



CONDENSED CONSOLIDATED INCOME STATEMENT
For The Six Months Period Ended 31 July 2020

	Individual Period (2nd quarter)				Cumulative Period			
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes		Current Year To date	Preceding Year Corresponding Period	Changes	
	31.7.2020 Unaudited RM'000	31.7.2019 Unaudited RM'000	(Amount / %) RM'000	%	31.7.2020 Unaudited RM'000	31.7.2019 Unaudited RM'000	(Amount / %) RM'000	%
Revenue	995,579	213,439	782,140	366.45%	1,339,326	422,435	916,891	217.05%
Direct expenses	(670,404)	(81,278)	(589,126)	724.83%	(809,358)	(169,807)	(639,551)	376.63%
Gross profit	325,175	132,161	193,014	146.04%	529,968	252,628	277,340	109.78%
Other operating income	6,924	2,507	4,417	176.19%	52,220	16,618	35,602	214.24%
Administrative expenses	(79,430)	(20,812)	(58,618)	281.65%	(169,188)	(37,822)	(131,366)	347.33%
Profit from operations	252,669	113,856	138,813	121.92%	413,000	231,424	181,576	78.46%
Finance costs	(77,203)	(48,471)	(28,732)	59.28%	(169,196)	(91,978)	(77,218)	83.95%
Share of (loss)/profit of joint ventures	(2,411)	6,162	(8,573)	-139.13%	(4,658)	11,778	(16,436)	-139.55%
Profit before tax	173,055	71,547	101,508	141.88%	239,146	151,224	87,922	58.14%
Income tax expense	(45,193)	(16,604)	(28,589)	172.18%	(65,331)	(34,595)	(30,736)	88.85%
Profit for the period	127,862	54,943	72,919	132.72%	173,815	116,629	57,186	49.03%
Profit attributable to:								
Owners of the Company	100,356	41,142	59,214	143.93%	147,072	90,996	56,076	61.62%
Non-controlling interests	27,506	13,801	13,705	99.30%	26,743	25,633	1,110	4.33%
	127,862	54,943	72,919	132.72%	173,815	116,629	57,186	49.03%
Earnings per share attributable to owners of the Company:								
Basic (sen)	9.18	3.75	5.43	144.80%	13.45	8.29	5.16	62.24%
Diluted (sen)	9.14	3.73	5.41	145.04%	13.39	8.34	5.05	60.55%

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 Six Months Period Ended 31 July 2020

	Individual Period (2nd quarter)				Cumulative Period			
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes		Current Year To date	Preceding Year Corresponding Period	Changes	
	31.7.2020 Unaudited RM'000	31.7.2019 Unaudited RM'000	(Amount / %) RM'000	%	31.7.2020 Unaudited RM'000	31.7.2019 Unaudited RM'000	(Amount / %) RM'000	%
Profit for the period	127,862	54,943	72,919	132.72%	173,815	116,629	57,186	49.03%
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:								
- Exchange differences on translation of foreign operations	(100,183)	(14,074)	(86,109)	611.83%	115,863	27,306	88,557	324.31%
- Cash flows hedge reserve	(29,996)	(60,131)	30,135	-50.12%	(217,148)	(88,537)	(128,611)	145.26%
- Reclassification of changes in fair value of cash flow hedges	14,254	1,972	12,282	622.82%	19,612	3,103	16,509	532.03%
- Put option reserve	28,562	(3,174)	31,736	-999.87%	4,553	(3,174)	7,727	-243.45%
Total comprehensive income/(loss) for the period	40,499	(20,464)	60,963	-297.90%	96,695	55,327	41,368	74.77%
Total comprehensive income/(loss) for the period attributable to:								
Owners of the Company	46,504	(23,158)	69,662	-300.81%	122,610	42,939	79,671	185.54%
Non-controlling interests	(6,005)	2,694	(8,699)	-322.90%	(25,915)	12,388	(38,303)	-309.19%
	40,499	(20,464)	60,963	-297.90%	96,695	55,327	41,368	74.77%

