreased by RM15.74 million or 25.51% to RM45.95 million as compared to RM61.69 million for the corresponding financial period ended 30 April 2019. The decrease was mainly attributable to higher depreciation and amortization charges of RM18.79 million, absence of amortization of unfavorable contracts of RM4.90 million, presence of impairment loss on property, plant and equipment of RM6.52 million, contract acquisition cost written off of RM34.85 million and higher finance cost of RM48.49 million mainly resulted from one-off recycling of remaining deferred financing cost associated to the repaid loan upon completion of FPSO JAK's refinancing exercise in April 2020. The decrease was mainly set-off by charter contribution from FPSO Helang, tankers and higher favorable foreign exchange movement of RM32.33 million.

Consolidated financial position

For the current financial period under review, the Group's current assets has increased by RM880.48 million or 40.12% to RM3,074.90 million from RM2,194.42 million for the last audited financial year ended 31 January 2020. The increase mainly due to strengthened cash equivalent assets resulted from additional draw-down of loans and borrowings. Whereas, the Group's current liabilities has increased by RM170.06 million or 11.23% to RM1,684.38 million from RM1,514.32 million for the last audited financial year ended 31 January 2020 mainly due to additional loans and borrowings drawn-down.

The Group's liquidity indicators, Current Ratio (Calculated as "Current Assets" divided by "Current Liabilities") improved to 1.83 times as compared to 1.45 times for the last audited financial year ended 31 January 2020. 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 plus liquid investments" divided by "Total Equity") is 0.76 times as compared to 0.63 times for the last audited financial year ended 31 January 2020, 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 and cumulative quarter 3 months ended	
	30.4.2020 Unaudited RM'000	30.4.2019 Unaudited RM'000
Interest income	(4,824)	(6,442)
Other income including investment income	(4,963)	(3,075)
Finance costs	91,993	43,203
Depreciation of property, plant and equipment	61,628	55,681
Amortisation of intangible assets	14,158	1,319
Amortisation of unfavourable contracts	-	(4,901)
Loss on disposal on property, plant and equipment	-	879
Loss on disposal on other investments	443	-
Impairment loss on trade and other receivables	-	2,815
Impairment loss on advances to a joint venture	-	156
Impairment loss on property, plant and equipment	6,517	-
Property, plant and equipment written off	-	23
Net gain on foreign exchange	(35,509)	(3,175)
Net fair value loss on other investments	6	82
Net fair value loss on derivatives	-	304
Bad debts written off	-	42

8. Income Tax Expense

The income tax expense figures consist of:

	Current and cumulative quarter 3 months ended	
	30.4.2020 Unaudited RM'000	30.4.2019 Unaudited RM'000
Current income tax	20,522	17,991
Deferred income tax	(384)	-
Total income tax expense	20,138	17,991

The effective tax rate for the current quarter ended 30 April 2020 is higher than the statutory tax rate in Malaysia, mainly due to one-off recycling of remaining deferred financing costs associated to the repaid loan upon completion of FPSO JAK's refinancing exercise in April 2020 which has no tax impact under the relevant local tax jurisdiction.

9. Earnings Per Share

(a) Basic

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

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

	Current and cumulative quarter 3 months ended	
	30.4.2020 Unaudited	30.4.2019 Unaudited
Profit net of tax attributable to owners of the Company used in the computation of EPS (RM'000)	46,716	49,854
Weighted average number of ordinary shares in issue ('000)	1,094,306	1,096,531
Basic earnings per share (sen)	4.27	4.55

9. Earnings Per Share (continued)

(b) Diluted

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

	Current and cumulative quarter 3 months ended	
	30.4.2020 Unaudited	30.4.2019 Unaudited
Adjusted profit net of tax attributable to owners of the parent used in the computation of EPS (RM'000)	46,716	50,243
Weighted average number of ordinary shares in issue ('000)	1,094,306	1,096,531
Adjustments for ESS ('000)	4,858	8,821
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,099,164	1,105,352
Diluted earnings per share (sen)	4.25	4.55

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 acquisition of property, plant & equipment ("PPE") with aggregate cost of RM299.58 million (30 April 2019: RM256.74 million).

