



CONDENSED CONSOLIDATED INCOME STATEMENT
For The Six Months Period Ended 31 July 2021

	Individual Period (2nd quarter)				Cumulative Period			
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes (Amount / %)		Current Year To date	Preceding Year Corresponding Period	Changes (Amount / %)	
	31.7.2021 Unaudited RM million	31.7.2020 Unaudited RM million	RM million	%	31.7.2021 Unaudited RM million	31.7.2020 Unaudited RM million	RM million	%
Revenue	1,054	995	59	5.9%	2,046	1,339	707	52.8%
Direct expenses	(705)	(683)	(22)	3.2%	(1,373)	(834)	(539)	64.6%
Gross profit	349	312	37	11.9%	673	505	168	33.3%
Other operating income	24	7	17	242.9%	37	52	(15)	-28.8%
Administrative expenses	(78)	(66)	(12)	18.2%	(146)	(144)	(2)	1.4%
Profit from operations	295	253	42	16.6%	564	413	151	36.6%
Finance costs	(96)	(77)	(19)	24.7%	(180)	(169)	(11)	6.5%
Share of profit/(loss) of joint ventures	9	(3)	12	-400.0%	11	(5)	16	-320.0%
Profit before tax	208	173	35	20.2%	395	239	156	65.3%
Income tax expense	(49)	(45)	(4)	8.9%	(91)	(65)	(26)	40.0%
Profit for the period	159	128	31	24.2%	304	174	130	74.7%
Profit attributable to:								
Owners of the Company	126	100	26	26.0%	238	147	91	61.9%
Non-controlling interests	33	28	5	17.9%	66	27	39	144.4%
	159	128	31	24.2%	304	174	130	74.7%
Earnings per share attributable to owners of the Company:								
Basic (sen)	11.8	9.4	2.4	25.5%	22.3	13.8	8.5	61.6%
Diluted (sen)	11.8	9.3	2.5	26.9%	22.3	13.7	8.6	62.8%

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 2021

	Individual Period (2nd quarter)				Cumulative Period			
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes		Current Year To date	Preceding Year Corresponding Period	Changes	
	31.7.2021 Unaudited RM million	31.7.2020 Unaudited RM million	RM million	%	31.7.2021 Unaudited RM million	31.7.2020 Unaudited RM million	RM million	%
Profit for the period	159	128	31	24.2%	304	174	130	74.7%
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:								
- Exchange differences on translation of foreign operations	128	(100)	228	-228.0%	198	116	82	70.7%
- Cash flows hedge reserve	(67)	(31)	(36)	116.1%	16	(218)	234	-107.3%
- Reclassification of changes in fair value of cash flow hedges	17	15	2	13.3%	33	20	13	65.0%
- Put option reserve	(6)	29	(35)	-120.7%	(9)	5	(14)	-280.0%
Total comprehensive income for the period	231	41	190	463.4%	542	97	445	458.8%
Total comprehensive income/(loss) for the period attributable to:								
Owners of the Company	199	47	152	323.4%	447	123	324	263.4%
Non-controlling interests	32	(6)	38	-633.3%	95	(26)	121	-465.4%
	231	41	190	463.4%	542	97	445	458.8%

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 2021

	AS AT 31.7.2021 Unaudited RM million	AS AT 31.1.2021 Audited RM million
ASSETS		
Non-current assets		
Property, plant and equipment	4,088	4,006
Investment properties	15	15
Intangible assets	327	338
Investment in joint ventures	430	427
Investment in associates	40	2
Deferred tax assets	4	3
Other assets	143	122
Finance lease receivables	2,153	2,089
Contract assets	3,707	2,206
	10,907	9,208
Current assets		
Inventories	2	3
Trade and other receivables	472	397
Amounts due from joint ventures	87	101
Other assets	63	50
Finance lease receivables	86	77
Other investments	99	229
Cash and bank balances	1,946	1,821
	2,755	2,678
TOTAL ASSETS	13,662	11,886

