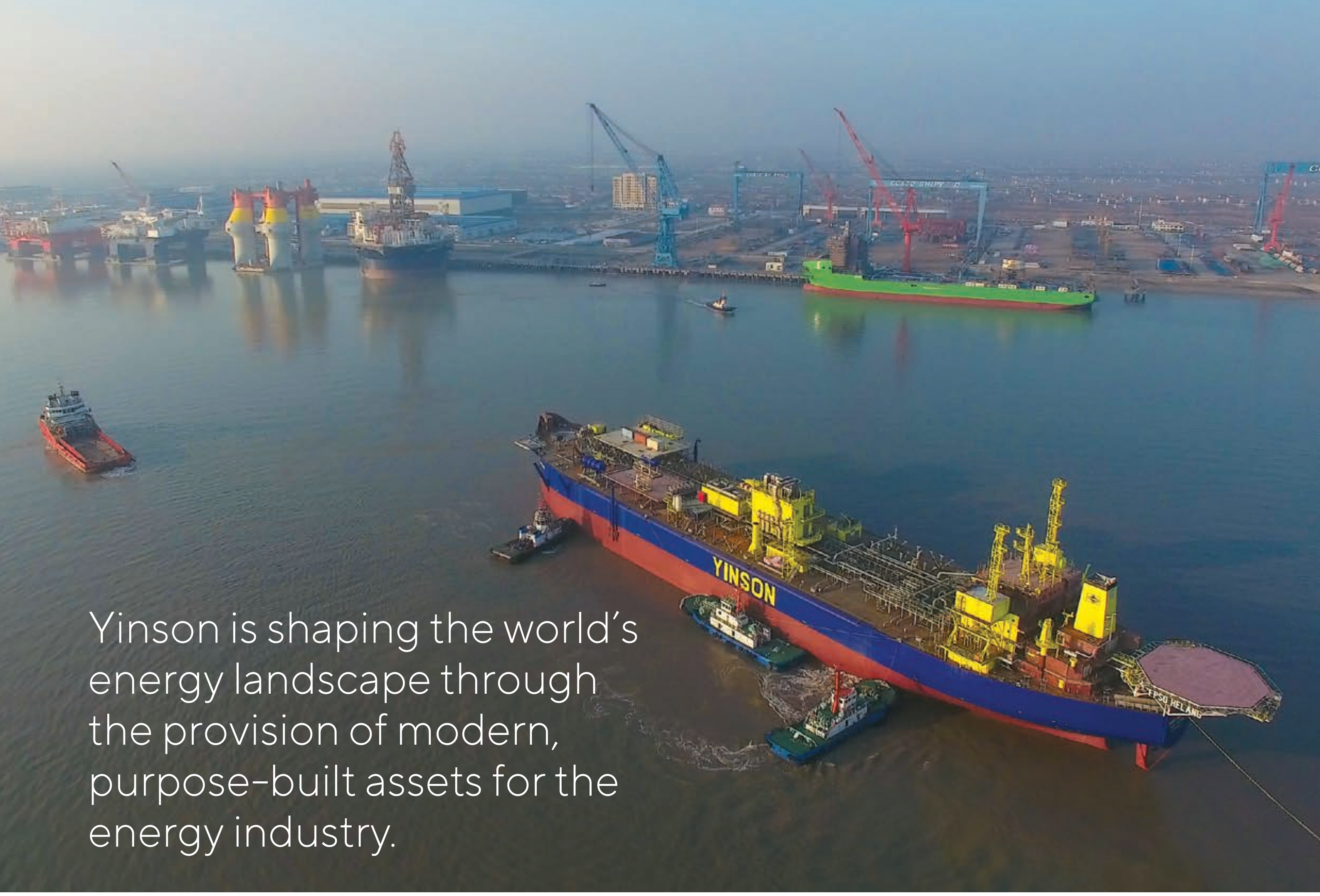
YINSON

PASSIONATELY DELIVERING **POWERFUL** SOLUTIONS

ANNUAL REPORT 2019



Yinson is shaping the world's energy landscape through the provision of modern, purpose-built assets for the energy industry.

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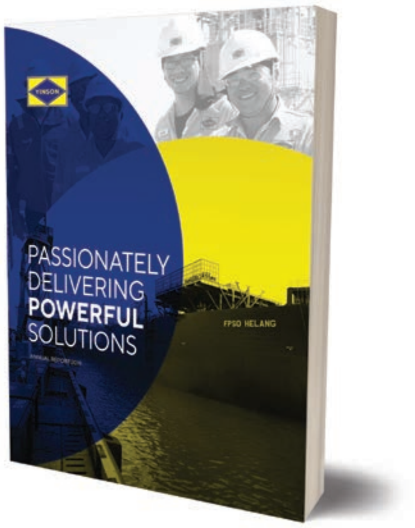


Yinson's Annual Report is designed to keep our stakeholders up to date on how we have performed and what we have achieved over the past year.

In producing this report, Yinson draws on stakeholder feedback and reviews the issues that are considered as most important in our strategic plan, risk framework and our policies.

PricewaterhouseCoopers PLT ("PwC"), the external auditors, provided an independent opinion on whether the financial statements of the Group and the Company in this report gave a true and fair view of the financial position, financial performance and cash flows for the financial year ended 31 January 2019. As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR"), PwC also reviewed the Statement on Risk Management and Internal Control included in this report. Their limited assurance review was performed in accordance with the Malaysian Institute of Accountants' Audit and Assurance Practice Guide ("AAPG") 3. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Other sections of this report have been prepared in accordance with the guidelines established by Bursa Securities MMLR, the Malaysian Code on Corporate Governance 2017, Bursa Securities Sustainability Reporting Guidelines, and Corporate Governance Guide (3rd Edition).

Yinson references the Integrated Reporting <IR> Framework in the creation of this report. This is an internationally recognised reporting framework that aims to provide a concise view of how Yinson creates sustainable value for our stakeholders. It is our ambition to move towards an integrated reporting framework for future sustainability disclosure and we view our more robust Sustainability Statement in this Annual Report 2019 as a solid first step in achieving this.

This report covers the financial reporting period 1 February 2018 to 31 January 2019.

Forward-looking statements

This report contains certain forward-looking statements with respect to Yinson's financial position, results, operations and businesses.

Statements contained in this report may involve risk and uncertainty as they relate to events and depend on circumstances that occur in the future. There are various factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements.

Board approval

The Board of Directors of the Company ("Board") acknowledges its responsibility for ensuring the integrity of this report and to the best of its knowledge believe that this report addresses all material issues and presents fairly the integrated performance of the organisation and its impacts. This report has been prepared in line with best practice and the Board confirms that it has approved the release of this Annual Report 2019.

Let us know what you think

If you would like to comment on this Annual Report or any of the information we have covered in these pages, please email corporatecomm@yinson.com.

01

YINSON GROUP OVERVIEW


OK
DANGER

Chairman's Statement

"After focusing the past few years on reinforcing our financial strength, forming partnerships and strengthening our team, FYE 2019 saw Yinson actively bidding in new markets."

LIM HAN WENG
Founder and
Group Executive Chairman

2018 started out with much promise for the industry, with oil prices surging past USD70 per barrel in April for the first time in three years. The relatively stable oil prices saw continued growth of project awards in the FPSO market, with 10 FPSO contracts awarded worldwide in 2018, compared to five in 2017 and three in 2016.

Throughout the period of volatility affecting the industry in the preceding years, the Group took decisive actions to improve our financial strength, forge new alliances and strengthen our team. Armed with the solid foundation built by these efforts, Yinson actively bid in new markets in 2018, expanding our presence to South America and our operations to our beloved home country, Malaysia.

Business highlights

A great highlight in 2018 for Yinson is our entry into the Malaysian oil and gas market, which we concluded through a novation arrangement with JX Nippon Oil & Gas Exploration Corporation ("JX Nippon") for the provision of EPCIC and leasing of FPSO services to the Layang Field in Sarawak in June. This was followed by the setting up of our Miri office in December 2018 and the award for the vessel's operations and maintenance eight months later. We named the vessel 'Helang', the Malay word for 'eagle', to mark this milestone. We are indeed excited to be contributing back to the energy infrastructure of the country where Yinson was founded and is currently headquartered. The vessel is currently in its second phase of construction and is on schedule for deployment in Q4 2019.

Yinson is also excited to be awarded contracts for the charter, operations and maintenance of an FPSO by First Exploration & Petroleum Development Company Limited ("FIRST E&P") for use at the Anyala and Madu Fields in Nigeria. In a strategic move that has enabled us to bring forward the project schedule and deliver a more cost-effective solution for our client, Yinson will be redeploying our existing vessel, FPSO Allan, to this field. FPSO Allan's charter officially ceased on 29 January 2019 after nearly 10 productive years out on the Olowi Field in Gabon, making it a strong candidate for redeployment. We are confident of meeting the expectations of our project partners and local authorities in supporting the development of the Nigerian oil and gas industry. The vessel will be renamed FPSO Abigail-Joseph, and is expected to commence operations by Q4 2019.

During the financial year, we continued to build strong partnerships. In April 2018, we entered into a 10-year binding MoU with Sumitomo Corporation ("Sumitomo") for future collaborations in the FPSO and FSO business. This followed on with an agreement signed in February 2019 for both parties to participate in a joint venture for the Marlim Field in Brazil in the event of a successful bid. Earlier in June 2018, we successfully completed the sale of 26% equity interest in a subsidiary that owns FPSO John Agyekum Kufuor ("FPSO JAK") to a Japanese consortium comprising of Sumitomo, Kawasaki Kisen Kaisha Ltd, JGC Corporation and Development Bank of Japan Inc. These strong partnerships are an indication of the confidence our partners have in our ability to deliver on our promises and manage risks, and has enhanced our ability to bid in new regions and for larger projects.

The first quarter of FYE 2019 saw us receiving full repayment for the termination of FPSO PTSC Lam Son ("FPSO Lam Son") in Vietnam, with the fee received being in excess of the outstanding project loan. We subsequently commenced an interim bareboat charter for the same vessel. This positive outcome to an overall uncertain situation is a testament to the hard work our team has put into developing robust contractual terms and also our commitment to practicing disciplined business and financial management. These practises form part of the strategies entrenched in our business model, which we believe will continue to put Yinson ahead in this competitive industry.

We are fully conscious of how important it is to continue adhering closely to our business strategy, remaining prudent in our operations and financial management in view of our long term goals. This, along with our emphasis on building a strong corporate culture in our employees across the globe, is essential to our ability to keep delivering on our promises and maintaining our assets' exceptional uptime records.

Chairman's Statement

For FYE 2019, the Group's revenue amounted to RM1,034.9 million, an impressive 13.7% year-on-year growth, despite volatile global oil prices during the year in review.

Financial performance

Revenue growth was mainly due to the full year revenue contribution from FPSO JAK as opposed to approximately only eight months' contribution in the previous year. Meanwhile, registered Profit After Tax is RM264.4 million. We foresee the months ahead to be exciting for Yinson as we await the outcome of bids in which we have participated in and as we continue to explore potential plans for expansion in accordance with our growth strategy. At the end of FYE 2019, we sat on a cash and bank balances of RM1.2 billion, we are ready both in the form of financial and human resources to embark on new projects.

To reward our shareholders for their continuing support, the Group distributed RM108.5 million in dividends in FYE 2019, representing 4 sen per ordinary share and 6 sen per ordinary share dividend declared for FYE 2019 and FYE 2018 respectively.

Furthermore, the Group has recommended a final dividend of 2 sen per ordinary share amounting to approximately RM21.6 million for FYE 2019, to be tabled to shareholders for approval at Yinson's forthcoming 26th Annual General Meeting.

The declared and proposed dividends are a testament to Yinson's strong financial position and our commitment to continue rewarding our shareholders while balancing growth opportunities and dividends.

Passionately delivering powerful solutions

Yinson now has a presence in eight countries and is staffed by people from diverse nationalities. We realise that in order to continue our success as a company – which directly impacts the value we bring to all our stakeholders – it is vital that our team be aligned in how we think and make decisions. It is with this conviction that Yinson launched a Group-wide emphasis on corporate culture in 2018, with the purpose of helping our employees embrace our Vision, Mission and Core Values as a way of life.

We kicked off with corporate culture workshops and team building activities across all our offices and vessels, and have also been implementing a comprehensive plan to align our operations with our Core Values. So, every decision – from something as small as how we speak to one another in the office, to large decisions such as which contracts we bid on – will be guided by the framework of our corporate culture.

This is why we chose our Mission Statement, 'Passionately delivering **powerful** solutions', as the theme of this Annual Report. It is a reminder that in order to keep delivering excellent results, we need to be aligned in our direction.

Yinson is proud to have won several accolades in the financial year which recognised our commitment to our employees, innovative financial deals and achievements in terms of health and safety. Awards from HR Asia, Malaysian Institute of Human Resource Management, The Edge, Alpha International, Islamic Financial News, IFR Asia and The Edge Billion Ringgit Club are amongst the awarding bodies that we are privileged to be recognised by this financial year.

Yinson continues to work hard on our sustainability and corporate social responsibility initiatives, knowing that investing today into tomorrow is the most significant way we can impact the future for the better. On the education front we have committed to an exciting new initiative called Teach For Malaysia ("TFM"). Through TFM, we have sponsored a young man who has taken up the role of a full-time teacher in a high needs school in the Klang Valley area. This, alongside our ongoing work in school rehabilitation and sports education in Ghana, is in line with our belief that education holds the key to sustainable positive change for any community.

Appreciation

On behalf of the Board of Directors, I would like to welcome Datuk Abdullah bin Karim on board as Independent Non-Executive Director of Yinson, effective 16 October 2018. I would also like to take this opportunity to thank Datuk Syed Zaid bin Syed Jaafar for his dedication and contribution throughout his tenure as Senior Independent Non-Executive Director.

Our sincere appreciation goes out to the regulators, clients, associates, financiers, vendors and advisers for your continuous support to Yinson. It is with your support that we can continue to achieve such exceptional growth.

To our Yinson family across the globe – our Management, employees and crew – and also to your families, you are very important stakeholders, and you are the core of Yinson. We know that to build an energy infrastructure that lasts far into the future, we need to build a team that is in for the long haul. So, thank you for your commitment and dedication and may we continue on this exciting journey together for many years to come.

LIM HAN WENG
Founder and Group Executive Chairman

Vision

To be a global energy solutions provider that's is known for being reliable, open, adaptable, decisive and sustainable

Mission

Passionately delivering **powerful** solutions

Core Values - R.O.A.D.S.

SUSTAINABLE

We seriously consider the economic, social and environmental impact of everything we do

DECISIVE

We take ownership of every situation by finding solutions to move forward

ADAPTABLE

We understand our stakeholders and collaborate to realise our common goals

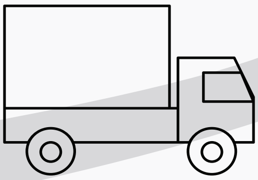
OPEN

We foster an environment that promotes trust and learning through honest communication

RELIABLE

We always deliver on our commitments

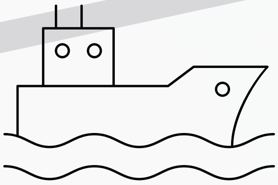
Our journey



Where it all began

Yinson was founded in 1983 as a humble transport and logistics company in Johor Bahru, Malaysia. Over the next 20 years, Yinson grew to become one of Malaysia's biggest transport companies, operating a fleet of 365 trucks and supplying a further 565 trucks to our customers.

In 2011, Yinson ventured into the oil and gas industry by forming a consortium with PetroVietnam Technical Services Corporation ("PTSC", a subsidiary of PetroVietnam). The joint venture company was awarded a contract for the charter of a Floating Storage and Offloading ("FSO") vessel, FSO PTSC Bien Dong 01, which paved the way for Yinson to win a contract for the charter of a Floating, Production, Storage and Offloading ("FPSO") vessel, FPSO PTSC Lam Son.



Evolution

In 2014, our business was further strengthened with the acquisition of established Norwegian FPSO company Fred. Olsen Production ASA. Through the acquisition, Yinson inherited a strong and experienced team, as well as contracts for a further three FPSO vessels and a Mobile Offshore Production Unit.

By mid-2016, Yinson divested its non-oil and gas business segments, streamlining the business to specifically serve the offshore oil and gas industry.

Yinson today

Today, with our diversified geographical presence and extensive engineering and operational expertise, Yinson boasts a main fleet of five FPSOs and one FSO, complemented by four Offshore Support Vessels and an oil tanker. We are a full-fledged FPSO company, with an excellent track record of project execution and operations.

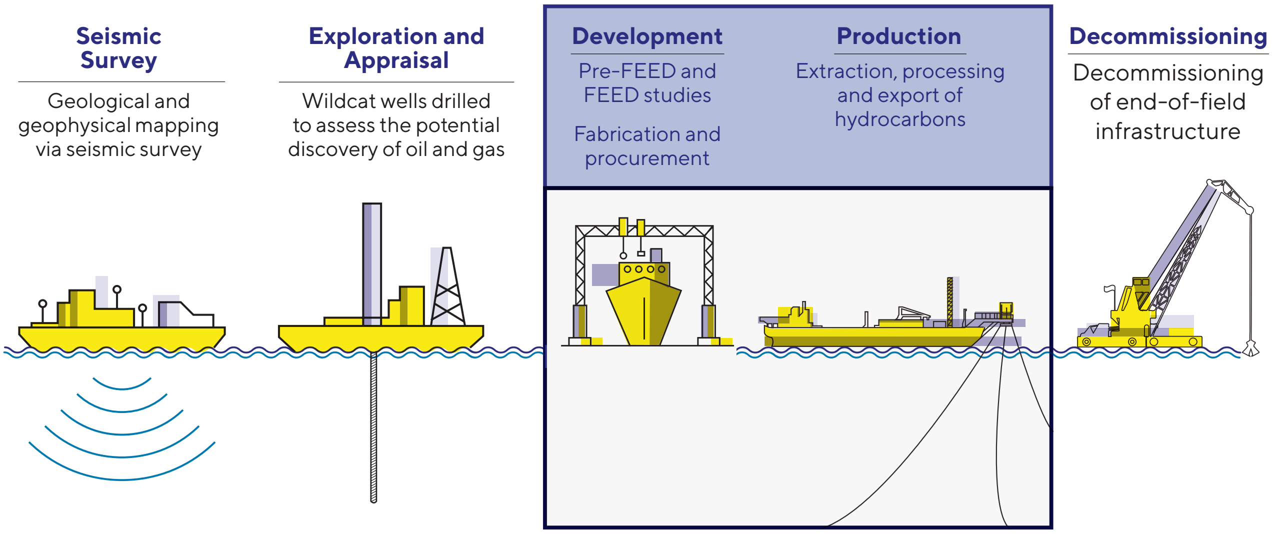
Our extensive experience in the timely delivery of floating solutions for the offshore oil and gas industry, plus our commitment to excellent project execution, has brought us to where we are today - Yinson is the 6th largest independent FPSO leasing company globally.

Yinson is one of the world's leading Floating, Production, Storage and Offloading service providers, with a presence in eight countries. We design, construct, own, lease and operate modern, purpose-built offshore production assets for the oil and gas industry.

Our business

Yinson's services contribute to the 'development' and 'production' phases of the offshore oil and gas field lifecycle. In the 'development' phase, a series of plans are developed to outline how the field can be optimised, while in the 'production' phase, hydrocarbons are produced and processed. An FPSO vessel is designed to receive and process hydrocarbons, then store it until it can be offloaded.

Offshore oil and gas field lifecycle



Currently, most of Yinson's revenue is derived from the Offshore segment of our business. Yinson operates a "design, construct, own, lease and operate" model for our floating production assets. We design and construct the units, then lease them, while also providing operations and maintenance services. Essentially, Yinson provides working capital to oil producers and field operators – we are the de facto production arm of these companies.

Yinson's Marine segment is a supporting revenue stream for the Company, where we own, operate and charter OSVs to support services to the oil and gas industry.

Primary revenue stream

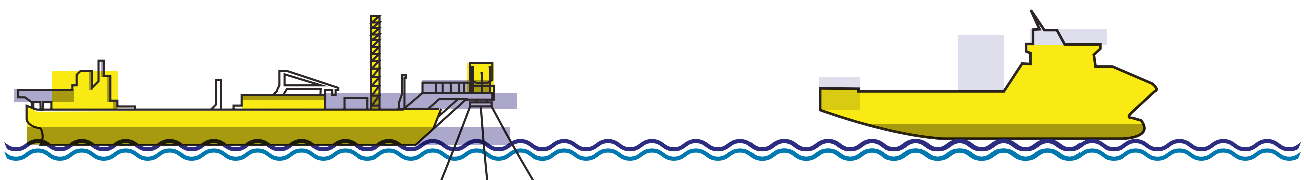
Floating production assets

5	1
FPSOs	FSO

Supporting revenue stream

OSVs and other assets

1	3	1
PSV	AHTs	Oil tanker



FPSO	Floating, Production, Storage and Offloading
FSO	Floating, Storage and Offloading
FEED	Front End Engineering Design
OSV	Offshore Support Vessel
PSV	Platform Supply Vessel
AHT	Anchor Handling Tug

Corporate information

AUDITORS
PricewaterhouseCoopers PLT

COMPANY SECRETARIES
Wong Wai Foong (MAICSA 7001358)
Tan Bee Hwee (MAICSA 7021024)
Lee Poh Yean (MAICSA 7015043)

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Damansara Heights
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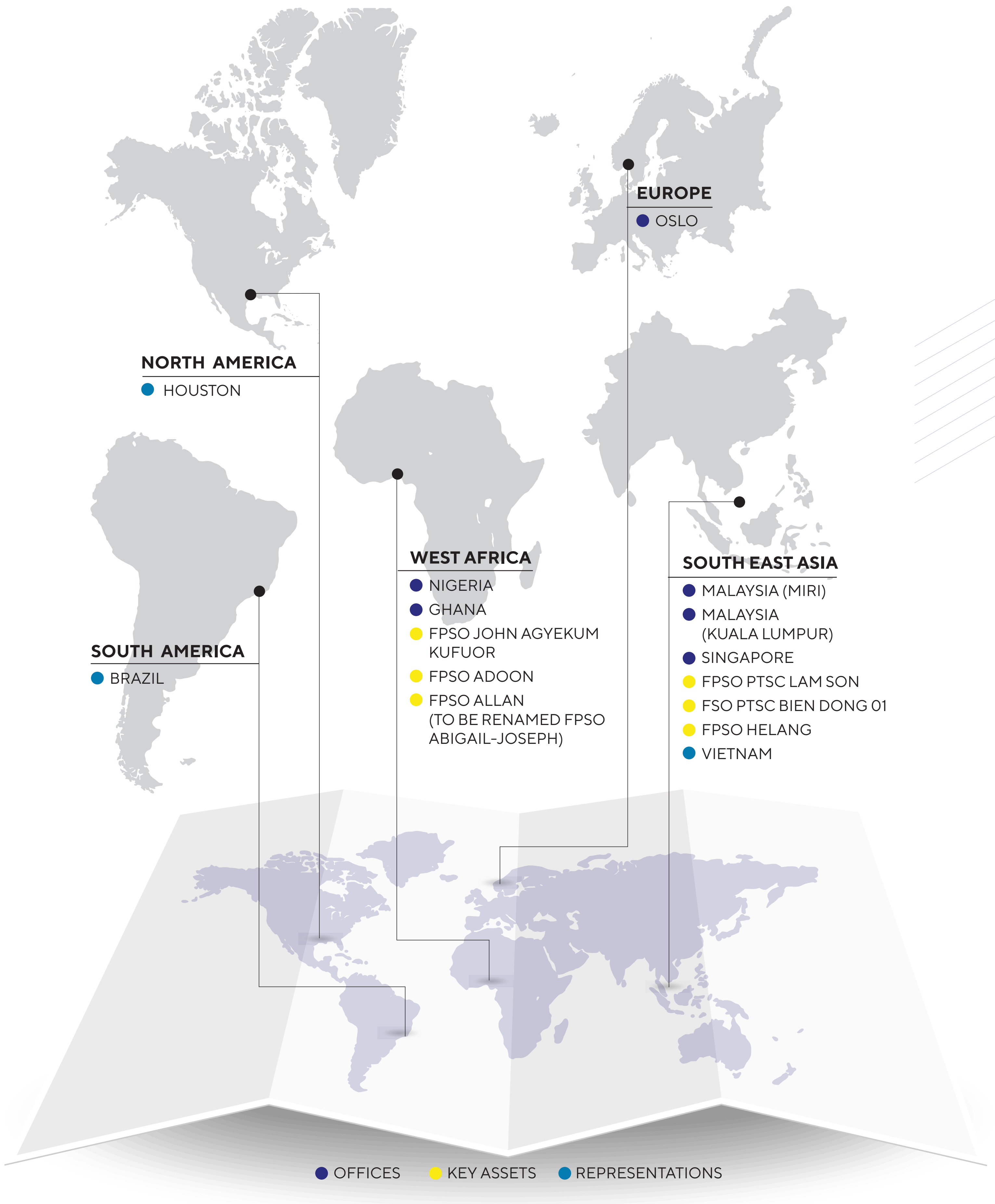
Fax: +603 2094 9940

STOCK EXCHANGE LISTING
Main Market of Bursa Malaysia Securities Berhad
Stock name: Yinson
Stock code: 7293

PRINCIPAL BANKERS AND FINANCIERS
AmBank (M) Berhad
Bank of China (Malaysia) Berhad
CIMB Group
Development Bank of Japan, Inc
Export-Import Bank of Malaysia Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
ING Group
Intesa Sanpaolo S.p.A
Malayan Banking Berhad
Mizuho Bank, Ltd
Natixis Singapore Branch
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank
Taipei Fubon Commercial Bank Co. Ltd, Singapore Branch
The Bank of East Asia Limited
United Overseas Bank

Our global presence



Key assets

FPSO ADOON
Block OML 123, Nigeria

Charterer
Addax Petroleum

Storage capacity
1.7 million barrels

Production capacity
Oil: 60,000 BOPD
Liquid: 140,000 BLPD
Gas Comp: 7 MMSCFD

Contract commencement date
17 October 2006

Contract duration (firm + options)
2006 – 2022

Optional extension
Up to four years

Remaining contract tenure as at 31 January 2019 (firm + options)
3 years 9 months

Ownership
100% Yinson

Uptime (since 1 January 2014)
Above 99%

FPSO PTSC LAM SON
Block 1-2/97, Vietnam

Charterer
PTSC

Storage capacity
350,000 barrels

Production capacity
Oil: 18,000 BOPD
Liquid: 28,000 BLPD
Gas Comp: 47 MMSCFD

Contract commencement date
1 July 2017

Contract duration (firm + options)
2017 – 2019

Optional extension
–

Remaining contract tenure as at 31 January 2019 (firm + options)
5 months

Ownership
51% PTSC, 49% Yinson

Uptime (since 1 January 2014)
Above 97.4%

Key assets

FSO PTSC BIEN DONG 01

Block 05-2/05-3, Vietnam

Charterer
PTSC

Storage capacity
350,000 barrels

Production capacity
N/A

Contract commencement date
4 June 2013

Contract duration (firm + options)
2013 – 2033

Optional extension
5 + 2 + 2 + 1 years

Remaining contract tenure as at 31 January 2019 (firm + options)
14 years 4 months

Ownership
51% PTSC, 49% Yinson

Uptime (since 1 January 2014)
Above 99%

FPSO JOHN AGYEKUM KUFUOR

Offshore Cape Three Points, Ghana

Charterer
ENI

Storage capacity
1.7 million barrels

Production capacity
Oil: 58,000 BOPD
Liquid: 75,000 BLPD
Gas Injection: 165 MMSCFD
Gas Export: 210 MMSCFD

Contract commencement date
4 June 2017

Contract duration (firm + options)
2017 - 2037

Optional extension
5 X 1 years

Remaining contract tenure as at 31 January 2019 (firm + options)
18 years 4 months