11. Fair Value Hierarchy

The Group uses the following hierarchy for determining the fair value of the financial instruments carried at fair value:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

As at reporting date, the carrying amounts of marketable securities were measured using Level 1 method of hierarchy and interest rate swap were measured by using Level 2 method in the hierarchy in determining their fair value.

12. Debt and Equity Securities

Save as disclosed below, there were no issuances, repayment of debts, share cancellations and resale of treasury shares during the current financial period under review.

- (a) The Company increased its issued and paid-up share capital by way of issuance of 950,200 new ordinary shares arising from the exercise of options under Employees' Share Scheme; and
- (b) The Company repurchased 5,701,300 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 30 April 2020 and 30 April 2019 are as follows:

	As at 30 April 2020		
	Short term RM'000	Long term RM'000	Total borrowings RM'000
<u>Secured</u>			
Term loans	406,242	4,456,056	4,862,298
Revolving credits	436	-	436
	406,678	4,456,056	4,862,734
<u>Unsecured</u>			
Revolving credits	200,040	-	200,040
	200,040	-	200,040
Total loans and borrowings	606,718	4,456,056	5,062,774

	As at 30 April 2019		
	Short term RM'000	Long term RM'000	Total borrowings RM'000
<u>Secured</u>			
Term loans	262,536	3,307,617	3,570,153
Obligations under finance lease	310	959	1,269
Revolving credits	414	-	414
	263,260	3,308,576	3,571,836
<u>Unsecured</u>			
Revolving credits	83,153	-	83,153
	83,153	-	83,153
Total loans and borrowings	346,413	3,308,576	3,654,989

Except for the borrowings of RM4,968.98 million (30 April 2019: RM3,653.72 million) denominated in US Dollar, all other borrowings are denominated in Ringgit Malaysia.

Higher outstanding total loans and borrowings were mainly due to additional loan facilities drawdown for project and working capital purposes.

14. Dividend Paid

No dividend approved and paid in respect of ordinary shares during the current financial period under review.

15. Capital Commitments

As at 30 April 2020, the capital commitments not provided for in the interim condensed financial statements were as follows:

- approved and contracted for – RM1,623.08 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	
	30.4.2020 RM'000	30.4.2019 RM'000
<u>With companies controlled by Directors</u>		
Service fee income from King Kong Creative Media Sdn Bhd	5	5
Service fee income from Yinson Capital Sdn Bhd	32	20
Service fee income from Manja Studios Sdn Bhd	-	5
Service fee income from Liannex Enterprise Sdn Bhd	7	20
Service fee charges from Trillius Solutions Sdn Bhd	10	-
<u>With Joint Ventures</u>		
Dividend income from PTSC South East Asia Pte Ltd	16,535	-
Interest income from Rising Sun Energy Private Limited	458	-
Finance Lease Income from Yinson Production (West Africa) Ltd	636	601
Management fee income from Yinson Production (West Africa) Ltd	2,990	2,479
Interest income from Yinson Production (West Africa) Ltd	334	435
Advances to Yinson Production (West Africa) Ltd	-	15,606
Advances to Rising Sun Energy Private Limited	21,197	-

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 30.4.2020 RM'000	Immediate Preceding Quarter 31.1.2020 RM'000	Changes (Amount / %)	
Revenue	343,747	1,855,939	(1,512,192)	-81.48%
Direct expenses	(138,954)	(1,655,233)	1,516,279	-91.61%
Gross profit	204,793	200,706	4,087	2.04%
Other operating income	45,296	22	45,274	205790.91%
Administrative expenses	(89,758)	(48,459)	(41,299)	85.22%
Profit from operations	160,331	152,269	8,062	5.29%
Finance costs	(91,993)	(54,777)	(37,216)	67.94%
Share of loss of joint ventures	(2,247)	(1,280)	(967)	75.55%
Profit before tax	66,091	96,212	(30,121)	-31.31%
Income tax expense	(20,138)	(19,337)	(801)	4.14%
Profit after tax	45,953	76,875	(30,922)	-40.22%