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 July 2021

	AS AT 31.7.2021 Unaudited RM million	AS AT 31.1.2021 Audited RM million
EQUITY AND LIABILITIES		
Equity		
Share capital	1,127	1,126
Treasury shares	(175)	(174)
Foreign currency translation reserve	255	77
Cash flows hedge reserve	(149)	(189)
Share-based option reserve	9	8
Share grant reserve	16	8
Put option reserve	(163)	(181)
Retained earnings	1,312	1,164
Equity attributable to owners of the Company	2,232	1,839
Perpetual securities issued by subsidiaries	1,848	1,848
Non-controlling interests	407	339
Total equity	4,487	4,026
Non-current liabilities		
Loans and borrowings	5,318	5,312
Lease liabilities	11	13
Other payables	388	384
Derivatives	163	204
Deferred tax liabilities	149	95
	6,029	6,008
Current liabilities		
Loans and borrowings	1,829	794
Lease liabilities	15	14
Trade and other payables	1,084	817
Dividend payable	21	-
Derivatives	19	21
Put option liability	163	181
Tax payables	15	25
	3,146	1,852
Total liabilities	9,175	7,860
TOTAL EQUITY AND LIABILITIES	13,662	11,886
Net assets per share attributable to owners of the Company (RM)	2.03	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 Six Months Period Ended 31 July 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	-	-	127	(156)	-	-	5	147	123	-	(26)	97
Paid and accrued perpetual securities distribution by subsidiaries	-	-	-	-	-	-	-	(70)	(70)	-	-	(70)
Effect of changes in shareholding in subsidiaries	-	-	-	-	-	-	-	1	1	-	200	201
Exercise of ESS	9	-	-	-	(2)	-	-	-	7	-	-	7
Issuance of ESS	-	-	-	-	2	-	-	-	2	-	-	2
Cash dividends to owners of the Company	-	-	-	-	-	-	-	(21)	(21)	-	-	(21)
Cash dividends to non-controlling interests	-	-	-	-	-	-	80	-	80	-	(80)	-
Capital reduction to non-controlling interests	-	-	-	-	-	-	112	-	112	-	(112)	-
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	-	-	9	9
Purchase of treasury shares	-	(31)	-	-	-	-	-	-	(31)	-	-	(31)
At 31 July 2020 (Unaudited)	1,116	(156)	269	(288)	7	-	(216)	1,107	1,839	1,848	281	3,968
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	-	-	178	40	-	-	(9)	238	447	-	95	542
Paid and accrued perpetual securities distribution by subsidiaries	-	-	-	-	-	-	-	(69)	(69)	-	-	(69)
Exercise of ESS	1	-	-	-	(1)	-	-	-	-	-	-	-
Issuance of ESS	-	-	-	-	2	-	-	-	2	-	-	2
Effect of long-term incentive plan	-	-	-	-	-	8	-	-	8	-	-	8
Dividends payable to owners of the Company	-	-	-	-	-	-	-	(21)	(21)	-	-	(21)
Cash dividends to non-controlling interests	-	-	-	-	-	-	27	-	27	-	(27)	-
Purchase of treasury shares	-	(1)	-	-	-	-	-	-	(1)	-	-	(1)
At 31 July 2021 (Unaudited)	1,127	(175)	255	(149)	9	16	(163)	1,312	2,232	1,848	407	4,487

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 2021

	Cumulative Period	
	31.7.2021 Unaudited RM million	31.7.2020 Unaudited RM million
OPERATING ACTIVITIES		
Profit before tax	395	239
Adjustments for:		
Amortisation and depreciation	146	153
Unrealised (gain)/loss on foreign exchange	(25)	(20)
Finance costs	180	169
(Gain)/Loss on disposal on other investments	-	2
Fair value (gain)/loss on investment properties	-	3
Impairment loss/(Reversal of impairment loss):		
- Property, plant and equipment	3	22
- Trade and other receivables	2	(5)
- Advances to a joint venture	-	(3)
- Tax recoverable	-	12
Net fair value (gain)/loss on other investments	-	(1)
Bad debts written off	-	1
Share of (profit)/loss of joint ventures	(11)	5
Finance lease income	(168)	(86)
Interest income	(12)	(12)
Equity settled share-based payment transaction	10	2
Operating cash flows before working capital changes	520	481
Receivables	(34)	(221)
Contract assets	(1,350)	(655)
Other current assets	15	(10)
Inventories	1	20
Payables	230	(45)
Cash flows used in operations	(618)	(430)
Finance lease payments received	187	110
Interest received	1	11
Finance costs paid	(3)	(1)
Tax paid	(55)	(27)
Net cash flows used in operating activities	(488)	(337)
INVESTING ACTIVITIES		
Investment in a joint venture	-	(32)
Investment in associates	(38)	-
Dividend received from joint ventures	30	17
Deposit received for sales of shares in a subsidiary	-	21
Proceeds from partial redemption of investment	65	-
Proceeds from disposal of other investments	72	122
Purchase of intangible assets	-	(2)
Purchase of property, plant and equipment	(16)	(45)
Purchase of other investments	-	(32)
Deposit paid for purchase option of a vessel	(20)	-
Net movement in restricted cash	34	(470)
Net cash flows generated from/(used in) investing activities	127	(421)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The Six Months Period Ended 31 July 2021