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 31 July 2020

	AS AT 31.7.2020 Unaudited RM'000	AS AT 31.1.2020 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,927,879	4,843,583
Investment properties	14,486	17,708
Intangible assets	382,846	394,848
Investment in joint ventures	510,516	478,558
Investment in associates	2,179	1,714
Deferred tax assets	2,381	1,171
Amounts due from joint ventures	20,502	-
Other assets	13,468	68,819
Other investments	14,059	13,570
Finance lease receivables	1,529,707	1,501,015
Contract assets	647,874	-
	8,065,897	7,320,986
Current assets		
Inventories	1,817	22,080
Trade and other receivables	444,317	321,383
Amounts due from joint ventures	168,236	178,453
Other assets	289,833	159,271
Finance lease receivables	51,977	48,214
Tax recoverable	8	66
Other investments	106,475	188,762
Cash and bank balances	2,532,644	1,276,190
	3,595,307	2,194,419
TOTAL ASSETS	11,661,204	9,515,405

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 July 2020

	AS AT 31.7.2020 Unaudited RM'000	AS AT 31.1.2020 Audited RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	1,116,023	1,106,639
Treasury shares	(156,802)	(125,343)
Foreign currency translation reserve	269,369	141,951
Cash flows hedge reserve	(288,660)	(132,227)
Share-based option reserve	7,800	6,916
Put option reserve	(215,826)	(412,398)
Retained earnings	1,107,034	1,050,419
Equity attributable to owners of the Company	1,838,938	1,635,957
Perpetual securities issued by subsidiaries	1,847,675	1,847,675
Non-controlling interests	281,347	290,237
Total equity	3,967,960	3,773,869
Non-current liabilities		
Loans and borrowings	5,125,584	3,354,359
Lease liabilities	13,244	18,646
Other payables	771,531	714,070
Derivatives	323,169	138,700
Deferred tax liabilities	25,303	1,440
	6,258,831	4,227,215
Current liabilities		
Loans and borrowings	529,834	476,044
Lease liabilities	12,752	12,747
Trade and other payables	528,508	493,469
Amounts due to joint ventures	24	2,903
Derivatives	30,521	17,454
Put option liability	215,826	412,398
Tax payables	116,948	99,306
	1,434,413	1,514,321
Total liabilities	7,693,244	5,741,536
TOTAL EQUITY AND LIABILITIES	11,661,204	9,515,405
Net assets per share attributable to owners of the Company (RM)	1.68	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 Six Months Period Ended 31 July 2020

	← 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	Put option reserve RM'000	Retained earnings RM'000	Total equity attributable to owners of the Company 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 period	-	-	25,131	(70,014)	-	(3,174)	90,996	42,939	-	12,388	55,327
Paid and accrued perpetual securities distribution by subsidiaries	-	-	-	-	-	-	(63,678)	(63,678)	-	-	(63,678)
Issue of perpetual securities by a subsidiary	-	-	-	-	-	-	-	-	490,050	-	490,050
Redemption of perpetual securities by a subsidiary	-	-	-	-	-	-	13,491	13,491	(218,260)	-	(204,769)
Exercise of ESS	1,524	-	-	-	-	-	-	1,524	-	-	1,524
Issuance of ESS	-	-	-	-	2,715	-	-	2,715	-	-	2,715
Cash dividends to owners of the Company	-	-	-	-	-	-	(21,607)	(21,607)	-	-	(21,607)
Cash dividends to non-controlling interests	-	-	-	-	-	21,425	-	21,425	-	(21,425)	-
Purchase of treasury shares	-	(6,464)	-	-	-	-	-	(6,464)	-	-	(6,464)
At 31 July 2019 (Unaudited)	1,102,614	(50,293)	185,748	(105,678)	4,855	(437,474)	1,035,985	1,735,757	1,847,675	293,643	3,877,075
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 period	-	-	127,418	(156,433)	-	4,553	147,072	122,610	-	(25,915)	96,695
Paid and accrued perpetual securities distribution by subsidiaries	-	-	-	-	-	-	(70,589)	(70,589)	-	-	(70,589)
Effect of changes in shareholding in subsidiaries	-	-	-	-	-	-	1,456	1,456	-	200,473	201,929
Exercise of ESS	9,384	-	-	-	(1,525)	-	-	7,859	-	-	7,859
Issuance of ESS	-	-	-	-	2,409	-	-	2,409	-	-	2,409
Cash dividends to owners of the Company	-	-	-	-	-	-	(21,324)	(21,324)	-	-	(21,324)
Cash dividends to non-controlling interests	-	-	-	-	-	80,105	-	80,105	-	(80,105)	-
Capital reduction to non-controlling interests	-	-	-	-	-	111,914	-	111,914	-	(111,914)	-
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	8,571	8,571
Purchase of treasury shares	-	(31,459)	-	-	-	-	-	(31,459)	-	-	(31,459)
At 31 July 2020 (Unaudited)	1,116,023	(156,802)	269,369	(288,660)	7,800	(215,826)	1,107,034	1,838,938	1,847,675	281,347	3,967,960

