



CONDENSED CONSOLIDATED INCOME STATEMENT
For The Twelve Months Year Ended 31 January 2020

	Individual Period (4th quarter)				Cumulative Period			
	Current Year Quarter 31.1.2020 Unaudited RM'000	Preceding Year Corresponding Quarter 31.1.2019 Unaudited RM'000	Changes (Amount / %) RM'000 %		Current Year To date 31.1.2020 Unaudited RM'000	Preceding Year Corresponding Period 31.1.2019 Audited RM'000	Changes (Amount / %) RM'000 %	
Revenue	1,855,939	287,601	1,568,338	545.3%	2,519,340	1,034,899	1,484,441	143.4%
Direct expenses	(1,655,233)	(129,829)	(1,525,404)	1174.9%	(1,929,736)	(440,454)	(1,489,282)	338.1%
Gross profit	200,706	157,772	42,934	27.2%	589,604	594,445	(4,841)	-0.8%
Other operating income	22	(6,011)	6,033	-100.4%	36,666	50,593	(13,927)	-27.5%
Administrative expenses	(48,459)	(8,478)	(39,981)	471.6%	(107,175)	(128,427)	21,252	-16.5%
Profit from operations	152,269	143,283	8,986	6.3%	519,095	516,611	2,484	0.5%
Finance costs	(54,777)	(48,673)	(6,104)	12.5%	(198,369)	(185,559)	(12,810)	6.9%
Share of (loss)/profit of joint ventures	(1,280)	1,082	(2,362)	-218.3%	10,392	12,659	(2,267)	-17.9%
Share of (loss)/profit of associates	-	(28)	28	-100.0%	-	150	(150)	-100.0%
Profit before tax	96,212	95,664	548	0.6%	331,118	343,861	(12,743)	-3.7%
Income tax expense	(19,337)	(24,028)	4,691	-19.5%	(69,821)	(79,482)	9,661	-12.2%
Profit for the period	76,875	71,636	5,239	7.3%	261,297	264,379	(3,082)	-1.2%
Profit attributable to:								
Owners of the Company	64,946	60,700	4,246	7.0%	209,909	234,896	(24,987)	-10.6%
Non-controlling interests	11,929	10,936	993	9.1%	51,388	29,483	21,905	74.3%
	76,875	71,636	5,239	7.3%	261,297	264,379	(3,082)	-1.2%
Earnings per share attributable to owners of the Company:								
Basic (sen)	5.88	5.54	0.34	6.1%	18.90	21.43	(2.53)	-11.8%
Diluted (sen)	5.85	5.52	0.33	6.0%	18.80	21.34	(2.54)	-11.9%

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For The Twelve Months Year Ended 31 January 2020

	Individual Period (4th quarter)				Cumulative Period			
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes		Current Year To date	Preceding Year Corresponding Period	Changes	
	31.1.2020 Unaudited RM'000	31.1.2019 Unaudited RM'000	(Amount / %) RM'000	%	31.1.2020 Unaudited RM'000	31.1.2019 Audited RM'000	(Amount / %) RM'000	%
Profit for the period/year	76,875	71,636	5,239	7.3%	261,297	264,379	(3,082)	-1.2%
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:								
- Exchange differences on translation of foreign operations	(86,278)	(71,945)	(14,333)	19.9%	(11,069)	134,300	(145,369)	-108.2%
- Cash flows hedge reserve	(8,842)	(54,525)	45,683	-83.8%	(116,728)	6,722	(123,450)	-1836.5%
- Put option reserve	9,304	-	9,304	-100.0%	288	-	288	-100.0%
Total comprehensive (loss)/income for the period/year	(8,941)	(54,834)	45,893	-83.7%	133,788	405,401	(271,613)	-67.0%
Total comprehensive (loss)/income for the period/year attributable to:								
Owners of the Company	(12,743)	(45,956)	33,213	-72.3%	103,192	371,660	(268,468)	-72.2%
Non-controlling interests	3,802	(8,878)	12,680	-142.8%	30,596	33,741	(3,145)	-9.3%
	(8,941)	(54,834)	45,893	-83.7%	133,788	405,401	(271,613)	-67.0%

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 January 2020

	AS AT 31.1.2020 Unaudited RM'000	AS AT 31.1.2019 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,843,583	5,298,201
Investment properties	17,708	20,108
Intangible assets	394,848	401,468
Investment in joint ventures	478,558	483,040
Investment in associates	1,714	1,718
Deferred tax assets	1,171	-
Other assets	68,819	14,754
Other investments	13,570	-
Finance lease receivables	1,409,037	15,169
	7,229,008	6,234,458
Current assets		
Inventories	22,080	9,926
Trade and other receivables	321,383	282,101
Amounts due from joint ventures	178,453	147,095
Other assets	159,271	115,151
Finance lease receivables	140,192	468
Tax recoverable	66	3,703
Derivatives	-	893
Other investments	188,762	72,226
Cash and bank balances	1,276,190	1,217,279
	2,286,397	1,848,842
TOTAL ASSETS	9,515,405	8,083,300