	Cumulative Period	
	31.7.2021 Unaudited RM million	31.7.2020 Unaudited RM million
FINANCING ACTIVITIES		
Dividends paid to non-controlling interests	(27)	(80)
Capital contribution from non-controlling interests	-	93
Capital reduction to non-controlling interests	-	(112)
Proceeds from partial disposal of shareholdings in a subsidiary	-	109
Drawdown of loans and borrowings	1,055	4,601
Perpetual securities distribution paid	(69)	(70)
Proceeds of loans from non-controlling interests	-	56
Proceeds from equity-settled share-based options	-	7
Purchase of treasury shares	(1)	(31)
Repayment of loans and borrowings	(365)	(2,818)
Repayment of lease liabilities	(8)	(7)
Finance costs paid	(147)	(207)
Net cash flows generated from financing activities	438	1,541
NET INCREASE IN CASH AND CASH EQUIVALENTS	77	783
Effects of foreign exchange rate changes	56	(10)
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	1,462	1,659
	As at 31.7.2021 Unaudited RM million	As at 31.7.2020 Unaudited RM million
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	1,946	2,533
Less: Restricted cash	(484)	(874)
	1,462	1,659

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 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 31 July 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 31 July 2021 except for:

(a) 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 31 July 2021 except for: (continued)

(a) 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

(b) Acquisition of associates

On 31 March 2021, Yinson Venture Capital Pte. Ltd. ("YVCPL"), an indirect wholly-owned subsidiary of the Group, completed the acquisition of its 10.4% equity interest in Lift Ocean AS for a total cash consideration of NOK2 million (RM1 million).

On 4 June 2021, YVCPL completed the acquisition of its 5.36% equity interest in MooVita Pte. Ltd. for a total cash consideration of SGD5 million (RM16 million).

On 11 June 2021, YVCPL completed the acquisition of its 20.8% equity interest in Oyika Pte. Ltd. for a total cash consideration of USD5 million (RM21 million).

6. Segment information

For the Six Months Period Ended 31 July 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	1,350	658	2,008	157	38	2,203
Elimination	-	(1)	(1)	(156)	-	(157)
Net revenue	1,350	657	2,007	1	38	2,046
Results						
Segment results	221	359	580	(34)	18	564
Finance costs						(180)
Share of profit of joint ventures						11
Income tax expense						(91)
Profit after tax						304

6. Segment information (continued)

For the Six Months Period Ended 31 July 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	655	909	1,564	321	-	1,885
Elimination	-	(225)	(225)	(321)	-	(546)
Net revenue	655	684	1,339	-	-	1,339
Results						
Segment results	118	326	444	(28)	(3)	413
Finance costs						(169)
Share of loss of joint ventures						(5)
Income tax expense						(65)
Profit after tax						174

For management purposes, the Group is organised 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.

Offshore Production & Offshore Marine

Revenue for the financial period under review has increased significantly by RM668 million to RM2,007 million as compared to RM1,339 million in the corresponding financial period ended 31 July 2020. The increased revenue is mainly due to increased contribution from EPCIC business activities related to FPSO Anna Nery. Meanwhile, the segment results increased by RM136 million to RM580 million as compared to RM444 million in the corresponding financial period ended 31 July 2020 mainly attributed to afore-mentioned contribution effect from EPCIC business activities and contribution from FPSO Abigail-Joseph which commenced its lease in October 2020.

Other Operations

The segment results for financial period under review has incurred losses of RM34 million, net after group elimination as compared to losses of RM28 million in the corresponding financial period ended 31 July 2020. The higher 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.

Renewables

The segment results for financial period under review has increased by RM21 million to RM18 million as compared to loss of RM3 million in the corresponding financial period ended 31 July 2020. The positive results were 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 RM11 million for the financial period under review as compared to share of loss of RM5 million for the corresponding financial period ended 31 July 2020 mainly due to recovery of certain operating overheads incurred in the previous year.

6. Segment information (continued)

Consolidated profit after tax

The Group's profit after tax increased by RM130 million or 74.7% to RM304 million as compared to RM174 million for the corresponding financial period ended 31 July 2020, which was mainly attributed to the higher revenue and improved contribution from EPCIC business activities related to FPSO Anna Nery and higher contribution from FPSO Abigail-Joseph which commenced its lease in October 2020. Additional positive contributions for the reported period came from the absence of impairment loss on tax recoverable of RM12 million and decrease in impairment loss on property, plant and equipment of RM19 million. The positive contributions were partially offset by the decrease in other income of RM15 million and increase in finance costs of RM11 million. The increase in finance costs 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 RM77 million to RM2,755 million from RM2,678 million for the last audited financial year ended 31 January 2021. The Group's current liabilities increased by RM1,294 million to RM3,146 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") decreased to 0.88 times as compared to 1.45 times of the last audited financial year ended 31 January 2021. The lower ratio is in accordance with the deliberation on the movement of the Group's current assets and current liabilities. Current ratio is expected to improve upon the drawdown of a secured USD670 million syndicated long-term loan facility for the FPSO Anna Nery project to repay the existing utilised short-term bridge loan.