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 Six Months Period Ended 31 July 2020

	Cumulative Period	
	31.7.2020 Unaudited RM'000	31.7.2019 Unaudited RM'000
OPERATING ACTIVITIES		
Profit before tax	239,146	151,224
Adjustments for:		
Amortisation and depreciation	152,966	116,120
Amortisation of unfavourable contracts	-	(4,936)
Unrealised gain on foreign exchange	(19,546)	(6,355)
Finance costs	169,196	91,340
Loss on disposal on other investments	1,586	385
Impairment loss on investment properties	3,222	-
Impairment loss on property, plant and equipment	21,634	4,862
(Reversal of impairment loss)/impairment loss on trade and other receivables	(4,980)	4,066
Reversal of impairment loss on advances to a joint venture	(3,426)	(240)
Impairment loss on tax recoverable	11,831	-
Loss on disposal of property, plant and equipment	63	886
Net fair value loss on derivatives	-	638
Net fair value (gain)/loss on other investments	(652)	123
Property, plant and equipment written off	-	24
Bad debt written off	523	42
Share of loss/(profit) of joint ventures	4,658	(11,778)
Finance lease income	(86,378)	(1,190)
Interest income	(11,338)	(11,901)
Operating cash flows before working capital changes	478,505	333,310
Receivables	(109,231)	(51,569)
Contract assets	(654,589)	-
Other current assets	(9,672)	(36,053)
Inventories	20,262	81
Payables	(43,442)	115,672
Cash flows (used in)/generated from operations	(318,167)	361,441
Interest received	11,338	11,901
Finance costs paid	(1,401)	(1,186)
Tax paid	(26,980)	(17,779)
Net cash flows (used in)/generated from operating activities	(335,210)	354,377
INVESTING ACTIVITIES		
Investment in a joint venture	(31,898)	-
Capital contribution from non-controlling interests	93,212	-
Dividend received from joint ventures	16,535	14,210
Deposit received for sales of shares in a subsidiary	20,940	-
Placement of short term investment	-	361
Proceeds from disposal of other investments	121,644	20,354
Proceeds from disposal of property, plant and equipment	95	1,588
Proceeds from disposal of shareholdings in a subsidiary	108,716	-
Purchase of intangible assets	(2,469)	(185)
Purchase of property, plant and equipment	(44,914)	(409,129)
Purchase of other investments	(32,472)	(162,130)
Withdrawal of deposits pledged as security	(469,777)	90,338
Net cash flows used in investing activities	(220,388)	(444,593)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The Six Months Period Ended 31 July 2020