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 January 2020

	AS AT 31.1.2020 Unaudited RM'000	AS AT 31.1.2019 Audited RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	1,106,639	1,101,090
Treasury shares	(125,214)	(43,829)
Foreign currency translation reserve	150,175	160,617
Cash flows hedge reserve	(132,227)	(35,664)
Share-based option reserve	6,916	2,140
Put option reserve	(412,398)	(455,725)
Retained earnings	1,042,066	1,016,783
Equity attributable to owners of the Company	1,635,957	1,745,412
Perpetual securities issued by subsidiaries	1,847,675	1,575,885
Non-controlling interests	290,237	302,680
Total equity	3,773,869	3,623,977
Non-current liabilities		
Loans and borrowings	3,354,359	2,748,368
Lease liabilities	18,646	-
Other payables	714,070	355,344
Derivatives	138,700	36,358
Deferred tax liabilities	1,440	546
	4,227,215	3,140,616
Current liabilities		
Loans and borrowings	476,044	401,362
Lease liabilities	12,747	-
Trade and other payables	493,433	371,221
Amounts due to joint ventures	2,903	8,528
Dividend payable	36	77
Unfavourable contracts	-	4,906
Derivatives	17,454	3,082
Put option liability	412,398	455,725
Tax payables	99,306	73,806
	1,514,321	1,318,707
Total liabilities	5,741,536	4,459,323
TOTAL EQUITY AND LIABILITIES	9,515,405	8,083,300
Net assets per share attributable to owners of the Company (RM)	1.49	1.60

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Twelve Months Year Ended 31 January 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	Capital 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 2018	1,099,490	(12,633)	34,351	(46,162)	1,962	96,690	-	826,703	2,000,401	632,162	595	2,633,158
Impacts arising from application of MFRS 9	-	-	-	-	-	-	-	(18,526)	(18,526)	-	-	(18,526)
At 1 February 2018 (Restated)	1,099,490	(12,633)	34,351	(46,162)	1,962	96,690	-	808,177	1,981,875	632,162	595	2,614,632
Total comprehensive income for the year	-	-	126,266	10,498	-	-	-	234,896	371,660	-	33,741	405,401
Paid and accrued perpetual securities distribution by subsidiaries	-	-	-	-	-	-	-	(93,683)	(93,683)	-	-	(93,683)
Issue of perpetual securities by a subsidiary	-	-	-	-	-	-	-	-	-	943,723	-	943,723
Effect of changes in shareholding in subsidiaries	-	-	-	-	-	-	(455,725)	175,861	(279,864)	-	291,505	11,641
Exercise of ESS	1,600	-	-	-	(341)	-	-	-	1,259	-	-	1,259
Issuance of ESS	-	-	-	-	519	-	-	-	519	-	-	519
Cash dividends to owners of the Company	-	-	-	-	-	-	-	(108,468)	(108,468)	-	-	(108,468)
Cash dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(23,161)	(23,161)
Purchase of treasury shares	-	(31,196)	-	-	-	-	-	-	(31,196)	-	-	(31,196)
Redemption of convertible notes instrument by a subsidiary	-	-	-	-	-	(96,690)	-	-	(96,690)	-	-	(96,690)
At 31 January 2019 (Audited)	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
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 (loss)/income for the year	-	-	(10,442)	(96,563)	-	-	288	209,909	103,192	-	30,596	133,788
Paid and accrued perpetual securities distribution by subsidiaries	-	-	-	-	-	-	-	(133,358)	(133,358)	-	-	(133,358)
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	5,549	-	-	-	(993)	-	-	-	4,556	-	-	4,556
Issuance of ESS	-	-	-	-	5,769	-	-	-	5,769	-	-	5,769
Cash dividends to owners of the Company	-	-	-	-	-	-	-	(64,759)	(64,759)	-	-	(64,759)
Cash dividends to non-controlling interests	-	-	-	-	-	-	43,039	-	43,039	-	(43,039)	-
Purchase of treasury shares	-	(81,385)	-	-	-	-	-	-	(81,385)	-	-	(81,385)
At 31 January 2020 (Unaudited)	1,106,639	(125,214)	150,175	(132,227)	6,916	-	(412,398)	1,042,066	1,635,957	1,847,675	290,237	3,773,869

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The Twelve Months Year Ended 31 January 2020

	Cumulative Period	
	31.1.2020 Unaudited RM'000	31.1.2019 Audited RM'000
OPERATING ACTIVITIES		
Profit before tax	331,118	343,861
Adjustments for:		
Amortisation and depreciation	251,101	284,549
Amortisation of unfavourable contracts	(4,958)	(19,436)
Unrealised gain on foreign exchange	(5,730)	(23,020)
Finance costs	197,476	184,812
Loss/(gain) on disposal on other investments	848	(125)
Gain on disposal of associates companies	-	(21)
Fair value loss on investment properties	2,400	4,200
Impairment loss on property, plant and equipment	4,883	33,030
Impairment loss on trade and other receivables	1,739	2,956
(Reversal of)/impairment loss on advances to a joint venture	(241)	3,478
Impairment loss on investment in a joint venture	-	12,892
Impairment loss on tax recoverable	2,069	3,686
Loss on disposal of property, plant and equipment	889	5
Net fair value loss on derivatives	893	747
Net fair value (gain)/loss on other investments	(496)	1,158
Property, plant and equipment written off	28	-
Bad debt written off	424	-
Share of profit of associates	-	(150)
Share of profit of joint ventures	(10,392)	(12,659)
Finance lease income	(24,456)	
Interest income	(21,107)	(17,817)
Operating cash flows before working capital changes	726,488	802,146
Receivables	(93,522)	122,766
Other current assets	(36,744)	(104,166)
Inventories	(12,153)	(5,548)
Payables	368,461	(106,838)
Cash flows from operations	952,530	708,360
Interest received	21,107	17,817
Interest paid	(196,353)	(142,386)
Tax paid	(39,903)	(53,963)
Net cash flows generated from operating activities	737,381	529,828
INVESTING ACTIVITIES		
Investment in subsidiaries	-	834
Dividend received from joint ventures	14,210	59,631
Proceeds from capital reduction of a joint venture	-	80,919
Withdrawal/(placement) of short term investment	361	(10)
Proceeds from disposal of other investments	70,577	30,492
Proceeds from disposal of property, plant and equipment	1,563	649
Proceeds from disposal of shareholdings in a subsidiary	-	415,786
Purchase of intangible assets	(7,004)	(382,587)
Purchase of property, plant and equipment	(1,215,647)	(787,736)
Purchase of other investments	(198,165)	(20,000)
Withdrawal/(placement) of deposits pledged as security	102,700	(131,047)
Net cash flows used in investing activities	(1,231,405)	(733,069)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The Twelve Months Year Ended 31 January 2020