Ownership
74% Yinson, 26% Japanese consortium

Uptime (since 1 January 2014)
Above 99%

FPSO HELANG

Currently under conversion and is on schedule for deployment in Q4 2019

Block SK10, Malaysia

Charterer
JX Nippon

Storage capacity
600,000 barrels

Production capacity
Oil: 12,000 BOPD
Liquid: 17,000 BLPD
Gas Comp: 180 MMSCFD

Contract commencement date
Q4 2019

Contract duration (firm + options)
2019 - 2037

Optional extension
10 X 1 years

Remaining contract tenure as at 31 January 2019 (firm + options)
18 years

Ownership
100% Yinson

FPSO ALLAN

(TO BE RENAMED FPSO ABIGAIL-JOSEPH)

Currently under conversion and is on schedule for deployment in 2020

OML 83 & 85, Nigeria

Charterer
FIRST E&P

Storage capacity
870,000 barrels

Production capacity
Oil: 60,000 BOPD
Liquid: 75,000 BLPD
Gas Lift: 15 MMSCFD
Gas Injection: 39 MMSCFD

Contract commencement date
2020

Contract duration (firm + options)
2019 - 2034

Optional extension
2 + 1 + 1 + 1 + 1 + 1 + 1 years

Remaining contract tenure as at 31 January 2019 (firm + options)
15 years

Ownership
100% Yinson

Key events

2018

MARCH

20-23 Participated in OTC Asia 2018

25 Received alleged force majeure notification of Ca Rong Do Field development

28 Official opening of Yinson Hall – a modern, 1,000 seater educational resource facility to serve the village of Nkroful, Ghana, and its surrounds

APRIL

20 Entered into a 10 years binding MoU with Sumitomo Corporation, paving the way for future collaborations in the FPSO and FSO business

30 Completed the novation of an FPSO bareboat charter contract for the deployment of FPSO Helang with JX Nippon

30 Participated in OTC Houston 2018

MAY

1-3 Participated in OTC Houston 2018

8 Successfully raised RM950 million via issuance of senior, non-call Sukuk Mudharabah

20-23 MARCH

28 MARCH

30 APRIL - 3 MAY

2018

JUNE

6 Successful sale of a 26% stake in a subsidiary that owns FPSO John Agyekum Kufuor to a Japanese consortium

13 Entered into a Head of Term (HoT) with FIRST E&P to exclusively negotiate the charter of an FPSO for the Anyala and Madu Fields in Nigeria

JULY

12 Annual General Meeting

17-18 Sponsored and participated in KWAP Inspire: Environmental Conference 2018

SEPTEMBER

4-5 Participated in FPSO World Congress 2018, with Yinson leaders taking the stage as presenters and panel speakers

24 Embarked on an internal reorganisation exercise for the purpose of streamlining and realigning business segmentation

25 Launched Group-wide corporate culture emphasis – an ongoing effort to empower employees through our united Vision, Mission and Core Values

12 JULY

4-5 SEPTEMBER

25 SEPTEMBER ONWARDS

Key events

2018

OCTOBER

- **8** FPSO Allan received a notice of termination from CNR International on the grounds of convenience
- **12** Won HR Asia's Best Companies to work for in Asia Award 2018 (Malaysia Chapter)
- **19** Received extension of FPSO Adoon charter on an interim basis up to 16 January 2019

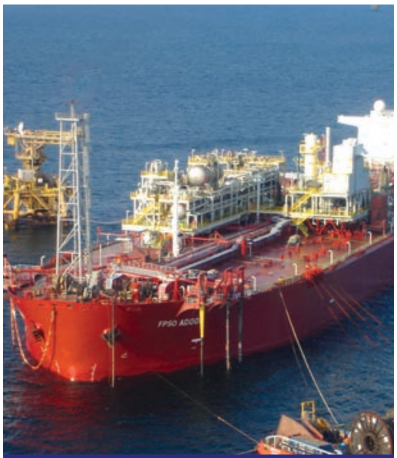
NOVEMBER

- **16** Recognised as Employer of Choice by Malaysian Institute of Human Resource Management (MIHRM)
- **21** Received extension of FPSO Adoon charter on an interim basis up to 16 April 2019
- **28-30** Participated in 2018 Local Content Conference and Exhibition in Takoradi, Ghana

DECEMBER

- **8** Participated in Futurestars' CSR Partners Day to distribute sporting kits to schools in Tema, Ghana
- **11** Won The Edge Billion Ringgit Club Award 2018 for Highest Return on Equity in three years in the Energy Sector
- **17** FPSO Helang sailed away from the HRDD shipyard to the Cosco Qidang shipyard, marking its entry into the 2nd phase of construction
- **18** Built a new sanitary facility and donated sporting kits to public schools in Kejabil and Apowa, Ghana
- **26** Setting up of Miri office
- **28** Received extension of FPSO PTSC Lam Son charter for a further period of six months to 30 June 2019

12 OCTOBER



21 NOVEMBER

28-30 NOVEMBER

8 DECEMBER

18 DECEMBER

2019

JANUARY-FEBRUARY

Corporate culture and team building events took place across the various Yinson offices

FEBRUARY

12 Secured contract for the operations and maintenance of FPSO Helang

18 Entered into LoA with Sumitomo for the potential joint venture for the provision of an FPSO for Project Marlim

21 Won Alpha Southeast Asia Awards 2018 for Best Mudarabah Deal in Southeast Asia 2018

26 Won IFR Asia Awards 2018 for Best Malaysia Capital Markets Deal (for Yinson TMC's RM950 million perpetual senior Sukuk Mudarabah)

28 Secured contracts for the charter, operations and maintenance of FPSO Allan (to be renamed FPSO Abigail-Joseph)

MARCH

20 Signing ceremony for the Provision of O&M Services for FPSO Helang

29 Issuance of USD90 million perpetual securities under a USD500 million Multi-currency Perpetual Securities Programme

29 Began partnership with Teach For Malaysia

APRIL

1 Announced participation in a due diligence exercise to review the possibility of acquiring a controlling stake in Ezion Holdings Limited, a Singapore incorporated company that develops, owns and charters offshore assets including liftboats

5 Issuance of USD30 million perpetual securities under a USD500 million Multi-currency Perpetual Securities Programme

17 Received extension of FPSO Adoon charter for one month to 16 May 2019

JANUARY - FEBRUARY

20 MARCH

29 MARCH

Group financial highlights

FINANCIAL YEAR ENDED 31 JANUARY	2015 RM'000	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000
Revenue +	395,440	424,398	543,255	910,156	**1,034,899**
Profit before tax +	280,724	292,760	213,179	361,770	**343,861**
Profit after tax and minority interests	247,677	224,663	197,048	292,179	**234,896**
Share capital &	516,399	546,399	1,099,462	1,099,490	**1,101,090**
Total equity	1,459,509	2,253,384	2,406,173	2,633,158	**3,623,977**
Number of ordinary shares issued ('000)	1,032,798	1,092,798	1,092,798	1,092,808	**1,093,245**
Weighted average number of ordinary shares in issue ('000)	950,475	1,067,154	1,090,185	1,088,201	**1,095,957**
Total assets	2,488,216	4,839,810	6,290,329	6,450,419	**8,083,300**
Total liabilities	1,028,707	2,586,426	3,884,156	3,817,261	**4,459,323**
Total borrowings+	823,177	1,654,151	3,393,173	3,010,158	**3,149,730**
Earnings before interest, tax, depreciation & amortisation ("EBITDA")+	311,948	345,452	273,163	649,803	**801,160**
Basic earnings per share (sen)#	26.06	21.05	18.07	26.85	**21.43**
Dividends rate (sen)	1.50	2.00	16.60	10.00	**4.00**
Net assets per share (RM)^	1.41	2.06	2.20	2.41	**3.31**
Gearing (times)+	0.56	0.73	1.41	1.14	**0.87**
Net gearing (times)+	0.31	0.55	1.15	0.90	**0.53**
Adjusted revenue+@	593,508	648,633	775,618	1,085,157	**1,194,229**
Adjusted core EBITDA+@	353,019	437,540	532,547	822,672	**897,451**
Adjusted core EBITDA margin (%)+@	59.48	67.46	68.66	75.81	**75.15**
Adjusted net debt+@	878,937	1,779,136	3,135,655	2,242,175	**1,853,779**
Adjusted net debt / Adjusted core EBITDA (times)+@	2.49	4.07	5.89	2.73	**2.07**

^ *computed based on number of ordinary shares issued as at financial years end.*

\# *computed based on weighted average number of ordinary shares in issue as at financial years end.*

\+ *amount exclude discontinued operations for financial years 2015, 2016 and 2017.*

& *the new Companies Act 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account of RM553,063,000 become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act.*

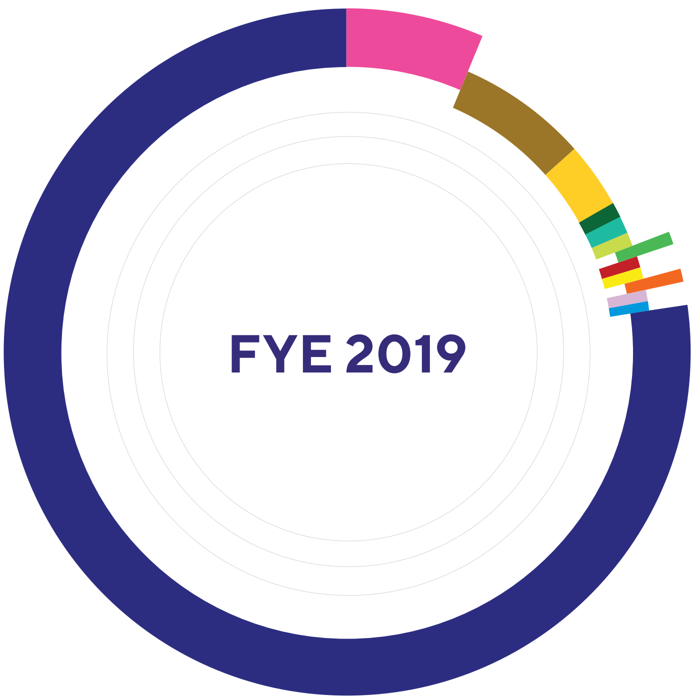
@ *adjusted amount/ratio is defined as the Group's financial results plus the Group's share of financial results of its joint venture and associate.*

Core & reported Profit After Tax ("PAT") (RM'000)

Reported PAT
RM292,073

Core PAT
RM345,755

345,755	Core profit
(13,289)	Net loss on foreign exchange
(32,793)	Impairment loss on plant and equipment
2,066	Fair value gain on derivatives for interest rate swap
141	Fair value gain marketable securities
649	Reversal of impairment loss on receivables
(37)	PPE written off
(77)	Bad debt written off
396	Gain on disposal of other investments
124	Gain on disposal of plant and equipment
(5,623)	Fair value loss on investment properties
(4,172)	One-off shortfall in insurance claims
(1,067)	Inventories written off



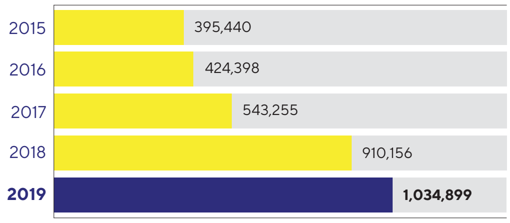
Reported PAT
RM264,379

Core PAT
RM295,811

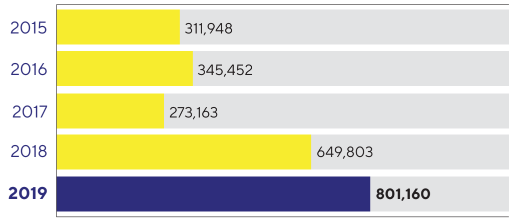
295,811	Core profit
28,723	Net gain on foreign exchange
(33,030)	Impairment loss on plant and equipment
(12,892)	Impairment loss on investment in a joint venture
(1,158)	Fair value loss on marketable securities
(3,686)	Impairment loss on tax recoverable
(4,200)	Fair value loss on investment properties
21	Gain on disposal of associates
(747)	Fair value loss on derivatives for interest rate swap
(17)	Bad debt written off
125	Gain on disposal of other investments
(4,566)	Impairment on receivables
(5)	Loss on disposal of plant and equipment

Group financial highlights

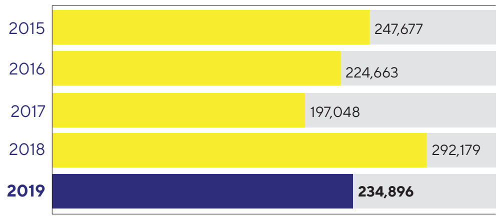
Revenue
(RM'000)



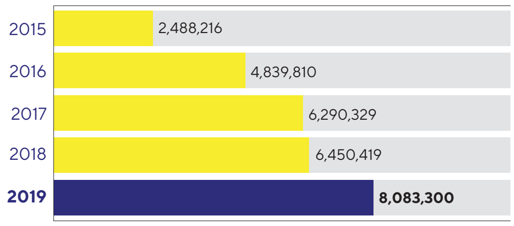
EBITDA
(RM'000)



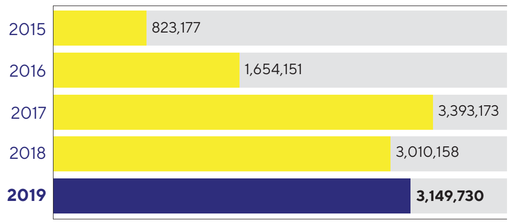
Profit After Tax and Minority Interest
(RM'000)



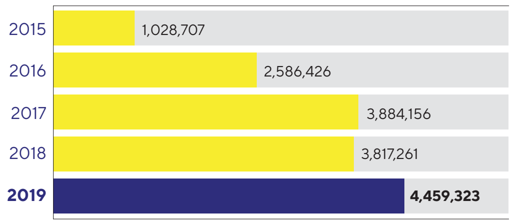
Total Assets
(RM'000)



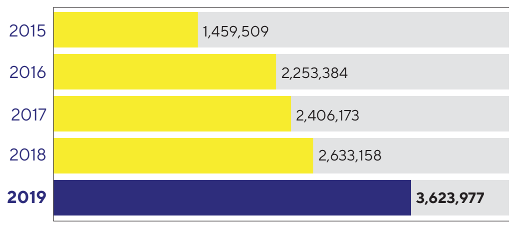
Total Borrowings
(RM'000)



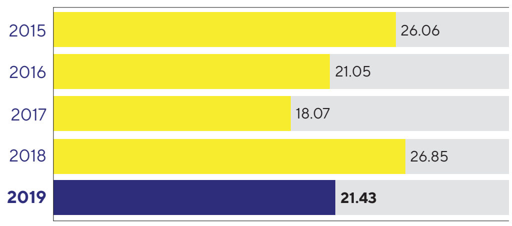
Total Liabilities
(RM'000)



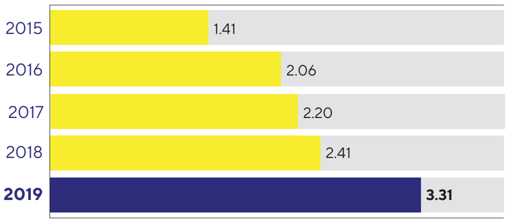
Total Equity
(RM'000)



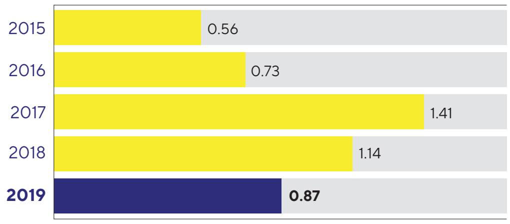
Basic Earnings per Share
(sen)



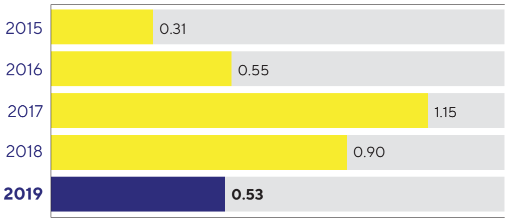
Net Assets per Share
(RM)



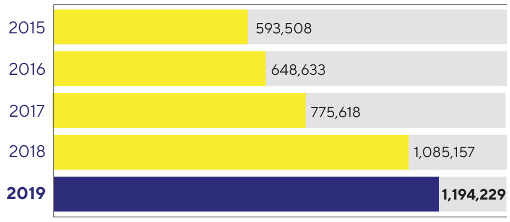
Gearing
(times)



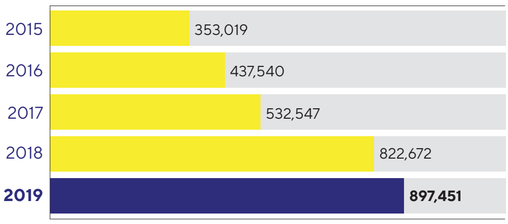
Net Gearing
(times)



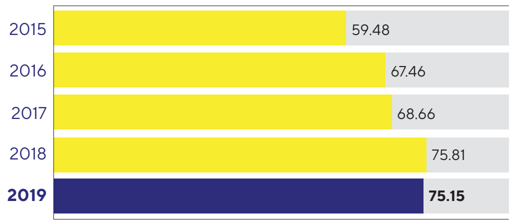
Adjusted Revenue
(RM'000)



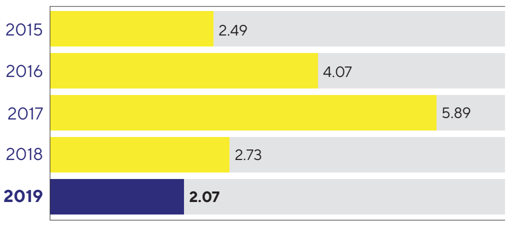
Adjusted Core EBITDA
(RM'000)



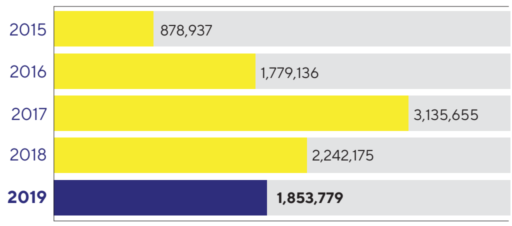
Adjusted Core EBITDA Margin
(%)



Adjusted Net Debt/Adjusted Core EBITDA (times)



Adjusted Net Debt
(RM'000)



02

STRATEGY AND SUSTAINABILITY


LET'S GE
SHIPSHAP

Business strategy

Yinson's business strategy is oriented towards achieving our short, medium and long term goals as follows:

Short term goals

Deliver FPSO solutions for the contracts that we have won this year on time and on budget. Maintain and build excellence in operations.

Medium term goals

Strive to deliver more projects in the FPSO segment, particularly in our current geographical areas to enhance economies of scale via cost reduction. The Group will also be on the lookout for good assets that are able to complement our current and future business segments.

Long term goals

Continue to assess opportunities to expand and diversify into other forms of energy infrastructure assets to broaden our revenue base.

GUIDING PRINCIPLES OF YINSON'S BUSINESS STRATEGY

Strong and experienced project execution teams

Extensive track record of delivering projects to clients on time and within budget

Winning contracts with innovative and cost effective solutions

Firm on principles and fundamentals but commercially flexible

Strong local content in operating countries

Investing in local communities

Disciplined business and financial management

Using non-course / limited recourse financing structure for project debt funding

High quality counterparties

Reputable and renowned clients and joint venture parties which limit or remove counterparty risks

Track record in operations and maintenance

Delivering proven consistency in fleet uptime (>99%)

Long term charter contracts

Strong order book underpinned by long term contracts, delivering sustainable and predictable cash flows

Robust contractual terms

Ensuring that the Group is contractually protected against early contract termination, oil price volatility and reservoir risks

Design, Construct, Own, Lease and Operate model

Removing construction risk from and providing working capital to oil companies by serving as their de facto production arm

Management Discussion and Analysis

“Yinson continued to deliver stable profit in FYE 2019 with Profit After Tax of RM264.38 million reported, and Revenue registering at RM1,034.90 million.”

LIM CHERN YUAN
Group Chief Executive Officer

Yinson is off to a strong start in 2019, with two new contracts secured within the first quarter of 2019. Guided by our Core Values and business strategy, we expect the Group's strong performance to be sustained in the financial year ahead.

During the period of volatility affecting the oil and gas industry from 2014 to 2017, Yinson focused on building our financial and operational strengths. We studied ways of increasing the resilience of our business strategy so it would be able to weather the challenges in the industry. We sought and forged new business alliances where parties would leverage off each other's strengths towards achieving our common goals. We knuckled down to deliver the projects that we had at hand ahead of schedule and below budget. We operated prudently, improving our financial strength and bolstering our budget sheet. We thought deeply about our company's direction – our Vision, Mission and Core Values – and administered a corporate culture emphasis that would empower and align our team, thereby increasing our ability to deliver greater value to our stakeholders.

We have seen the efforts put into these initiatives coming to fruition in FYE 2019. In this report I describe the substantial progress achieved across Yinson's key measures in FYE 2019 as well as some insights to our planning for the future.

MARKET CONDITIONS

After rising steadily over 18 months, peaking at USD80 in October 2018, oil prices dipped in the last quarter of 2018 to reach a low of USD57.36 in December 2018. The drop, which set prices back to levels last seen in Q4 2017, was due to increasing production and tapering demand in the third and fourth quarter of 2018.

Prices have stabilised since then to the low USD60's, with balance restored through the agreement by OPEC and Russia to cut oil production by 1.2 million barrels per day, thus alleviating concerns on oversupply. It remains to be seen whether OPEC and Russia will maintain their production discipline and what might happen in June, when the current agreement expires. Another crucial factor is whether OPEC will be able to counter balance the high oil production from the Permian Basin in United States, which is expected to generate around 3.9 million barrels per day.

However, the market expectations for continued oil demand growth remains steady, despite concerns about slowing demand as a result of weaker global economic growth and tariff disputes.

We observe that the FPSO market is picking up from the volatility of the last few years of weak prices and enforced capital spending discipline, and believe that the outlook for the FPSO market is currently at its best since 2010, when 23 units were ordered.*

The Energy Maritime Associates reported that 18 FPSO orders are possible in 2019. Of these, almost 75% are expected to be leased units. There is expectation of healthy activity in Brazil and the African region, with key players opening up bids for FPSOs in the coming year.

While the positive sentiments are encouraging, Yinson will continue to keep close tabs on market developments. Now more than ever, we will endeavour to manage the uncertainties of the market by adhering closely to our business strategy. Our business strategy allows us to capitalise on our strengths while remaining prudent in our decision-making. We believe that this will strongly position Yinson for sustainable growth in the coming years.

**Source: Energy Maritime Associates, Floating Production Systems Quarterly Report (March 2019)*

Management Discussion and Analysis

FINANCIAL PERFORMANCE

Overall Financial Performance

Extract from Income Statements	FYE 2019 RM'000	FYE 2018 RM'000
Revenue	1,034,899	910,156
Cost of sales	440,454	363,790
Gross profit	594,445	546,366
EBITDA*	801,160	649,803
Profit before tax	343,861	361,770
Profit after tax	264,379	292,073
Gross profit margin (%)	57.44	60.03
Net profit margin (%)	25.55	32.09
Extract from Statements of Financial Position		
Total assets	8,083,300	6,450,419
Current assets	1,848,842	1,234,367
Cash and bank balances	1,217,279	637,120
Total liabilities	4,459,323	3,817,261
Current liabilities	1,318,707	761,351
Loans and borrowings	3,149,730	3,010,158
Total equity	3,623,977	2,633,158
Financial Indicators		
Return on equity (%)	7.30	11.09
Current ratio (times)	1.40	1.62
Gearing ratio (times)	0.87	1.14
Net gearing ratio (times)	0.53	0.90
Net debt/EBITDA ratio (times)	2.41	3.65
Operating Result by Segment		
Offshore & Marine	520,553	488,605
Other operations	(3,942)	(63,104)
Share of results of joint ventures & associates	12,809	43,809

* Earnings before interest, depreciation and amortisation

Yinson continued to deliver stable profit in FYE 2019 with Profit After Tax ("PAT") of RM264.38 million reported, and Revenue registering at RM1,034.90 million. Revenue grew by 13.7%, primarily due to the effect of a full year's contribution from our largest asset, FPSO John Agyekum Kufuor ("FPSO JAK"). However, PAT was lower by RM27.69 million, or 9.5%, due to impairments made and a deteriorated share of results in joint ventures on earning at lower charter rates.

For the past three financial years, our results have consecutively been impacted by impairments made to our Offshore Support Vessel ("OSV") assets, which have experienced a suppression of market supply conditions due to an oversupply of assets and a slowdown of upstream activities. If the impairment made to investments in joint ventures and property, plant & equipment were to be excluded, Yinson's PAT for FYE 2019 would instead be RM310.30 million, compared to RM324.87 million in FYE 2018.

FYE 2019 witnessed growth in business activities where new borrowings were drawn down to support a new home front contract, concurrently strengthening the cash reserve necessary for potential regional expansion. Our cash and bank balances nearly doubled from RM637.12 million to RM1,217.28 million after the completion of a 26% equity interest sale in a subsidiary that owns FPSO JAK and a successful issuance of RM950.00 million equity feature-like Islamic bond via a Sukuk Mudharabah Programme, whereas, loans and borrowings increased marginally to RM3,149.73 million from RM3,010.16 million.

This series of financing activities saw the Group's liquidity indicator of Current Ratio weaken from 1.62 times to 1.40 times, primarily due to the recognition of a put option liability arising from the 26% equity interest sale in a subsidiary. Nevertheless, the other key liquidity indicator of Net Debt Equity Ratio was enhanced from 0.90 times to 0.53 times, aided by strengthening of the Group's Total Equity of RM3.62 billion from RM2.63 billion in the previous financial year.

The Management also analyses the financial performance of the Group by specifically isolating income or expenses which are non-core in nature to our operating activities as depicted in the pie chart on page 21. The key core performance indicator of Core Profit After Tax ("Core PAT") is reported at RM295.81 million as opposed to RM345.76 million previously.

Management Discussion and Analysis

PROJECT UPDATES

Despite the challenging operational environment in the oil and gas industry, Yinson successfully secured two contracts amounting to a total of USD1.48 billion (approximately RM6.03 billion).

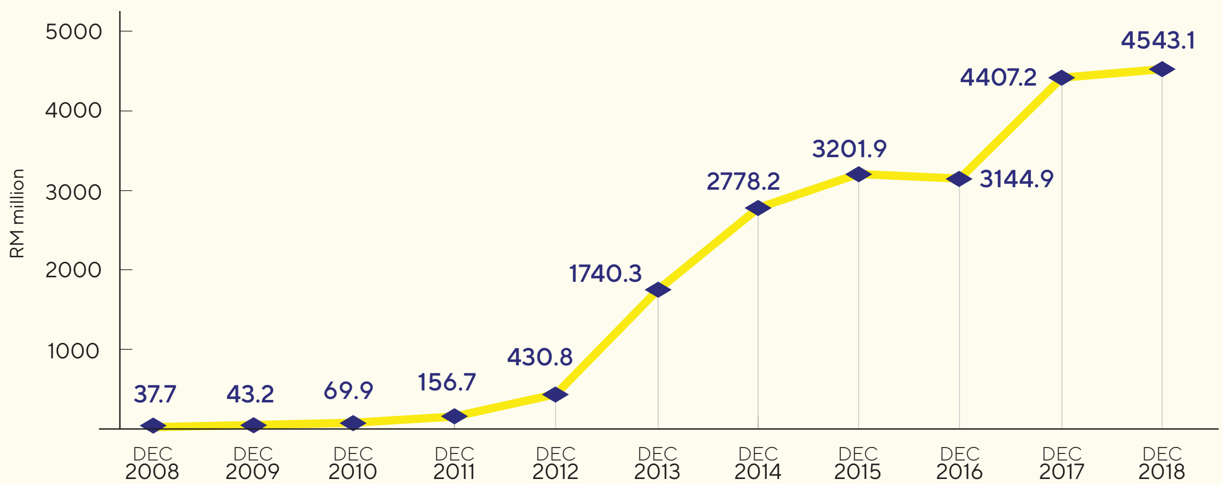
The awards were from JX Nippon Oil & Gas Exploration (Malaysia) Limited ("JX Nippon") and First Exploration & Petroleum Development Company Limited ("FIRST E&P") respectively. With these two contracts, the Group now has a firm order book of USD4.88 billion as of 31 March 2019, which will keep us going up to 2037.

