



CONDENSED CONSOLIDATED INCOME STATEMENT
For The Three Months Period Ended 30 April 2021

	Individual and Cumulative Period (1st quarter)		Changes (Amount / %)	
	Current Year Quarter 30.4.2021 Unaudited RM million	Preceding Year Corresponding Quarter 30.4.2020 Unaudited RM million		
Revenue	992	344	648	188.4%
Direct expenses	(668)	(151)	(517)	342.4%
Gross profit	324	193	131	67.9%
Other operating income	13	45	(32)	-71.1%
Administrative expenses	(68)	(78)	10	-12.8%
Profit from operations	269	160	109	68.1%
Finance costs	(84)	(92)	8	-8.7%
Share of profit/(loss) of joint ventures	2	(2)	4	200.0%
Profit before tax	187	66	121	183.3%
Income tax expense	(42)	(20)	(22)	110.0%
Profit for the period	145	46	99	215.2%
Profit/(loss) attributable to:				
Owners of the Company	112	47	65	138.3%
Non-controlling interests	33	(1)	34	3400.0%
	145	46	99	215.2%
Earnings per share attributable to owners of the Company:				
Basic (sen)	10.5	4.4	6.10	138.6%
Diluted (sen)	10.5	4.4	6.10	138.6%

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 2021**

	Individual and Cumulative Period (1st quarter)		Changes (Amount / %) RM million	%
	Current Year Quarter 30.4.2021 Unaudited RM million	Preceding Year Corresponding Quarter 30.4.2020 Unaudited RM million		
Profit for the period	145	46	99	215.2%
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:				
- Exchange differences on translation of foreign operations	70	216	(146)	-67.6%
- Cash flows hedge reserve	83	(187)	270	144.4%
- Reclassification of changes in fair value of cash flow hedges	16	5	11	220.0%
- Put option reserve	(3)	(24)	21	-87.5%
Total comprehensive income for the period	311	56	255	455.4%
Total comprehensive income/(loss) for the period attributable to:				
Owners of the Company	248	76	172	226.3%
Non-controlling interests	63	(20)	83	415.0%
	311	56	255	455.4%

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 2021

	AS AT 30.4.2021 Unaudited RM million	AS AT 31.1.2021 Audited RM million
ASSETS		
Non-current assets		
Property, plant and equipment	4,013	4,006
Investment properties	15	15
Intangible assets	331	338
Investment in joint ventures	407	427
Investment in associates	2	2
Deferred tax assets	3	3
Other assets	125	122
Finance lease receivables	2,106	2,089
Contract assets	2,901	2,206
	9,903	9,208
Current assets		
Inventories	3	3
Trade and other receivables	430	397
Amounts due from joint ventures	106	101
Other assets	50	50
Finance lease receivables	81	77
Other investments	162	229
Cash and bank balances	1,850	1,821
	2,682	2,678
TOTAL ASSETS	12,585	11,886

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 April 2021

	AS AT 30.4.2021 Unaudited RM million	AS AT 31.1.2021 Audited RM million
EQUITY AND LIABILITIES		
Equity		
Share capital	1,127	1,126
Treasury shares	(174)	(174)
Foreign currency translation reserve	139	77
Cash flows hedge reserve	(112)	(189)
Share-based option reserve	8	8
Share grant reserve	12	8
Put option reserve	(157)	(181)
Retained earnings	1,242	1,164
Equity attributable to owners of the Company	2,085	1,839
Perpetual securities issued by subsidiaries	1,848	1,848
Non-controlling interests	375	339
Total equity	4,308	4,026
Non-current liabilities		
Loans and borrowings	5,263	5,312
Lease liabilities	12	13
Other payables	382	384
Derivatives	114	204
Deferred tax liabilities	116	95
	5,887	6,008
Current liabilities		
Loans and borrowings	1,181	794
Lease liabilities	13	14
Trade and other payables	997	817
Derivatives	13	21
Put option liability	157	181
Tax payables	29	25
	2,390	1,852
Total liabilities	8,277	7,860
TOTAL EQUITY AND LIABILITIES	12,585	11,886
Net assets per share attributable to owners of the Company (RM)	1.90	1.67