	Cumulative Period	
	31.1.2020 Unaudited RM'000	31.1.2019 Audited RM'000
FINANCING ACTIVITIES		
Advances to directors	-	(1,213)
Dividends paid to owners of the Company	(64,759)	(108,468)
Dividends paid to non-controlling interests	(43,039)	(23,161)
Drawdown of loans and borrowings	1,248,691	788,399
Perpetual securities distribution paid	(71,653)	(78,064)
Proceeds from equity-settled share-based options	4,490	1,224
Proceeds from issuance of perpetual securities	490,050	943,723
Purchase of treasury shares	(81,385)	(31,196)
Repayment of loans and borrowings	(556,011)	(864,020)
Repayment of lease liabilities	(11,351)	(456)
Repayment of perpetual securities	(203,750)	-
Net cash flows generated from financing activities	711,283	626,768
NET INCREASE IN CASH AND CASH EQUIVALENTS	217,259	423,527
Effects of foreign exchange rate changes	(54,410)	8,687
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	723,509	291,295
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	886,358	723,509
	As at 31.1.2020 Unaudited RM'000	As at 31.1.2019 Audited RM'000
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	1,276,190	1,217,279
Short term investment	-	(361)
Deposits pledged to banks	(389,832)	(493,409)
	886,358	723,509

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

1. Basis of Preparation

This unaudited condensed consolidated interim financial statements (Condensed Report) of Yinson Holdings Berhad (the "Group" or "YHB") for the financial year ended 31 January 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 2019. The significant accounting policies and methods adopted for the Condensed Report are consistent with those adopted for the audited financial statements for the financial year ended 31 January 2019 except for the adoption of Amendments to Standards and Issue Committee (IC) Interpretations effective as of 1 February 2019.

- Amendments to MFRS 9 "Prepayment Features with Negative Compensation"
- Amendments to MFRS 128 "Long-term Interests in Associates and Joint Ventures"
- MFRS 16 "Leases"
- IC Interpretation 23 "Uncertainty over Income Tax Treatments"
- Annual Improvements to MFRSs 2015 - 2017 Cycle
 - MFRS 3 "Business Combinations"
 - MFRS 11 "Joint Arrangements"
 - MFRS 112 "Income Taxes"
 - MFRS 123 "Borrowing Costs"

The adoption of the above amendments to published standards does not have any material impact to the Group, other than MFRS 16 as disclosed in Note 27.

MFRSs and Amendments to MFRSs issued but not yet effective

At the date of authorisation of the Condensed Report, the following Standards were issued but not yet effective and have not been adopted by the Group.

Effective for financial periods beginning on or after 1 February 2020

- Amendments to MFRS 2 "Share-based Payment"
- Amendments to MFRS 3 "Business Combinations"
- Amendments to MFRS 101 "Presentation of Financial Statements"
- Amendments to MFRS 108 "Accounting Policies, Changes in Accounting Estimates and Errors"
- Amendments to MFRS 134 "Interim Financial Reporting"
- Amendments to MFRS 137 "Provisions, Contingent Liabilities and Contingent Assets"
- Amendments to MFRS 138 "Intangible Assets"

The Directors expect that the adoption of the above standards and interpretations will either not 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 year ended 31 January 2020.

4. Changes in Accounting Estimate

There were no material changes in accounting estimates during the financial year 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 year ended 31 January 2020 except for:

Incorporation of subsidiaries

Name of subsidiaries	Date of incorporation	Country of incorporation	Proportion of ownership interest (%)	Principal activities
Yinson Boronia Production B.V.	25 February 2019	Netherlands	100%	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Yinson Global Corporation (HK) Limited	9 May 2019	Hong Kong	100%	Investment holdings
Yinson Boronia Servicos De Operacao Ltda	15 May 2019	Brazil	100%	Provision of operations and maintenance services of floating marine assets to the offshore oil and gas industry
Yinson Renewables (HK) Limited	9 July 2019	Hong Kong	100%	Investment holdings
Yinson Global Corporation (S) Pte Ltd	27 August 2019	Singapore	100%	Investment holdings
Yinson Camellia Sdn Bhd	27 August 2019	Malaysia	100%	Chartering of offshore support vessels

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

There were no changes in the composition of the Group during the financial year ended 31 January 2020 except for: (continued)

Incorporation of subsidiaries (continued)