FYE 2019 has been intensive with a high level of bidding activities, utilising most of the available resources on a continuous basis. In line with our business strategy, we have been focusing our bidding activity on projects which best match our strengths, with factors such as the location and solidity of the project (for example, sufficient field hydrocarbon resources), client profile and the overall risk and reward involved being key considerations.

This year, Yinson firmly established our intention to enter into the Brazil market, with a dedicated team focusing on the three tenders for the Marlim 1 & 2 and Parque das Baleias FPSOs. In addition, the Group focused significant effort to bid on Aker Energy's Pecan Project in Ghana which is a continuation of the FEED originally initiated by the previous operator.

All four FPSO contracts mentioned above are expected to be concluded in FYE 2020, and we look forward to sharing the outcomes of these bids with you. Our business development activities in FYE 2020 will strongly depend on the outcome of the four FPSO contracts that we have participated in.

Growth in Yinson's market capitalisation over the past 10 years



Source : Bloomberg

Despite the challenging operational environment in the oil and gas industry, Yinson successfully secured two contracts amounting to a total of USD1.48 billion (approximately RM6.03 billion).

FPSO Helang

The contracts with JX Nippon are very important for the Group. They mark Yinson's entry into the Malaysian market and the Group is honoured to be able to serve in Malaysia. Yinson will be redeploying FPSO Helang (previously named FPSO Four Rainbow) under a bareboat charter of an FPSO facility valued at USD860.00 million (approximately RM3.37 billion) and operations and maintenance contract value of USD578.00 million (approximately RM2.35 billion) calculated on full charter for a tenure of eight years with options for 10 extension periods of one year each.

FPSO Helang is currently under conversion and is scheduled to be deployed by December 2019 to Block SK10, offshore Miri, Malaysia. The Group is optimistic that we will be able to deliver the vessel within budget and on time, barring any unforeseen circumstances.

In terms of Health, Safety and Environment ("HSE") for the conversion of FPSO Helang, we are proud to share that we have accumulated 4.56 million man-hours with zero-LTI as at 31 January 2019. Additionally, all targets for the project's HSE leading indicators have been met (100%), with the exception of observation card submissions (52%). We are addressing this gap with the shipyard, and the submission rate is improving every month. More details on the Company's achievements on the HSE front is described in our Sustainability Statement.

Yinson's Miri office, which is FPSO Helang's onshore base office, was set up on 26 December 2018. The office has a clear view of the South China Sea and is currently being staffed, and will be officially launched soon.

FPSO Allan (to be renamed FPSO Abigail-Joseph)

This contract awarded by FIRST E&P is a bareboat charter and operations and maintenance contract for the provision of an FPSO facility to be deployed at the Anyala and Madu Fields under Oil Mining Leases 83 & 85, offshore the Federal Republic of Nigeria. The total maximum possible estimated aggregate value of the contract is approximately USD901.79 million (approximately RM3.67 billion) with a firm period of seven years followed by a two-year and six yearly extension options.

The timing of this contract was perfect as it allowed the Group to redeploy FPSO Allan, our vessel that ceased operations on 29 January 2019. The charter of FPSO Allan was originally set to expire on 30 April 2019 but was served a Notice of Termination three months earlier on 8 October 2018 by CNR International (Olowi) Limited ("CNR") on the grounds of convenience with confirmed early termination payment compensation. The earlier termination was inevitable due to the under performance of the reservoir.

Throughout its close to 10 years tenure on the field, FPSO Allan had performed steadily, with an average fleet uptime record of 99.9% since 2012.

FPSO Allan will be renamed FPSO Abigail-Joseph after completion of the necessary upgrades.

FPSO John Agyekum Kufuor

Yinson's largest asset, FPSO JAK, continues to perform excellently since achieving first oil in May 2017. The vessel has achieved an average uptime of 99.7%, which is indeed an indicator of our team's strong vessel operations and maintenance capabilities.

FPSO JAK achieved first oil three months ahead of schedule on a fast track project - a record time-to-market production of first oil. These delivery milestones, complemented by our consistent uptime record, no doubt boosted investor confidence in the Group. One notable outcome of this confidence was the successful sale of 26% equity interest in a subsidiary that owns FPSO JAK in June 2018 to a Japanese consortium, which I explain further in the 'Strong and supportive shareholders and business partners' section of this analysis.

Management Discussion and Analysis

FPSO Adoon

We are very pleased to report that FPSO Adoon achieved 100% uptime throughout 2018, a perfect streak which has remained unbroken since Q2 2015. In fact, since FPSO Adoon commenced operations in 2006, the vessel has clocked an outstanding average uptime record of 99.96%.

On 17 April 2019, the charter of FPSO Adoon by Addax Petroleum Development (Nigeria) Limited was extended on an interim basis up to 16 May 2019 based on the existing terms and conditions. This follows an earlier interim extension to 16 April 2019 announced on 23 November 2018, and prior to that, the first interim extension to 16 January 2019 was announced on 22 October 2018. This is the third interim extension which allows more negotiation time for both parties to finalise a further substantive extension of this charter.

The original charter commenced on 17 October 2006 for a firm period of eight years with the option to renew for up to eight years. The firm period expired on 16 October 2014 and was first extended for a year to 16 October 2015, and thereafter for another three years to 16 October 2018.

The Group is optimistic for the charter to be extended as Yinson's performance has been pleasing, and the production from the oil field remains strong.

FPSO PTSC Lam Son

Reflecting back on the series of events affecting FPSO PTSC Lam Son ("FPSO Lam Son") in Vietnam in FYE 2019, Yinson's business strategy of putting in place strong contracting models for payments in the event of termination proved once again to be sound.

In a situation not dissimilar to FPSO Allan, FPSO Lam Son's charter was terminated on 30 June 2017 after three years of deployment at Lam Son Field, due to the field's joint operators' decision to discontinue their joint operations. FPSO Lam Son is currently free from financing encumbrances after the early termination payment for the project loan settlement was received and applied.

Immediately on 1 July 2017, FPSO Lam Son was rehired by PetroVietnam Technical Services Corporation ("PTSC") under the new field operator, PetroVietnam Exploration Production Corporation Ltd. ("PVEP") for the continuation of petroleum operations within the Lam Son Field on an interim basis until 31 December 2018. On 28 December 2018, FPSO Lam Son's tenure was further extended to 30 June 2019.

This positive outcome is a testament to the development of robust contractual terms and also our commitment to practicing disciplined business and financial management.

FSO PTSC Bien Dong 01

FSO PTSC Bien Dong 01 ("FSO Bien Dong") recorded a 100% uptime record for yet another year in 2018. There were no material matters arising during the period in review except for a lower scheduled charter rate, resulting in lower contributions to Yinson.

PTSC Ca Rong Do Ltd

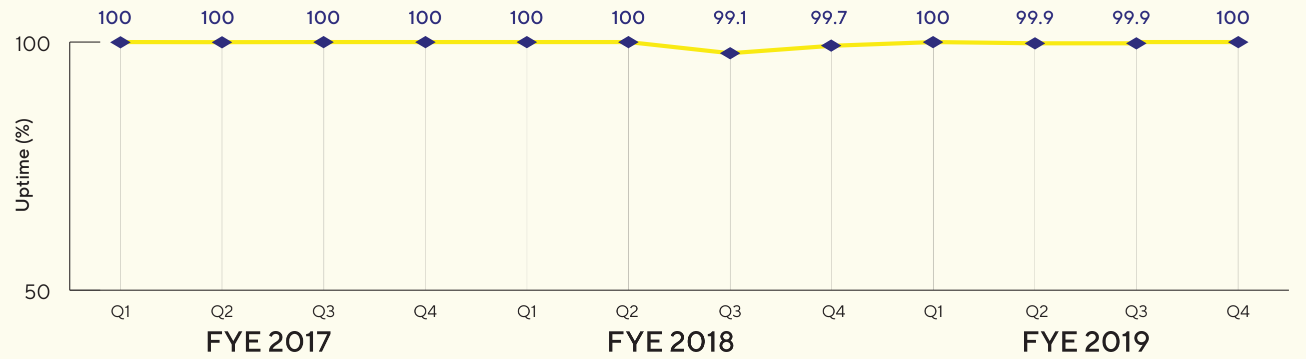
On 25 March 2018, PTSC Ca Rong Do Ltd ("PTSC CRD") received a notice under the Bareboat Charter Contract for the supply, operation and maintenance of an FPSO facility for Ca Rong Do Field Development – Block 07/03 Offshore Vietnam, to notify of a force majeure event where Charterer, Talisman Vietnam 07/03 B.V., has been directed not to carry out the scheduled work programme for the Ca Rong Do project.

PTSC CRD is a joint venture company owned by Yinson Clover Ltd and PTSC, holding a 49% and a 51% stake respectively.

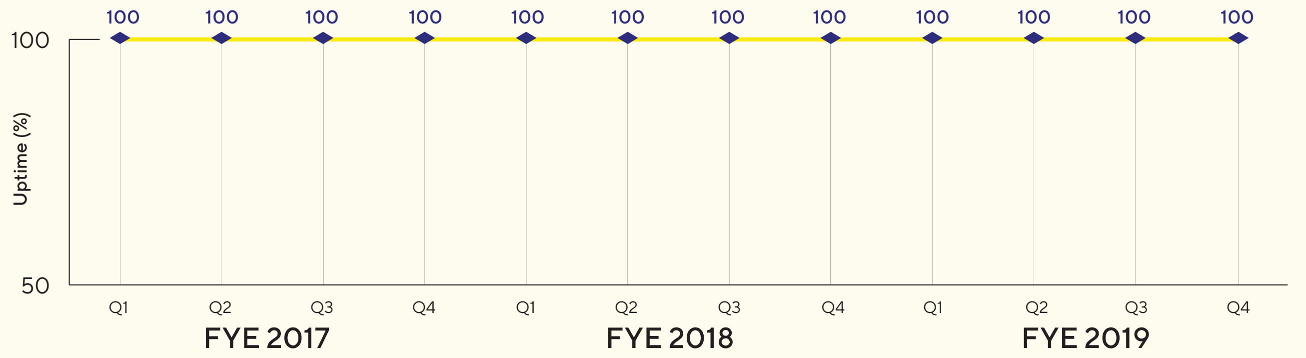
Yinson has taken all precautionary actions pertaining to the alleged force majeure event and will continue to monitor the situation closely. For the time being, the Group is upbeat on being compensated for the cost incurred during the initial Engineering, Procurement and Construction stage and mitigating works for the said project under agreed contract arrangements.

While awaiting a resolution to the event, we effectively deployed resources to secure and bid for projects elsewhere.

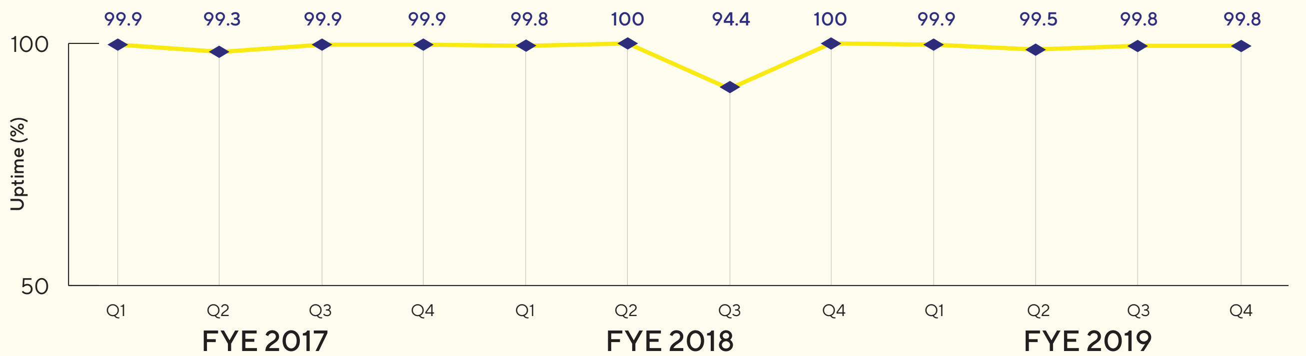
Fleet uptime record for FPSO Allan from FYE 2017 to FYE 2019



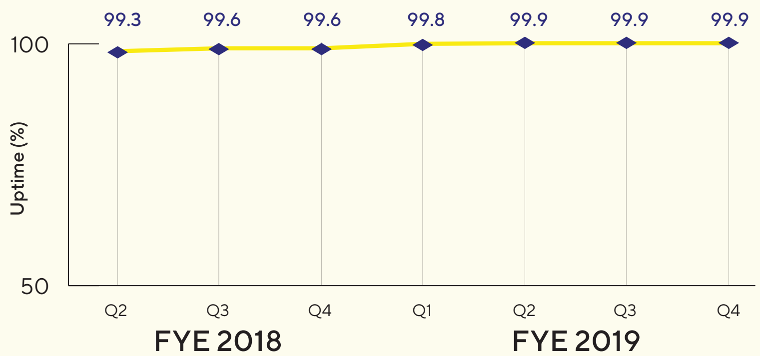
Fleet uptime record for FPSO Adoon from FYE 2017 to FYE 2019



Fleet uptime record for FPSO Lam Son from FYE 2017 to FYE 2019



Fleet uptime record for FPSO JAK from start of operations to FYE 2019



Note: FPSO JAK began operations on 12 April 2017

Management Discussion and Analysis

OPERATIONS UPDATES

Yinson is constantly looking to optimise and enhance our operational platforms so we can provide greater value to all our stakeholders. We believe that investing into our management systems, digital and IT platforms, procedures and procurement practises are key factors to promote our continued growth.

In line with our HSE goal of 'zero harm to people and the environment' we devoted significant effort in FYE 2019 towards conducting a complete management system review and putting a continuous improvement programme in place. These initiatives, conducted hand-in-hand with our ISO Certification process, spur us to undertake operational improvement plans and track how we perform against the set goals to achieve greater efficiencies. Yinson also embarked on a digitalisation strategy which aims to create a unified digitalised platform for project execution, commissioning and operations. This platform is designed to enable data collection for all critical equipment throughout the lifespan of all units. The application of digitalisation in the project execution phase of our operations also sets the foundation and baseline for future operational excellence.

Part of the digitalisation strategy is the implementation of a Group-wide ERP system named IFS – a project that the Company embarked on in 2014. As the Group continues growing in terms of geographical locations, project scope and size and employee numbers, we believe that having an efficient and robust flow of information becomes increasingly vital. The system enables information to be seamlessly shared amongst departments, decreasing communication gaps and creating greater time and process efficiencies. The implementation of the system is still ongoing, and we will continue to enhance its usage to achieve higher efficiency in our operations and reporting.

In addition to the implementation of IFS, Yinson is also in the midst of strengthening our supplier engagement process through our Vendor Registration Platform. This is a large project which will eventually see a registration of all vendors. A further explanation on this platform can be found in the Supply Chain Management section of our Sustainability Statement on page 47.

The Group has taken decisive measures to proactively prepare for the anticipated growth ahead by strengthening areas such as asset integrity management, Computerised Maintenance Management System ("CMMS") and procurement. We have also taken active steps to build our presence in the country offices where our bidding activity is taking place, in preparation for taking on immediate operation of the units in the event of an award. Further, we have devoted considerable resources into developing existing and potential managers to be ready for the growth while keeping up a robust training and competence management programme for our crew in order to maintain our world class safety and uptime records. For the period under review, we are pleased to report zero LTIs and an average fleet uptime of 99.9% for the five assets in our fleet that were in operation in FYE 2019 – FPSO Allan, FPSO JAK, FPSO Adoon, FSO Bien Dong and FPSO Lam Son.

Building local talents and capacity is an integrated part of our business strategy, and it is with this strategy in mind that we have rolled out an ambitious localisation strategy. Yinson has already set new standards for localisation in West Africa, with initiatives including local training programs, partnerships with local educational institutions and industry start up assistance (see Sustainability Statement on pages 56 to 63).

STRATEGY FOR CONTINUED GROWTH

Building solid credit strengths

Due to the capital-intensive nature of the FPSO industry, it is pertinent that the Group builds and maintains good relationships with domestic banks while extending our reach to international banks in order to broaden our financial resources for future growth. The team has worked hard to ensure Yinson is well-banked, allowing us to tap both international and domestic capital markets as well by ensuring the bankability of all our projects are observed strictly during the tender process.

On 8 May 2018, Yinson TMC Sdn Bhd, the Group's wholly-owned subsidiary, successfully made its maiden issuance of Sukuk Mudharabah of RM950.00 million under the RM1.50 billion Sukuk Mudharabah Programme. The Sukuk Mudharabah's first call date is on the 15th anniversary of its first issuance.

The innovative aspect of this deal as well as the significant issuance amount has been recognised through several accolades, including the Alpha Southeast Asia Awards 2018 for Best Mudarabah Deal, IFR Asia Awards 2018 for Best Malaysia Capital Markets Deal and IFN Deals of the Year Award 2018 for Mudarabah Deal of the Year.

Respectively on 29 March 2019 and 5 April 2019, Yinson Juniper Ltd, another wholly-owned subsidiary of the Group, completed a total issuance of USD120.00 million perpetual securities. This is the second and third tranche issued under its USD500.00 million Multi-Currency Perpetual Securities Programme set up in July 2017.

Both issuances by Yinson Juniper Ltd and Yinson TMC Sdn Bhd have served to strengthen the Group's financial reserves.

As may be observed, perpetual securities is gaining importance as a capital strategy for Yinson. The strategy is able to enhance equity and maximise leverage potential without the need for further cash calls on our equity holders when undertaking new projects to complement the Company's growth. While there may have been debates on how perpetual securities should be viewed or accounted for in the capital structure of a company, the specific terms and conditions for each instrument determines its accounting classification of debt or equity.

Proceeds from perpetual securities will serve to fulfil long term funding of equity contributions and capital expenditure in projects during the process of Yinson's business expansion. We will continue to carefully consider how to maintain a good balance of the investment's internal rates of return against distributions to perpetual securities holders in the employment of this strategy.

Yinson's credit standing is closely related to its contracting party, hence we also endeavour to protect ourselves against contract counterparty credit risks by assessing the counterparty's financial ability to fulfil obligations in the event of a termination. Termination payments are contractually structured and compensated based on loss of future revenues. The diligence with which we draw contract termination clauses into our contracts has resulted in Yinson's original investment being safeguarded, as seen by the full early termination payments received for FPSO Lam Son in early FYE 2019. We believe the protective clauses and strong credit standing of our counterparties will continue to provide sufficient cover to the Group in the event of unforeseen circumstances that are beyond our control.

Management Discussion and Analysis

Strong and supportive shareholders and business partners

Forming alliances with reliable business partners have been a key success for Yinson. It has enabled us to increase our access to capital and strengthen our bidding capabilities, lay the foundations for the Group to position ourselves for bigger contracts and venture into new regions.

On 20 April 2018, the Group entered into a long term and binding Memorandum of Understanding ("MoU") with Sumitomo Corporation ("Sumitomo") with a view to jointly pursue and collaborate in the leasing and operation of FPSO and FSO projects globally. Apart from leveraging off Sumitomo's extensive business network, which spans 65 countries, Yinson will also receive Sumitomo's support when seeking competitive logistics and financing, thus enhancing our capacity to take on larger projects. It is a win-win situation for both parties, as Sumitomo in turn is able to gain from Yinson's experience in project execution and operations through our strong and experienced project team. In a further demonstration of their confidence in our Company, a Letter of Agreement pertaining to a potential joint venture was signed with Sumitomo on 18 February 2019 specifically regarding Project Marlim in Brazil. The Letter of Agreement confirmed Sumitomo's intention to participate in Project Marlim with an effective interest of at least 20% in the event of a successful bid by Yinson.

Another successful partnership that Yinson established this year was with a Japanese consortium consisting of Sumitomo, Kawasaki Kisen Kaisha Ltd, JGC Corporation and Development Bank of Japan Inc. Yinson successfully completed the sale of a 26% stake in a subsidiary that owns FPSO JAK for a consideration of up to USD117.00 million on 6 June 2018. The Japanese consortium now holds a 26% equity interest in Yinson Production (West Africa) Pte Ltd via Japan Sankofa Offshore Production Pte Ltd. This transaction velocitised the value of the project, enabling fresh capital to be redeployed for our strategic business growth plans.

In our journey of growth over the past years, Yinson's shareholders and bondholders have provided us crucial financial support through equity and perpetual capital raisings. 12 instances since 2011 have comfortably placed Yinson in a healthy position for future growth initiatives.

2011	2012	2013	2014	2015	2017	2018	2019
1 **Private Placement** RM11.3 million	2 **Rights Issue** RM85 million	4 **Private Placement** RM56.5 million	6 **Rights Issue** RM568 million	7 **Private Placement** RM169.8 million	9 **Perpetual Securities (NC5)** USD100 million	10 **Sukuk Mudharabah (NC15)** RM950 million	11 **Perpetual Securities (NC5)** USD90 million
	3 **Private Placement** RM20.4 million	5 **Private Placement** RM106.6 million		8 **Perpetual Securities (Private Placement)** USD100 million			12 **Perpetual Securities (NC5)** USD30 million

Delivering on our commitments with innovation and excellence

Yinson is in the business of delivering feasible business solutions according to the requirements of the fields where our assets will be deployed. Negotiating contracts is an intensive process, requiring a deep understanding of technical aspects as well as our client's needs. Our tenacity to see contracts through in the best interest of all parties was demonstrated through the signing of the contracts for the redeployment of FPSO Four Rainbow (now called FPSO Helang) and FPSO Allan (to be renamed FPSO Abigail-Joseph).

Both these projects are unique in that they are redeployments of existing assets. Compared to constructing a new FPSO, redeployment of an existing asset helps to reduce the overall costs of delivery and bring forward the schedule of a project. Building on the experience that the Group will gain from these two projects, we aim to broaden the range of FPSO solutions that we can offer, giving us an advantage over our peers in the industry.

We realise the importance of being able to adapt quickly and efficiently to remain competitive in the industry. To this end, the Group has fostered close collaboration with outsourced EPCI and FEED service providers while our Group's project managers maintain oversight during the execution phase.

ONE VISION, ONE MISSION, ONE DIRECTION

Yinson is a global company, currently present in eight countries and comprising of diverse nationalities. We realise that in order to continue growing, building a corporate culture that nurtures adaptability, cherishes change and harnesses the richness of our diversity is more important now than ever before. It is with this realisation that Yinson launched a Group-wide emphasis on corporate culture in 2018.

The aim of the Corporate Culture Initiative is to empower each employee to make decisions based on our five Core Values, towards achieving our shared Mission – which is to 'Passionately deliver **powerful** solutions'. We believe that building a strong corporate culture is the ultimate strategy that Yinson needs to practise in order to deliver the greatest value to all our stakeholders.

Speaking of stakeholders, 2018 saw Yinson taking steps to understand and appreciate our most important stakeholder group – our employees. We carried out two important employee surveys. The first survey was designed to gauge how satisfied employees are with their job, supervisor, team and the organisation. The second was conducted by an external management consultancy, which assessed our safety culture maturity, for both onshore and offshore employees. While the results are on par with the industry average, we are not satisfied with this and have begun implementing many of the recommendations derived from the surveys. This includes establishing a robust staff feedback platform and having Group-wide Town Halls. To recognise excellence in our employees, we also continued implementing our Employees' Share Scheme. These efforts are described in more detail in our Sustainability Statement on page 51.

In addition, Yinson launched an internal reorganisation exercise to streamline and realign our business segmentation to strategically position the Company for growth in view of the constantly evolving market, enabling us to expand into other geographical regions and areas of business.

BUILDING A SHARED SUSTAINABLE FUTURE

The upcoming FYE 2020 marks the final year outlined in our Three-Year Sustainability Plan, which we kicked off in 2017. We have made good progress on delivering on our sustainability commitments in this timeframe, and are working hard to put in place our next steps towards continuing our sustainability journey in the season ahead.

Yinson's sustainability efforts are framed through five material aspects – Code of Conduct, Developing Human Capital, Promoting Health and Safety, Investing in Local Communities and Protecting the Environment. I invite you to read about our achievements in these material aspects in our Sustainability Statement.

Management Discussion and Analysis

Below is an overview of Yinson's achievements during the year under review towards achieving our short, medium and long term goals.

YINSON'S GOALS	PROGRESS TOWARDS ACHIEVEMENT OF GOALS
Short term goals Deliver FPSO solutions for the contracts that we have won this year on time and on budget. Maintain and build excellence in operations.	• Conversion and O&M of FPSO Helang is underway, and on schedule for delivery in Q4 2019. • Conversion and O&M of FPSO Allan (to be renamed FPSO Abigail-Joseph) expected for delivery in 2020. • Continue building on company values. • Maintain excellent uptime and availability. • Continue the journey for our safety culture project across all vessels and offices.
Medium term goals Strive to deliver more projects in the FPSO segment, particularly in our current geographical areas to enhance economies of scale via cost reduction. The Group will also be on the lookout for good assets that are able to complement our current and future business segments.	• Operations base in Miri established for FPSO Helang, receiving support from the Kuala Lumpur and Singapore offices. • Yinson's operations base in Nigeria is undergoing expansion to take on the operations of FPSO Allan (to be renamed FPSO Abigail-Joseph). The office currently manages the operations of FPSO Adoon. • Expanding FPSO supplies to Brazil while continuing to capitalise business presence in Africa region.
Long term goals Continue to assess opportunities to expand and diversify into other forms of energy infrastructure assets to broaden our revenue base.	• Diversifying our business is part of the Group's long term plan to transform into an energy infrastructure player, where renewables will complement our existing floating production and offshore marine segments.

CLOSING REMARKS

Overall, Yinson has been able to emerge fundamentally stronger in FYE 2019, affirming that the continuous investment into engaging our stakeholders and core pillars of the organisation was well worth it. While we will devote our fullest focus on delivering the short and medium term goals that we have embarked on, we are also now in the position to reach forward towards new opportunities that will diversify Yinson's energy portfolio.

Following the reduced investment into the oil and gas sector over the last few years, we are optimistic that the worst is over and that there will be increased capital expenditure into the industry going forward. This reinforces our confidence that our strategy over the last few years was the right one - particularly our investment into building a stronger and bigger human resource base, strengthening partnerships around our business and building our capital. Therefore, we believe we are well-positioned to tap on new opportunities that will grow our energy business to be an even more sustainable one.

In the long run, fluctuations in our industry and in capital markets are an inevitable element of our operating landscape. We are also aware of the rapid changes in technology, environment and regulations influencing our business. Nevertheless, we are confident that the Group is equipped with a solid foundation and expertise that will allow us to continue delivering long term sustainable value to all our stakeholders with due regard to not only the financial aspects of the business, but also the environmental and social aspects.

On behalf of our Board, Management and employees at Yinson, I would like to thank our clients and business partners for trusting us with your investment and business. To our vendors and suppliers, thank you for partnering with us to deliver our projects successfully. To our shareholders, bankers, financiers and investors, thank you for your continued support and confidence in our company.

Last but certainly not the least, a sincere thank you to our employees and crew. Thank you for your hard work, commitment and dedication that has enabled us to 'Passionately deliver **powerful** solutions'.