	Cumulative Period	
	31.7.2020 Unaudited RM'000	31.7.2019 Unaudited RM'000
FINANCING ACTIVITIES		
Dividends paid to non-controlling interests	(80,105)	(21,425)
Capital reduction to non-controlling interests	(111,914)	-
Drawdown of loans and borrowings	4,600,502	910,023
Perpetual securities distribution paid	(70,187)	(55,254)
Proceeds of loans from non-controlling interests	55,878	-
Proceeds from equity-settled share-based options	7,859	1,524
Proceeds from issuance of perpetual securities	-	490,050
Purchase of treasury shares	(31,459)	(6,464)
Repayment of loans and borrowings	(2,818,159)	(378,769)
Repayment of obligations under finance leases	-	(192)
Repayment of lease liabilities	(6,841)	(4,046)
Repayment of perpetual securities	-	(203,750)
Finance costs paid	(207,459)	(88,133)
Net cash flows generated from financing activities	1,338,115	643,564
NET INCREASE IN CASH AND CASH EQUIVALENTS	782,517	553,348
Effects of foreign exchange rate changes	(9,877)	2,520
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	1,658,998	1,279,377
	As at 31.7.2020 Unaudited RM'000	As at 31.7.2019 Unaudited RM'000
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	2,532,644	1,685,908
Deposits pledged to banks	(873,646)	(406,531)
	1,658,998	1,279,377

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 31 July 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 31 July 2020, with the exception of the continued impact of the Covid-19 outbreak, which the World Health Organisation declared as a pandemic since 11 March 2020. Some countries where the situation has lessened in severity, including Malaysia, have entered into a Recovery Movement Control Order (RMCO) phase. Under the RMCO, some earlier restrictions have been relaxed, including those affecting the closures of businesses, severe restrictions on travel and the movement of people, and other material limitations on the conduct of business which have resulted in work stoppages and other disruptions. While the Group's business continuity plans have succeeded to ensure minimum disruption to its daily operations, the Group continues to incur additional overheads to comply with the applicable industry rules especially involving staff and crew.

Covid-19 has posed a significant threat and uncertainty to the global oil and gas industry with the resultant effect from various measures taken so far throughout the world. Whilst these threats and uncertainties 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 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 Covid-19 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. 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.

On 1 September 2020, the Group announced that the proposed part acquisition of Ezion Holdings Limited has lapsed, resulting in a one-off USD20 million deposit forfeiture, refer to Note 17(i).

4. Changes in Accounting Estimate

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

5. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period ended 31 July 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
Yinson Production EPC Sdn. Bhd.	14 April 2020	Malaysia	100%	Provision of engineering, procurement and construction for floating production system and 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 31 July 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.

(c) Disposal of a minority equity interest in a subsidiary

On 28 April 2020, Yinson Holdings Berhad ("YHB"), Yinson Boronia Consortium Pte. Ltd. ("YBC"), an indirect wholly owned subsidiary of the Group, Yinson Acacia Limited ("YAL"), an indirect wholly owned subsidiary of the Group, Japan Offshore Facility Investment 1 Pte. Ltd. ("JOFI") and Sumitomo Corporation entered into in respect of the proposed collaboration in relation to Project Marlim ("Proposed Business Arrangement") with the agreed form of the shareholders' agreement between YAL, YHB, JOFI, Sumitomo and YBC ("Shareholders Agreement") and the convertible loan agreement between YBC, JOFI, and YAL ("Convertible Loan Agreement") appended to the Share Subscription Agreement. The Proposed Business Arrangement is to facilitate the arrangements between YAL and JOFI, in respect of Project Marlim.

The Contracts entered into comprise the following:

- (i) Charter Contract: Marlim 2 FPSO to the Marlim Field located offshore Brazil in the north-eastern part of the Campos Basin; and
- (ii) Service Contract: operation and maintenance services during the charter phase of Marlim 2 FPSO.

Pursuant to the Share Subscription Agreement, YBC shall allot and issue to JOFI 3,340,000 new ordinary shares representing 25% of the enlarged issued share capital of YBC ("Subscription Shares"). YAL's effective shareholdings in YBC shall decrease from 100% to 75% upon completion of the Share Subscription Agreement.

The Subscription Shares were issued to JOFI for a total consideration of USD25 million in May 2020.

6. Segmental Information

For the Six Months Period Ended 31 July 2020

	Offshore Production & Offshore Marine			Other Operations	Renewables	Consolidated
	EPCIC* RM'000	Non-EPCIC RM'000	Total RM'000	RM'000	RM'000	RM'000
Revenue						
Gross revenue	654,590	909,455	1,564,045	321,302	-	1,885,347
Elimination	-	(224,890)	(224,890)	(321,131)	-	(546,021)
Net revenue	654,590	684,565	1,339,155	171	-	1,339,326
Results						
Segment results	117,556	326,553	444,109	(27,838)	(3,271)	413,000
Finance costs						(169,196)
Share of loss of joint ventures						(4,658)
Income tax expense						(65,331)
Profit after tax						173,815

* EPCIC business activities recognition commenced in the second quarter of current financial year.