Name of subsidiaries	Date of incorporation	Country of incorporation	Proportion of ownership interest (%)	Principal activities
Yinson Renewables (S) Pte Ltd	1 November 2019	Singapore	100%	Investment holdings
Yinson Renewables AS	8 November 2019	Norway	100%	Investment holdings and provision of management services
Yinson Offshore Services Sdn Bhd	27 November 2019	Malaysia	100%	Investment holding
Yinson Renewables (UK) Limited	12 December 2019	United Kingdom	100%	Activities of head office

6. Segmental Information

For the Twelve Months Year Ended 31 January 2020

	Offshore & Marine RM'000	Other Operations RM'000	Consolidated RM'000
Revenue			
Gross revenue	2,574,943	632,922	3,207,865
Elimination	(68,522)	(620,003)	(688,525)
Net revenue	2,506,421	12,919	2,519,340
Results			
Segment results	519,426	(331)	519,095
Finance costs			(198,369)
Share of profit of joint ventures			10,392
Income tax expense			(69,821)
Profit after tax			261,297

6. Segmental Information (continued)

For the Twelve Months Year Ended 31 January 2019

	Offshore & Marine RM'000	Other Operations RM'000	Consolidated RM'000
Revenue			
Gross revenue	1,168,786	517,110	1,685,896
Elimination	(148,065)	(502,932)	(650,997)
Net revenue	1,020,721	14,178	1,034,899
Results			
Segment results	520,553	(3,942)	516,611
Finance costs			(185,559)
Share of profit of joint ventures			12,659
Share of profit of associates			150
Income tax expense			(79,482)
Profit after tax			264,379

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

- a) Offshore & marine segment consists of leasing of vessels and marine related services.
- b) Other operations mainly consist of investment, management services, treasury services and renewable business start-up.

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

Offshore & Marine

Revenue for the financial year under review has significantly increased by RM1,485.70 million to RM2,506.42 million as compared to RM1,020.72 million in the corresponding financial year ended 31 January 2019. The spike is mainly due to commencement of lease for FPSO Helang that gave rise to outright sale recognition under classification of a finance lease. Meanwhile, the segment results lower marginally by RM1.12 million to RM519.43 million as compared to RM520.55 million in the corresponding financial year ended 31 January 2019 where the loss income from FPSO Allan was mainly set-off by fresh contribution from FPSO Helang, lower depreciation charges and lower impairment loss on property, plant and equipment.

Other Operations

The segment results for financial year under review has improved by RM3.61 million to RM0.33 million as compared to loss position of RM3.94 million in the corresponding financial year ended 31 January 2019. The improvement mainly due to lower administrative overheads set-off by net unfavorable forex exchange movement.

6. Segmental Information (continued)

Results of Joint Ventures and Associates

The share of the results of joint ventures has decreased by RM2.27 million to RM10.39 million for the financial year ended 31 January 2020 as compared to RM12.66 million for the corresponding financial year ended 31 January 2019 mainly due to higher repair and maintenance cost set-off by the absence of impairment loss on a joint venture.

As of the financial year ended 31 January 2020, the Company is left with an inactive investment in an associated company, where results contribution is immaterial.

Consolidated profit after tax

For the current financial year under review, the Group's profit after tax decreased by RM3.08 million or 1.16% to RM261.30 million as compared to RM264.38 million for the corresponding financial year ended 31 January 2019. The decrease was mainly attributable to FPSO Allan's charter cessation at the end of last financial year, lower amortisation of unfavorable contracts of RM14.48 million, net unfavorable forex movement of RM28.89 million and higher finance cost of RM12.81 million. The decrease was mainly set-off by contribution from FPSO Helang upon commencement of lease in December 2019, lower depreciation and amortisation charges of RM33.45 million, lower impairment loss on property, plant and equipment of RM28.15 million, higher other income of RM12.43 million and absence of impairment loss on investment in joint venture of RM12.89 million.

Consolidated financial position

For the current financial year under review, the Group's current assets has increased by RM437.56 million or 23.67% to RM2,286.40 million from RM1,848.84 million for the last audited financial year ended 31 January 2019. The increase mainly due to strengthened cash equivalent assets resulted from additional draw-down of loans and borrowings and new issuance of USD120.00 million Perpetual Securities. Whereas, the Group's current liabilities has increased by RM195.61 million or 14.83% to RM1,514.32 million from RM1,318.71 million for the last audited financial year ended 31 January 2019 mainly due to additional loans and borrowings drawn-down and reclassification of certain portion of loans and borrowings associated to Project Helang as current liabilities upon FPSO Helang achieved commencement of lease in December 2019.

The Group's liquidity indicators, Current Ratio (Calculated as "Current Assets" divided by "Current Liabilities") improved to 1.51 times as compared to 1.40 times for the last audited financial year ended 31 January 2019. The improvement is in accordance to the deliberation on the movement of the Group's current assets and current liabilities; and Net Gearing Ratio (Calculated as "Total Loans and Borrowings" less "Cash and Bank Balances plus other investments" divided by "Total Equity") is 0.63 times as compared to 0.51 times for the last audited financial year ended 31 January 2019, the leverage of the Group higher mainly attributed to higher loans and borrowings drawdown to fund project execution needs.