LIM CHERN YUAN
Group Chief Executive Officer

Sustainability Statement

Yinson's Vision for Sustainability is to enhance long term shareholders' value with due regard to the economic, environmental and social aspects by being a reliable and adaptable partner to our stakeholders.

OUR APPROACH

At Yinson, our growth and progress are linked to the economic, environmental and social sustainability of our business. As a leading and trusted provider operating in a global industry, we impact a wide range of stakeholders.

Our business is enriched by the wide partnerships and collaborations that we have built. We thus seek to play our part as a responsible corporate citizen while also enhancing long term value for our stakeholders.

Our sustainability journey continues on an upward trajectory, as marked by enhancements to our strategic sustainability approach in FYE 2019. Our Sustainability Strategy, which was developed in 2017 to manage our economic, social and environmental impacts, is now strengthened and guided by a Sustainability Policy. Endorsed and approved by the Board of Directors in 2018, the Sustainability Policy sets out clear sustainable development objectives and guidelines for Yinson in every aspect of our business. The Policy and its accompanying statements were developed to meet the requirements of Bursa Securities' Sustainability Reporting Guide, the Global Reporting Initiative ("GRI") standards on sustainability reporting and the United Nations Sustainable Development Goals ("UN SDGs").

The Sustainability Policy is guided by the five material sustainability aspects of our business which we have identified as most significant to our business and our stakeholders. With the establishment of the Policy, we have institutionalised our material aspects into policy statements which will guide our business actions and the achievement of our short, medium and long term business goals. By aligning our business goals with our sustainability commitments, we ensure that we are striving for achievements that will yield shared value for both our business and our stakeholders.

With the Sustainability Policy and Sustainability Strategy in place, we have achieved clarity and focus in the implementation of sustainability across the Group. As part of our efforts to integrate sustainability at the operational level, we have also established a sustainability monitoring system. This includes a reporting dashboard for capturing progress, and evaluating success against the key focus areas of our Sustainability Strategy. The system also facilitates quarterly reports to Yinson's sustainability governance body. Centralising sustainability performance is a step towards identifying trends, gaps and subsequently, opportunities where Yinson can create value for our organisation and our stakeholders. The dashboard is updated with inputs from the relevant departments and monitored on a quarterly basis.

SUSTAINABILITY GOVERNANCE

The main governance and monitoring body providing oversight for sustainability at Yinson is the Sustainability Committee. The Committee was formed in 2016 with duly approved terms of reference, and strengthened through the establishment of the Sustainability Policy in 2018. The Committee oversees the administration and integration of sustainability strategies within the Group and reports directly to the Board on progress. The Committee is supported by a Core Group, comprising of leaders from across Yinson's business operations, who undertake the integration of sustainability practices and objectives at the operational level, including tracking and measuring progress.

Feedback provided by the Core Group to the Sustainability Committee serves as the basis for the Board to review Yinson's sustainability performance and allows the Committee to identify areas for improvement and thereafter, formulate the necessary measures to advance our approach.

Sustainability at the Board

The broad mix of experience and skills held by the Board and Sustainability Committee provides the basis for oversight of Yinson's progressive sustainability approach.

One of the roles of the Board is to review and adopt strategic plans as developed by Management, taking into account the sustainability of the business of the Group, with attention given to environmental, social and governance aspects of the business.

Sustainability Statement

SCOPE OF DISCLOSURE

This Sustainability Statement describes the progress made by Yinson in FYE 2019 to address the five material aspects set out in our Sustainability Policy. It covers all aspects of our business, including an overview of our joint ventures. Our disclosure is guided by external sustainability frameworks, including the Bursa Securities Guidelines, GRI standards and UN SDGs, as well as the international policies and standards that our offshore vessels adhere to. It is our ambition to move towards an integrated reporting framework for future sustainability disclosure and we view our more robust Sustainability Statement in this Annual Report 2019 as a solid first step towards achieving this.

STAKEHOLDER ENGAGEMENT

Recognising the inputs into our business model and strategies as well as the key elements of our business activity performance will help Yinson generate value for our clients, shareholders, stakeholders and the environment. Yinson's key stakeholder groups and the platforms on which Yinson engages with them include those listed in the table below.

STAKEHOLDERS	ENGAGEMENT PLATFORMS
Employees	Surveys, townhall meetings, internal communications, conferences, interviews, meetings, performance reviews
Clients	Surveys, face-to-face meetings, reports
Suppliers & vendors	Vendor Registration Platform, face-to-face meetings, conferences
Host governments	Meetings, press releases, compliance reports
Offshore crew	Safety briefings, toolbox talks, HSEQ meetings, trainings, management visits
Investors & bankers	Regular investor updates, corporate website, analyst briefings
Industry	Conferences
Local communities	Community development programmes
Civil society	Press releases, career roadshows
Shareholders	Annual Reports, Annual and Extraordinary General Meetings, circulars, corporate website
Partners	Face-to-face meetings, regular updates, reports

INTERNATIONAL STANDARDS AND CERTIFICATIONS

Our international presence, diversity of business operations and multiple subsidiaries require that we adhere to a variety of international standards, qualifications and certifications. We aim to go above and beyond in our compliance with these frameworks and integrate responsible practices in all our business activities. Our Group-wide operations are certified to ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007, and our offshore vessels are certified to the International Management Code for the Safe Operation of Ships and for Pollution Prevention.

Together, the standards ensure the safe management and responsible operation of our offshore vessels. In the case that non-compliance occurs, the Group is quick to respond and resolve the issue. Only one such incident occurred in FYE 2019, during which the Information Technology and Communication hardware and software onboard one of our vessels required upgrading in order to maintain proper access to our online systems and communications capabilities. The case was handled by an Investigation Committee which was established to resolve the issue, and was comprised of relevant technical and management personnel. All actions were successfully closed by the Committee, and the system made fully operational as required. Adherence to the highest standards at all times is reflective of the strong governance practices that we embrace.

Supporting industry capability building

As an experienced player in the FPSO industry, Yinson is dedicated to sharing our knowledge with our peers through participation in industry conferences and events. In doing so, we are able to enhance industry excellence while also providing support to our peers. In FYE 2019 we participated in the Offshore Technology Conference Asia in Kuala Lumpur, Offshore Technology Conference in Houston, Upstream West Africa Summit in Senegal, Rio Oil and Gas Exhibition in Brazil, Africa Oil Week in Cape Town, Local Content Conference and Exhibition in Ghana and the FPSO World Congress in Singapore.

In September 2018, Yinson participated in industry knowledge sharing at the FPSO World Congress 2018 held in Singapore. A total of 20 employees from our Oslo, Singapore and Kuala Lumpur offices participated as delegates in the two-day event. Our involvement provided an opportunity for Yinson to share best practices as a key player in the global FPSO industry and to learn from our peers.

Themed "Driving Output Productivity and FPSO Project Profitability", the congress saw industry professionals from around the world gather to discuss the overall life cycle of an FPSO, examine opportunities to increase productivity and identify innovative ways to reduce costs. During the event, members of Yinson's offshore production team shared their expertise by serving as a panel experts for a discussion of the theme "Preserving the Downturn's Upside" and presenting on the topic of "Achieving Cost Reductions Through a Supplier-Led Supply Chain Solution".

In November 2018, Yinson served as a Gold Sponsor for the 5th Annual Local Content Conference and Exhibition held in Takoradi, Ghana. Organised by the Petroleum Commission Ghana, which regulates, manages and coordinates upstream petroleum activities, the three-day event sought to enhance the competitiveness of local companies in the upstream petroleum industry.

Under the theme "Five Years of Local Content in the Ghana Upstream Petroleum Industry: Achievement and Challenges", discussion topics included challenges and prospects of joint venture arrangements, learning from the past and preparing for the future. The event was attended by seven delegates from Yinson's Accra and Takoradi offices.

Yinson at the Local Content Conference and Exhibition, Takoradi, Ghana

Yinson at the FPSO World Congress 2018

Yinson at the FPSO World Congress 2018

Sustainability Statement

MATERIAL ASPECT #1 - CODE OF CONDUCT

We pride ourselves on our commitment to ethical conduct across all levels of our organisation. Operating our business in accordance with sound corporate governance principles is not only key to our financial success, but also integral to our sustainability strategy. This approach to responsible business practices is grounded in our Core Values, R.O.A.D.S, which collectively form the foundation from which we drive sustainability.

Guided by R.O.A.D.S, we seek to foster a culture of integrity across Yinson and our supply chain, creating value by conducting our business responsibly and conforming to the highest ethical standards and applicable laws. Our business practices and standards for employee conduct are governed by the Yinson's Code of Conduct and Business Ethics ("COBE"), which was reviewed and endorsed by the Board in September 2018. The COBE serves as a single guiding document, bringing together the standards and practices previously described separately in the Yinson Code of Conduct and the Yinson Code of Ethics. This new code defines the foundation of our ethical standards and expectations for personal conduct, including references to our other Group-wide policies. We held seven workshops on this new code throughout the year in review, training a total of 100 employees. Yinson continues to display a strong record of compliance to the COBE, with no fines, penalties or settlements imposed during the year in review.

Building a company culture that is consistent with the values set out in the COBE requires ongoing efforts to promote understanding of and adherence of it throughout the Group.

FYE 2019 marked the introduction of several important policies and procedures to strengthen our corporate governance structure in line with our commitment to ethical business practices.

Anti-bribery and anti-corruption

The Group's Anti-Bribery and Anti-Corruption ("ABAC") Policy was endorsed in March 2018 by the Board. As part of the introduction and implementation of the policy, we held numerous onsite presentations and targeted online training for ABAC. We conducted 25 ABAC capacity-building workshops which were delivered across our offices worldwide to engage with employees on the policy, building enhanced ABAC awareness and collecting policy feedback. These workshops, which reached 88% of all our employees, built deeper understanding of ABAC concepts across the Group and helped shape minor refinements made to the policy later in the year. We take pride in our Group-wide commitment to ensuring high standards of corporate governance. In January 2019, the ABAC online training module was fully implemented, allowing employees to access the ABAC training presentation and test via a web-based platform. This will ensure that employees across all of Yinson's geographically diverse operations are able to undertake the ABAC training to enhance their understanding of the policy.

Whistleblowing

In 2018, our Whistleblowing Policy was enhanced with the inclusion of procedures to further improve ethical business practices and facilitate the disclosure of improper conduct. The policy was approved by the Board in June 2018. This policy is intended to support our workforce in their efforts to adhere to our code of conduct by establishing a channel for employees to report on wrongdoings that are counter to Yinson's interests, ethical standards and commitments.

Money laundering and counter terrorism

In order to ensure our compliance with applicable laws and regulations, an Anti-Money Laundering Policy was introduced in 2018 to provide a framework for the reporting of any suspicious transactions or activities within Yinson. By establishing this policy, which will serve to mitigate the risks associated with money laundering and terrorism financing, we hope to demonstrate to stakeholders our commitment to upholding their trust through sound and ethical business.

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External parties

Yinson is committed to conducting and maintaining ethical and professional partnerships with business partners, third parties and international commercial representatives, including international agents, sponsors and advisors. Consequently, in 2018 the Board approved two new policies, namely a Policy and Procedure on Dealing with Business Partners and Third Parties and a Policy and Procedure on Dealing with International Commercial Representatives, to govern our professional external engagements. These policies guide how we manage our relationship with external parties from an ABAC perspective, fulfilling due diligence requirements to third parties. The introduction of the policies will help us to maintain our status as a trusted business partner, while protecting our company and employees against the contractual risks associated with operating and holding shared accountability in a high-stakes industry.

SUPPLY CHAIN MANAGEMENT

At Yinson, supply chain management is an important aspect of how our operations, and those of our contracted goods and services providers, maintain good business conduct. Our suppliers are integral to our ability to deliver high-quality goods and services in a timely manner. To ensure safe and efficient operations, we work to build long term relationships with reliable suppliers. These relationships are built on a foundation of trust, with enhanced trust enabling better cost and time efficiency within our operations. This translates to corresponding benefits for our clients, to whom we are able to deliver well-priced and reliable services.

The strength of our relationships with vendors and suppliers comes from regular engagement throughout the tender, project execution and operational phase. These connections are further reinforced through our regular attendance at conferences that gather key players and service providers in the industry. We take these opportunities as a way to build stronger links with vendors within the industry.

We contract both local and foreign suppliers, with suppliers defined as such relative to the locations in which our vessels are operating or undergoing construction. Wherever possible, we endeavour to prioritise local suppliers and service providers in order to support local economies and empower local communities. This not only creates value for Yinson by making our supply chains more cost-effective but also serves to protect the global environment by reducing transportation-related vehicular emissions. Our long term commitment is to continuously work to improve and strengthen the links between our supply chain and local suppliers and resources. In FYE 2019, we engaged a combined 435 local suppliers for our two key operating FPSOs and one FPSO currently under construction.

Our supplier management approach for new and existing suppliers focuses on high quality, cost effectiveness, honesty and responsibility. Supply contracts are primarily awarded based on a potential supplier's ability to provide products and services that meet the requested specifications. Depending on the nature of the purchase, including criticality in terms of safety, risk of pollution, or influence on operational uptime, the purchase is evaluated and categorised for further steps.

Yinson is in the midst of registering all our suppliers through our Vendor Registration Platform ("VRP"). Through the VRP, Yinson is able to receive information on certificates and relevant policies to ensure adherence to the local content requirements of the country in which the current phase of the project is located. The VRP is also used for screening our suppliers based on social and environmental criteria, including fair labour practices, human rights aspects, health and safety practices and environmental policies. Vendors are further required to read and understand our ABAC Policy and sign a Certificate of Compliance to the ABAC Policy. Every year we perform several supplier audits where we assess the quality of goods and services, check relevant certificates and verify that contractual terms are being met.

Sustainability Statement

PROCUREMENT ACTIVITY

In order to provide a more comprehensive disclosure of the supply chain practices of our core business area, namely providing FPSOs, we describe here our supply chain management for these key assets.

Each year, our procurement activities reflect the needs of our active projects, or those FPSOs currently under construction, as well as our operational projects, or those FPSOs that are currently in use by clients. Procurement needs are greatest during an asset's active phase, as compared to when the asset is operational. For FYE 2019, our active project consisted of the construction of FPSO Helang, which is currently under construction in China for its eventual deployment to offshore Miri, Malaysia. Our operational phase FPSOs during the year included FPSO Allan in Gabon, FPSO JAK in Ghana and FPSO Adoon in Nigeria. FPSO Allan has been excluded from the scope of this supply chain management section as the asset has reached the end of its contract and is currently being decommissioned for its redeployment to the Anyala and Madu Fields in Nigeria. Reporting on procurement activity for FPSO Allan, which will be renamed FPSO Abigail-Joseph, will be included in the next reporting cycle.

Active phase assets

Our active project within the financial year, FPSO Helang, was secured via a novation agreement in June 2018. In consultation with the client, it was determined that construction would take place in China in the interest of meeting the project's timeline, budget and technical requirements. However, because the project entity is registered in Malaysia and the asset is destined for operation in a Malaysian field, local vendors for the project have remained defined as those from Malaysia. In total, 14 Malaysian-based vendors were contracted for the project, with Malaysian-based vendors accounting for close to 30% of the spending on the top ten vendors based on total order value. FPSO Helang is expected to be operational by Q4 2019.

Operation phase assets

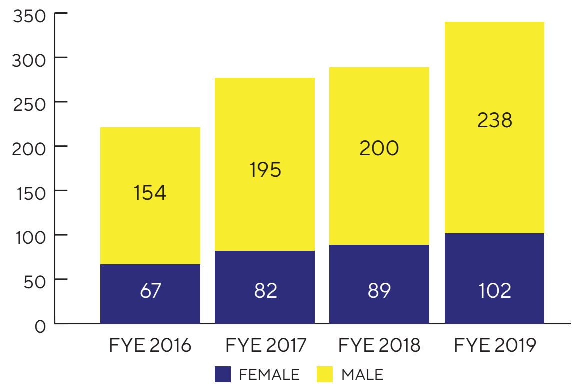
For our two key operational assets in FYE 2019, FPSO JAK and FPSO Adoon, local suppliers are defined as those registered in the countries in which the vessels are currently operating. Across both projects, an average of 44% of suppliers were local, with these suppliers accounting for 70% of the projects' top ten vendors. In total, local suppliers amounted to 65% of total spending. This expenditure breakdown demonstrates Yinson's commitment to supporting the local economy by awarding larger and more significant contracts to local suppliers so as to promote their business growth.

MATERIAL ASPECT #2 - DEVELOPING HUMAN CAPITAL

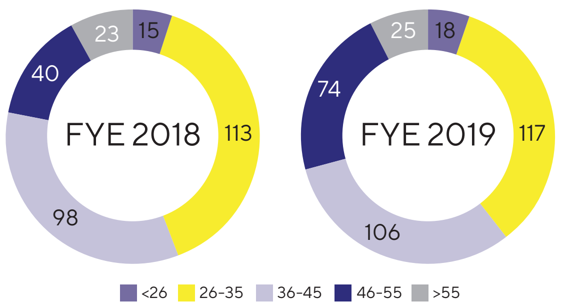
Establishing a positive working environment that promotes diversity and professional development is integral to the satisfaction and well-being of our staff and therefore, the success of our business. With a workforce spanning eight countries, we recognise that individuals from every background can make unique and valuable contributions to our operations. It is precisely this diversity that helps us to excel on a global playing field.

In recognition of the importance of diversity, in January 2018 Yinson adopted a Diversity Policy which aims to promote a corporate culture that embraces gender, age and ethnic diversity. The policy confirms the Board's commitment to diversity and provides a framework and strategy for the Group's Human Resources and Capital Development Department and CEO to implement in order to achieve the policy's objectives. The Human Resources and Capital Development Department provides an annual update to the Board on the effectiveness of the policy's implementation across the Group.

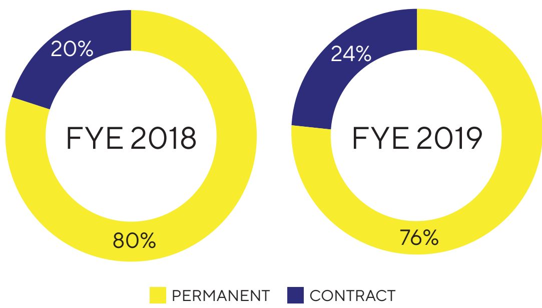
Employee diversity by gender



Employee diversity by age



Percentage of employees by contract type



Note: The figures in this section relate to full time employees. An employee is considered as a 'full time employee' if, for a calendar month, they are employed on average at least 30 hours of service per week, or 130 hours of service per month

Sustainability Statement

Employee diversity by nationality

EMPLOYEE ENGAGEMENT

Clear and dynamic communication is essential for a productive and positive workplace. In order to facilitate dialogue of this kind, we conducted an employee engagement survey in 2018 among 116 employees from our Kuala Lumpur and Singapore offices to collect feedback on their job satisfaction, their supervisor, their team and the organisation as a whole. Results were promising, yielding an overall satisfaction rate of 69%, with employees showing the highest level of satisfaction, 79%, with their team.

We are an equal opportunity employer, recruiting talent based on merit and through standardised procedures across the Group. In addition to the digital platforms through which we promote vacant positions, we engage with prospective employees through recruiters, networking events and university career fairs. We seek to identify and nurture talent in the earliest stages of career development through our Internship and Management Trainee Development Programme, offered in collaboration with universities and colleges in the countries in which we operate. Through this programme, which includes an opportunity for interns to experience the different business operations of Yinson in our offices around the world, we aim to secure and retain the best and brightest for our future operations. In FYE 2019, we offered internship positions to four students.

In order to strengthen our capacity for internal talent development, the Management Trainee Development Programme is set to be relaunched in FYE 2020 as the League of Extraordinary Apprentices Programme (L.E.A.P). The revised apprenticeship programme will accept promising young Malaysians into two programme streams based out of our Kuala Lumpur office. The Executive Stream will include a two-and-a-half-year apprenticeship including one month of shadowing and mentorship with a member of Yinson's leadership team. The Advanced Stream of the programme, which aims to fast-track participants to Manager level, will be four years in length and will include mentorship from a senior leader for the duration of the programme. Through this programme we seek to invest in promising new candidates who are teachable and adaptable, with the energy and drive for success.

At Yinson, we believe in recognising excellence when we see it. We do so through our Employees' Share Scheme, which rewards eligible employees based on their performance and the duration of their service, among other criteria. Through this initiative, we hope to foster an environment where our employees feel that their achievements are both valued and recognised.

Yinson recognised as one of the best companies to work for in Asia

In 2018, Yinson was once again recognised as an employer of choice, this time by HR Asia, who identified Yinson as one of the top employers in the country. In honour of our achievements in cultivating a positive working environment, Yinson was awarded HR Asia's Best Companies to Work For in Asia, Malaysia Chapter.

HR Asia is one of Asia's most authoritative publications for senior HR professionals, covering over 12 markets across the region. Our receipt of this award marks our continued commitment to employee welfare and talent management, as well as our efforts to create a workplace that cares deeply for its employees.

Sustainability Statement

MATERIAL ASPECT #3 - PROMOTING HEALTH AND SAFETY

It is only by working diligently to prevent and avoid accidents that we can uphold our Core Value of Reliability, both as a responsible employer and a trusted business partner. We employ a number of organisational procedures and deliver regular training programmes to enhance safety practices across the organisation.

To maintain compliance and ensure continuous improvement processes, our Health, Safety and Environment ("HSE") Risks Management is reviewed periodically through ongoing input and safety assessments. This includes hazard identification, risk assessment plans for the safety and control of activities as well as hazard and effects management procedures. We also assess the associated risks of any activities, products or services of subcontractors and suppliers that have a significant impact on the health and safety of the workers as well as on the environment.

Across the Group, reporting and management of HSE and operational matters within our Health, Safety, Environment and Quality ("HSEQ") Department are facilitated through an external software system that provides management of specific procedures and processes for offshore vessels. This includes incident reporting and improvements, audit reporting and follow-up, the registration and monitoring of 'Permits to Work' onboard our vessels, emergency information management and risk assessments.

Our HSE documents are managed using the Yinson Management System ("YMS"), a digital document management system that stores all our governing policies, procedures, instructions and plans. YMS serves as a single platform for data-sharing and archiving within Yinson, making information easily accessible for all employees. The system also contains built-in controls to ensure that staff are directed to only the most up-to-date versions of documents, guaranteeing consistent practices across the Group. The platform was launched in October 2018, with subsequent training on the system for HSE and Administration delivered over two days, reaching a total of 65 employees from offices in Oslo, Ghana and Nigeria.

Digitising our HSE systems will also enable more robust monitoring and evaluation. Following the introduction of YMS, we moved to revamp our HSE policy management and distribution by closing down our alternative digital systems, allowing YMS to serve as a unitary system for governing HSE documents and procedures.

Moving forward, our focus will be on reviewing and updating the procedures incorporated in the YMS.

Apart from digital efforts, we continue to conduct regular inspections involving senior management visits onboard our vessels to ensure adherence to high safety and operational standards. Issues identified through these inspections are flagged for remedial action based on their ranking as either low, medium or high priority. For example, an inspection of Yinson's offshore support vessels yielded three high-priority findings pertaining to onboard updates for equipment and 'Permits to Work' procedures that were swiftly resolved. These inspections, which also provide an opportunity for Management to engage with offshore vessel personnel, allow Management to share business insight into the performance of the vessels with clients while also receiving client feedback.

HSE PERFORMANCE

We continued to maintain our excellent health and safety record in FYE 2019, with zero Lost Time Injuries recorded during the year. Our ability to effectively manage and respond to incidents was demonstrated by our swift action in handling personnel safety and property damage incidents with high risk potential that occurred during the year. These included one property damage incident and one near-miss incident. There were no severe security incidents during the year, however activities of concern were reported in the areas in which we operate. These issues served primarily as a call to action to improve the effectiveness of the FPSOs' field security vessels. As the FPSO provider, we proposed security initiatives for our clients, drawing from our expertise to recommend strategies to improve field security vessels' response times and availability.

For our offshore vessels, we regularly conduct emergency exercises and drills to increase the capability of offshore personnel to prevent incidents and to respond effectively and efficiently in the event of an emergency. These include drills for emergency scenarios, such as appropriate conduct and effective use of the vessel's capabilities during evacuation, drills for process safety events, including oil spills and fire breakouts, and drills for security breaches onboard.

In FYE 2019, we provided extensive health and safety training to offshore crew, resulting in the issuance of a total of 1,276 training certificates to Yinson offshore personnel. Training was delivered by an external service provider specialising in training for onboard vessels.

FPSO HSE performance

FPSO	ALLAN	ADOON	JAK[1]	TOTAL
HSEQ Reports				
FYE 2017	40	33	N/A	**73**
FYE 2018	44	26	232	**302**
FYE 2019	29	19	48	**96**
Personal Injuries				
FYE 2017	2	1	N/A	**3**
FYE 2018	4	2	15	**21**
FYE 2019	0	0	3	**3**
Lost Time Injuries				
FYE 2017	0	0	N/A	**0**
FYE 2018	3	0	0	**3**
FYE 2019	0	0	0	**0**
Observation Cards				
FYE 2017	51	164	N/A	**215**
FYE 2018	312	168	1,451	**1,931**
FYE 2019	305	221	2,006	**2,532**

Note:
[1] FPSO JAK began operations on 12 April 2017.

OSV HSE performance

VESSEL	LAM KINH	PTSC HUONG GIANG[1]	YINSON HERMES	YINSON PERWIRA[2]	TOTAL
Incident Reports					
FYE 2017	0	0	0	1	**1**
FYE 2018	0	2	0	0	**2**
FYE 2019	0	1	0	2	**3**
Recordable Cases					
FYE 2017	0	0	0	0	**0**
FYE 2018	0	0	0	0	**0**
FYE 2019	0	0	0	0	**0**
Lost Time Injuries					
FYE 2017	0	0	0	0	**0**
FYE 2018	0	0	0	0	**0**
FYE 2019	0	0	0	0	**0**
Observation Cards					
FYE 2017	238	92	275	70	**675**
FYE 2018	286	249	251	0	**786**
FYE 2019	556	478	281	295	**1,610**

Notes:
[1] PTSC Huong Giang was off-hired up to mid FYE 2017 and started a leased contract in August 2016.
[2] Yinson Perwira secured a leased contract from August to October 2016 and from August 2018.

Sustainability Statement

HSE INITIATIVES

Safe workspaces are created when HSE knowledge permeates all levels of an organisation. At Yinson, we aim to foster this knowledge by ensuring our onshore and offshore employees are well-informed and engaged with respect to workplace safety.

Onshore initiatives

In FYE 2019, efforts to promote HSE in our offices included the training of selected employees to function as first aiders, floor wardens and fire marshals.

In accordance with the Occupational Safety & Health Act, we also organised Basic Occupational First Aid, CPR and Automated External Defibrillator and Building Emergency Response and Basic Fire Fighting training for employees in our offices.

Offshore initiatives

We undertook two HSE initiatives within our operations in West Africa in FYE 2019. This included a Personal Protective Equipment ("PPE") campaign that aimed to address the correct use of PPE by encouraging all employees to provide feedback on their equipment. It also included an Isolation and Lock Out and Tag Out ("LOTO") campaign to increase awareness of and knowledge about our LOTO systems. The Isolation and LOTO campaign was first introduced on FPSO JAK in Ghana and is currently undergoing implementation on FPSO Adoon in Nigeria.

Our offshore vessel crew also underwent a Hazard and Risk Identification Training to promote the improvement of our safety culture for the long term reduction of safety incidents. In March 2018, the Slip, Trip & Fall campaign was introduced to address the finding that 13% of reported Unsafe Acts and Unsafe Conditions from October to January 2017 were caused by slip, trip and fall hazards. The result of the campaign was a decrease in the occurrence of slip, trip and fall incidents from 13% to 5%.