For the Six Months Period Ended 31 July 2019

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

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

- 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.
- 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.

6. Segmental Information (continued)

Offshore Production & Offshore Marine

Revenue for the financial period under review has increased by RM928.81 million to RM1,339.16 million as compared to RM410.35 million in the corresponding financial period ended 31 July 2019. The increased revenue is mainly due to contribution from EPCIC business activities related to FPSO Anna Nery as further deliberated in section "Consolidated profit after tax" below and contribution from FPSO Helang (which lease commenced on 6 December 2019). Meanwhile, the segment results is higher by RM222.32 million to RM444.11 million as compared to RM221.79 million in the corresponding financial period ended 31 July 2019 mainly attributed to aforementioned contribution effect from EPCIC business activities, FPSO Helang and higher other income, set-off by higher depreciation and amortization charges and higher impairment loss on property, plant and equipment.

Other Operations

The segment results for financial period under review has incurred losses of RM27.84 million as compared to profit of RM9.64 million in the corresponding financial period ended 31 July 2019. The losses is mainly due to corporate re-organization exercises, higher operation overheads and unfavorable foreign exchange movement.

Renewables

This is a new start-up business segment in the current financial period. Further to the acquisition of 37.5% equity interest in RSE with 2 adjoining operational solar plants situated in India that has been concluded in March 2020, the Group entered into an agreement to acquire additional 57.5% equity interest in RSE as disclosed in Note 17(ii).

Results of Joint Ventures and Associates

Joint ventures have collectively resulted in share of losses RM4.66 million for the financial period ended 31 July 2020 as compared to share of profit RM11.78 million for the corresponding financial period ended 31 July 2019 mainly due to lower contribution rate from FPSO Lam Son pursuant to the finalized charter contract in March 2020 and higher operating overheads.

Consolidated profit after tax

For the current financial period under review, the Group's profitability movement is mainly the result of the EPCIC business activities arising from the Group's undertaking in providing a floating production storage and offloading facility ("FPSO Anna Nery") through binding Letter of Intent received on 11 October 2019 from Petrobras with definitive contract subsequently signed on 23 March 2020. The contract is a multiple element arrangement, among others, contains an EPCIC component for the conversion of FPSO Anna Nery for which revenue will be recognised over time based on the progress and a finance lease component where leasing revenue will be recognised when FPSO Anna Nery commences its lease.

The Group's profit after tax increased by RM57.19 million or 49.04% to RM173.82 million as compared to RM116.63 million for the corresponding financial period ended 31 July 2019 attributed to the aforementioned contribution from EPCIC business activities and FPSO Helang, higher other income of RM24.20 million and higher favourable foreign exchange movement of RM12.67 million. The positive contributions was set-off mainly by higher depreciation and amortization charges of RM36.85 million, higher impairment loss on property, plant and equipment of RM16.77 million, presence of contract acquisition cost written off of RM42.46 million and higher finance cost of RM77.22 million mainly resulted from one-off charge out of remaining deferred financing cost associated to the repaid loan related to FPSO JAK's refinancing exercise concluded in April 2020 and financing of EPCIC business activities.

6. Segmental Information (continued)

Consolidated financial position

For the current financial period under review, the Group's current assets has increased by RM1,400.89 million or 63.84% to RM3,595.31 million from RM2,194.42 million for the last audited financial year ended 31 January 2020. The increase was mainly due to the strengthened cash equivalent assets resulted from additional draw-down of long term loans and borrowings. Whereas, the Group's current liabilities decreased by RM79.91 million or 5.28% to RM1,434.41 million from RM1,514.32 million for the last audited financial year ended 31 January 2020 mainly due to reduction in put option liability.