7. Profit Before Tax

Included in the profit before tax are the following items:

	Current quarter 3 months ended		Cumulative 12 months ended	
	31.1.2020 Unaudited RM'000	31.1.2019 Unaudited RM'000	31.1.2020 Unaudited RM'000	31.1.2019 Audited RM'000
Interest income	(2,158)	(7,747)	(21,107)	(17,817)
Other income including investment income	(9,263)	(2,417)	(15,229)	(2,887)
Finance costs	54,703	47,883	197,476	184,812
Depreciation of property, plant and equipment	63,319	73,486	238,085	279,047
Amortisation of intangible assets	8,985	1,334	13,016	5,502
Amortisation of unfavourable contracts	4	(4,990)	(4,958)	(19,436)
(Gain)/loss on disposal on property, plant and equipment	(1)	(250)	889	5
Loss/(gain) on disposal on other investments	238	(2)	848	(125)
(Reversal of)/impairment loss on trade and other receivables	(509)	2,956	1,739	2,956
Impairment loss on investment in a joint venture	-	12,892	-	12,892
Impairment loss/(reversal of impairment loss) on advances to a joint venture	-	3,478	(241)	3,478
Impairment loss on tax recoverable	2,069	3,686	2,069	3,686
(Reversal of)/impairment loss on property, plant and equipment	(4)	(38,767)	4,883	33,030
Fair value loss on investment properties	-	-	2,400	4,200
Property, plant and equipment written off	-	-	28	-
Net gain/(loss) on foreign exchange	8,776	16,549	166	(28,723)
Net fair value (gain)/loss on other investments	(284)	(246)	(496)	1,158
Net fair value loss on derivatives	74	791	893	747
Bad debts (written back)/written off	(158)	-	424	-
Gain on disposal of associated companies	-	(21)	-	(21)

8. Income Tax Expense

The income tax expense figures consist of:

	Current quarter 3 months ended		Cumulative 12 months ended	
	31.1.2020 Unaudited RM'000	31.1.2019 Unaudited RM'000	31.1.2020 Unaudited RM'000	31.1.2019 Audited RM'000
Current income tax	19,597	23,530	69,883	78,984
Deferred income tax	(260)	498	(62)	498
Total income tax expense	19,337	24,028	69,821	79,482

The effective tax rate for the current quarter ended 31 January 2020 is lower than the statutory tax rate in Malaysia due to certain income of subsidiaries that are not subject to tax or subject to lower tax rates.

9. Earnings Per Share

(a) Basic

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

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

	Current quarter 3 months ended		Cumulative 12 months ended	
	31.1.2020 Unaudited	31.1.2019 Unaudited	31.1.2020 Unaudited	31.1.2019 Audited
Profit net of tax attributable to owners of the Company used in the computation of EPS (RM'000)	64,946	60,700	209,909	234,896
Weighted average number of ordinary shares in issue ('000)	1,104,156	1,094,800	1,110,516	1,095,957
Basic earnings per share (sen)	5.88	5.54	18.90	21.43

9. Earnings Per Share (continued)

(b) Diluted

Diluted earnings per share are calculated by dividing the Group's profit for the financial year 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 12 months ended	
	31.1.2020 Unaudited	31.1.2019 Unaudited	31.1.2020 Unaudited	31.1.2019 Audited
Adjusted profit net of tax attributable to owners of the parent used in the computation of EPS (RM'000)	65,433	60,921	212,509	235,782
Weighted average number of ordinary shares in issue ('000)	1,104,156	1,094,800	1,110,516	1,095,957
Adjustments for ESS ('000)	14,990	8,969	19,843	8,969
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,119,146	1,103,769	1,130,359	1,104,926
Diluted earnings per share (sen)	5.85	5.52	18.80	21.34

10. Acquisitions and disposals of property, plant and equipment

There was no material acquisition and disposal during the current financial year under review except for acquisition of property, plant & equipment ("PPE") with aggregate cost of RM1,329.77 million (31 January 2019: RM851.15 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 year under review.

- (a) Yinson Juniper Ltd (“YJL”), a wholly-owned subsidiary of YHB has completed 2 fresh issuances of Perpetual Securities valued USD90 million and USD30 million respectively on bought deal basis under its USD500 million Multi-Currency Perpetual Securities Programme (“Programme”) on 29 March 2019 and 5 April 2019 respectively.

The Programme is unconditionally and irrevocably guaranteed by YHB. The Perpetual Securities have a perpetual tenor with a call option on the fifth anniversary of their issuance. They were issued at par with a coupon rate of 8.10% per annum and will subject to an agreed step-up margin of 5% per annum above the prevailing U.S. Treasury Rate after First Reset Date.

- (b) On 25 March 2019, Yinson TMC Sdn Bhd (“YTMC”), a wholly-owned subsidiary of YHB had fully repurchased and cancelled the outstanding USD50 million hybrid Perpetual Securities.
- (c) The Company increased its issued and paid-up share capital by way of issuance of 1,499,600 new ordinary shares arising from the exercise of options under Employees’ Share Scheme; and
- (d) The Company repurchased 13,059,700 of its issued shares from open market on Bursa Malaysia Securities Berhad.