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 2021

	Attributable to owners of the Company								Total equity attributable to owners of the Company RM million	Perpetual securities of subsidiaries RM million	Non-controlling interests RM million	Total equity RM million
	Share capital RM million	Treasury shares RM million	Foreign currency translation reserve RM million	Cash flows hedge reserve RM million	Share-based option reserve RM million	Share grant reserve RM million	Put option reserve RM million	Retained earnings RM million				
At 1 February 2020	1,107	(125)	142	(132)	7	-	(413)	1,050	1,636	1,848	290	3,774
Total comprehensive income/(loss) for the period	-	-	197	(144)	-	-	(24)	47	76	-	(20)	56
Paid and accrued perpetual securities distribution by subsidiaries	-	-	-	-	-	-	-	(35)	(35)	-	-	(35)
Exercise of ESS	4	-	-	-	(1)	-	-	-	3	-	-	3
Issuance of ESS	-	-	-	-	1	-	-	-	1	-	-	1
Purchase of treasury shares	-	(31)	-	-	-	-	-	-	(31)	-	-	(31)
At 30 April 2020 (Unaudited)	1,111	(156)	339	(276)	7	-	(437)	1,062	1,650	1,848	270	3,768
At 1 February 2021	1,126	(174)	77	(189)	8	8	(181)	1,164	1,839	1,848	339	4,026
Total comprehensive income/(loss) for the period	-	-	62	77	-	-	(3)	112	248	-	63	311
Paid and accrued perpetual securities distribution by subsidiaries	-	-	-	-	-	-	-	(34)	(34)	-	-	(34)
Exercise of ESS	1	-	-	-	-	-	-	-	1	-	-	1
Effect of long-term incentive plan	-	-	-	-	-	4	-	-	4	-	-	4
Cash dividends to non-controlling interests	-	-	-	-	-	-	27	-	27	-	(27)	-
At 30 April 2021 (Unaudited)	1,127	(174)	139	(112)	8	12	(157)	1,242	2,085	1,848	375	4,308

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 2021

	Cumulative Period	
	30.4.2021 Unaudited RM million	30.4.2020 Unaudited RM million
OPERATING ACTIVITIES		
Profit before tax	187	66
Adjustments for:		
Amortisation and depreciation	72	76
Unrealised (gain)/loss on foreign exchange	(7)	(34)
Finance costs	84	92
Impairment loss on property, plant and equipment	3	7
Share of (profit)/loss of joint ventures	(2)	2
Finance lease income	(82)	(43)
Interest income	(4)	(5)
Equity settled share-based payment transaction	4	1
Operating cash flows before working capital changes	255	162
Receivables	93	4
Contract assets	(653)	-
Other current assets	(4)	(34)
Inventories	-	17
Payables	140	(151)
Cash flows used in operations	(169)	(2)
Interest received	4	5
Finance costs paid	(2)	(6)
Tax paid	(20)	(16)
Net cash flows used in operating activities	(187)	(19)
INVESTING ACTIVITIES		
Investment in a joint venture	-	(32)
Dividend received from joint ventures	30	17
Proceeds from partial redemption of investment	62	-
Proceeds from disposal of other investments	8	60
Purchase of intangible assets	-	(1)
Purchase of property, plant and equipment	(4)	(145)
Purchase of other investments	-	(33)
Deposit paid for purchase option of a vessel	(20)	-
Net movement in restricted cash	61	95
Net cash flows generated from/(used in) investing activities	137	(39)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The Three Months Period Ended 30 April 2021

	Cumulative Period	
	30.4.2021 Unaudited RM million	30.4.2020 Unaudited RM million
FINANCING ACTIVITIES		
Dividends paid to non-controlling interests	(27)	-
Drawdown of loans and borrowings	402	3,552
Perpetual securities distribution paid	(36)	(38)
Proceeds from equity-settled share-based options	1	3
Purchase of treasury shares	-	(31)
Repayment of loans and borrowings	(165)	(2,594)
Repayment of lease liabilities	(4)	(3)
Finance costs paid	(54)	(46)
Net cash flows generated from financing activities	117	843
NET INCREASE IN CASH AND CASH EQUIVALENTS	67	785
Effects of foreign exchange rate changes	14	51
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	1,329	886
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	1,410	1,722
	As at 30.4.2021 Unaudited RM million	As at 30.4.2020 Unaudited RM million
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	1,850	2,039
Less: Restricted cash	(440)	(317)
	1,410	1,722

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 2021 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 2021. 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 2021 except for the adoption of Amendments to Standards and Issue Committee (IC) Interpretations effective as of 1 February 2021.