The Group's liquidity indicators, Current Ratio (Calculated as "Current Assets" divided by "Current Liabilities") improved to 2.50 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, due to higher leverage of the Group 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 6 months ended	
	31.7.2020 Unaudited RM'000	31.7.2019 Unaudited RM'000	31.7.2020 Unaudited RM'000	31.7.2019 Unaudited RM'000
Interest income	(6,514)	(5,459)	(11,338)	(11,901)
Other income including investment income	(22,502)	(186)	(27,465)	(3,261)
Finance costs	77,203	48,137	169,196	91,340
Depreciation of property, plant and equipment	62,710	57,782	124,338	113,463
Amortisation of intangible assets	14,470	1,338	28,628	2,657
Amortisation of unfavourable contracts	-	(35)	-	(4,936)
Loss on disposal on property, plant and equipment	63	7	63	886
Loss on disposal on other investments	1,143	385	1,586	385
(Reversal of impairment loss)/impairment loss on trade and other receivables	(4,980)	29	(4,980)	4,066
(Reversal of impairment loss)/impairment loss on advances to a joint venture	(3,426)	826	(3,426)	(240)
Impairment loss on tax recoverable	11,831	-	11,831	-
Impairment loss on property, plant and equipment	15,117	4,862	21,634	4,862
Impairment loss on investment properties	3,222	-	3,222	-
Property, plant and equipment written off	-	1	-	24
Net loss/(gain) on foreign exchange	22,093	2,425	(13,416)	(750)
Net fair value (gain)/loss on other investments	(658)	41	(652)	123
Net fair value loss on derivatives	-	334	-	638
Bad debts written off	523	-	523	42

8. Income Tax Expense

The income tax expense figures consist of:

	Current quarter 3 months ended		Cumulative 6 months ended	
	31.7.2020 Unaudited RM'000	31.7.2019 Unaudited RM'000	31.7.2020 Unaudited RM'000	31.7.2019 Unaudited RM'000
Current income tax	21,019	16,604	41,541	34,595
Deferred income tax	24,174	-	23,790	-
Total income tax expense	45,193	16,604	65,331	34,595

The effective tax rate for the current quarter and period ended 31 July 2020 is higher than the statutory tax rate in Malaysia, mainly due to certain expenses item 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 quarter 3 months ended		Cumulative 6 months ended	
	31.7.2020 Unaudited	31.7.2019 Unaudited	31.7.2020 Unaudited	31.7.2019 Unaudited
Profit net of tax attributable to owners of the Company used in the computation of EPS (RM'000)	100,356	41,142	147,072	90,996
Weighted average number of ordinary shares in issue ('000)	1,093,237	1,097,686	1,093,237	1,097,802
Basic earnings per share (sen)	9.18	3.75	13.45	8.29

9. Earnings Per Share (continued)

(b) Diluted

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

	Current quarter 3 months ended		Cumulative 6 months ended	
	31.7.2020 Unaudited	31.7.2019 Unaudited	31.7.2020 Unaudited	31.7.2019 Unaudited
Adjusted profit net of tax attributable to owners of the parent used in the computation of EPS (RM'000)	100,356	41,648	147,072	93,024
Weighted average number of ordinary shares in issue ('000)	1,093,237	1,097,686	1,093,237	1,097,802
Adjustments for ESS ('000)	4,765	17,417	4,765	17,417
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,098,002	1,115,103	1,098,002	1,115,219
Diluted earnings per share (sen)	9.14	3.73	13.39	8.34

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 RM62.17 million (31 July 2019: RM506.70 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 2,269,700 new ordinary shares arising from the exercise of options under Employees' Share Scheme; and
- (b) The Company repurchased 5,832,800 of its issued shares from open market on Bursa Malaysia Securities Berhad.

13. Interest-bearing Loans and Borrowings

The Group's total borrowings as at 31 July 2020 and 31 July 2019 are as follows:

	As at 31 July 2020		
	Short term RM'000	Long term RM'000	Total borrowings RM'000
<u>Secured</u>			
Term loans	488,147	5,125,584	5,613,731
Revolving credits	426	-	426
	488,573	5,125,584	5,614,157
<u>Unsecured</u>			
Revolving credits	41,261	-	41,261
	41,261	-	41,261
Total loans and borrowings	529,834	5,125,584	5,655,418

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

Except for the borrowings of RM5,614.16 million (31 July 2019: RM3,689.41 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 31 July 2020, the capital commitments not provided for in the interim condensed financial statements were as follows:

- approved and contracted for – RM51.53 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, except for corporate guarantee given for additional loans and borrowings secured during the current financial period.