13. Interest-bearing Loans and Borrowings

The Group’s total borrowings as at 31 January 2020 and 31 January 2019 are as follows:

	As at 31 January 2020		
	Short term RM'000	Long term RM'000	Total borrowings RM'000
<u>Secured</u>			
Term loans	368,288	3,354,359	3,722,647
Revolving credits	16,446	-	16,446
	384,734	3,354,359	3,739,093
<u>Unsecured</u>			
Revolving credits	91,310	-	91,310
	91,310	-	91,310
Total loans and borrowings	476,044	3,354,359	3,830,403

13. Interest-bearing Loans and Borrowings (continued)

	As at 31 January 2019		
	Short term RM'000	Long term RM'000	Total borrowings RM'000
Secured			
Term loans	228,971	2,747,342	2,976,313
Obligations under finance lease	349	1,026	1,375
Revolving credits	413	-	413
	229,733	2,748,368	2,978,101
Unsecured			
Revolving credits	171,629	-	171,629
	171,629	-	171,629
Total loans and borrowings	401,362	2,748,368	3,149,730

Except for the borrowings of RM3,764.01 million (31 January 2019: RM3,076.45 million) denominated in US Dollar, all other borrowings are denominated in Ringgit Malaysia.

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

14. Dividend Paid

Dividend approved and paid in respect of ordinary shares:

	As at 31 January 2020		As at 31 January 2019	
	Dividend per share Sen	Amount of single-tier dividend RM'000	Dividend per share Sen	Amount of single-tier dividend RM'000
The Company				
Interim dividend in respect of the financial year ended: - 31 January 2020	4.0	43,221	-	-
Final dividend in respect of the financial year ended: - 31 January 2019	2.0	21,538	-	-
Interim dividend in respect of the financial year ended: - 31 January 2019	-	-	4.0	43,311
Final dividend in respect of the financial year ended: - 31 January 2018	-	-	2.0	21,705
Special dividend in respect of the financial year ended: - 31 January 2018	-	-	4.0	43,452
Dividends recognised as distribution to ordinary equity holders of the Company	6.0	64,759	10.0	108,468

15. Capital Commitments

As at 31 January 2020, the capital commitments not provided for in the interim condensed financial statements were as follows:

- approved and contracted for – RM242.78 million
- approved but not contracted for – RM4,638.51 million

16. Changes in Contingent Liabilities and Contingent Assets

There were no material changes in contingent assets and contingent liabilities since the last audited financial statements.

17. Event After the Reporting Date

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

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

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

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

The Bareboat Charter and the O&M Agreement are hereinafter collectively referred to as the “Contracts” and Yinson West Africa, YGPL, YGOL and Aker Energy are hereinafter collectively referred to as the “Parties”.

Subject to execution of the Contracts:

- (i) The primary term of the Contracts is expected to be for a period of 10 years; and
- (ii) Aker Energy may extend such primary term for an additional 1-year period, up to 5 times, for a maximum duration of 15 years in aggregate or as otherwise agreed by the Parties.

An announcement regarding the salient terms of the Contracts including but not limited to the estimated value of the Contracts will be made upon execution of the Contracts by the Parties in due course.

17. Event After the Reporting Date (continued)

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

The execution of the Contracts is subject to the following conditions having been met:

- (i) Approval of the DWT/CTP Integrated Plan of Development by Ghanaian authorities;
- (ii) Approval by the Board of Directors of Aker Energy;
- (iii) Final Investment Decision by Aker Energy and its Co-Venturers; and
- (iv) Approval by the Board of Directors of YHB in the event of a material change to the Bareboat Charter and O&M Agreement.

The LOI indicates an intention of the Parties to enter into the Contracts. Pending the finalisation and the approval of the DWT/CTP Integrated Plan of Development and Final Investment Decision, the LOI allows YGPL to initiate the planning and engineering activities in order to maintain the schedule of the Contracts.

- (ii) Potential Part Acquisition of Ezion Holdings Limited

Please refer to details of this event as set out in section 23(b) of this Condensed Report.

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

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

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

- (iv) Effects of recent development in Covid-19 and oil price movement

Prior to March 2020, Yinson had taken measures to develop a Business Continuity Plan that minimises disruption of the Company’s daily operations and productivity in the event of unforeseen circumstances. Measures included strengthening the Company’s information technology infrastructure and building channels which allow employees to communicate and collaborate remotely, both onshore and with our offshore assets. The Business Continuity Plan enabled office-based employees to work from home without affecting their ability to carry out the business needs of the Company. Offshore personnel underwent strict quarantines before going offshore, and the Company has additional health screenings, medial PPE and awareness initiatives in place.

Concurrently in March 2020, global oil prices tumbled to below USD30 per barrel after the breakdown in OPEC and Russia talks on extending oil production cuts. The Company will continue to monitor and assess the situation and whether it impacts any existing contracts, which are typically dominated by long-term fixed contracts with reputable oil companies.

The two situations do not have an immediate financial impact to the Company. The Company will continue to monitor the developments of macro factors and take pre-emptive and proactive measures to avoid and mitigate the impact if any at all.