Net Gearing Ratio (Calculated as "Total Loans and Borrowings" less "Cash and Bank Balances plus liquid investments" divided by "Total Equity") is 1.14 times as compared to 1.01 times for the last audited financial year ended 31 January 2021. The change is the result of the Group's higher leverage on additional loans and borrowings drawdown to fund project execution needs where the ratio is moderated by the Group's enhanced total equity position of RM4,487 million.

7. Profit Before Tax

Included in the profit before tax are the following items:

	Current quarter 3 months ended		Cumulative 6 months ended	
	31.7.2021 Unaudited RM million	31.7.2020 Unaudited RM million	31.7.2021 Unaudited RM million	31.7.2020 Unaudited RM million
Interest income	(8)	(7)	(12)	(12)
Other income including investment income	(2)	(22)	(4)	(27)
Finance costs	96	77	180	169
Depreciation of property, plant and equipment	60	62	119	124
Amortisation of intangible assets	14	15	27	29
(Gain)/Loss on disposal on other investments	-	2	-	2
Impairment loss/(Reversal of impairment loss):				
- Trade and other receivables	2	(5)	2	(5)
- Advances to a joint venture	-	(3)	-	(3)
- Tax recoverable	-	12	-	12
- Property, plant and equipment	-	15	3	22
Fair value (gain)/loss on investment properties	-	3	-	3
Net (gain)/loss on foreign exchange	(15)	23	(22)	(13)
Net fair value (gain)/loss on other investments	-	(1)	-	(1)
Bad debts written off	-	1	-	1

8. Income Tax Expense

The income tax expense consists of:

	Current quarter 3 months ended		Cumulative 6 months ended	
	31.7.2021 Unaudited RM million	31.7.2020 Unaudited RM million	31.7.2021 Unaudited RM million	31.7.2020 Unaudited RM million
Current income tax	24	21	47	41
Deferred income tax	25	24	44	24
Total income tax expense	49	45	91	65

The effective tax rate for the current quarter ended 31 July 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.

9. Earnings Per Share (continued)

(b) Basic (continued)

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	
	31.7.2021 Unaudited	31.7.2020 Unaudited	31.7.2021 Unaudited	31.7.2020 Unaudited
Profit net of tax attributable to owners of the Company used in the computation of EPS (RM million)	126	100	238	147
Weighted average number of ordinary shares in issue ('000)	1,065,264	1,068,251	1,065,264	1,068,251
Basic earnings per share (sen)	11.8	9.4	22.3	13.8

(c) 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	
	31.7.2021 Unaudited	31.7.2020 Unaudited	31.7.2021 Unaudited	31.7.2020 Unaudited
Adjusted profit net of tax attributable to owners of the parent used in the computation of EPS (RM million)	126	100	238	147
Weighted average number of ordinary shares in issue ('000)	1,065,264	1,068,251	1,065,264	1,068,251
Adjustments for ESS ('000)	2,468	4,765	2,468	4,765
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,067,732	1,073,016	1,067,732	1,073,016
Diluted earnings per share (sen)	11.8	9.3	22.3	13.7

10. Acquisitions and disposals of property, plant and equipment

There was no material acquisition and disposal during the current financial period under review.

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.

11. Fair Value Hierarchy (continued)

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 year under review.

- (a) The Company increased its issued and paid-up share capital by way of issuance of 218,900 new ordinary shares arising from the exercise of options under Employees' Share Scheme; and
- (b) The Company repurchased 271,800 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 2021 and 31 July 2020 are as follows:

	As at 31 July 2021		
	Short term RM million	Long term RM million	Total borrowings RM million
Secured			
Term loans	1,742	4,894	6,636
Revolving credits	9	-	9
	1,751	4,894	6,645
Unsecured			
Term loans	-	424	424
Revolving credits	78	-	78
	78	424	502
Total loans and borrowings	1,829	5,318	7,147

	As at 31 July 2020		
	Short term RM million	Long term RM million	Total borrowings RM million
Secured			
Term loans	488	5,126	5,614
	488	5,126	5,614
Unsecured			
Revolving credits	41	-	41
	41	-	41
Total loans and borrowings	529	5,126	5,655

Except for the borrowings of RM6,719 million (31 July 2020: RM5,614 million) denominated in US Dollar and RM350 million (31 July 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 31 July 2021, there were no material capital commitments not provided for in the interim condensed financial statements.