17. Events After the Reporting Date

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

On 2 July 2020, Yinson Eden Pte Ltd, an indirect wholly owned subsidiary of the Group entered into an Amendment Agreement with EHL, the liftboat borrowers and Major Secured Lenders. In light of the Covid-19 pandemic and plunge in oil prices, the parties have agreed to vary and/or amend certain terms in the Transaction Documents executed on 28 February 2020.

Subsequently, YEPL and the Major Secured Lenders have not been able to reach a unanimous agreement in relation to the Proposed Transactions and Proposed Scheme of Arrangement and/or such new terms to replace the Transaction Agreements. Pursuant to which, the Effective Period under the Amendment Agreement had lapsed on 31 August 2020.

Pursuant to the Deposit Agreement, the Deposit paid of USD20 million by YEPL shall be forfeited in favour of the Major Secured Lenders and distributed in accordance with the Deposit Agreement. The forfeited deposit will result in a one-off USD20 million charge to YHB Group's earnings for this financial year ending 31 January 2021. The one-off forfeiture of deposit would not have material adverse effect to YHB Group's existing businesses.

(ii) Potential to acquire an additional stake in Rising Sun Energy Pte Ltd (“RSE”)

On 21 August 2020, Yinson Renewables (S) Pte Ltd (“YRS”), an indirect wholly owned subsidiary of the Group, entered into a conditional Sale and Purchase Agreement with Sunseap International Pte Ltd, Charisma Energy Services Ltd and Bhadla Solar Investments Pte Ltd for the acquisition of 82,948,457 ordinary shares of INR13.26 (equivalent to approximately RM0.74) each in RSE representing 57.5% of the issued and paid-up share capital of RSE for a total cash consideration of INR1,100,078,407 (equivalent to approximately RM61,395,841). Upon Completion, YRS will hold 95% stake in RSE.

Barring any unforeseen circumstances, YRS targets to complete the acquisition in fourth quarter 2020.

18. Related Party Disclosures

Significant related party transactions are as follows:

	Current quarter 3 months ended		Cumulative 6 months ended	
	31.7.2020 RM'000	31.7.2019 RM'000	31.7.2020 RM'000	31.7.2019 RM'000
<u>With companies controlled by Directors</u>				
Service fee income from King Kong Creative Media Sdn Bhd	5	5	10	9
Service fee income from Yinson Capital Sdn Bhd	39	20	71	39
Service fee income from Manja Studios Sdn Bhd	-	2	-	6
Service fee income from Liannex Enterprise Sdn Bhd	-	20	7	39
Service Fee income from PTSC South East Asia Pte Ltd	43	-	43	-
Service Fee income from PTSC Asia Pacific Pte Ltd	43	-	43	-
Service fee charges from Trillius Solutions Sdn Bhd	-	-	10	-
Sales of goods to Liannex Corporation (S) Pte Ltd	-	101	-	101
Sales of barges to Yinson Power Marine Sdn Bhd	-	-	-	1,600
Reimbursement from PTSC Ca Rong Do Ltd	63,783	-	63,783	-
<u>With Joint Ventures</u>				
Dividend income from PTSC South East Asia Pte Ltd	-	-	16,535	-
Interest income from Rising Sun Energy Private Limited	997	-	1,455	-
Finance Lease Income from Yinson Production (West Africa) Ltd	628	-	1,264	-
Management fee income from Yinson Production (West Africa) Ltd	2,641	-	5,631	-
Interest income from Yinson Production (West Africa) Ltd	219	-	553	-
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 31.7.2020 RM'000	Immediate Preceding Quarter 30.4.2020 RM'000	Changes (Amount / %)	
Revenue	995,579	343,747	651,832	189.63%
Direct expenses	(670,404)	(138,954)	(531,450)	382.46%
Gross profit	325,175	204,793	120,382	58.78%
Other operating income	6,924	45,296	(38,372)	-84.71%
Administrative expenses	(79,430)	(89,758)	10,328	-11.51%
Profit from operations	252,669	160,331	92,338	57.59%
Finance costs	(77,203)	(91,993)	14,790	-16.08%
Share of loss of joint ventures	(2,411)	(2,247)	(164)	7.30%
Profit before tax	173,055	66,091	106,964	161.84%
Income tax expense	(45,193)	(20,138)	(25,055)	124.42%
Profit after tax	127,862	45,953	81,909	178.25%