PROCESS SAFETY

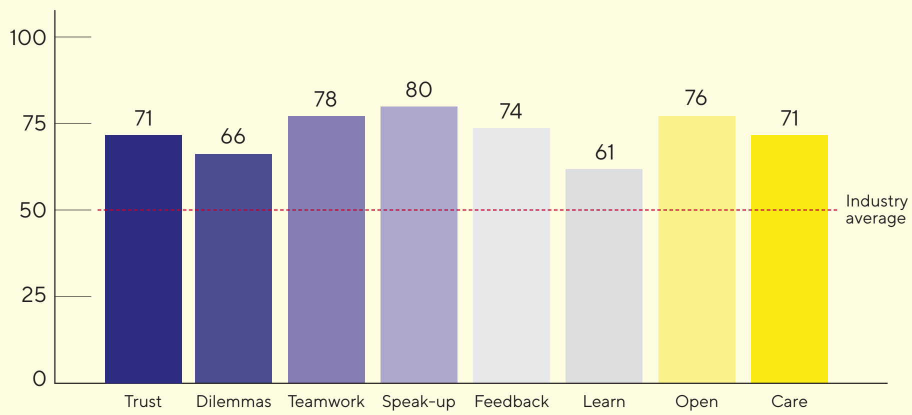
During operations onboard vessels, process safety incidents are defined as those events in which the integrity of our operating systems and assets are put at risk. At Yinson, process safety management is based on the integrity of our offshore vessels' facilities and the measures in place to prevent and control events that have the potential to release hazardous materials to the environment. In FYE 2019, during the preparation works to decommission FPSO Allan offshore Gabon, two loss of primary containment events were recorded, but with no spill to the environment.

Developing a culture for managing failure

The ability to collaborate on difficult situations in challenging circumstances is essential for responding to mistakes, if, and when, they occur. At Yinson, we strive to build a culture where our people are able to effectively collaborate to handle mistakes if and when they occur before they escalate to major incidents, whether related to the health and safety of our staff or the financial and legal well-being of our business.

In 2018, we engaged an external consultant to evaluate the capacity of our head office team to effectively respond to major incidents. This built upon the findings of surveys conducted by the same consultancy in 2015 and 2017, which offered an equivalent diagnosis for our offshore team, Yinson Production. Moving forward, in line with the recommendations from the 2018 survey, we aim to foster learning and collaboration among our onshore employees for the development of a stronger team and a more robust culture for managing failure. In doing so, we hope to replicate the results seen in our offshore surveys, which saw a marked improvement in risk and failure management capabilities in 2017 due to improvements implemented following the 2015 survey. The safety culture of Yinson was evaluated against eight leadership behaviours. Yinson's Group-wide score against the eight behaviours are listed below.

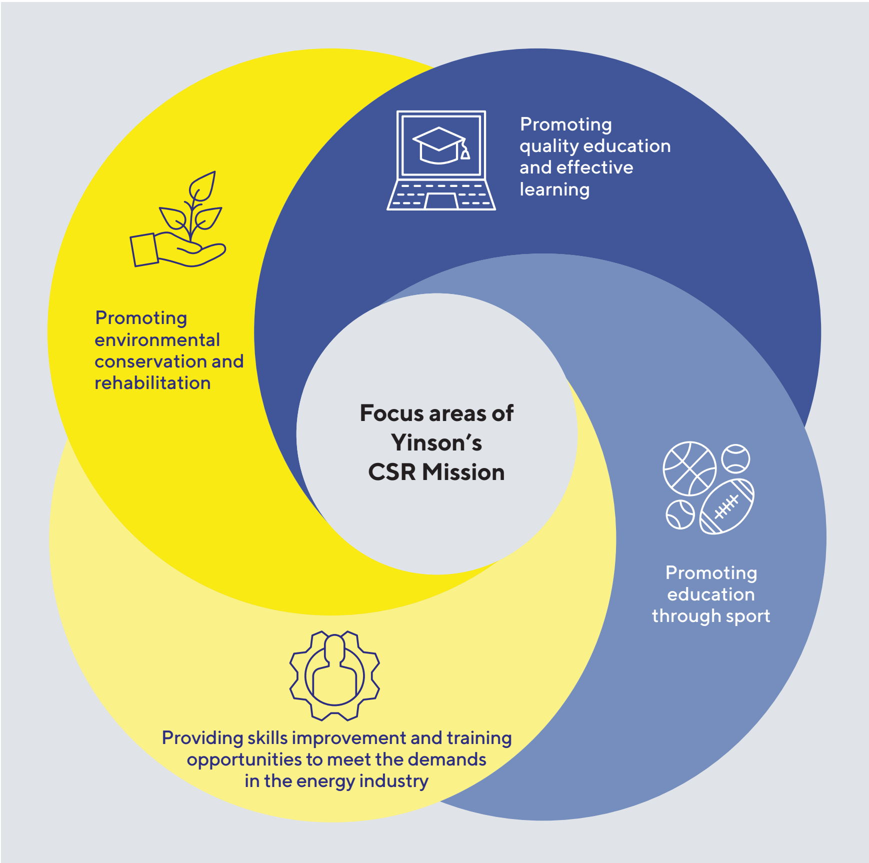
Safety leaders capability scores from the Propel Sayfr Survey



Note: Reproduced with permission from Propel Sayfr AS, Norway. The Propel Sayfr benchmark is based on survey results from more than 100,000 employees in maritime / offshore industry.

MATERIAL ASPECT #4 - INVESTING IN LOCAL COMMUNITIES

As a global company whose operations touch the lives of individuals all over the world, we are committed to good corporate citizenship in every community we operate in. Through the delivery of targeted, meaningful and long-lasting community development programmes, we aim to create shared economic, environmental and social value to the benefit of our company and our communities.



In FYE 2019, we demonstrated our commitment to community investment with the creation of a Corporate Social Responsibility Policy and Procedure ("CSR P&P"). This document outlines our objectives, strategy, focus areas and procedures for Corporate Social Responsibility ("CSR") across Yinson. In establishing the CSR P&P, we move beyond one-off initiatives and towards long term strategic engagement projects, as befitting an organisation with our capacity to deliver positive change.

We seek community development programmes that have real purpose, and engage in a rigorous review and evaluation process to evaluate the potential for a programme to bring value to the community, environment and Yinson. In screening new CSR initiatives, we evaluate programme alignment with Yinson's CSR mission and strategy, as well as adherence to the corporate governance principles set out in our COBE. We also assess any potential social, environmental or economic risks presented by the programmes, including legal and compliance risks. CSR initiatives are further vetted based on ABAC considerations to ensure that programmes are not a conduit for bribery or illegal gratification. Through this process, we ensure that we are supporting programmes that deliver shared value for our communities without compromising our principles.

To ensure the effective delivery of quality programmes, we engage in partnerships with relevant organisations who share the goals of our mission. Our programmes are therefore collaborative efforts that benefit from the expertise of established organisations with financial and non-financial support provided by Yinson. We also encourage our employees to become involved in caring for their communities through active participation in our CSR programmes or volunteerism in their own communities.

Yinson's CSR initiatives are overseen by the CSR Committee, which consists of representatives from each of our main geographical areas of presence. The Committee is responsible for preparing and reviewing Group-wide CSR plans, monitoring identified programmes' progress up to completion and managing communications to promote internal awareness of Yinson's CSR programmes. The CSR Committee provides quarterly updates on CSR initiatives to the Sustainability Committee.

For FYE 2019, our CSR initiatives can be broadly separated into those that create stronger communities through investments in the built environment and those that do so through contributions to social programmes.

Sustainability Statement

BUILDING COMMUNITIES

Strong communities require strong foundations from which to grow. At Yinson, we have worked to develop these foundations through contributions to building projects that provide valuable infrastructure for communities. These projects, which are delivered in our direct and extended areas of influence, include the building, renovation and refurbishment of schools, training centres and community facilities. Through these projects, we aim to facilitate community-driven growth by establishing the necessary conditions for development.

Yinson Welding Training Centre

Since its commissioning in 2017, the Yinson Welding Training Centre has served as a training facility for the Takoradi Technical Institute ("TTI"), enabling TTI to provide students with valuable technical training in welding and fabrication skills. The Centre provides the necessary facilities for 600 students to develop their qualifications for employment in the oil and gas industry and other industry sectors. Seven out of the eight welding instructors in the Training Centre have received the requisite training to enable them to teach the students to the highest standards. Yinson provided USD460,000 to fund the construction of the Centre.

In 2018, we offered further support to the Yinson Welding Training Centre by providing welding consumables worth USD15,000 to help with the training of students. It is our hope that our support for this important facility will enable TTI to continue to provide the students with the skills required for the oil and gas industry. We will also continue to work towards our goal to make training available to local companies' staff.

Futurestars School Rehabilitation

Futurestars is a non-profit initiative that provides education-through-sports to five schools in the city of Tema, near Accra, Ghana. As one of the founding team members of Futurestars, which is now a registered United Kingdom charity, Yinson has been committed to supporting the initiative since 2015, when we became a part of the Futurestars founding team. This includes support for one of Futurestars' first initiatives, the Futurestars School Rehabilitation ("FSSR") programme, which was established with the goal of renovating five public schools in Tema. FSSR involves the urgent repair of hazardous situations and critical hygiene issues, followed by the repairs of cracks and upgrades to modern sanitary sewage systems and, finally, general painting and fencing. Renovation works are now nearing completion in all five schools, providing the schoolchildren with safer and more conducive learning environments. Yinson's total contribution to the project thus far amounted to USD141,000.

Yinson Welding Training Centre

(Before) Futurestars School Rehabilitation

(After) Futurestars School Rehabilitation

Sustainability Statement

In establishing the CSR Policy and Procedure, we move beyond one-off initiatives and towards long term strategic engagement projects, as befitting an organisation with our capacity to deliver positive change.

Sanitary facility in Kejabil

In FYE 2019, we made further contributions to the development of critical infrastructure for schools through the construction of a sanitary facility at a school in Kejabil. While Yinson's previous CSR projects have benefited those in our extended area of influence, this sanitary facility marks our commitment to helping local stakeholders within the direct reach of our operations. The facility, which was completed in 2018 at a total project cost of USD20,000, helps to support a more conducive learning environment for local community members. The new sanitary facility will also be shared by the Kejabil Catholic Primary School, serving approximately 200 children and 10 teachers in the area. The construction of the sanitary facility builds upon our track record of support for critical sanitary infrastructure development, also marked by our renovation of a sanitary facility for Apowa Health Centre in FYE 2018.

Yinson Community Hall

In March 2018, Yinson celebrated the commissioning of a 1,000-seater multipurpose community assembly hall in Nkroful Agricultural Senior Secondary School. Located in the town of Nkroful in the Western Region of Ghana, the hall offers a range of useful features, including audiovisual equipment, ceiling fans, a public address system and a standby generator. The facility, which has been named Yinson Hall, exemplifies the manner by which we create the physical foundations from which community development can grow. The hall will act to foster community spirit and serve as an educational resource centre and recreational centre for all those in the school and surrounding community.

We are pleased with the successes of our building projects in FYE 2019, and we are confident that we have established facilities that will deliver long-lasting benefits to the communities in our area of influence. In keeping with the strategic approach to CSR outlined in our CSR P&P, moving forward we aim to focus our future efforts on delivering long-lasting education and social programmes to build human capital and fill local knowledge gaps. We believe this will not only fulfil our contractual obligations for local community requirements but also develop and foster our relationship with the communities in which we operate.

Sanitary facility in Kejabil

Yinson Community Hall

Sustainability Statement

SUPPORTING SOCIAL DEVELOPMENT

It is important for Yinson that our presence in communities not be limited to the structures we can erect but linked to the positive impact we can deliver at a human level. We have therefore endeavoured to deliver a number of CSR programmes that contribute to the enrichment of our community through engagement, empowerment and support.

Teach For Malaysia Foundation

Yinson is pleased to support the Teach For Malaysia Foundation as a Corporate Partner. Teach For Malaysia ("TFM") is a leadership development programme that mobilises a movement of leaders to empower the nation through education. The non-profit organisation recruits the country's rising generation of leaders to be part of the solution to the education challenges facing today's communities. These leaders teach as Fellows in high-needs schools across Malaysia, working with the communities to impact lives in the classroom and beyond. As a Corporate Partner, Yinson contributed RM50,000 to support a chosen Fellow.

Yinson's contribution to TFM goes towards supporting Divyang Hong, a 23-year old Electrical and Electronics Engineering graduate hailing from Sungai Petani, Malaysia. Divyang, who has been teaching in a high-needs school in the heart of Kuala Lumpur since February 2019, chose to become a TFM Fellow because, as he says, "All it takes is one teacher to have faith in a student for the student to have a completely new outlook on life."

Through his work for TFM, Divyang aims to provide students with a platform to express themselves and have their voices heard. He hopes to elevate each and every student to a position where they can positively impact their school, their community and the nation.

CFA Institute Research Challenge

In 2018, Yinson was honoured to be selected as the research subject company for the CFA Institute Research Challenge in Malaysia. This annual global competition organised by the CFA Institute and hosted by CFA Society Malaysia provides university students with hands-on mentoring and intensive training in financial analysis. Yinson supported the challenge participants by providing 80 students from 11 universities with an in-depth knowledge sharing session led by Yinson's investor relations team. In recognition of the students' achievements, Yinson also organised a special session with the winning team, providing additional support for their participation in the regional finals taking place in Sydney.

Yinson's participation in this programme marks our belief in the importance of nurturing and developing high-calibre local talent through partnerships with local educational institutions. By aiding the development of a future-ready workforce, we can contribute to the longevity of our business and the security of our shared future.

Teach For Malaysia Foundation

CFA Institute Research Challenge

Sustainability Statement

OCBC Cycle

OCBC Cycle Singapore is a mass cycling event organised annually by OCBC in Singapore. Proceeds from the event are contributed to nominated NGOs or charitable organisations such as the National Cancer Research Fund and the Singapore Children's Society. Yinson continues to be recognised as the event's largest corporate donor, an honour we have held since first sponsoring the event in 2016. Our participation in OCBC Cycle Singapore offers wide-reaching positive impacts for our community, from the individuals who participate in the event to the worthwhile organisations who benefit from it.

Hear Them Speak symposium

Moderated and produced by Lionel Tan of the T'ang Quartet, "Hear Them Speak - Empowering the Student's Voice" is Singapore's first music symposium enabling social transformation through arts. The two-day event held in November 2018 included a series of panel discussions, masterclasses, workshops and lectures where key speakers explored how music teaching skills and artistic ideals can be used to champion social goals. Yinson supported this new initiative and the development of the arts community in Singapore by serving as a sponsor for the forum, contributing a total of SGD10,000 to the event.

Futurestars Sports Programme

Yinson is a firm believer in the value provided by sports for children's development and learning. Through our support for the Futurestars initiative and their sports programmes for school children in Ghana, Yinson has advanced the empowerment of local school children and the development of teamwork, dedication and leadership skills in programme participants. In 2018, as part of Futurestars' CSR Partners Day, Yinson worked together with other participating partners, teachers from Futurestars schools, staff from the Ghana Education Service and a local charity to sort and distribute sports equipment to five schools in Tema. The 4th Annual Futurestars Festival of Sport was held at the Tema Sports Stadium in 2018. The event was attended by approximately 600 attendees including schoolchildren, Futurestars partners, Yinson representatives and other stakeholders.

To date, approximately 2,500 children have benefited from the Futurestars Sports Programme. The positive impacts of the programme have also cascaded throughout the community, as all five schools with the programme in place have seen increased levels of attendance and lower absenteeism since the initiative's inception.

Field Ready Alliance®

Yinson serves as Associate Partner for Field Ready Alliance®, an intensive programme aimed at improving the employability of students in Africa by equipping them with industry-specific skills, knowledge and capabilities. Field Ready Alliance® partners with companies and the local governments of participating regions to support licensed technical institutions for training and development purposes. As Associate Partner, Yinson contributed USD50,000 to the Field Ready Alliance® team in Ghana, where FPSO JAK is based, to help eligible underprivileged students become 'field ready' talents for the oil and gas industry.

Donation of sporting kits to schools in Apowa and Kejabil

OCBC Cycle

Sustainability Statement

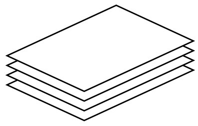
MATERIAL ASPECT #5 - PROTECTING THE ENVIRONMENT

At Yinson, we are committed to minimising environmental impacts at all levels of our organisation, as reflected by the environmental goals set out in our Sustainability Policy. Our strategy for doing so emphasises strict adherence to environmental regulations and the use of targeted environmental initiatives to address our onshore offices' and offshore operations' unique environmental risks. No environmental fines or penalties were imposed during the year in review.

OFFICE-BASED ENVIRONMENTAL INITIATIVES

Our offices and business units adhere to recognised international standards for environmental management, including ISO 14001:2015. In addition to these standards, we have established our own internal system and process for the management of metrics and progress towards our environmental impact areas. These internally-constructed plans, referred to as Environmental Focus Plans ("EFPs"), are developed by each of our international offices to monitor and track progress towards meeting their specific and unique goals and targets. These plans provide each office with a sense of ownership over environmental stewardship in their local context, and we believe they are more effective and purposeful than a single overarching framework.

Under these EFPs, each of our offices focuses its efforts on its three most significant specific environmental aspects, as determined on an annual basis. These are identified based on an aspect's magnitude and frequency, potential to cause environmental harm, relative importance to stakeholders and relevant environmental legislation. While this approach yields a range of different focus areas within the Group each year, we are working towards collecting and collating data of the same nature across all offices. This will facilitate the unified and consistent tracking of data for establishing and monitoring targets. The results of the EFPs for our Singapore, Kuala Lumpur and Oslo offices in FYE 2019 are highlighted in this section.

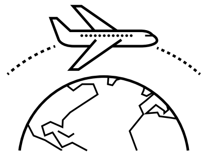


Paper consumption

Wherever possible, we seek to reduce the paper we consume for printing and copying. We also manage our paper waste by sending it to recycling facilities.

Key achievements:

- Our consumption of paper for Yinson's Kuala Lumpur office in 2018 amounted to 262,500 sheets. Our office's unused paper and cardboard materials were also donated to a charitable organisation which recycles the material and diverts the funds towards their initiatives supporting the disabled. In 2018, we contributed a total of 4,004 kg of paper to this organisation.
- Our Singapore office's target for 2018 was to reduce paper consumption against the 2017 baseline by 10%. Although the target was not met this year, in 2019 we will continue to work towards a 10% reduction of our 2018 consumption, which amounted to 460,591 sheets.
- In 2018, our Oslo office surpassed their target for paper conservation by consuming only 99,595 sheets of paper. This represents a reduction in consumption of over 20% compared to 2017 baseline levels.



Travelling activity

Our offices aim to minimise their travelling activity, and therefore their greenhouse gas emissions, by encouraging phone and video conferences in place of face-to-face meetings and by promoting greater implementation of 'Skype for Business'. We are committed to monitoring and tracking air travel mileage and associated carbon emissions with the goal of setting targets once strong Group-wide data collection policies have been established.

Our key achievement in this area for 2018 is establishing baseline data for CO_2 emissions due to air travel as follows:

- 288.5 tonnes from our Kuala Lumpur office.
- 1,126 tonnes from our Singapore office.
- 2,370 tonnes from our Oslo office.

Electricity consumption

Electricity consumption reduction initiatives include managing and reducing excessive electricity consumption in our office from office lighting, equipment and air conditioning.

As part of an HSE initiative to prevent energy wastage, every power supply and switch at Yinson's Kuala Lumpur office is accompanied by a "Save Energy" notice. In 2018, the total consumption of electricity at our Kuala Lumpur office was 242,840kWh.

Office waste management

Our office waste awareness programmes seek to encourage waste segregation while reducing the generation of office waste.

Key achievements:

- At our Singapore office we successfully reduced the use of disposable plastic coffee stirrers in 2018. We had set a target in 2017 to reduce the consumption by 50%, but managed to exceed this, achieving a reduction of 93%.
- In 2018, the improved segregation of waste was a significant focus in our Oslo office, with emphasis placed on improving employee awareness on the need to separate paper and plastic materials. We also added electronic recyclables to our office waste segregation efforts.

Case study – 'paperless meetings'

In December 2018, Yinson's Group Corporate Secretary Department began their implementation of "Paperless Meetings" using the Convene System and electronic signatures via DocuSign. Together, the systems provide a central platform for scheduling meetings, document distribution and voting, while also offering online presentation tools to facilitate collaboration at meetings.

As our business operates from a few key offices in different countries, this paper-saving initiative minimises the need for hardcopy documents to be sent and collected from our offices outside and within Malaysia, thereby reducing the emissions associated with couriering important documents. This initiative also improves productivity by saving time in the preparation and compilation of meeting materials, decreasing turnaround times, expediting the process flow of meetings and increasing document accessibility, as documents can be accessed around the clock.

Based on scheduled meetings for FYE 2019 and projections of meetings' paper consumption, we estimate that this initiative will reduce the consumption of paper by 56,000 sheets every year. This is equivalent to 280kg of paper.

Great paper savings

No need to print multiple hardcopy sets for each person

Reduction in emissions

No need to arrange transportation of documents

Efficiency improvement

Reduction in administrative tasks such as photocopying and compilation of meeting packs

Expedite process flow

Documents can be accessed 24/7

Yinson Group Overview
Strategy and Sustainability
Governance
Accountability
Annual General Meeting

Sustainability Statement

OFFSHORE ENVIRONMENTAL INITIATIVES

Environmental initiatives undertaken by our offshore operations include due consideration of the environment when selecting and following-up with our suppliers, increasing our focus on energy efficiency and minimising our use of resources. Offshore operations also place great importance on protecting the integrity of the immediate surrounding environment by avoiding accidental discharges to land, air and sea. We continue to work towards identifying our environmental impacts and implementing environmental focus plans to address these impacts.

Our offshore vessels comply to all relevant environmental rules and regulations, mentioned previously. We also monitor and track environmental metrics onboard our vessels in accordance with client requests in order to support their management of environmental impacts. These impacts vary between vessels and include a range of parameters, from the types of chemicals consumed onboard a vessel to the volume of sewage treated. In addition to meeting client expectations for compliance with the International Safety Management Code, we also strive to advise our clients on potential initiatives that could reduce the environmental footprint of their operations.

Spills and discharges

In FYE 2019, there were zero spills or discharge of hydrocarbon overboard our vessels. Two cases of loss of primary containment were recorded onboard FPSO Allan, amounting to a combined volume of 25 litres. These minor incidents, which were promptly responded to and resolved, were classed as non-reportable spills based on the regulations of the vessel's operation in Gabon. Despite the incidents' low level of severity, we are committed to preventing their recurrence and undertook comprehensive remediation works to mitigate future risks. This included thorough testing of the repaired area and surrounding parts prior to restarting the system.

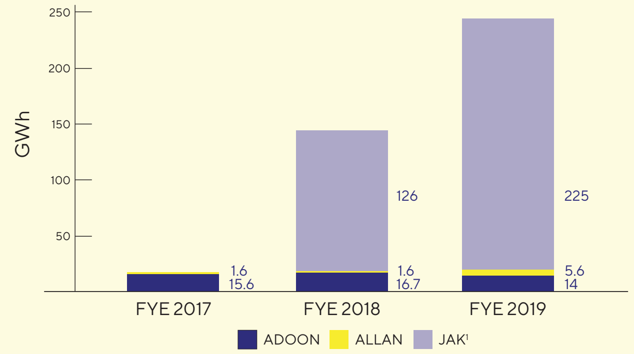
Waste

To facilitate proper waste management, waste generated onboard our vessels is segregated before it is collected by local contractors and sent offshore for disposal. All waste is managed in compliance with offshore vessel pollution regulations and local regulations, and our non-hazardous waste is recycled wherever possible.

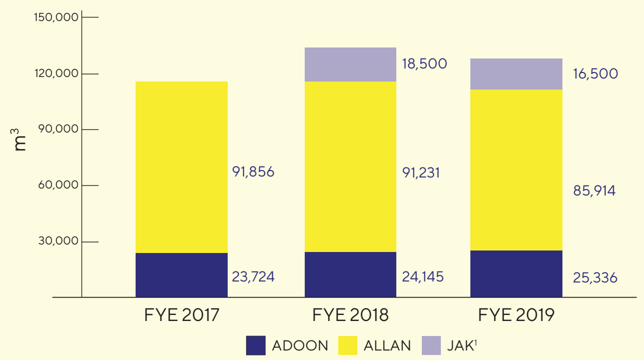
Energy and water consumption

We recognise that excessive consumption of energy and water is harmful to the environment. We therefore monitor and track the consumption of these resources onboard our vessels, and where possible propose initiatives to reduce their usage.

Energy consumption onboard operating FPSOs (GWh)



Water consumption onboard operating FPSOs (m^3)



Note:

[1] FPSO JAK began operations on 12 April 2017

HSE POLICY SUMMARIES

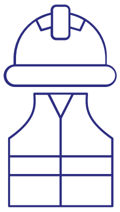
Yinson Environmental Policy

Yinson shall be an organisation that acknowledges our social responsibility and we shall minimise our environmental footprint. Our aspirational goal is zero harm to the environment.

We will achieve this by:

- Complying with all relevant rules and regulations.
- Openness regarding our environmental achievements.
- Selecting and following up with suppliers.
- Identifying and ranking our environmental impacts.
- Implementing an Environmental Focus Plan based on our environmental impacts.
- Using environmental friendly solutions.
- Minimising the use of resources
- Increasing our focus on energy efficiency.
- Avoiding accidental discharges to land, air and water.

We are dedicated to remaining certified in accordance with the ISO 14001 standard.



Yinson Health, Safety and Environmental Protection Policy

Yinson is committed to the highest standards with respect to Health, Safety and Environmental Protection and our objective is zero accidents throughout our operations.

We will achieve this by:

- Integrating HSE into all our business activities creating safe and healthy workplaces.
- Being committed to minimising the negative impact of our activities on health and the environment, and complying with the applicable laws and requirements.
- Providing up-to-date information, training and supervision needed to make sure that all workers are safe from injury and risks to their health.
- Meeting and exceeding the requirements and expectations of our clients, shareholders, and partners.
- Ensuring that our suppliers meet the same high standards as ourselves.
- Evaluating and improving our systems and performance continuously.

In Yinson, we believe that all accidents can be prevented, and that all employees have a common responsibility to care for each other and the environment. Implementing this Policy is a management responsibility, and all employees are obliged to abide by it.

Yinson Quality Policy

Yinson shall be recognised by excellence in project execution and vessel operations.

We will deliver Units that fulfil the requirements, expectations and needs of our Clients. Our obligation to quality in project execution will form the basis for reliable, safe and effective operations of our Units. Our commitment is to be a preferred long term partner for oil companies.

We shall achieve this by:

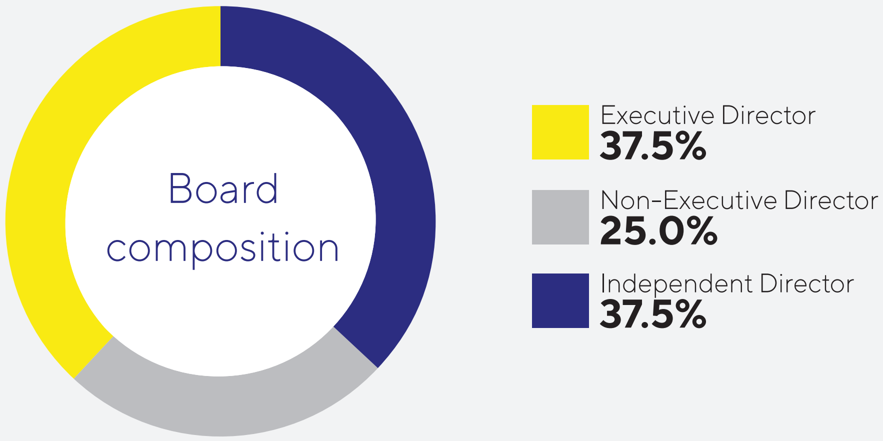
- Implementing an effective Management System in compliance with ISO 9001.
- Controlling suppliers and contractors.
- Auditing and monitoring.
- Managing nonconformities, incidents and lessons learned.
- Continually improving processes and products.
- Complying with rules, regulations and Client requirements.
- Using competent personnel with proper training.
- Following-up established quality goals.
- Identifying and managing risks.
- Using specifications and standards reflecting specified requirements and Client needs.