Revenue for the financial period under review decreased by RM1,512.19 million to RM343.75 million as compared to RM1,855.94 million is mainly due to commencement of lease for FPSO Helang in December 2019 gave rise to outright sale recognition under classification of a finance lease in the immediate preceding quarter. Likewise, there is an associated lower in direct expenses in absence of the aforementioned outright sale transaction.

The Group's profit before tax for the first quarter of current financial year is lower 31.31% or RM30.12 million to RM66.09 million as compared to the RM96.21 million in the immediate preceding quarter. The decrease was mainly attributable to higher impairment loss on property, plant and equipment of RM6.52 million, contract acquisition cost written off of RM34.85 million and higher finance cost of RM37.22 million mainly resulted from one-off recycling of remaining deferred financing cost associated to the repaid loan upon completion of FPSO JAK's refinancing exercise in April 2020 but set-off by higher charter contribution from FPSO Helang and net favorable foreign exchange movement of RM44.29 million.

21. Commentary on Prospects

The long-term outlook for the oil and gas industry remains challenging, with the emergence of new alternative energy sources and a lower financial institutions risk appetite towards the sector. Overall, the current global economy is exposed to the risk of ongoing trade protectionism, uncertain geopolitical conditions and the disruption of the global trade chain caused by Covid-19; bringing higher downside risks. Monetary policy instability in major economies and unsettled global trade disputes will likely result in prolonged negative effects to the world economy. The Management is cautiously confident in the Group's ability to stay resilient through the challenges with existing order books and a continued positive performance in project execution and operations.

Amid the challenging global economic environment and the volatility of other currencies against the US Dollar, the Group shall strive to achieve satisfactory results for the financial year ending 31 January 2021.

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) Letter of Intent Issued by Aker Energy Ghana Limited for the Proposed Award of a Bareboat Charter Party Agreement for the Provision of A Floating Production, Storage And Offloading Vessel (“FPSO”) At The Deepwater Tano/Cape Three Points (“DWT/CTP”) Contract Area, Offshore Ghana And An Operation And Maintenance Agreement

On 20 February 2020, Aker Energy Ghana Limited (“Aker Energy”) has issued a Letter of Intent (“LOI”) dated 20 February 2020 to (i) Yinson Production West Africa Limited (“Yinson West Africa”, being the bidding entity and an indirect joint venture entity of the Company); (ii) Yinson Gazania Production Ltd (“YGPL”, being the FPSO owner and an indirect subsidiary of the Company); and (iii) Yinson Gazania Operations Limited (“YGOL”, being the operation and maintenance contractor and an indirect joint venture entity of the Company) for the proposed award of:

- (i) a bareboat charter party agreement (“Bareboat Charter”) to YGPL for the provision of a FPSO at the DWT/CTP contract area, offshore of Ghana (“Field”); and
- (ii) an operation and maintenance agreement (“O&M Agreement”) to YGOL.

The LOI has been accepted and entered into by Yinson West Africa, YGPL and YGOL on 20 February 2020.

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

- (b) Letter of Intent Issued by Aker Energy Ghana Limited for the Proposed Award of a Bareboat Charter Party Agreement for the Provision of A Floating Production, Storage And Offloading Vessel ("FPSO") At The Deepwater Tano/Cape Three Points ("DWT/CTP") Contract Area, Offshore Ghana And An Operation And Maintenance Agreement (continued)

On 31 March 2020, Yinson West Africa, YGPL and YGOL received a notice from Aker Energy of its decision to terminate the LOI issued on 20 February 2020 for the proposed award of Contracts to charter, operate and maintain the FPSO for the project at DWT/CTP with immediate effect.