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 quarter 3 months ended		Cumulative 6 months ended	
	31.7.2021 RM million	31.7.2020 RM million	31.7.2021 RM million	31.7.2020 RM million
<u>Joint ventures</u>				
- dividend income	-	-	30	17
- interest income	-	1	-	2
- management fee income	3	3	6	6
- finance lease income	1	1	1	1
- reimbursement	2	20	2	20
- 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 31.7.2021 RM million	Immediate Preceding Quarter 30.4.2021 RM million	Changes	
			RM million	%
Revenue	1,054	992	62	6.3%
Direct expenses	(705)	(668)	(37)	5.5%
Gross profit	349	324	25	7.7%
Other operating income	24	13	11	84.6%
Administrative expenses	(78)	(68)	(10)	14.7%
Profit from operations	295	269	26	9.7%
Finance costs	(96)	(84)	(12)	14.3%
Share of profit of joint ventures	9	2	7	350.0%
Profit before tax	208	187	21	11.2%
Income tax expense	(49)	(42)	(7)	16.7%
Profit after tax	159	145	14	9.7%

For the quarter under review, the Group reported a higher revenue of RM1,054 million compared to Q1 FY22's revenue of RM992 million. The increase was mainly due to higher revenue recognised in EPCIC business activities, i.e. the FPSO Anna Nery conversion.

The Group's profit before tax for the second quarter of current financial year increased by 11.2% or RM21 million to RM208 million as compared to the RM187 million in the preceding quarter. The increase was mainly due to the higher revenue and improved contribution from EPCIC business activities, favourable foreign exchange movement of RM8 million and increase in share of profit from joint ventures of RM7 million, which offset the impact of the increase in finance costs of RM12 million.

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

(a) Collaboration with Chile-based renewable energy developer Verano Capital Holdings SpA ("Verano") to progress 800MW pipeline of solar projects in Latin America

Yinson Holdings Berhad ("Yinson"), through its wholly-owned subsidiary, Yinson Renewables Pte Ltd, has agreed to collaborate with Verano for renewable energy projects in Chile, Colombia and Peru. The collaboration initially targets to progress a pipeline of over 800MW of utility scale solar projects, of which 330MW are expected to be consented within the next 6 to 12 months. Due to their strategic locations, these projects are anticipated to enable Yinson and Verano to offer attractive power offtake prices to energy buyers.

Yinson and Verano will focus on completing the consenting process for the most advanced projects in this collaboration, and subject to Yinson's final investment decisions, Yinson and Verano aim to begin construction on the first 100MW within the next 6 months.

(b) Extension of BBC Charter Contract for provision and chartering of FPSO Lam Son

On 30 June 2021, PTSC Asia Pacific Pte. Ltd., a joint venture company of Yinson, entered into an addendum to the BBC Charter Contract with Petrovietnam Technical Services Corp to extend the tenure of the BBC Charter Contract for a further period of three hundred and sixty-five (365) days from 1 July 2021 to 30 June 2022 ("First Addendum"). The said extension period shall consist of the following: (i) Firm Period from 1 July 2021 to 31 December 2021; and (ii) Option Period from 1 January 2022 to 30 June 2022. The value of the First Addendum is estimated to be USD18 million (equivalent to approximately RM75 million).

Save for the extension of the tenure and the revision of compensation of the BBC Charter Contract, the terms under the BBC Charter Contract remain unchanged.

The First Addendum will not have any effect on the share capital and shareholding structure of the Company. However, it is expected to have positive impact on 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.

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 and the Company.

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 was approved by shareholders at the Annual General Meeting held on 15 July 2021. The dividend was paid on 24 August 2021.

In addition, the Board of Directors has declared an interim single-tier dividend of 4.0 sen per ordinary share for the financial year ending 31 January 2022, amounting to approximately RM43 million. The interim single-tier dividend entitlement date and payable date are 30 November 2021 and 17 December 2021 respectively.

26. Derivatives

Details of derivative financial instruments outstanding as at 31 July 2021 are as follows:

Types of derivatives	Contract / Notional Amount RM million	Fair Value Assets/ (Liabilities) RM million
<u>Interest rate swaps</u> More than 3 years	4,000	(182)

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 RM931 million that pays floating interest at 3 months US\$ LIBOR; and
- ii. contracts amounting to RM3,069 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 2021, the fair value movement on interest rate swap derivatives measured at fair value through the reserve was RM49 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 23 September 2021.