Revenue for the financial period under review increased significantly by RM651.83 million to RM995.58 million as compared to the immediate preceding quarter of RM343.75 million is mainly due to the recognition of EPCIC business activities contribution. EPCIC business activities contributed RM654.59 million during the period under review based on the progress measured using input method in accordance to actual costs incurred as seen reflected in the significantly higher direct expenses.

The Group's profit before tax for the second quarter of current financial year is higher by 161.84% or RM106.96 million to RM173.06 million as compared to the RM66.09 million in the immediate preceding quarter. The increase was mainly attributable to positive contribution from EPCIC business activities, higher other income of RM17.54 million, lower contract acquisition cost written off of RM27.25 million and lower finance cost of RM14.79 million in absence of the one-off charge out of remaining deferred financing cost associated to the repaid loan related to FPSO JAK's refinancing exercise concluded in April 2020. The positive contributions was set-off by higher impairment loss on property, plant and equipment of RM8.60 million, net impairment loss on trade and other receivables of RM6.85 million and net unfavorable foreign exchange movement of RM57.60 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.

On 30 June 2020, PTSC CRD executed a final settlement agreement with PTSC for an amount equal to approximately USD64.4 million to settle rights, demands, liabilities and obligations arising from the termination of the Bareboat Charter Contract.

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

- (b) Proposed disposal of a minority equity interest in the floating production, storage and offloading unit for the Marlim field in Brazil ("Project Marlim" or "FPSO Anna Nery") to Kawasaki Kisen Kaisha, Ltd. ("K" Line).

On 9 July 2020, Yinson Acacia Ltd ("YAL") (an existing indirect wholly-owned subsidiary of the Company) and "K" Line executed a Share Sale and Purchase Agreement ("SSPA") for the disposal of a minority equity interest in Yinson Boronia Consortium Pte. Ltd. ("YBC") (an existing indirect subsidiary of the Company, and the holding company for Project Marlim) to "K" Line by YAL, for a total consideration of USD49,000,000 ("Consideration").

Upon execution of the SSPA, "K" Line paid YAL a deposit of USD4,900,000 (10% of the Consideration) as per the terms set out in the SSPA. The remaining balance of the Consideration will be paid by "K" Line to YAL after final acceptance of FPSO Anna Nery by Petróleo Brasileiro S.A., and release of the financial guarantees under the project finance agreements ("Final Acceptance and Guarantee Release"). After Final Acceptance and Guarantee Release, "K" Line is expected to have an approximate 10% stake in YBC.

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 approved by shareholders at the Annual General Meeting held on 16 July 2020. The dividend was paid on 26 August 2020.

In addition, the Board of Directors has declared an interim single-tier dividend of 4.0 sen per ordinary share, amounting to approximately RM42.65 million, which is payable on 18 December 2020. The entitlement date for the dividend payment is 30 November 2020.

26. Derivatives

Details of derivative financial instruments outstanding as at 31 July 2020 are as follows:

Types of derivatives	Contract / Notional Amount	Fair Value Assets/ (Liabilities)
	RM'000	RM'000
<u>Interest rate swaps</u> More than 3 years	4,370,189	(353,690)

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 RM3,325.35 million that pays floating interest at 3 months US\$ LIBOR; and
- ii. contracts amounting to RM1,044.84 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 31 July 2020, the net fair value loss on interest rate swap derivative measured at fair value through the reserve is RM197.54 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.

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 28 September 2020.