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 "Interest Rate Benchmark Reform—Phase 2"
- Amendments to MFRS 16 "COVID-19 Related Rent Concessions"

The adoption of the above amendments to published standards is not expected to 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 2022

- Annual Improvements to MFRS 9 "Fees in the 10% Test for Derecognition of Financial Liabilities"
- Amendments to MFRS 3 "Reference to Conceptual Framework"
- Amendments to MFRS 116 "Proceeds Before Intended Use"
- Amendments to MFRS 137 "Onerous Contracts—Cost of Fulfilling A Contract"

Effective for financial periods beginning on or after 1 February 2023

- Amendments to MFRS 101 "Classification of Liabilities as Current or Non-Current"
- Amendments to MFRS 101 "Disclosure of Accounting Policies"
- Amendments to MFRS 108 "Definition of Material"

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 2021, except the continued impact of the Covid-19 outbreak, which the World Health Organisation declared as a pandemic since 11 March 2020. Even with countries introducing their respective vaccination programmes, the pandemic situation is expected to remain a significant challenge to the global communities for the next 1 to 2 years, affecting business and social activities. Encouragingly, the Group's business continuity plans have succeeded to ensure minimum disruption to its daily operations.

Threats and uncertainties which stemmed from the pandemic are mitigated by the fact that the Group's revenue stream comes primarily from long-term fixed priced contracts with reputable oil companies. Nevertheless, the Group will 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 pandemic may further impact the Group's operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence. These developments include the duration and severity of the outbreak, and the actions that may be required to contain the virus or treat its impact. In particular, the protracted duration and additional 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. Hence, without a firmly established plan for vaccine distribution, the related impact arising from Covid-19 cannot be reasonably estimated at this time for the financial year ending 31 January 2022.

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 2021 except for:

Incorporation of subsidiaries

Name of subsidiaries	Date of incorporation	Country of incorporation	Proportion of ownership interest (%)	Principal activities
Rising Sun Energy 3 Pvt Ltd	17 February 2021	India	100%	Generation of electricity through renewable resources
YR New Zealand Pte Ltd	24 March 2021	Singapore	100%	Investment holding and provision of management services
YR Pouto Wind Pte Ltd	24 March 2021	Singapore	100%	Investment holding and provision of management services

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 2021 except for: (continued)

Incorporation of subsidiaries (continued)

Name of subsidiaries	Date of incorporation	Country of incorporation	Proportion of ownership interest (%)	Principal activities
Yinson Green Technologies (M) Sdn Bhd	25 March 2021	Malaysia	100%	Investment holding and provision of management services
Yinson EV Charge Sdn Bhd	30 March 2021	Malaysia	100%	Investment holding and provision of management services
Pouto Wind Limited	13 April 2021	New Zealand	100%	Wind electricity generation

6. Segment information

For the Three Months Period Ended 30 April 2021

	Offshore Production & Offshore Marine			Other Operations	Renewables	Consolidated
	EPCIC	Non-EPCIC	Total	RM million	RM million	RM million
	RM million	RM million	RM million			
Revenue						
Gross revenue	652	321	973	104	19	1,096
Elimination	-	(1)	(1)	(103)	-	(104)
Net revenue	652	320	972	1	19	992
Results						
Segment results	99	176	275	(14)	8	269
Finance costs						(84)
Share of profit of joint ventures						2
Income tax expense						(42)
Profit after tax						145

For the Three Months Period Ended 30 April 2020

	Offshore Production & Offshore Marine			Other Operations	Renewables	Consolidated
	EPCIC	Non-EPCIC	Total	RM million	RM million	RM million
	RM million	RM million	RM million			
Revenue						
Gross revenue	-	347	347	64	-	411
Elimination	-	(7)	(7)	(60)	-	(67)
Net revenue	-	340	340	4	-	344
Results						
Segment results	-	159	159	2	(1)	160
Finance costs						(92)
Share of loss of joint ventures						(2)
Income tax expense						(20)
Profit after tax						46