18. Related Party Disclosures

Significant related party transactions are as follows:

	Current quarter 3 months ended		Cumulative 12 months ended	
	31.1.2020 RM'000	31.1.2019 RM'000	31.1.2020 RM'000	31.1.2019 RM'000
<u>With companies controlled by Directors</u>				
Rental income from Kargo Indera Sdn Bhd	-	-	-	56
Service fee income from King Kong Creative Media Sdn Bhd	4	5	18	11
Service fee income from Yinson Capital Sdn Bhd	19	20	78	46
Service fee income from Manja Studios Sdn Bhd	-	5	6	11
Service fee income from Liannex Enterprise Sdn Bhd	19	20	78	46
Sales of goods to Liannex Corporation (S) Pte Ltd	-	-	101	-
Sales of barges to Yinson Power Marine Sdn Bhd	-	-	1,600	-
<u>With Joint Ventures</u>				
Dividend income from PTSC South East Asia Pte Ltd	-	-	14,210	30,101
Dividend income from PTSC Asia Pacific Pte Ltd	-	-	-	29,530
<u>With Associates</u>				
Rental income from Yinson Energy Sdn Bhd	-	-	-	11
Management fee income from Yinson Ghazania Operations Ltd	-	-	-	9
Consultancy fee to Yinson Energy Sdn Bhd	-	-	-	439
Interest income from Yinson Energy Sdn Bhd	-	-	-	4

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

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

19. Performance Review

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

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

	Current quarter 31.1.2020 RM'000	Immediate Preceding Quarter 31.10.2019 RM'000	Changes (Amount / %)	
Revenue	1,855,939	240,966	1,614,973	670.21%
Direct expenses	(1,655,233)	(104,696)	(1,550,537)	1480.99%
Gross profit	200,706	136,270	64,436	47.29%
Other operating income	22	20,026	(20,004)	-99.89%
Administrative expenses	(48,459)	(20,894)	(27,565)	131.93%
Profit from operations	152,269	135,402	16,867	12.46%
Finance costs	(54,777)	(51,614)	(3,163)	6.13%
Share of loss of joint ventures	(1,280)	(106)	(1,174)	1107.55%
Profit before tax	96,212	83,682	12,530	14.97%
Income tax expense	(19,337)	(15,889)	(3,448)	21.70%
Profit after tax	76,875	67,793	9,082	13.40%

The Group's profit before tax for the fourth quarter of current financial year is higher by 14.97% or RM12.53 million to RM96.21 million as compared to the RM83.68 million in the immediate preceding quarter. The increase was mainly attributable to the additional contribution from FPSO Helang upon commencement of lease in December 2019, higher contribution from cargo vessel charter and absence of fair value loss on investment properties of RM2.40 million but set-off by increased in administrative overheads, higher depreciation and amortisation charges of RM9.63 million, net unfavorable foreign exchange movement of RM16.64 million, higher finance cost of RM3.16 million, lower interest income of RM4.89 million, higher share of loss in joint ventures of RM1.17 million and higher income tax expenses of RM3.45 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, reflected in part by our successful bid in Brazil for the FPSO Marlim 2 project, letter of intent recently secured for the provision of an FPSO in Ghana and the recent successful deployment of FPSO Helang, together with other potential upcoming projects in the pipeline.

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

22. Profit Forecast

The disclosure requirements for explanatory notes for the variance of actual profit after tax and non-controlling interests and forecast profit after tax and non-controlling interests are not applicable.

23. Status of Corporate Proposals and Utilisation of Proceeds

(a) Contract award for Ca Rong Do Field development – Block 07/03 Offshore Vietnam (“Contract”)

On 25 March 2018, PTSC Ca Rong Do Ltd (“PTSC CRD”), a joint venture company owned by Yinson Clover Ltd (“YCL”) and PetroVietnam Technical Services Corporation (“PTSC”) (each holding 49% and 51% respectively in PTSC CRD) had received a notice (“Notice”) from PTSC under the Bareboat Charter Contract.

In the Notice, PTSC informed that on 24 March 2018, PTSC has been notified by Talisman Vietnam 07/03 B.V. (“TLV”) of a force majeure event under the Contract where TLV has been directed by Government of Vietnam not to carry out scheduled work program for CRD Project.

The Contract is a time charter contract comprising the bareboat scope of work (“Bareboat SOW”) and operation and maintenance of the FPSO.

YCL, an indirect wholly-owned subsidiary of YHB had on 26 April 2017 entered into the Contract with TLV for CRD Project. As a requirement under the bid for the Contract, YCL had also on even date entered into a novation agreement with TLV and PTSC for the novation of all rights and liabilities under the Contract to PTSC.

PTSC CRD was incorporated on 5 December 2017 to jointly undertake the execution and performance of the Bareboat SOW.

On 16 September 2019, PTSC CRD received a notice from PTSC informing that the Bareboat Charter Contract will be terminated due to a prolonged force majeure event pursuant to the terms therein. The effective date of the termination will be determined upon discussions between TLV and PTSC.

PTSC CRD will assert its rights under all relevant contracts and in laws, for any advances, claims, liabilities, losses and/or damages against or suffered by it in any way concerning the matter.

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

On 31 March 2019, Yinson Eden Pte Ltd (formerly known as Yinson Boronia Production (S) Pte Ltd) (“YEPL”), an indirect wholly owned subsidiary of the Company, had announced proposals that would result in YEPL gaining a controlling interest in EHL (“Previous Announcement”). On 1 October 2019, it was announced that as the conditions precedent in the agreements referenced in the Previous Announcement were not fulfilled by the stipulated deadline, the said agreements had thus lapsed and the respective obligations of EHL and YEPL had ceased with no further effect.