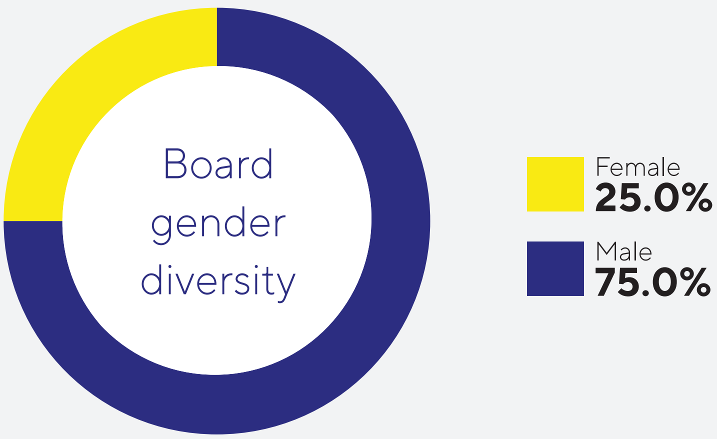
The HSEQ Department is responsible for facilitating and monitoring, while each employee is responsible for delivering quality in his or her work.

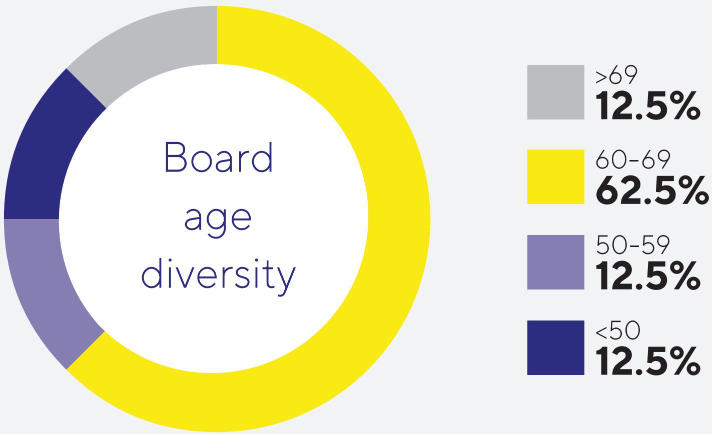
03 GOVERNANCE

Board of Directors

OUR BOARD AT A GLANCE







MR LIM HAN WENG
Age 67, Male, Malaysian
Group Executive Chairman
Non-Independent
Executive Director

Board Committee positions held
Member of ESSC

Date of appointment
Founder/First Director – 9 March 1993
Group Executive Chairman –
28 September 2009

Mr Lim Han Weng embarked into the transport and trading business in 1984 with the founding of Yinson Transport (M) Sdn Bhd. He was the main driving force behind the formulation and implementation of Yinson's corporate and business strategy until the baton of managing the day-to-day work of Yinson was handed over to Mr Lim Chern Yuan in 2014. He remains the largest shareholder in Yinson and continues overseeing Yinson's direction and overall performance. He is the spouse of Mdm Bah Kim Lian, brother to Mr Lim Han Joeh, and father to Mr Lim Chern Yuan and Mr Lim Chern Wooi.

Directorships of other public companies
• nil

MR LIM CHERN YUAN
Age 35, Male, Malaysian
Group Chief Executive Officer
Non-Independent
Executive Director

Board Committee positions held
Chairman of ESSC
Member of BRMC

Date of appointment
Executive Director –
28 September 2009
Group Chief Executive Officer –
3 January 2014

Mr Lim Chern Yuan started his career in Yinson as a Business Development Executive in 2005 and was promoted to Senior General Manager two years later before taking on his current role in 2014. Under his leadership, Yinson grew to become a global FPSO operator. He oversees the overall performance of Yinson together with the Group Executive Chairman and holds a key role in conceptualising, communicating and executing Yinson's short to long term business strategies. He holds a Bachelor of Commerce from University of Melbourne. He is son of Mr Lim Han Weng and Mdm Bah Kim Lian, and brother of Mr Lim Chern Wooi.

Directorships of other public companies
• nil

DATO' MOHAMMAD NASIR BIN AB LATIF
Age 61, Male, Malaysian
Non-Independent
Non-Executive Director

Board Committee positions held
Chairman of BRMC

Date of appointment
Non-Independent Non-Executive Director – 11 August 2016

Dato' Nasir started his career with the Employees Provident Fund Board in 1982 and held several positions before being promoted to Deputy Chief Executive Officer (Investment). The positions held include State Enforcement Officer (1990-1995), Senior Research Officer, Manager and Senior Manager in the Investment and Economics Research Department (1995-2003), and General Manager of the International Equity Investment Department (July 2009-2013). He holds a Bachelor in Social Science from Universiti Sains Malaysia, a Certified Diploma in Accounting and Finance (ACCA), and a Master of Science in Investment Analysis from the University of Stirling in UK.

Directorships of other public companies
• Plus Malaysia Berhad
• Sime Darby Plantation Berhad
• Malaysian Resources Corporation Berhad

Board Committee Abbreviations:

ESSC	Employees' Share Scheme Committee
BRMC	Board Risk Management Committee
NRC	Nominating and Remuneration Committee
AC	Audit Committee

Board of Directors

MDM BAH KIM LIAN
Age 67, Female, Malaysian
Non-Independent
Executive Director

Date of appointment
Founder/First Director/Executive Director – 9 March 1993

Mdm Bah Kim Lian assisted Mr Lim Han Weng in the general administration of the Group's operations in the transport business, and maintains a close relationship with Yinson's customers and affiliates. She also sits on the board of several subsidiaries of Yinson Group. She is the spouse of Mr Lim Han Weng, sister-in-law of Mr Lim Han Joeh, and mother of Mr Lim Chern Yuan and Mr Lim Chern Wooi.

Directorships of other public companies
- nil

DATO' WEE HOE SOON @ GOOI HOE SOON
Age 59, Male, Malaysian
Senior Independent
Non-Executive Director

Board Committee positions held
Chairman of AC
Member of BRMC, NRC and ESSC

Date of appointment
Independent Non-Executive Director – 11 August 2016

Dato' Gooi has over 35 years of experience in the fields of accounting and corporate finance. He was instrumental in the successful implementation of several corporate exercises, which included mergers and acquisitions and corporate debt restructuring exercises undertaken by public listed companies. In 1999, Dato' Gooi was appointed to the Board of Avenue Capital Resources Berhad as a Non-Executive Director, and subsequently as Group Managing Director in 2001, and Deputy Chairman in 2004, holding this last post until 2006. He was also the CEO/Executive Director-Dealing of Avenue Securities Sdn Bhd. In 2008, Dato' Gooi was appointed to the Board of EON Bank Berhad, and was subsequently appointed Chairman of the Board in 2009, a position that he held until May 2012. In 2009, he was appointed to the Board of Amity Bond Sdn Bhd (formerly known as EON Capital Berhad), and in the same year assumed Chairmanship. In April 2018, he resigned as a Director of both Amity Bond Sdn Bhd and AIA Berhad, subsequent to which he was appointed as an Independent Non-Executive Director of Bank Negara Malaysia by His Majesty the Yang di-Pertuan Agong. With effect from 1 January 2019, he was appointed by the Minister of Finance as a Board Member of the Securities Commission Malaysia. He is qualified as a Member of the Malaysian Association of Certified Public Accountants and Malaysian Institute of Accountants.

Directorships of other public companies
- Red Ideas Holdings Berhad
- Perusahaan Sadur Timah Malaysia Berhad
- Hup Seng Industries Berhad (alternate director)

Board Committee Abbreviations:	
ESSC	Employees' Share Scheme Committee
BRMC	Board Risk Management Committee
NRC	Nominating and Remuneration Committee
AC	Audit Committee

DATUK ABDULLAH BIN KARIM
Age 67, Male, Malaysian
Independent
Non-Executive Director

Board Committee positions held
Member of NRC, AC, BRMC and ESSC

Date of appointment
Independent Non-Executive Director – 16 October 2018

Datuk Abdullah has over 40 years of experience in the oil and gas industry. Starting as a Project Engineer with Petronas Carigali Sdn Bhd in 1981, he moved on to become the company's General Manager, Engineering Division in 1991. He was appointed as Managing Director/CEO of OGP Technical Services Sdn Bhd in 1995, then in 1999 assumed the position of Managing Director/CEO of Malaysia LNG Group of Companies before his appointment as Vice President, Exploration & Production Business of Petronas in 2004. In March 2007, Datuk Abdullah became the President/CEO of Petronas Carigali that was involved in the exploration, development and production of oil and gas in Malaysia and 23 countries worldwide. He was appointed as Vice President and Venture Director of Domestic LNG projects in 2012, and retained this position until his retirement on 1 July 2016. He holds a Bachelor Degree in Mechanical Engineering from University of Western Australia.

Directorships of other public companies
- Icon Offshore Berhad
- Uzma Berhad
- Ranhill Holdings Berhad

DATUK RAJA ZAHARATON BINTI RAJA ZAINAL ABIDIN
Age 71, Female, Malaysian
Independent
Non-Executive Director

Board Committee positions held
Chairman of NRC
Member of AC, BRMC and ESSC

Date of appointment
Independent Non-Executive Director – 11 August 2016

Datuk Raja Zaharaton served the Government of Malaysia in various capacities for 34 years from 1971 to 2005, principally in the capacity of policy analysis and financial evaluation. Her last post in the Government was Director General of the Economic Planning Unit (EPU), Prime Minister's Department. Upon retirement, the Government of Malaysia appointed her as Chairman of Technology Park Malaysia Corporation Sdn Bhd from January 2006 to December 2008. Following that, the Government appointed her as Chairman of Ninebio Sdn Bhd from January 2009 for a two-year period. She is also a Director of her family-owned company, Kumpulan RZA Sdn Bhd and its subsidiary Raza Sdn Bhd. She holds a Bachelor Degree in Economics from University of Malaya, and a Master in Economics from University of Leuven, Belgium. She continues to serve as Associate Fellow at the Centre for South East Asia Disaster Prevention Initiative (SEADPRI) Universiti Kebangsaan Malaysia and participates in the research undertaken on climate change and sustainable development.

Directorships of other public companies
- Taliworks Corporation Berhad
- Media Prima Berhad and Group

MR LIM HAN JOEH
Age 60, Male, Malaysian
Non-Independent
Non-Executive Director

Date of appointment
Executive Director – 30 January 1996
Non-Executive Director – 11 August 2016

Upon graduation from university in 1984, Mr Lim Han Joeh took up the position of Operations Manager in Yinson Transport (M) Sdn Bhd before he assumed the position of Executive Director of Yinson Corporation Sdn Bhd in 1986. He continues to contribute to the Board and Yinson with his vast experience in Yinson. He holds a Bachelor Degree in Civil Engineering from Monash University, Melbourne. He is brother of Mr Lim Han Weng, and brother-in-law of Mdm Bah Kim Lian.

Directorships of other public companies
- nil

Board Committee Abbreviations:

ESSC	Employees' Share Scheme Committee
BRMC	Board Risk Management Committee
NRC	Nominating and Remuneration Committee
AC	Audit Committee

Save as disclosed, the Directors have no family relationship with any Director and/or major shareholder of the Company, have no conflict of interest with the Company and have not been convicted of any offence other than traffic offences within the past five years.

Key Management

MR LIM CHERN YUAN
Age 35, Male, Malaysian
Group Chief Executive Officer

Mr Lim Chern Yuan started his career in Yinson as a Business Development Executive in 2005 and was promoted to Senior General Manager two years later before taking on his current role in 2014. Under his leadership, Yinson grew to become a global FPSO operator. He oversees the overall performance of Yinson together with the Group Executive Chairman and holds a key role in conceptualising, communicating and executing Yinson's short to long term business strategies. He holds a Bachelor of Commerce from University of Melbourne. He is son of Mr Lim Han Weng and Mdm Bah Kim Lian, and brother of Mr Lim Chern Wooi.

MR DANIEL BONG MING ENN
Age 38, Male, Malaysian
Group Chief Strategy Officer,
Head of Corporate Advisory Office

Mr Daniel Bong started his career in international audit and advisory firms, covering engagements within a wide spectrum of industries. He moved on to a local real estate investment fund, covering corporate finance and corporate planning. In 2011, he joined Yinson as General Manager in Corporate Finance and Strategy Development, and was thereafter promoted to Group Chief Strategy Officer on 3 January 2014. He currently oversees the Group's Corporate Advisory Office, working closely with the Group Executive Chairman and Group Chief Executive Officer to conceptualise, communicate and execute Yinson's short to long term business strategies. He currently oversees the Group's investment and corporate finance, corporate legal, corporate secretary, risk management and compliance, treasury, tax and structure, financial reporting, investor relations, strategic planning, corporate communications, human resources and business partnerships. He has been instrumental to Yinson's growth, particularly in driving the transition from a logistics and trading company to offshore production. He is a Chartered Accountant with both the Malaysian Institute of Accountants and Institute of Singapore Chartered Accountants, and a Fellow of the Association of Chartered Certified Accountants as well. He also holds a Master of Science in Accounting and Financial Management.

MR EIRIK ARNE WOLD BARCLAY
Age 47, Male, Norwegian
Chief Executive Officer,
Offshore Production

Mr Eirik Barclay has worked in the offshore oil industry since 1999, starting his career with Schlumberger Oilfield Services as a Field Engineer before moving on to work for Aker Kvaerner Process Systems. He has previously held the positions of CEO of Songa Floating Production and Vice President, Business Development of BW Offshore. Eirik held the position of CEO at Fred. Olsen Production ASA when Yinson acquired the company in 2014, after which he was appointed Chief Executive Officer of Yinson's Offshore Production Division. He holds a Masters of Engineering from Norwegian University of Science & Technology, Norway, and a Masters in Energy Management ESCP/IFP Paris and BI (Oslo).

MR FLEMMING GRØNNEGAARD
Age 49, Male, Danish
Chief Operations Officer, Offshore Production

Mr Flemming Grønnegaard started his career with Maersk Ship Design as a Project Engineer before moving on to work for APM Terminals as Director of Crane and Engineering Services. Flemming has worked in the offshore oil/shipping industry since 2001, having previously held the positions of Vice President, Operations at Teekay Petrojarl, and Group Technical Director at Svitzer (A.P. Moller Maersk). He was appointed Chief Operations Officer of Yinson's Offshore Production Division in April 2015. He holds a Masters of Engineering from Danish Technical University, Denmark.

MR ANDY CHOY
Age 55, Male, Singaporean
Group General Counsel

Mr Andrew Choy is experienced in legal practice in the upstream oil and gas industry, with a firm grounding in commercial and corporate work. He was appointed Head of Legal of Yinson's Offshore Production Division on 1 February 2014 and thereafter, Group General Counsel on 1 January 2018. He is primarily responsible for providing advice and support to Yinson on all legal issues and documentation. He also generally leads on matters requiring legal consideration. Andy was appointed as the Honorary Consul of the Republic of Ghana in Singapore on 31 January 2018, and is the author of The Singapore Corporate Director's Manual. Andy's qualifications include Member of the Honourable Society of Gray's Inn (London); Barrister-at-Law (England and Wales); Advocate & Solicitor (Singapore); Arbitrator (Chartered Institute of Arbitrators/ Singapore Institute of Arbitrators); and Certified Auditor for Quality Management System (ISO 9001:2008), International Safety Management (ISM), and International Ship and Port Facility Security (ISPS).

MR LIM CHERN WOOI
Age 33, Male, Malaysian
Chief Executive Officer, Marine

Mr Lim Chern Wooi started his career in Yinson as Business Development Executive in June 2008. He was promoted to Chief Executive Officer for Yinson's Marine Division on 3 January 2014. He oversees the operation and business of Yinson's marine segments including Offshore Support Vessels, tugs and barges. He holds a Bachelor of Applied Science and Masters in Business Administration, both from RMIT University, Melbourne. He is also a Certified Auditor for Quality Management System (ISO 9001:2008); Environmental Management System (ISO 14001:2004); Occupational Health and Safety Management System (OHSAS 18001:2007); International Safety Management (ISM), and International Ship and Port Facility Security (ISPS). He is son of Mr Lim Han Weng and Mdm Bah Kim Lian, and brother of Mr Lim Chern Yuan.

Key Management

MR HO GUAN MING
Age 48, Male, Malaysian
Group Financial Controller

Mr Ho Guan Ming started his career as an Audit Assistant with BDO Binder in 1994, and moved on to join a private company involved in palm oil and the petrochemical industry as Finance Manager in 1997. He spent the next 15 years in a public listed oil and gas company, starting as Senior Accountant in 2001, Treasury Manager in 2006, and subsequently to Group Financial Controller in 2007. He joined Yinson as Group Financial Controller in 2016. Mr Ho holds a Bachelor Degree in Commerce (Accounting) from University of Canberra, and is a Chartered Accountant with the Malaysian Institute of Accountants.

DATO' MOHAMED SABRI ZAIN
Age 63, Male, Malaysian
Chief Executive Officer,
Yinson Energy

Dato' Mohamed Sabri Zain has 40 years of experience in the international oil and gas industry. He started his career with Petronas Malaysia in 1978. He took on the role of General Manager for International Operations before being appointed as President of White Nile Petroleum Operating Company in Sudan in 2008. He joined MISC Berhad as Vice President of Offshore Business in 2010. In 2013, he was appointed President for GOM Resources Sdn Bhd and Puncak Oil & Gas Sdn Bhd. He joined Yinson on 16 May 2014 as Chief Executive Officer of Yinson Energy. He sits on the Board of Barakah Offshore Petroleum Berhad as Independent Non-Executive Chairman. Dato' Sabri holds a Bachelor of Science in Petroleum Engineering from University of Wyoming, USA.

Save as disclosed, the Key Management have no family relationship with any Director and/or major shareholder of the Company, have no conflict of interest with the Company and have not been convicted of any offence other than traffic offences within the past five years.

Corporate Governance Overview Statement

The Board is pleased to present to the Shareholders, the Corporate Governance ("CG") Overview Statement of the Company for the financial year ended 31 January 2019. This CG Overview Statement provides the Board's view of CG and the application of the three key principles of CG as set out in Malaysia Code on Corporate Governance 2017 ("MCCG") and it should be read in conjunction with the CG Report, which is available on the Company's website at www.yinson.com/corporate-governance. The CG Report provides details on how the Company has applied each Practice as set out in the MCCG during the financial year ended 31 January 2019.

The Board is committed towards achieving high standards of corporate governance practices, values and ethical business conducts and acknowledges the importance of setting the appropriate tone at the Board level and across the entire Group. CG practices shall be the fundamental aspect in managing the business and affairs of the Group in a responsible and ethical manner.

In deliberating and reviewing the CG Overview Statement, the Board is satisfied that the Company has complied with the provisions and applied the main principles of the MCCG for the financial year ended 31 January 2019 except for the following:

- Practice 4.1 (The Board comprises of majority independent directors)
- Practice 4.5 (The Board has at least 30% women directors)
- Practice 7.2 (The Board discloses on a named basis the top five (5) senior management's remuneration)
- Practice 11.2 (The Company is encouraged to adopt integrated reporting)

The explanation on application of the practice, explanation for departure, measures and timeframe required to apply the departure practices are provided in the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I - BOARD RESPONSIBILITIES

Intended Outcome 1.0

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

The Board

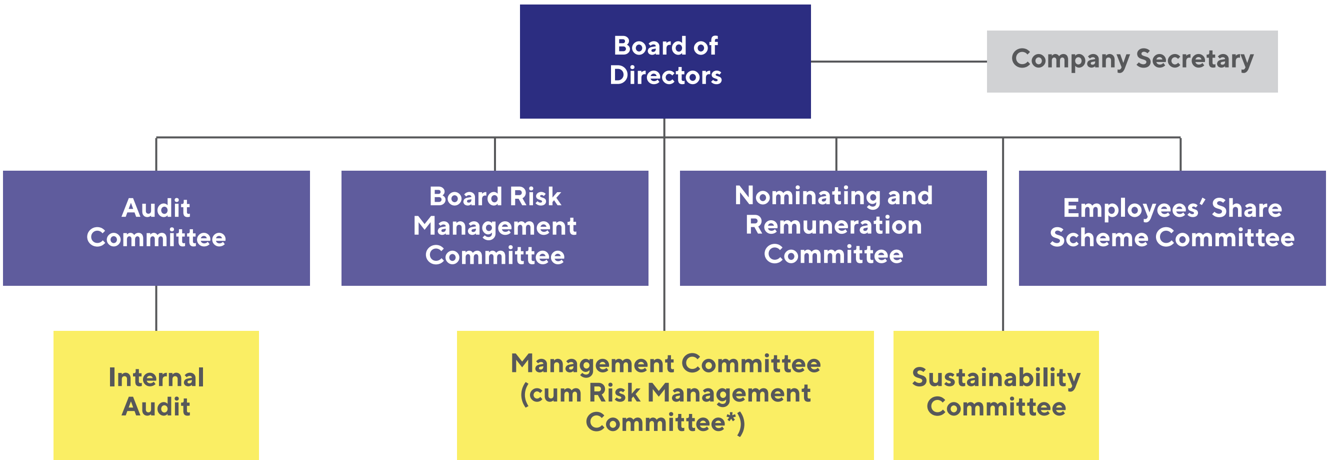
The Board is collectively responsible for the proper stewardship of the Group's business and the creation of long term shareholder value, while taking into account the interest of other stakeholders. In order to ensure the effective discharge of the Board's functions and responsibilities, the Board delegates specific responsibilities and functions to various committees, namely Audit Committee, Board Risk Management Committee, Nominating and Remuneration Committee and Employees' Share Scheme Committee (collectively referred to as "Board Committees"). The function, roles and responsibilities of the Board Committees, as well as the authorities delegated by the Board are clearly defined in the respective terms of reference, which are reviewed periodically as and when necessary.

The key responsibilities of the Board as per the Board Charter are as follows:

- reviews and adopts a strategic plan, as developed by Management, taking into account the sustainability of the businesses of the Company and its subsidiaries ("Group"), with attention given to the environmental, economic, social and governance ("ESG") aspects of the operations;
- oversees the conduct of the Group's businesses, including monitoring Management's performance to determine whether the business is being properly managed;
- identifies principal business risks faced by the Group and ensures the implementation of appropriate internal controls and mitigating measures to manage such risks;
- succession planning – ensures that all candidates appointed to Board and Senior Management positions are of sufficient calibre and that there are programs deployed to provide for the orderly succession of members of the Board and Senior Management;
- oversees the development and implementation of an Investor Relations Program or Stakeholder Communication Policy;
- reviews the adequacy and integrity of the Group's management information and internal control systems, ensuring there is a sound framework of reporting internal controls and regulatory compliance; and
- ensures the integrity of the Group's financial and non-financial reporting.

Corporate Governance Overview Statement

The reporting structure of the Company where the power of the Board is delegated to the relevant Board Committees and the Management of the Company, as depicted below.



* Risk Management Committee reports risk matters to Board members via Board Risk Management Committee

BOARD ROLES AND RESPONSIBILITIES

Chairman and Group Chief Executive Officer	The roles of the Chairman and the Group Chief Executive Officer are held by different persons and their key roles and responsibilities are clearly defined in the Board Charter. The Chairman provides leadership and direction to the Board in achieving Board effectiveness and acts as a liaison between Board and Management as well as Shareholders. The Group Chief Executive Officer focuses primarily on formulation and implementation of Group's business strategies, oversees the implementation of policies and decisions adopted by the Board as well as supervises the day-to-day management, operations and business development of the Group.
Non-Independent Non-Executive Directors	The roles of the Non-Independent Non-Executive Directors largely encompass the (i) monitoring of Company performance by overseeing the performance of Management in meeting agreed goals and objectives; and (ii) constructively challenging and contributing to the development of Company's strategies. They possess vast experience, bringing valuable external perspectives and insights to contribute significantly to the Board's deliberations and decisions.
Independent Non-Executive Directors	The main responsibility of Independent Non-Executive Directors is to provide unbiased, objective and independent views, advice and judgment in order to safeguard the interest of the Company and Minority Shareholders. They provide a broader view, independent assessment and opinions on Management proposals and strategies.
Senior Independent Non-Executive Director	The Senior Independent Non-Executive Director serves as a designated person to highlight concerns of the Board which are sensitive to the Chairman or act as an alternate contact person for Shareholders or other stakeholders which could not be resolved via normal channels of contact with the Chairman or Group Chief Executive Officer.
Company Secretary	The Company Secretary plays an important role in good governance by helping the Board and Board Committees function effectively and advising the Board on corporate disclosures and compliance with the relevant regulatory requirements, guidance and legislations as well as monitoring corporate governance developments and assisting the Board in applying governance practices. The Company Secretary provides updates on statutory and regulatory requirements, and the resultant implicants of any changes therein to the Company and Directors in relation to their duties and responsibilities.

Board Meeting and Access to Information

The Directors are supplied with relevant information and reports on financial, operational, corporate regulatory, business development and audit matters for decisions to be made on an informed basis and effective discharge of the Board's responsibilities.

Meetings of the Board and Board Committees are scheduled in advance prior to each new calendar year to enable Board members to pre-plan and coordinate the timing of each member.

The practice of disseminating Board and Board Committees meeting papers via email and hardcopies have been revamped via a paperless meeting solution. Meeting notices and papers are now uploaded onto the aforesaid digital meeting software and disseminated to Board and Board Committees' members at least seven (7) days prior to the respective meetings which allows Directors to have direct access anytime and anywhere. This enables Directors to have sufficient time to review, consider and prepare for the meetings. The deliberations and decisions of the Board are properly recorded in the minutes and circulated to the Board and attendees for proper meeting recording in a timely manner. The Board has direct access to the Senior Management and Company Secretaries and may obtain independent professional advice, if necessary, in accordance with established procedures set out in the Board Charter.

The attendance of the Directors at the Board and Board Committee meetings during the financial year under review are tabled as below:

NAME	TYPE OF MEETING					
	BOARD	AUDIT COMMITTEE	RISK MANAGEMENT COMMITTEE	NOMINATING AND REMUNERATION COMMITTEE	EMPLOYEES' SHARE SCHEME COMMITTEE	GENERAL MEETING
Lim Han Weng	7/7				1/1	1/1
Lim Chern Yuan	7/7		4/4		1/1	1/1
Bah Kim Lian	7/7					1/1
Lim Han Joeh	7/7					1/1
Dato' Mohamad Nasir bin Ab Latif	7/7		4/4			1/1
Dato' Wee Hoe Soon @ Gooi Hoe Soon[1]	7/7	5/5	3/4	3/3	1/1	1/1
Datuk Raja Zaharaton binti Raja Zainal Abidin	7/7	5/5	4/4	3/3	1/1	1/1
Datuk Syed Zaid bin Syed Jaffar Albar[2]	4/4*	4/4*	3/3*	2/3*	1/1*	1/1*
Datuk Abdullah bin Karim[3]	3/3*	1/1*	1/1*	–	–	–

* Number of meetings attended/Number of meetings held during his tenure as Director.
1 Redesignated from Independent Non-Executive Director to Senior Independent Non-Executive Director on 12 October 2018.
2 Resigned as Senior Independent Non-Executive Director on 12 October 2018.
3 Appointed as Independent Non-Executive Director on 16 October 2018.

Intended Outcome 2.0

There is demarcation of responsibilities between the board, board committees and management. There is clarity in the authority of the board, its committees and individual directors.