6. Segmental Information (continued)

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

- a) Offshore Production & Offshore Marine segment consists of Engineering, Procurement, Construction, Installation and Commissioning (“EPCIC”) business activities and Non-EPCIC business activities covering leasing of vessels and marine related services.
- b) Other operations mainly consist of investment, management services and treasury services.
- c) 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 Production & Offshore Marine

Revenue for the financial period under review has increased significantly by RM632 million to RM972 million as compared to RM340 million in the corresponding financial period ended 30 April 2020. The increased revenue is mainly due to contribution from EPCIC business activities related to FPSO Anna Nery. Meanwhile, the segment results increased by RM116 million to RM275 million as compared to RM159 million in the corresponding financial period ended 30 April 2020 mainly attributed to aforementioned contribution effect from EPCIC business activities and contribution from FPSO Abigail-Joseph which commenced lease in October 2020.

Other Operations

The segment results for financial period under review has incurred losses of RM14 million, net after group elimination as compared to profit of RM2 million in the corresponding financial period ended 30 April 2020. The losses were mainly due to higher operation overheads arising from the change in composition to the segment from the Group's internal re-organisation exercise and lower favourable foreign exchange movement.

Renewables

The segment results for financial period under review has increased by RM9 million to RM8 million as compared to loss of RM1 million in the corresponding financial period ended 30 April 2020. The positive results are contributed from its acquired subsidiary, Rising Sun Energy Private Limited (“RSE”), an India-incorporated company with two operational solar plants in the Bhadla Solar Park, Rajasthan, India.

Results of Joint Ventures and Associates

Joint ventures have collectively resulted in share of profit of RM2 million for the financial period under review as compared to share of loss of RM2 million for the corresponding financial period ended 30 April 2020 mainly due to lower operating overheads.

6. Segmental Information (continued)

Consolidated profit after tax

The Group's profit after tax increased by RM99 million or 215.2% to RM145 million as compared to RM46 million for the corresponding financial period ended 30 April 2020, which was attributed to the contribution from EPCIC business activities related to FPSO Anna Nery and fresh contribution from FPSO Abigail-Joseph which commenced its lease in October 2020. The positive contributions were set-off mainly by the decrease in favourable foreign exchange movement of RM29 million, increase in income tax expense of RM22 million and increase in finance cost of RM33 million. The increase in finance cost was offset by the absence of one-off recycling of remaining deferred financing cost of RM41 million associated with the repaid loan upon completion of FPSO JAK's refinancing exercise in April 2020.

Consolidated financial position

For the current financial period under review, the Group's current assets increased marginally by RM4 million to RM2,682 million from RM2,678 million for the last audited financial year ended 31 January 2021. The Group's current liabilities increased by RM538 million to RM2,390 million from RM1,852 million for the last audited financial year ended 31 January 2021 mainly arising from additional loans and borrowings drawdown and increased payables position to fund the EPCIC business activities related to FPSO Anna Nery.

The Group's liquidity indicators, Current Ratio (Calculated as "Current Assets" divided by "Current Liabilities") lower to 1.12 times as compared to 1.45 times of the last audited financial year ended 31 January 2021. The lower ratio 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 1.03 times as compared to 1.01 times for the last audited financial year ended 31 January 2021, the moderate change is result of higher Group's leverage on additional loans and borrowings drawdown to fund project execution needs which coincided with a strengthened Group's total equity position during the quarter.

7. Profit Before Tax

Included in the profit before tax are the following items:

	Current and cumulative quarter 3 months ended	
	30.4.2021 Unaudited RM million	30.4.2020 Unaudited RM million
Interest income	(4)	(5)
Other income including investment income	(2)	(5)
Finance costs	84	92
Depreciation of property, plant and equipment	59	62
Amortisation of intangible assets	13	14
Impairment loss on property, plant and equipment	3	7
Net (gain)/loss on foreign exchange	(7)	(36)

8. Income Tax Expense

The income tax expense consists of:

	Current and cumulative quarter 3 months ended	
	30.4.2021 Unaudited RM million	30.4.2020 Unaudited RM million
Current income tax	23	20
Deferred income tax	19	-
Total income tax expense	42	20