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

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

Thereon, YEPL, EHL and the lenders of EHL had remained in discussions. On 28 February 2020, YEPL entered into the following agreements to acquire a controlling equity interest in EHL:

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

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

- (ii) conditional subscription agreement with EHL in relation to YEPL and/or its nominated entities’ subscription of EHL Shares for the SGD equivalent of USD529.3 million (based on the agreed exchange rate of USD1:SGD1.38) (“Exchange Rate”) at the Issue Price (“Subscription Shares”) in consideration for the capitalisation of the Relevant Debt of USD482.3 million (“Capitalisation”) and the cash consideration of USD47.0 million (“Shares Subscription”) (“Conditional Subscription Agreement”) (“Proposed Subscription”);
- (iii) conditional options and convertible notes subscription agreement with EHL whereby EHL grants YEPL such number of unlisted and freely transferable options for Shares worth up to USD150.0 million (“Options”) of which each Option carries the right to subscribe for 1 new EHL Share (“Grant of Options”) and the subscription by YEPL of USD20.0 million in principal amount of 8.1% convertible notes to be issued by EHL (“Convertible Notes”) (“Convertible Notes Subscription”) (“Conditional Options and Convertible Notes Subscription Agreement”) (“Proposed Options and Proposed Subscription of Convertible Notes”);
- (iv) option to purchase agreement with the Major Secured Lenders whereby YEPL is given the option to purchase vessels of the EHL Group (“Option Assets”) in the event the Proposed Debt Assignment, the Proposed Subscription and the Scheme do not complete (“Option to Purchase Agreement”) (“Proposed Option to Purchase”); and
- (v) deposit agreement with EHL and the Major Secured Lenders with YEPL placing a deposit of USD20.0 million (“Deposit”) as part of the purchase consideration for the Proposed Debt Assignment (“Deposit Agreement”) whereby the Deposit will be refundable in certain circumstances.

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

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

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

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

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

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

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

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

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

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

(c) Utilisation of proceeds from the disposal of 26% equity interest of Yinson Production (West Africa) Pte Ltd to a consortium of Japanese companies

The details of the utilisation of the proceeds are as follows:

Purpose	Proposed utilisation RM’000	Actual utilisation RM’000	Intended timeframe for utilisation
Capital expenditure	100,212	100,212	Within 24 months
Repayment of borrowings	208,775	208,775	Within 24 months
Working capital	Up to 177,459	177,459	Within 24 months
Estimated expenses	2,088	2,088	Within 6 months
Total	Up to 488,534	488,534	

On 20 June 2019, Yinson Trillium Limited, a wholly-owned subsidiary of the Group, received the remaining consideration amounting to a total sum of USD13.0 million (equivalent to approximately RM54.3 million) from Japan Sankofa Offshore Production Pte. Ltd. for the disposal 26% equity interest of Yinson Production (West Africa) Pte Ltd. As such, the total final consideration for the disposal is USD117.0 million (equivalent to approximately RM488.5 million), which is the maximum consideration receivable for the disposal.

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 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 recommends a final single-tier dividend of 2.0 sen per share for the financial year ended 31 January 2020. The proposed dividend is subject to shareholders' approval at the forthcoming Annual General Meeting.

If approved, the entitlement date and payable date for the dividend would be 6 August 2020 and 28 August 2020 respectively.

26. Derivatives

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

Types of derivatives	Contract / Notional Amount RM'000	Fair Value Assets/ (Liabilities) RM'000
<u>Interest rate swaps</u> More than 3 years	2,739,137	(156,154)

The fair values of the interest rate swaps were based on quotes obtained from the respective counterparty banks.

Interest rate swaps

The Group entered into the following interest rate swap contracts to mitigate the Group's exposure from fluctuations in interest rate arising from following floating rate term loans:

- i. contracts amounting to RM1,997.40 million that pays floating interest at 3 months US\$ LIBOR; and
- ii. contracts amounting to RM741.74 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. As at 31 January 2020, the net fair value loss on interest rate swap derivative measured at fair value through the reserve is RM116.73 million.

27. Adoption of MFRS 16

MFRS 16 "Leases" supersedes MFRS 117 "Leases" and the related interpretations. MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognise a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for most leases.

The right-of-use asset is depreciated in accordance with the principle in MFRS 116 "Property, Plant and Equipment" and the lease liability is accreted over time with interest expense recognised in the profit or loss.

For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

The Group has elected to apply the following exemptions and practical expedients in recognition and measurement of right-of-use assets and lease liabilities:

- (a) Not to reassess whether a contract is, or contains, a lease at 1 February 2019;
- (b) Not to apply MFRS 16 to leases for which lease term ends within 12 months from 1 February 2019;
- (c) Not to apply MFRS 16 for short term leases (leases with a lease term of 12 months or less) and lease contracts for which the underlying asset is of low value (below USD 5,000);
- (d) Uses a single discount rate to a portfolio of leases with reasonably similar characteristics;
- (e) Exclude initial direct costs from the measurement of the right-of-use asset at 1 February 2019; and
- (f) Uses hindsight, such as in determining the lease term if the contract contains option to extend or terminate the lease.

Impact of adoption

The Group has adopted MFRS 16 using the modified retrospective method of adoption with the date of initial application from 1 February 2019. Comparatives for financial year ended 31 January 2019 are not restated.

The effect of adoption as at 1 February 2019 is as follows:

Consolidated Statement of Financial Position

	RM'000
<u>Assets</u>	
Property, plant and equipment	26,681
<u>Liabilities</u>	
Lease liabilities	<u>26,681</u>

28. Auditors' Report on Preceding Annual Financial Statements

The Auditors' Report on the financial statements for the financial year ended 31 January 2019 was not qualified.

29. Authorised For Issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 March 2020.