A clear demarcation of responsibilities between the Board, Board Committees and Management are defined in the Board Charter. The Board Charter was reviewed in May 2018 and uploaded onto the Company's website at www.yinson.com.

The Board Charter spells out the governance structure, authority and reserved matters for the Board whilst the respective Board Committees and Management-level Committees roles and responsibilities are described in their respective terms of references.

Corporate Governance Overview Statement

The delegation of responsibilities of respective Board Committees is defined as below:

- The Audit Committee assists the Board in overseeing the integrity of financial reporting, internal control and risk management processes, reviewing and monitoring internal audit functions and external auditors.
- The Board Risk Management Committee assists the Board in identifying principal risks and ensuring implementation of an effective risk management system and reviewing the adequacy and integrity of the Company's internal control and management information system.
- The Nominating and Remuneration Committee assists the Board in building an effective Board by selecting, nominating and evaluating performance of the Board, Board Committees and individual Directors. The Nominating and Remuneration Committee reviews the appropriate balance and diverse mix of skills, knowledge, experience, background and gender to ensure the individual Directors complement the Board. The remuneration package of Directors and Senior Management are also reviewed by the committee.
- The Employees' Share Scheme Committee assists the Board in implementing and administering the Employees' Share Scheme on the allocation, granting and maintenance of the Employees' Share Scheme to the Executive Directors, Senior Management and employees of the Group.

During the financial year under review, the key activities performed by the Board and Board Committees are set out below:

KEY ACTIVITIES OF THE BOARD

- Approved Budget and strategic business plans
- Reviewed, approved and received updates on business projects
- Approved various Charters, Terms of Reference, Policies and Procedures
- Approved Annual Report contents and CG Report
- Approved declaration of interim dividend
- Approved Sustainability Policy and Strategies
- Approved Board Evaluation and recommended re-election of Directors at Annual General Meeting
- Approved quarterly financial results
- Approved Audited Financial Statements for the financial year ended 31 January 2018
- Approved Enterprise Risk Management Plan and Risk Register
- Approved Internal Audit Plan and Internal Audit Reports
- Approved Key Risk Indicators and Action Plans embedment of the Top five (5) risk of the Group
- Approved Crisis Management Plan of the Group
- Reviewed solvency position of the Company for dividend and share buy-back
- Reviewed shares purchased pursuant to renewal of share buy-back authority
- Established good CG practices

KEY ACTIVITIES OF THE BOARD COMMITTEES

AUDIT COMMITTEE	BOARD RISK MANAGEMENT COMMITTEE
• Reviewed Internal Audit Plan and Internal Audit Reports • Reviewed quarterly financial results • Reviewed Audit Planning Memorandum for external audit and External Auditors' Report • Reviewed Audit Fees • Reviewed and approved Internal Audit Budget • Reviewed Audited Financial Statements • Reviewed Recurrent Related Party Transactions register • Conducted private sessions with external auditors and internal auditors • Evaluated performance of external auditors • Reviewed performance of Internal Audit Function • Verified criteria for allocation of options to eligible employees for the financial year ended 31 January 2019 under the Employees' Share Scheme	• Reviewed Terms of Reference of the Board Risk Management Committee • Reviewed status of the Risk Action Plan for Top five (5) risks of the Group • Reviewed Key Risk Indicators and Action Plans embedment of the Top five (5) risks of the Group • Reviewed Corporate Risk Profile of the Group • Reviewed Crisis Management Plan of the Group

KEY ACTIVITIES OF THE BOARD COMMITTEES

NOMINATING AND REMUNERATION COMMITTEE	EMPLOYEES' SHARE SCHEME COMMITTEE
• Reviewed annual performance of Individual Directors, Board and Board Committees • Reviewed re-election of Directors • Reviewed Directors' fees and benefits • Reviewed remuneration package of the Executive Directors and Senior Management • Reviewed composition of Board Committees • Reviewed and assessed the appropriateness of a new candidate of director	• Reviewed and approved second Offer of Share Options

The Board is also assisted by Management Committee and Sustainability Committee, which consist of the Senior Management of the Group. The delegation of responsibilities of respective Management-level Committees are defined as below:

- The Management Committee was established in September 2016 to:
  (i) assist the Board in overseeing the day-to-day operations and business affairs of the Group as well as guiding, directing and monitoring of the Groups' activities to achieve the corporate objectives and strategic goals of the Group;
  (ii) review the Group's business strategies, business plans, policies and frameworks; and
  (iii) assist the Board/Board Risk Management Committee in identifying the principal business risks faced by the Group and ensure the implementation of appropriate internal controls and mitigating measures to manage such risks.
- The Sustainability Committee was established in June 2016 to:
  (i) support and advise the Board in relation to embedding sustainability principles and practices throughout the Group's overall business strategies, policies, processes and practices to ensure the continuity of the Group;
  (ii) oversee on behalf of the Board, management processes, standards and strategies designed to manage sustainability aspects and achieve compliance with social and environmental responsibilities and commitments;
  (iii) support the Board to meet sustainability expectation of the Group's various stakeholders; and
  (iv) steer the Company towards qualifying for Sustainability Index in Malaysia and globally.

A detailed report on sustainability is set out in the Sustainability Statement as contained on pages 42 to 67 of the 2019 Annual Report.

Intended Outcome 3.0

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that cultivates integrity, transparency and fairness. The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

The Group's Core Values

The Group's corporate culture is embedded in its core values of reliable, open, adaptable, decisive and sustainable to achieve the Group's vision and mission.

Code of Conduct and Business Ethics

The Board adopted a new Code of Conduct and Business Ethics ("Code") in September 2018 which superseded the Code of Ethics of the Group adopted in August 2016. The Code defines the foundation and expectations in relation to the Company's ethical standards and personal conduct. The Code, which includes other references such as the Anti-Bribery and Anti-Corruption Policy and Manual, the Anti-Money Laundering Policy and the Whistleblowing Policy and Procedure of the Group, aims to guide employees and the Board on the approach to promote good corporate behaviour as well as resolve ethical dilemmas at work by:

- upholding the highest ethical standards of business conduct;
- encouraging ethical decision-making and rewarding integrity;
- being a role model and leading by example;
- ensuring that all personnel are given the opportunity and guidance to understand the Anti-Bribery and Anti-Corruption Policy and other applicable policies;
- creating a positive and transparent environment where personnel are comfortable raising questions and concerns; and
- ensuring those who raise genuine concerns do not suffer retaliation.

Corporate Governance Overview Statement

The Board recognises the importance of adhering to the Code and has taken measures to put in place a process to ensure its compliance. The areas covered are as follows:

- Work environment;
- Health and safety environment;
- Anti-Bribery and Anti-Corruption;
- Anti-Money Laundering;
- Competition laws and regulations;
- Intellectual property and proprietary information;
- Insider trading;
- Email, internet and information systems;
- Managing internal and external communication; and
- Company resources.

The personnel, notably the members of the Board and employees, constantly observe the Code and uphold integrity to exercise good judgement when carrying out their duties. The Code is available on the Company's website at www.yinson.com.

Anti-Bribery and Anti-Corruption Policy

The Anti-Bribery and Anti-Corruption Policy established in June 2018 serves as a guideline on how the employees of the Company can do their part to eliminate any act of bribery and corruption within our organisation while requiring business partners and other relevant parties to commit to do the same. The policy also articulates the assertion of the Company that it takes a zero-tolerance approach towards fraud, in particular bribery and corruption, whether passive or active. The Anti-Bribery and Anti-Corruption Policy is available on the Company's website at www.yinson.com.

Whistleblowing Policy and Procedure

The Whistleblowing Policy and Procedure was revamped in June 2018 to facilitate the disclosure of any improper conduct (wrongdoings or criminal offences) within the Group. Whistleblowers who have concerns about suspected wrongdoings or misconduct are encouraged to come forward and express these concerns without fear of unfair treatment or reprisal. The Whistleblowing Policy and Procedure also provides guidance on who can, what to, when to and how to disclose. The Company provides assurance of protection for genuine whistleblowers. The Whistleblowing Policy and Procedure is available on the Company's website at www.yinson.com.

PART II – BOARD COMPOSITION

Intended Outcome 4.0

Board decisions are made objectively in the best interest of the company, taking into account diverse perspectives and insights.

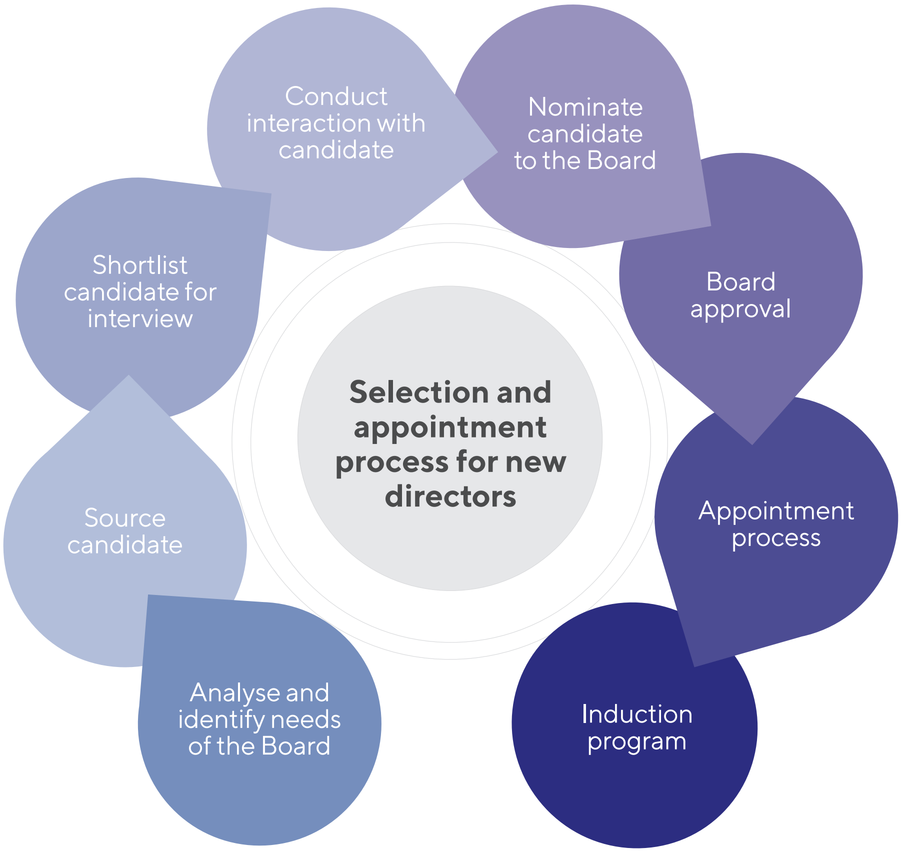
The Board currently comprises eight (8) members of whom three (3) are Executive Directors, two (2) are Non-Independent Non-Executive Directors and three (3) are Independent Non-Executive Directors. The independence composition of the Board is 37.5% and two (2) out of eight (8) Directors are women. The Board believes an appropriate balance and mix of skills, knowledge, experience, background and gender ensure the effectiveness of the Board. In October 2018, Datuk Abdullah bin Karim was appointed as Independent Non-Executive Director in place of Datuk Syed Zaid bin Syed Jaffar Albar. At the same time, Dato' Wee Hoe Soon @ Gooi Hoe Soon was re-designated as Senior Independent Non-Executive Director of the Company. The tenures of the other two (2) Independent Directors, namely Dato' Wee Hoe Soon @ Gooi Hoe Soon and Datuk Raja Zaharaton binti Raja Zainal Abidin are less than three years. The profiles of the Directors and Board diversity charts are provided on pages 70 to 73 of the 2019 Annual Report.

Diversity Policy

The Diversity Policy established in January 2018 sets out an approach to achieve diversity in the Company's Board and Senior Management positions. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, ethnicity, cultural, educational background, professional experience, skills and knowledge. The Board delegates to the Human Resources and Capital Development Department the role of promoting a corporate culture which embraces gender, age and ethnicity diversity. The Diversity Policy is available on the Company's website at www.yinson.com.

Selection and appointment process

The Nominating and Remuneration Committee is entrusted by the Board to ensure proper screening and selection of candidates prior to appointment of new directors who are fit and able to complement the current Board. The selection and appointment process for new directors is as follows:



During the financial year under review, the Nominating and Remuneration Committee has, via a special meeting, carried out the abovementioned selection process to ensure the candidate is fit and proper and complies with the necessary requirements set out in the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the MCCG, prior to making any recommendations to the Board for approval.

Intended Outcome 5.0

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

The Nominating and Remuneration Committee conducted an annual evaluation on the effectiveness of the Board and Board Committees, evaluation of the individual performance of Directors, as well as a review on the independence of Independent Directors. In addition, the attendance of Directors at the Board and Board Committees meetings, time commitment and trainings attended by the individual Directors were reviewed and considered.

None of the directors exceeded five (5) listed companies' directorships and all Directors have achieved full attendance in the Board Meetings for the financial year ended 31 January 2019.

The Board is satisfied with the overall performance of individual Directors, Board and Board Committees for the financial year under review, with improvement seen in the performance of the Board and Board Committees. Areas of improvements identified from the assessment were (i) guidelines addressing the competing time commitments for directors who served on multiple boards; (ii) Boardroom diversity and steps to ensure that women candidates are sought as part of its recruitment process; and (iii) implementation of succession plan.

Corporate Governance Overview Statement

DIRECTORS	TRAINING PROGRAM
Lim Han Weng	• Half-Day In House Directors' Training – Contractual Risks for Yinson Holdings Berhad
Lim Chern Yuan	• In House Training – Anti-Bribery and Anti-Corruption Training • KWAP Inspire: Environment Conference 2018 • Half-Day In House Directors' Training – Contractual Risks for Yinson Holdings Berhad • A New Dawn Conference
Bah Kim Lian	• Half-Day In House Directors' Training – Contractual Risks for Yinson Holdings Berhad
Lim Han Joeh	• Half-Day In House Directors' Training – Contractual Risks for Yinson Holdings Berhad
Dato' Mohamed Nasir bin Ab Latif	• EPF Management Conference 2018 • Dimension International Symposium • EPF International Social Security Conference 2018 • Half-Day In House Directors' Training – Contractual Risks for Yinson Holdings Berhad • EPF Investment Seminar 2018 • MRCB Board Retreat
Dato' Wee Hoe Soon @ Gooi Hoe Soon	• Corporate Governance Briefing Sessions: MSSG Reporting & CG Guide (Bursa) • Half-Day In House Directors' Training – Contractual Risks for Yinson Holdings Berhad
Datuk Syed Zaid bin Syed Jaffar Albar*	• Half-Day In House Directors' Training – Contractual Risks for Yinson Holdings Berhad
Datuk Raja Zaharaton binti Raja Zainal Abidin	• "Digital Fundamentals" and Tour of Integrated Newsroom and Resource Centre • Directors' Training on Key Amendments to Listing Requirements Arising from Companies Act 2016 • Half-Day In House Directors' Training – Contractual Risks for Yinson Holdings Berhad • Malaysia A New Dawn • Anti-Money Laundering (AML), Anti-Terrorism Financing (ATF) Proliferation Financing • Budget 2019 Tax Briefing • Board of Directors' Workshop – Winning Formula for a Better Tomorrow
Datuk Abdullah bin Karim**	• Offshore Technology Conference (OTC Asia 2018) • Case Study Workshop for Independent Directors "Rethinking – Independent Directors: Board Best Practices" • Seminar on Director's Duties & Remuneration under Securities Commission, the Companies Act 2016, Listing Requirements and the Malaysian Code on Corporate Governance • GNDI Guidelines on the Corporate Governance of Data • Malaysia Upstream Project Conference (UPEC 2018)

* Resigned on 12 October 2018.
** Appointed on 16 October 2018.

PART III – REMUNERATION

Intended Outcome 6.0

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long term objectives. Remuneration policies and decisions are made through a transparent and independent process.

Intended Outcome 7.0

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

The Directors' fees and meeting allowances payable to Directors of the Company were recommended by the Nominating and Remuneration Committee for Board's consideration and consensus to be tabled for shareholders' approval at the Annual General Meeting ("AGM") of the Company held on 12 July 2018. The structure of the fees/ allowances payable to the Directors of the Company for the financial year ended 31 January 2019 is as follows:

TYPE OF FEES / ALLOWANCES	RM
Board of Directors fees	
Non-Executive Director/Independent Director	200,000/annum
Executive Director	50,000/annum
Chairman of the Board	60,000/annum
Audit Committee / Board Risk Management Committee fees	
Committee Chairman fees	30,000/annum
Committee Member fees	20,000/annum
Other Board Committees fees	
Committee Chairman fees	20,000/annum
Committee Member fees	10,000/annum
Meeting Attendance Allowance	
Board Meeting and General Meeting Allowances	2,000/meeting
Board Committees Allowances	1,000/meeting

Corporate Governance Overview Statement

The details of the Directors' remuneration (Company and Group basis) for the financial year ended 31 January 2019 are as follows:

COMPANY AND GROUP LEVEL	FEES	SALARY	BENEFITS IN KIND	OTHERS EMOLUMENTS^	TOTAL
	RM'000	RM'000	RM'000	RM'000	RM'000
Executive Directors					
Lim Han Weng	70.0	3,240.0	-	1,238.0	4,548.0
Lim Chern Yuan	90.0	2,880.0	-	1,106.7	4,076.7
Bah Kim Lian	50.0	420.0	-	174.8	644.8
Non-Executive Directors					
Lim Han Joeh	200.0	-	-	16.0	216.0
Dato' Mohamad Nasir bin Ab Latif (i)	230.0	-	-	20.0	250.0
Datuk Syed Zaid bin Syed Jaffar Albar (ii)	187.9	-	-	20.0	207.9
Dato' Wee Hoe Soon @ Gooi Hoe Soon	270.0	-	-	28.0	298.0
Datuk Raja Zaharaton binti Raja Zainal Abidin (iii)	263.1	-	-	29.0	292.1
Datuk Abdullah bin Karim (iv)	76.9	-	-	8.0	84.9
Total	**1,437.9**	**6,540.0**	**-**	**2,640.5**	**10,618.4**

^ Comprises bonus, meeting allowance, employer's provident fund contribution, social security welfare contribution and Employees' Insurance Scheme.
(i) 50% of the Director's fee for nominee of EPF on the Board of the Company is paid directly to EPF.
(ii) Resigned on 12 October 2018.
(iii) Redesignated as Chairman of the Nominating and Remuneration Committee on 12 October 2018.
(iv) Appointed on 16 October 2018.

None of the Directors of the Company derived remuneration from subsidiaries of the Company.

The Directors who are also the Shareholders of the Company had abstained from voting at the previous twenty-fifth (25th) AGM and will abstain from voting at the forthcoming twenty-sixth (26th) AGM on resolutions pertaining to their directors' fees, benefits and re-election of directors.

The remuneration of the Senior Management (Group basis) for the financial year ended 31 January 2019 are as follows:

GROUP LEVEL	SALARY	BENEFITS IN KIND	OTHER EMOLUMENTS^^	TOTAL
	RM'000	RM'000	RM'000	RM'000
Senior Management **	11,497.1	279.0	5,139.0	16,915.1

^^ Comprises bonus, employer's provident fund contribution, social security welfare contribution and Employees' Insurance Scheme.
** Inclusive of Group Chief Executive Officer who is also an Executive Director.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – AUDIT COMMITTEE

Intended Outcome 8.0

There is an effective and independent audit committee. The board is able to objectively review the audit committee's findings and recommendations. The company's financial statement is a reliable source of information.

The full detailed report on the Audit Committee's composition, summary of terms of reference and summary of work performed during the financial year under review is contained on pages 96 to 97 of the 2019 Annual Report.

The terms of reference of the Audit Committee revised in January 2018 has incorporated a requirement that a former key audit partner is to observe a cooling-off period of at least two (2) years before being appointed as a member of the Audit Committee. Currently, none of the members of the Audit Committee are former key audit partners of the Company.

The Audit Committee has the duty and responsibility to review, assess and monitor the performance, suitability and independence of external auditors annually in accordance with the requirements set out in the External Auditors Policy and Procedure adopted by the Board in January 2018, to ensure continuing independence and objectivity of the External Auditors. The External Auditors Policy and Procedure is available on the Company's website at www.yinson.com.

During the financial year under review, the Audit Committee had conducted three (3) private sessions in March, September and December 2018 with the external auditors, PricewaterhouseCoopers PLT without the presence of Executive Directors and Management. The Audit Committee has obtained assurance from the external auditor confirming its independence. The Board has on 6 May 2019 recommended the re-appointment of PricewaterhouseCoopers PLT for Shareholders' approval at the forthcoming 26th AGM.

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Intended Outcome 9.0

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives. The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

The Company has in November 2017 streamlined its Enterprise Risk Management framework and risk identification process to govern its risk management which is in line with the ISO 31000 Risk Management guidelines. A detailed report of the risk management and internal control framework are set out in the Statement on Risk Management and Internal Control contained on pages 91 to 95 of the 2019 Annual Report.

The Board is of the view that the system of internal control and risk management is sound and adequate to mitigate risk exposure of the business and safeguard the interest of the Shareholders, employees, regulators and other stakeholders.

Intended Outcome 10.0

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

The Internal Audit function of the Group is carried out through a co-sourcing engagement by both the inhouse Internal Audit Department and Ernst & Young Advisory Services Sdn Bhd, who report directly to the Audit Committee.

The scope of work for the Internal Audit function is set out in the Report on Audit Committee as contained on page 98 of the 2019 Annual Report.

The Audit Committee conducted a review on the performance of the Internal Audit function for the financial year ended 31 January 2019 and noted the need for the inhouse Internal Audit team to undertake specialised training from time-to-time to meet the enlarged scope of the Internal Audit function.

Corporate Governance Overview Statement

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART I – COMMUNICATION WITH STAKEHOLDERS

Intended Outcome 11.0

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations. Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

The Board recognises the importance of being transparent and accountable to the Company's Shareholders and prospective investors. The communication channels between shareholders and the Company include but are not limited to the following:

- Meetings with institutional shareholders and investment communities;
- Quarterly announcements on financial results to Bursa Securities;
- Relevant announcements and circulars, when necessary;
- Annual and Extraordinary General Meetings; and
- Company's website at www.yinson.com where shareholders and prospective investors can access corporate information, annual reports, press releases, financial information, company announcements and share prices of the Company.

Stakeholder Communication Policy and Procedure

The Board has adopted a Stakeholder Communication Policy and Procedure in January 2018 which focuses on promoting effective communication and provides stakeholders with complete and timely information about Yinson Group, to fairly and accurately represent the Group. This enables investors and potential investors to make proper informed investment decisions and other parties to have a balanced understanding of the Group and its objectives. The Stakeholder Communication Policy and Procedure is available on the Company's website at www.yinson.com.

Corporate Disclosure Policy

The Corporate Disclosure Policy established in April 2017 sets out the determination and dissemination of sensitive and material information to investors, stakeholders, local media, investing public and other relevant persons in line with the applicable statutory and regulatory requirements. The Corporate Disclosure Policy is available on the Company's website at www.yinson.com.

The Company via its Investor Relations team, conducts periodic analyst briefings and issues press releases as and when necessary, including but not limited to its quarterly financial results and major contracts of the Group. The press release, announcements released to Bursa Securities and corporate presentations are available on the Company's website at www.yinson.com.

To maintain a high level of transparency and to effectively address any issues or concerns, the Company has dedicated electronic mails, info@yinson.com to which stakeholders can direct their queries or concerns and ir@yinson.com for investor relations purposes.

PART II – CONDUCT OF GENERAL MEETINGS

Intended Outcome 12.0

Shareholders are able to participate, engage with the board and senior management effectively and make informed voting decisions at general meetings.

Annual General Meeting

The AGM remains the principal forum for communication with Shareholders of the Company. All Directors including the Board and Board Committees' Chairpersons together with the Senior Management team, external auditors and internal auditors were present at the 25th AGM held on 12 July 2018 to respond to queries from Shareholders who participated in the Question and Answer session.

The notice of the 25th AGM dated 31 May 2018 was published in the 2018 Annual Report, advertised in The Star, released to Bursa Securities and uploaded onto the Company's website. The Shareholders are given sufficient time to make the necessary arrangements for appointing proxy(ies) or attending the AGM.

The Company had implemented poll voting for all resolutions set out in the notice of 25th AGM and appointed Coopers Professional Scrutineers Sdn Bhd as the independent scrutineers to observe the polling procedures and verify the poll results.

A copy of the minutes of the AGM, including the Question and Answer session, is made available to the Shareholders on the Company's website at www.yinson.com

This CG Overview Statement was made in accordance with a resolution of the Board on 6 May 2019.

Other Compliance Information

1. Utilisation of Proceeds

   Save as disclosed below, there were no proceeds raised from other corporate proposals during the financial year ended 31 January 2019.

   (a) Disposal of 26% equity interest of Yinson Production (West Africa) Pte Ltd to a consortium of Japanese companies

   The details of utilisation of 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	125,706	Within 24 months
Working capital	Up to 177,459	133,830	Within 24 months
Estimated expenses	2,088	2,088	Within 6 months
Total	**Up to 488,534**	**361,836**	

2. Audit and Non-Audit Fees

   The amount of audit and non-audit fees paid to the Company's external auditors, PricewaterhouseCoopers PLT and its affiliates for the services rendered to the Company and the Group for the financial year ended 31 January 2019 are as follows:

PARTICULARS	COMPANY RM '000	GROUP RM '000
Audit Fees	270	1,999
Non-Audit Fees	260	834
Percentage of Non-Audit Fees over Audit Fees	96.3%	41.7%

The Non-Audit services rendered by the external auditors were relating to the following:

<u>Company level</u>

1) Due diligence works rendered on specific projects in certain countries – RM132,000
2) Accounting advice on proposed internal reorgansition – RM112,000
3) Professional services rendered in connection with income tax matters – RM16,000

<u>Group level</u>

1) Professional services rendered in connection with income tax matters – RM435,000
2) Due diligence works rendered on specific projects in certain countries – RM132,000
3) Professional services rendered for assisting the application for stamp duty refund – RM124,000
4) Accounting advice on proposed group structuring – RM112,000
5) Accounting advice on debt issuance exercise – RM31,000

Corporate Governance Overview Statement

3. Material Contracts Involving Directors' and Major Shareholders' Interest

   There were no material contracts (not being contracts entered into in the ordinary course of business), which have been entered into by the Company and/or its subsidiaries involving Directors' and Major Shareholders' interests during the financial year ended 31 January 2019.

4. Recurrent Related Party Transactions of a Revenue or Trading Nature

   All recurrent related party transactions ("RRPTs") are dealt with in accordance with the Bursa Securities Main Market Listing Requirements ("Listing Requirements") and a summary of RRPT Register is tabled for Audit Committee's review and monitoring on quarterly basis.

   The relevant process and procedure are set to ensure that all related party transactions are monitored and conducted in a manner that is fair and at arms' length basis. The Directors and Major Shareholders who have interest in a transaction will ensure that they abstain from deliberation and voting on the transaction at Board meetings and general meetings, if required.

   The details of the RRPTs conducted during the financial year ended 31 January 2019 between the Company and/or its subsidiaries with related parties are disclosed on page 192 of the Audited Financial Statements contained in the 2019 Annual Report.

Statement on Risk Management and Internal Control

The Board of Directors of the Company ("Board") is committed in maintaining a robust system of risk management and internal control. In this respect, we are pleased to provide the following statement which outlines the nature and scope of the Group's risk management and internal control of the Group for the financial year ended 31 January 2019.

BOARD RESPONSIBILITY

The Board acknowledges its responsibility towards maintaining a sound and effective system of risk management and internal control. The Board is responsible for reviewing the adequacy and effectiveness of the Group's current risk management and internal control system to ensure that the system remains relevant and applicable to the Group. The Group's system of risk management and internal control encompasses various types of controls including those which are strategic, operational and compliance in nature, as well as internal financial controls for the purpose of safeguarding our shareholders' investments and the Group's assets. It ensures the continuous identification, evaluation, monitoring and management of key risks that may impede the achievement of the Group's business objectives.