The effective tax rate for the current quarter ended 30 April 2021 is lower than the statutory tax rate of Malaysia mainly due to the Group operating in certain jurisdictions of lower corporate 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 and cumulative quarter 3 months ended	
	30.4.2021 Unaudited	30.4.2020 Unaudited
Profit net of tax attributable to owners of the Company used in the computation of EPS (RM million)	112	47
Weighted average number of ordinary shares in issue ('000)	1,065,417	1,069,321
Basic earnings per share (sen)	10.5	4.4

9. Earnings Per Share (continued)

(a) 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	
	30.4.2021 Unaudited	30.4.2020 Unaudited
Adjusted profit net of tax attributable to owners of the parent used in the computation of EPS (RM million)	112	47
Weighted average number of ordinary shares in issue ('000)	1,065,417	1,069,321
Adjustments for ESS ('000)	2,706	4,858
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,068,123	1,074,179
Diluted earnings per share (sen)	10.5	4.4

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 RM6 million (30 April 2020: RM300 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 swaps 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.

The Company increased its issued and paid-up share capital by way of issuance of 198,900 new ordinary shares arising from the exercise of options under Employees' Share Scheme.

13. Interest-bearing Loans and Borrowings

The Group's total borrowings as at 30 April 2021 and 30 April 2020 are as follows:

	As at 30 April 2021		
	Short term RM million	Long term RM million	Total borrowings RM million
Secured			
Term loans	1,103	4,856	5,959
Unsecured			
Term loans	-	407	407
Revolving credits	78	-	78
	78	407	485
Total loans and borrowings	1,181	5,263	6,444

	As at 30 April 2020		
	Short term RM million	Long term RM million	Total borrowings RM million
Secured			
Term loans	406	4,456	4,862
Revolving credits	1	-	1
	407	4,456	4,863
Unsecured			
Revolving credits	200	-	200
	200	-	200
Total loans and borrowings	607	4,456	5,063

Except for the borrowings of RM6,019 million (30 April 2020: RM4,969 million) denominated in US Dollar and RM347 million (30 April 2020: NIL) denominated in Indian Rupee, all other borrowings are denominated in Ringgit Malaysia.

Increase in outstanding total loans and borrowings was 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 2021, the capital commitments not provided for in the interim condensed financial statements were as follows:

- approved and contracted for – RM9 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. Events 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	
	30.4.2021 RM million	30.4.2020 RM million
<u>Joint ventures</u>		
- dividend income	30	17
- interest income	-	1
- management fee income	3	3
- finance lease income	1	1
- advances	-	21

The Directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that have been mutually agreed.

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

19. Performance Review

Explanatory comment on the performance of the Group's business activities is provided in Note 6.

20. Material Changes in the Profit Before Taxation of Current Quarter Compared with Preceding Quarter

	Current quarter	Immediate Preceding Quarter	Changes	
	30.4.2021 RM million	31.1.2021 RM million	RM million	%
Revenue	992	1,247	(255)	-20.4%
Direct expenses	(668)	(929)	261	-28.1%
Gross profit	324	318	6	1.9%
Other operating income	13	3	10	333.3%
Administrative expenses	(68)	(63)	(5)	7.9%
Profit from operations	269	258	11	4.3%
Finance costs	(84)	(77)	(7)	9.1%
Share of profit/(loss) of joint ventures	2	(23)	25	-108.7%
Profit before tax	187	158	29	18.4%
Income tax expense	(42)	(56)	14	-25.0%
Profit after tax	145	102	43	42.2%

Revenue for the financial period under review reduced by RM255 million to RM992 million as compared to the immediate preceding quarter of RM1,247 million. The decrease was mainly due to lower revenue recognised in EPCIC business activities, i.e. the FPSO Anna Nery conversion. The lower progress recognised is in line with the planned progress of the project. Also, there were one-off revenues in the last quarter associated with FPSO Helang and FPSO Abigail-Joseph.

The Group's profit before tax for the first quarter of current financial year increased by 18.4% or RM29 million to RM187 million as compared to the RM158 million in the preceding quarter. The increase was mainly due to more FPSO activities, improved contribution attributed to FPSO Abigail-Joseph, favourable foreign exchange movement of RM24 million and decrease in share of loss in joint ventures of RM25 million, which offset the impact of the lower revenue.