The termination is due to the decision made by Aker Energy to postpone the activities under the DWT/CTP Petroleum Agreement and the development of the project until further notice amidst the COVID-19 pandemic.

- (c) Potential part acquisition of Ezion Holdings Limited ("EHL")

On 28 February 2020, Yinson Eden Pte Ltd (formerly known as Yinson Boronia Production (S) Pte Ltd) ("YEPL"), an indirect wholly owned subsidiary of the Group, entered into the following agreements to acquire a controlling equity interest in Ezion Holdings Limited ("EHL"):

- (i) separate debt assignment agreements with each of the following parties:
- (a) DBS Bank Limited ("DBS");
 - (b) Oversea-Chinese Banking Corporation Limited ("OCBC");
 - (c) United Overseas Bank Limited ("UOB"); and
 - (d) Malayan Banking Berhad ("MBB")

(collectively, "Major Secured Lenders") to assign to YEPL their benefits and rights in respect of such portion of amount (whether present or future, actual or contingent) payable or owing by the relevant EHL Group Companies to the relevant Major Secured Lenders under or in connection with the term loan facilities and/or the revolving credit facilities under the existing facility documents amounting to USD482.3 million ("Relevant Debt"), and such Relevant Debt shall be subject to any adjustments resulting from any changes in the terms and conditions of the compromise or arrangement between EHL and class(es) of its creditors, proposed in accordance with Section 210 of the Companies Act (Chapter 50 of Singapore) ("Singapore Companies Act") or Section 71(10) of the Insolvency, Restructuring and Dissolution Act 2018 (No. 40 of 2018) ("IRDA") or under any applicable law(s) of Singapore, which would compromise at least USD740.9 million of the EHL Group Companies' debt including the Relevant Debt ("Scheme") ("Debt Assignment") in consideration for the payment of the Cash Amount and the Consideration Shares ("Debt Assignment Agreement(s)") ("Proposed Debt Assignment");

- (ii) conditional subscription agreement with EHL in relation to YEPL and/or its nominated entities' subscription of EHL Shares for the SGD equivalent of USD529.3 million (based on the agreed exchange rate of USD1:SGD1.38) ("Exchange Rate") at the Issue Price ("Subscription Shares") in consideration for the capitalisation of the Relevant Debt of USD482.3 million ("Capitalisation") and the cash consideration of USD47.0 million ("Shares Subscription") ("Conditional Subscription Agreement") ("Proposed Subscription");

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

(c) Potential part acquisition of Ezion Holdings Limited ("EHL") (continued)

On 28 February 2020, Yinson Eden Pte Ltd (formerly known as Yinson Boronia Production (S) Pte Ltd) ("YEPL"), an indirect wholly owned subsidiary of the Group, entered into the following agreements to acquire a controlling equity interest in Ezion Holdings Limited ("EHL"): (continued)

- (iii) conditional options and convertible notes subscription agreement with EHL whereby EHL grants YEPL such number of unlisted and freely transferable options for Shares worth up to USD150.0 million ("Options") of which each Option carries the right to subscribe for 1 new EHL Share ("Grant of Options") and the subscription by YEPL of USD20.0 million in principal amount of 8.1% convertible notes to be issued by EHL ("Convertible Notes") ("Convertible Notes Subscription") ("Conditional Options and Convertible Notes Subscription Agreement") ("Proposed Options and Proposed Subscription of Convertible Notes");
- (iv) option to purchase agreement with the Major Secured Lenders whereby YEPL is given the option to purchase vessels of the EHL Group ("Option Assets") in the event the Proposed Debt Assignment, the Proposed Subscription and the Scheme do not complete ("Option to Purchase Agreement") ("Proposed Option to Purchase"); and
- (v) deposit agreement with EHL and the Major Secured Lenders with YEPL placing a deposit of USD20.0 million ("Deposit") as part of the purchase consideration for the Proposed Debt Assignment ("Deposit Agreement") whereby the Deposit will be refundable in certain circumstances.