21. Commentary on Prospects

The long-term outlook for the oil and gas industry remains challenging due to the emergence of new alternative energy sources and the changing appetite of financial institutions towards the industry. Overall, the current global economy is exposed to the risk of ongoing trade protectionism, uncertain geopolitical conditions and the disruption of the global supply 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 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 strives to achieve satisfactory results for the financial year ending 31 January 2022.

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

On 2 March 2021, Rising Sun Energy (K) Pvt Ltd ("RSEK"), an indirect 80% owned subsidiary of the Company, has accepted a Letter of Award ("LOA") from NTPC Limited ("NTPC") for the development of 190MW grid-connected solar photovoltaic power project at the Nokh Solar Park ("Plant") in Rajasthan, India ("Contract").

Following the LOA, RSEK will enter into a Power Purchase Agreement ("PPA") to supply 25 years of solar power generated electricity to NTPC. Any extension of the PPA period beyond 25 years shall be through mutual agreement between NTPC and RSEK. The LOA represents a formal agreement and constitutes a binding document between the parties. On 30 March 2021, RSEK has entered into the PPA with NTPC. The effective date of the PPA is 1 April 2021.

The salient terms of the Contract are as follows:

- (i) The term of the PPA will be 25 years from the commercial operation date of the Plant.
- (ii) The estimated aggregate value of the Contract based on a fixed tariff of INR2.25/kWh, is approximately equivalent to INR27.5 billion (equivalent to RM1.5 billion), subject to the terms and conditions of the LOA and PPA.
- (iii) Commercial operation of the Plant is scheduled to commence in April 2022.

The Contract will not have any effect on the share capital and shareholding structure of the Company. The Contract, however, is expected to contribute positively to the earnings and net assets per share of the Group.

24. Material Litigation

On 6 March 2020, the Company announced that Globalmariner Offshore Services Sdn. Bhd. ("GMOS") has commenced an action against the Company, its subsidiary Yinson Energy Sdn. Bhd. ("YESB"), and 9 others ("Defendants") including TH Heavy Engineering Berhad ("THHE") and Floatech (L) Ltd ("FLOATECH") in the Kuala Lumpur High Court by way of Suit No. WA-22NCVC-150-03/2020 dated 3 March 2020 ("Suit").

The Writ of Summons, together with the Statement of Claim in the Suit was ordered to be struck out by an Order of Court dated 31 March 2021, pursuant to a successful application made by the Defendants to strike out the said Writ of Summons and Statement of Claim, with costs ordered against GMOS in favour of the Company, YESB and one of the Company's directors, Mr. Lim Chern Yuan (who was named as a defendant in the Suit) in respect of the successful application to strike out the said Writ of Summons and Statement of Claim.

24. Material Litigation (continued)

On 8 April 2021, a Notice of Appeal was filed with the Court of Appeal in Malaysia by GMOS concerning the judgment made against them.

The above-mentioned Order of Court and Notice of Appeal are not expected to have any material financial and operational impact to the Group.

25. Dividend Payable

The Board of Directors recommended on 25 March 2021 a final single-tier dividend of 2.0 sen per ordinary share for the financial year ended 31 January 2021. The proposed dividend is subject to shareholders' approval at the forthcoming Annual General Meeting to be held on 15 July 2021.

If approved, the entitlement date and payment date for the dividend are expected to be on 5 August 2021 and 30 August 2021, respectively.

26. Derivatives

Details of derivative financial instruments outstanding as at 30 April 2021 are as follows:

Types of derivatives	Contract / Notional Amount	Fair Value Assets/ (Liabilities)
	RM million	RM million
Interest rate swaps		
More than 3 years	3,966	(127)

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 the following floating rate term loans:

- i. contracts amounting to RM930 million that pays floating interest at 3 months US\$ LIBOR; and
- ii. contracts amounting to RM3,036 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 2021, the fair value movement on interest rate swap derivatives measured at fair value through the reserve was RM99 million.

27. Auditors' Report on Preceding Annual Financial Statements

The Auditors' Report on the financial statements for the financial year ended 31 January 2021 was not qualified.

28. Authorised For Issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 June 2021.