Pursuant to the Proposed Debt Assignment, the consideration for the assignment of the benefits and rights of the Major Secured Lenders in respect of the Relevant Debt to YEPL shall be satisfied in the following manner:

- (i) USD20.0 million Deposit* to be paid pursuant to the Deposit Agreement being part of the Cash Amount to demonstrate YEPL's commitment for the Debt Assignment and the transactions contemplated herein;
- (ii) USD83.0 million cash being part of the Cash Amount; and
- (iii) issuance of the Consideration Shares.

* The USD20.0 million Deposit was paid on 6 March 2020.

Following the Proposed Debt Assignment, the Relevant Debt shall be owed by the relevant EHL Group Companies directly to YEPL. Pursuant to the Conditional Subscription Agreement, YEPL shall thereon subscribe for 23.0 billion EHL Shares equivalent to USD529.3 million at the Issue Price which shall be satisfied in the following manner:

- (i) capitalisation of the Relevant Debt; and
- (ii) cash consideration of USD47.0 million.

The Proposed Debt Assignment and the Proposed Subscription are part of the Scheme. The Scheme is expected to result in EHL's total debts (actual or contingent) to be reduced to only secured bank debt of less than approximately USD402.7 million.

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

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

Upon completion of the Proposed Subscription and pursuant to the Conditional Options and Convertible Notes Subscription Agreement:

- (i) YEPL will subscribe for USD20.0 million in principal amount of Convertible Notes which can be converted into EHL Shares at the conversion price of SGD0.0317. The Convertible Notes shall bear interest of 8.1% per annum; and
- (ii) EHL will grant YEPL such number of Options with subscription value of USD150.0 million with each Option carrying the right to subscribe for 1 new EHL Share at the Exercise Price (as defined herein) of SGD0.0349 per EHL Share.

In the event that the Proposed Debt Assignment, the Proposed Subscription and the Scheme do not complete, YEPL will have the option to purchase the Option Assets at the consideration of USD498.6 million based on the terms in the Option to Purchase Agreement.

The application for the Scheme has been delayed. In light of the Covid-19 pandemic and plunge in oil prices, YEPL is currently in discussions with EHL and the Major Secured Lenders to update certain terms of the Proposals and the Scheme.

(d) Award of Bareboat Charter Contract (“BBC Charter Contract”) for the Provision and Chartering of FPSO Lam Son for Blocks 01/97 and 02/97

On 16 March 2020, PetroVietnam Technical Services Corporation (“PTSC”) entered into a BBC Charter Contract with PTSC Asia Pacific Pte Ltd (“PTSC AP”), a joint venture of the Company. The BBC Charter Contract shall take effect retrospectively and shall commence from 1 July 2017 to 30 June 2021. PTSC and PTSC AP (“Parties”) shall have the right to terminate the BBC Charter Contract subject to a 90-day notice period. Subject to the mutual agreement of the Parties, the BBC Charter Contract may be further extended thereafter.

The value of the BBC Charter Contract is estimated to be USD 122.87 million (equivalent to approximately RM 528.34 million).

(e) Letter of Intent Issued by Petróleo Brasileiro S.A. for the Provision of 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 Operation and Maintenance Services during the Charter Phase of Marlim 2 FPSO

On 23 March 2020, Yinson Production Pte. Ltd., Yinson Boronia Production B.V. and Yinson Boronia Servicos de Operacao LTDA, each an indirect wholly owned subsidiary of the Group, have entered into the contracts with Petróleo Brasileiro S.A. for 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.

The definitive contracts signature is part of the previous binding agreement between the parties as consequence of the binding Letter of Intent signed on 11 October 2019.

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

- (f) Completion of proposed business arrangement with Sumitomo Corporation (“Sumitomo”) for the provision of a floating production, storage and offloading unit for the Marlim field in Brazil.

On 18 February 2019, Yinson and Sumitomo entered into a Letter of Agreement (“LOA”) with the intention of both parties to jointly participate for the provision of a floating production, storage and offloading unit for the Marlim field in Brazil (“Project Marlim”). The LOA confirmed Sumitomo’s intention to participate in Project Marlim with an effective interest of at least 20 per cent in the event of a successful bid by Yinson.

On 28 April 2020, Yinson Boronia Consortium Pte. Ltd. (“YBC”) (an existing indirectly wholly owned subsidiary of the Company), Japan Offshore Facility Investment 1 Pte. Ltd. (“JOFI”) (an existing direct wholly owned subsidiary of Sumitomo), Yinson Acacia Limited (“YAL”) (an existing indirect wholly owned subsidiary of the Company), YHB and Sumitomo entered into a share subscription agreement (“Share Subscription Agreement”) whereby Sumitomo (through JOFI) will have an effective interest of 25% in Project Marlim. The agreed form of the shareholders’ agreement between YAL, YHB, JOFI, Sumitomo and YBC (“Shareholders Agreement”) and the convertible loan agreement between YBC, YAL and JOFI (“Convertible Loan Agreement”) was appended to the Share Subscription Agreement.

On 11 May 2020, the Share Subscription Agreement was completed. Following the completion of the Share Subscription Agreement, the Shareholders Agreement and the Convertible Loan Agreement were also executed on 11 May 2020.

24. Material Litigation

On 6 March 2020, the Company announced that Globalmariner Offshore Services Sdn. Bhd. (“GMOS”) has commenced an action against Yinson Holdings Berhad, Yinson Energy Sdn Bhd, a subsidiary company of the Group, and 9 others including TH Heavy Engineering Berhad and Floatech (L) Ltd in the Kuala Lumpur High Court by way of Suit No. WA-22NCVC-150-03/2020 dated 3 March 2020. Details of the claim are set out within the general announcement dated on 6 March 2020.

The Company has since engaged Counsel to defend against GMOS’s alleged claims. Counsel is of the view that the claims are devoid of merit and the Company will defend the alleged claims rigorously. In this regard, at this juncture, the Company is not able to ascertain the financial impact arising from the claims. The claims, however, are not expected to have any material operational impact on the Company.

Any further material development of the above matter will be announced in due course.

25. Dividend Payable

The Board of Directors recommended on 25 March 2020 a final single-tier dividend of 2.0 sen per ordinary share for the financial year ended 31 January 2020. The proposed dividend is subject to shareholders’ approval at the forthcoming Annual General Meeting to be held on 16 July 2020.

If approved, the entitlement date and payment date for the dividend is expected to be on 6 August 2020 and 28 August 2020 respectively.

26. Derivatives

Details of derivative financial instruments outstanding as at 30 April 2020 are as follows:

Types of derivatives	Contract / Notional Amount RM'000	Fair Value Liabilities RM'000
Interest rate swaps More than 3 years	4,245,723	(337,948)

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 rates arising from following floating rate term loans:

- i. contracts amounting to RM3,460.80 million that pays floating interest at 3 months US\$ LIBOR; and
- ii. contracts amounting to RM784.92 million that pays floating interest at 3 months US\$ LIBOR.

For items i and ii, the interest rate swaps have been designated as Cash Flows Hedge which were measured at fair value and the changes in fair value were taken to the cash flows hedge reserve. For the financial period ended 30 April 2020, the net fair value loss on interest rate swap derivative measured at fair value through the reserve is RM181.79 million.

27. Auditors' Report on Preceding Annual Financial Statements

The Auditors' Report on the financial statements for the financial year ended 31 January 2020 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 24 June 2020.