However, the Board acknowledges that notwithstanding having a robust risk management and internal control system in place, the system does not eliminate the risk of failure to achieve the Group's corporate objectives. While there is no absolute assurance against all risks including material misstatement, loss and fraud, the system is expected to safeguard the Group from identified risks captured in the Group's overall risk profile.

The Board is satisfied that the Group has implemented an ongoing process for identifying, evaluating, monitoring and managing significant risks affecting the achievement of its business objectives and strategies throughout the financial year under review. The process is regularly reviewed by the Board in accordance with the *Statement on Risk Management & Internal Control: Guidelines for Directors of Public Listed Companies* and where required, the Board directs the Management to take the necessary mitigating actions to address the gaps/risks/issues reported.

The Group Risk Management and Compliance department ("Risk Department") is responsible for the coordination and implementation of the Group's Enterprise Risk Management ("ERM") Policy and Framework as well as monitoring and reporting of key risk issues to the Management Committee ("MC") and Board Risk Management Committee ("BRMC").

The Board does not have formal oversight over the risk management and internal control systems of its joint ventures and associate companies, as the Board does not have any direct control over the joint ventures and associate companies' operations. Nevertheless, the Group's interest is safeguarded through board representations in the joint ventures and associate companies and/or monitoring controls imposed by the Group. These board representations and/or monitoring controls provide the Board with information to measure the performance of the Group's investments in the joint ventures and associate companies.

Summarised below are the main features of the Group's risk management and internal control system:

1. RISK MANAGEMENT STRUCTURE

The Board regards risk management as an integral part of business operations. The Board via the BRMC explicitly assumes the responsibility of identifying principal risks, ensuring implementation of an effective risk management system and reviewing the adequacy and integrity of the Company's internal control and management information system. The principal roles and responsibilities of the Board in risk management include:

- Determine risk management policy;
- Approve risk management framework;
- Overall risk management oversight;
- Communication with shareholders and other stakeholders; and
- Review the risk profile of the Group.

The Board approves the risk management strategies but delegates authority for day-to-day risk management decisions to Management and business unit heads. In fulfilling its oversight responsibility, the Board as a whole or through delegation to the MC and assisted by the Risk Department, reviews the adequacy, integrity and implementation of appropriate systems for risk management.

The Group has a Risk Management policy and framework in place to identify, evaluate, monitor and manage risks encountered by the Group. The policy and framework are consistent with the principles set out in accordance with ISO 31000 Risk Management guidelines.

The main processes of the ERM Framework involve:

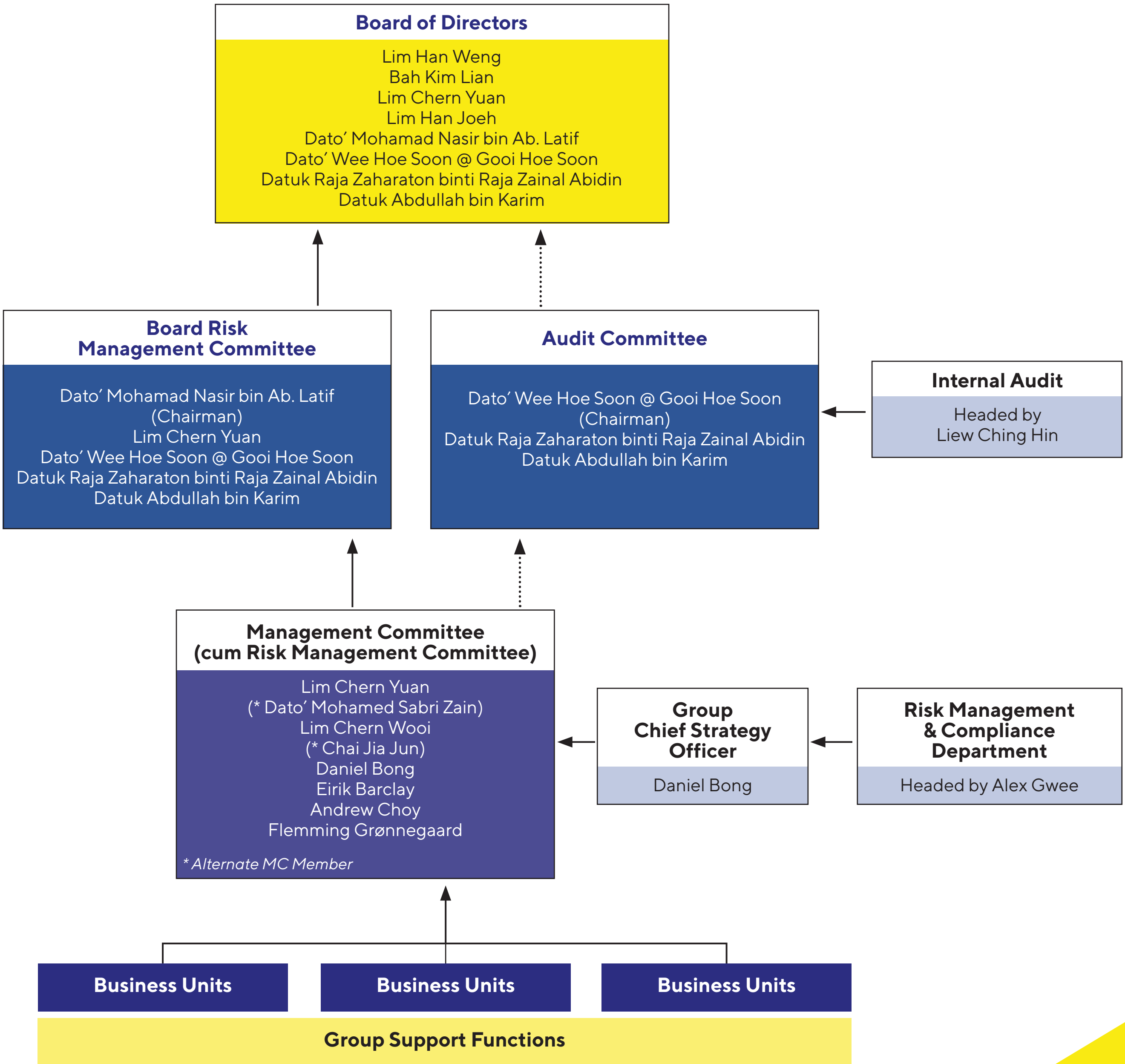
- the identification of each business risk;
- the assessment or evaluation of the identified risk;
- steps to ensure that the relevant risk responses are formulated to the key risks identified and managed in line with the needs of the Group's policies and strategies; and
- constant monitoring and communicating of key risks associated with any activity, function or process in a way that enables the Group to minimise losses and optimise opportunities.

Statement on Risk Management and Internal Control

During the financial year under review, the Risk Department conducted risk assessment review sessions in the offices located at Kuala Lumpur, Singapore, Oslo and Ghana. Interview sessions were conducted with related risk owners and co-owners to update the Group's risk profiles for corporate functions in terms of the controls in place and the risk ratings for the individual risks.

Action plans for the Top 5 risks were implemented by the respective risk owners and co-owners and reported to the BRMC and Board during the quarterly BRMC meetings. Significant progress was made towards the completion of the action plans for these Top 5 risks and the BRMC will continue to monitor the Top 5 risks as well as other key risks which may impact the Group.

The following diagram illustrates the relationship and reporting functions of the respective committees and departments with regards to the Group's risk management and internal control.



Three Lines of Defence

The Group adopts a 'Three Lines of Defence' approach for its risk management. This is a simple and effective approach to enhance the communication on the Group's risk management and controls by clarifying essential roles and duties. It provides an overview of the Group's operations from a risk management perspective while assuring the ongoing success of risk management initiatives and ensuring that it is applicable to the Group.

1st Line of Defence	Business units own and manage the risks as a first line of defence with their vast operational experience. The heads of business units are accountable for all risks and internal controls under their respective areas of responsibility. Based on the structured risk management approach, the business units apply relevant risk responses to their respective key risks.
2nd Line of Defence	The Risk Department provides an oversight and monitoring function as a second line of defence to facilitate the implementation and monitoring of an effective risk management framework within the Group.
3rd Line of Defence	Internal Audit reviews the control effectiveness and provides independent assurance to the Board and Management on the effectiveness of the business units and support functions' governance, risk management and internal controls practices.

Key Risk Factors

For the financial year under review, the following top five (5) risks were monitored and deliberated by the BRMC and the key action plans were highlighted. The following table details the key risks and its mitigating actions.

RISK	DESCRIPTION	MITIGATION
Project Concentration Risk	Some of the Group's contracts will be coming to the end of the contract period and hence the Group needs to identify additional sources of income to avoid over-reliance on any single project.	The Group is vigorously pursuing project tender bids in other regions which the Group has yet to be involved in. The Management will explore moving into other related industry segments as a means of diversification.
Bribery and Corruption Risk	Following anti-bribery legislations such as the UK Bribery Act 2010, the US Foreign Corrupt Practices Act ("FCPA") and the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act"), there is increasing complexity in the regulatory environment and enforcement. For example, the newly incorporated Section 17A of the MACC Act states that if the organisation was to be found guilty of corruption, the senior personnel holding office at the time the offence was committed will be deemed to have personally committed the offence as well. The Group has projects and business dealings with partners in various countries and jurisdictions which will pose a significant challenge in ensuring compliance with the regulations and laws of the countries in which the Group operates.	The Anti-Bribery and Anti-Corruption ("ABAC") Policy and other related policies have been established and approved by the Board in 2018. Awareness and training sessions were provided to Yinson employees across the Kuala Lumpur, Singapore, Oslo and Ghana offices. Third party vendors are required to register with Yinson's Vendor Registration Portal and sign off on the Certificate of Compliance to Yinson's ABAC Policy.

Statement on Risk Management and Internal Control

RISK	DESCRIPTION	MITIGATION
Project Cost Overrun Risk	As FPSO projects are typically long term in nature, project execution involves risks such as project cost overruns which would have a negative impact on project profit margins and affect the cash flows of the Group.	The Group is continuously reviewing and improving its project cost management to ensure that all ongoing and future projects are executed within budget. Action plans on the enhancement of project management in the area of vendor management were put in place with the introduction of the Vendor Registration Portal.
Investment Evaluation Risk	Ineffective evaluation on potential investments could lead to poor investment decisions which may in turn negatively affect investment returns.	The Investment Policy has been established and approved by the Board to ensure that the investment evaluation process is effectively managed within a structured assessment process. The Policy serves as a guidance for the project evaluation and assessment processes.
Corporate Funding Risk	Corporate funding is necessary to cover the working capital costs, equity injection and debt servicing of the Group. Inability to secure the necessary funding may lead to the Group defaulting on its debt obligations or failure to meet its repayment schedules.	The Corporate Funding Policy has been established and approved by the Board. With guidance from the Policy, the Group will continue to explore various avenues and strategies to raise funds for its business operations and financial obligations.

2. INTERNAL CONTROL STRUCTURE

The key elements of the Group's internal control structure are described as below:

- Documented Policies and Procedures
  Internal policies and procedures are established and documented in manuals, which are reviewed and revised periodically to meet changes in business, operational and mandatory requirements. Prior to the implementation of internal policies and procedures throughout the Group, such documents were tabled to the MC for the first review. Upon approval by the MC, the same will be tabled to the Audit Committee, together with the Board, for final review and approval. During the financial year under review, the Standard Operating Procedures for the departments in Kuala Lumpur Corporate Office were reviewed, enhanced and approved by the GCEO.

- Line of Reporting and Responsibility
  The organisation structure includes defined lines of reporting and delegation of authority (including limits of authority), responsibility and accountability to the Board Committees (including the Audit Committee) and the business units. Apart from the established Board Committees, the Board is supported operationally by the MC which consists of senior members of the organisation including the Group Chief Executive Officer and Group Chief Strategy Officer.

- Experienced Management Team
  The Board relies on the Executive Management team, which sits within the MC, to lead and manage the business of the Group on an overall basis. The MC and Management team actively participate in the day-to-day tasks to plan, operate and manage the operations and strategy of the Group in achieving its objectives within the boundaries of the Group's risk register and risk matrix. The scope of responsibilities, duties and authorities of the MC are defined within its Terms of Reference, as approved by the Board.

- Review and Monitoring Process
  The MC conducts a quarterly monitoring and review of the Group's operations and performance, including financial results and forecasts for all business operations within the Group. From the monitoring and review process, the MC provides updates to the Board and Audit Committee for their deliberation.

- Monthly Management Accounts
The Finance Department monitors the activities and performance of the subsidiaries through the monthly management accounts and ensures accounting and disclosure practices comply to the Group's requirements and relevant accounting standard.

- Operations Review and Monitoring
Operations review of the Group are constantly monitored by the Board and Audit Committee with up-to-date reports provided by the MC. The MC meets periodically to assess, evaluate and discuss the daily operations and performance of the Group, including tabling issues within the business for deliberations. Regular Management meetings are held between the respective members of the MC and the mid-level Management team to assess the performance of respective business units.

- Recurrent Related Party Transactions
All recurrent related party transactions ("RRPTs") are dealt with in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and a summary of RRPT Register is tabled for Audit Committee's review and monitoring on a quarterly basis.

Board's Commentary on the System of Risk Management and Internal Control

The Board has received assurance from the Group Chief Executive Officer and Group Financial Controller that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control systems of the Group.

The Board is of the view that the risk management and internal control systems in place for the financial year under review and up to the date of approval of this statement for inclusion in the Annual Report is adequate and effective to safeguard shareholder investment, the interest of customers, employees and other stakeholders, and the Group's assets.

Internal Audit Function

The Group has an independent internal audit department in place, which provides the Board, through the Audit Committee, the state of adequacy and effectiveness of the Group's system of internal control and management information system. An external service provider was appointed to co-source internal audit engagements in order to attain additional business insights and gain access to competencies to better match the Group's expanding operations.

The internal audit function adopts a risk-based approach in executing the internal audit plan that focuses on various business units and functions within the Group. According to the internal audit plan reviewed and approved by the Audit Committee, the internal audit function reports directly to the Audit Committee on the outcome of its appraisal of the risk management and internal control activities. The internal audit reports were submitted and presented to the Audit Committee for review. The internal audit function also follows-up on the status of Management's action plans.

The Board is not aware and has not been made aware of any material weaknesses or lapses in the internal control system of the Group occurring within the financial year under review. The Board continues to take measures to strengthen the Group's risk management and internal control system.

Review of the Statement by External Auditors

As required by paragraph 15.23 of the Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in the *Recommended Practice Guide ("RPG") 5 (Revised): Guidance for Auditors on Engagement to Report on the Statement on Risk Management and Internal Control* included in the Annual Report, issued by the Malaysian Institute of Accountants. RPG 5 does not require the external auditors to consider whether the Statement on Risk Management and Internal Control covers all risks and controls or to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

This Statement on Risk Management and Internal Control was made in accordance with a resolution of the Board on 6 May 2019.

Report on Audit Committee

The Board is pleased to present the Report on Audit Committee for the financial year ended 31 January 2019 in accordance with Paragraph 15.15 of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements.

TERMS OF REFERENCE

The Audit Committee is formally constituted with written terms of reference. The terms of reference of the Audit Committee are set out in the Audit Committee Terms of Reference, available on the Company's website at www.yinson.com

COMPOSITION AND MEETINGS

On 10 January 2018, the Board approved the segregation of risk management functions from the existing Audit and Risk Management Committee and renamed it as the Audit Committee.

Based on the Terms of Reference of the Audit Committee, meetings are scheduled at least four (4) times a year with additional meetings to be convened when urgent and important decisions need to be made between scheduled meetings. For the financial year under review the Audit Committee met five (5) times.

The Audit Committee is wholly comprised of Independent Non-Executive Directors with all members having a working familiarity with basic finance and accounting practices. Further to that, and in accordance with the Terms of Reference of the Audit Committee, one of its members, Dato' Wee Hoe Soon @ Gooi Hoe Soon, is a member of the Malaysian Institute of Accountants.

Details of members of the Committee and attendance of each member during FYE 2019 are as follows:

COMPOSITION OF AUDIT COMMITTEE DESIGNATION	DATE OF APPOINTMENT/ RESIGNATION	NO. OF MEETINGS ATTENDED	%
Dato' Wee Hoe Soon @ Gooi Hoe Soon* Chairman, Senior Independent Non-Executive Director	Appointed on 11 August 2016	5/5	100
Datuk Raja Zaharaton binti Raja Zainal Abidin Member, Independent Non-Executive Director	Appointed on 11 August 2016	5/5	100
Datuk Syed Zaid bin Syed Jaffar Albar Member, Senior Independent Non-Executive Director	Appointed on 19 August 2016 Resigned on 12 October 2018	4/4	100
Datuk Abdullah bin Karim Member, Independent Non-Executive Director	Appointed on 16 October 2018	1/1	100

* re-designated as Senior Independent Non-Executive Director with effect from 12 October 2018.

The meeting agenda, relevant reports and Audit Committee papers, which are prepared by Management, provide the relevant facts and analyses for the convenience of the Committee. These are furnished to Audit Committee members at least seven (7) days before meetings to allow the members sufficient time to study, for effective discussion and decision-making at the meetings.

At the meetings, the Audit Committee reviewed the risk management and internal control, financial reporting, internal and external audit functions within the Group. All pertinent issues discussed at Audit Committee meetings in arriving at decisions, conclusions or recommendations were properly recorded by the Company Secretary by way of minutes of meetings.

To avoid any conflict of interests, Audit Committee members must declare any interest they may have in any matters arising at the meetings. They will be excluded from deliberations and decisions in such matters and will also abstain from voting on the related resolutions at Audit Committee meetings/Board meetings/general meetings of the Company.

SUMMARY OF WORK PERFORMED

During the financial year under review, the Audit Committee carried out its duties in accordance with its terms of reference and the activities are summarised as follows:

a) Risk Management and Internal Control

- Reviewed the adequacy and effectiveness of the Group's risk management, internal control system and management information system;
- Reviewed the extent of compliance with established internal policies, standards, plans, procedures, laws and regulations;
- Recommended to the Board steps to improve the system of internal control derived from the findings of the internal and external auditors; and
- Discussed and reviewed risk profile.

b) Financial Reporting

- Reviewed the unaudited quarterly financial results of the Group, prior to its release to Bursa Securities;
- Reviewed the annual audited financial statements of the Group together with external auditors' management letter and management's response; and
- Reviewed the application of major accounting policies and practices to ensure that the Group's financial statements had been prepared in compliance with approved accounting standards and that the Company adhered to all legal and regulatory requirements.

c) Internal Audit

- Re-appointed Ernst & Young Advisory Services Sdn Bhd ("EY") to co-source with the inhouse internal audit department for the internal audit function;
- Reviewed and approved the internal audit plan;
- Reviewed and approved the Group Internal Audit's staffing requirements and budget to ensure adequacy of resources and competencies of the department;
- Discussed with the internal auditors on its scope of work, functions, adequacy and competency of resources and co-ordination with external auditors;
- Conducted two (2) private sessions with internal auditors in March and September 2018 respectively, without the presence of Executive Directors and/or Management;
- Reviewed the reports prepared by the internal auditors on the state of internal control of the Group;
- Monitored the outcome of the audits and follow-up audits conducted to ascertain all action plans were adequately implemented to address the key risks; and
- Assessed the performance of the internal audit function and reviewed its effectiveness in the audit process.

d) External Audit

- Discussed with the external auditor the annual audit plan, nature and scope of audit as well as audit procedures, prior to the commencement of audit;
- Conducted three (3) private sessions with external auditors in March, September and December 2018 respectively, without the presence of Executive Directors and/or Management;
- Reviewed the external auditors' audit findings for the financial year under review;
- Reviewed with the external auditors the Statement on Risk Management and Internal Control of the Group for inclusion in the Annual Report; and
- Reviewed the overall performance of the external auditors, including assessment of their independence, technical competency, resources and reasonableness of their audit fees and non-audit fees.

e) Other matters

- Prepared Report on Audit Committee for the Board which includes the composition of the Audit Committee, the reference to its terms of reference, number of meetings held, a summary of its works and a summary of the works of the internal audit function for inclusion in the Annual Report;
- Reviewed and monitored the Recurrent Related Party Transactions; and
- Reviewed and recommended the dividend pay-out.

Report on Audit Committee

INTERNAL AUDIT FUNCTION

The internal audit function of Yinson Group ("IA Function") is carried out via a co-sourcing engagement between the inhouse Internal Audit Department ("IAD") of Yinson Group and EY. The IA Function collectively assists the Audit Committee in discharging its duties and responsibilities and is free from any relationships or conflicts of interest, thus retaining its objectivity and independence. IAD and EY report directly to the Audit Committee on the adequacy and effectiveness of the Group's internal controls. The Audit Committee is aware of the fact that an independent and adequately resourced IA Function is essential to assist in obtaining the assurance it requires regarding the effectiveness of the system of internal control.

The inhouse IAD of Yinson Group is led by Head of IAD, Mr Liew Ching Hin, who joined Yinson Group in 2006 and appointed as Head of IAD on 3 January 2013. He graduated from the University of Adelaide (Australia) with a Bachelor of Finance in 2000 and is an associate member of IIAM. He has 16 years of experience in the field of internal audit.

IAD is staffed by 2 audit executives, including the Head of IAD, while the co-sourced team from EY comprised of 2 to 3 persons for each visit conducted with IAD. IAD staff have been provided with relevant training to keep them abreast with the developments in the profession, relevant industry and regulations. The training courses attended by IAD staff during the financial year under review included training provided by IIAM, CPA and inhouse workshops.

The IA Function has performed its work in accordance with the principles of the international professional practice framework on internal auditing covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders on audit concerns.

During the financial year under review, IA Function carried out audits according to the internal audit plan which had been approved by the Audit Committee. Internal audits were carried out to provide assurance that internal controls are established and operating as intended to achieve effective and efficient operations while adhering to applicable policies, guidelines and procedures.

IA Function had conducted independent reviews and risk exposure evaluations relating to the operations, related party transactions and management information system. In performing such reviews, recommendations for improvements and enhancements to the existing internal control system and work processes are made.

The Head of IAD and/or EY co-sourced team attended all Audit Committee meetings during the financial year under review while the internal audit reports, incorporating audit recommendations and management's responses, were issued to the Audit Committee and the management of the respective operations. The Management is responsible for ensuring that corrective actions are taken within the required timeframe and all findings identified by IA Function were tracked and followed up on a quarterly basis with the status of the implementation reported to the Audit Committee accordingly.

The internal audit activities carried out in accordance with the approved internal audit plan for FYE 2019 were in the following areas:

1. IT Setup and Cybersecurity Management
2. Project Management
3. FPSO Operations
4. HSSEQ Framework

At the Board meetings during the year, the Audit Committee Chairman highlighted key audit issues and overall decisions and resolutions made during the Audit Committee meetings to the Board members.

The total cost incurred for maintaining the IA Function for the year under review was approximately RM802,000.

This Report on Audit Committee was made in accordance with the approval of the Board on 6 May 2019.

Statement on Directors' Responsibility

The Directors are required to prepare financial statements which give a true and fair view of the financial position of the Group and of the Company as at 31 January 2019, and of the results and cash flows of the Group and of the Company for the financial year then ended, in accordance with the requirements of Malaysia Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of Companies Act 2016.

In preparing the financial statements, the Directors have:

- used appropriate accounting policies that are consistently applied;
- made judgments and estimates that are prudent and reasonable with advice from certain industry professional where applicable;
- ensured that all applicable MFRS and IFRS reporting requirements have been followed; and
- prepared the financial statements on a going concern basis.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company.

The Directors are also responsible for safeguarding the assets of the Group and the Company by taking reasonable steps for preventing and detecting of fraud and other irregularities.

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ACCOUNTABILITY

Directors' report

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 January 2019.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. The principal activities of the Group are disclosed in Note 19 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	264,379	245,429
Attributable to:		
Owners of the Company	234,896	245,429
Non-controlling interests	29,483	–
	264,379	245,429

DIVIDENDS

Dividends paid and proposed since the end of the previous financial year are as follows:

	RM'000
In respect of the financial year ended 31 January 2019:	
– Interim single tier dividend of 4.0 sen per share, paid on 21 December 2018	43,311
In respect of the financial year ended 31 January 2018:	
– Final single tier dividend of 2.0 sen per share, paid on 27 August 2018	21,705
– Special single tier dividend of 4.0 sen per share, paid on 8 June 2018	43,452
	108,468

The Directors recommend a final single tier dividend of 2.0 sen per share in respect of the current financial year for shareholders' approval at the forthcoming Annual General Meeting.

If approved, the entitlement date and payable date for the dividend would be 8 August 2019 and 28 August 2019 respectively.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up ordinary share capital from 1,092,808,440 to 1,093,245,873 by way of issuance of 437,433 new ordinary shares arising from the exercise of options under Employees' Share Scheme at the exercise price of RM2.80 per ordinary share.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

There was no new debenture issued during the financial year.

TREASURY SHARES

During the financial year ended 31 January 2019, the Company repurchased 7,318,500 of its issued share from open market on Bursa Malaysia Securities Berhad ("Bursa Malaysia") for total consideration paid of RM31,196,031, including transaction costs. The average price paid for the shares repurchased was approximately RM4.26 per share and was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance to Section 127(4) of the Companies Act 2016.

Details of the treasury shares are set out in Note 28 to the financial statements.

EMPLOYEES' SHARE SCHEME

On 3 November 2015, the Company obtained all required approvals and complied with the requirements pertaining to the establishment of Employees' Share Scheme ("ESS"). On 25 January 2018, the Board of Directors resolved to extend the ESS tenure for additional five (5) years till 2 November 2025 in accordance with the terms of the ESS By-Laws.

The Company had issued two offers of options with total of 4,000,000 and 6,048,000 options on 23 December 2016 and 30 March 2018 respectively to eligible employees of the Group, including Executive Directors of the Company with 3 vesting periods. The options for unissued share are exercisable at RM2.80 per share and RM3.65 per share respectively in 3 tranches upon fulfilling the vesting condition and shall expire on 2 November 2020 and 30 March 2022 respectively.

During the financial year ended 31 January 2019, 1,520,000 new options were granted to Directors and Group Chief Executive Officer (including options allocated to person connected to them). Details of options held by Directors and Group Chief Executive Officer are disclosed in page 105 to the financial statements.

The aggregate maximum number of options granted to the Directors and Senior Management shall not be more than 80% of the total options offered. During the financial year ended 31 January 2019, 47.9% of the options offered under the second offer were allotted to the Directors and Senior Management of the Company. Since commencement of the ESS to financial year ended 31 January 2019, 45.2% of the total options offered were allotted to the Directors and Senior Management of the Company.

Subsequent to the financial year end, the Company has made the third offer of options to eligible Executive Directors and employees of the Company. The details are disclosed in Note 48 to the financial statements.

The salient features and other terms of the ESS are disclosed in Note 29 to the financial statements.

Directors' report (cont'd)

EMPLOYEES' SHARE SCHEME (CONTINUED)

The number of unissued shares granted under the ESS during the financial year and the number of unissued shares outstanding at the end of the financial year are as follows:

	Number of options over unissued ordinary shares			
	Outstanding as at 1.2.2018	**Exercised**	**Lapsed**	**Outstanding as at 31.1.2019**
Date of offer				
23 December 2016				
– first tranche	1,256,665	(329,133)	(10,000)	917,532
– second tranche	1,266,665	(108,300)	(63,333)	1,095,032
– third tranche	1,266,670	–	(83,334)	1,183,336
	3,790,000	(437,433)	(156,667)	3,195,900

	Number of options over unissued ordinary shares			
	Outstanding as at 1.2.2018	**Granted**	**Lapsed**	**Outstanding as at 31.1.2019**
Date of offer				
30 March 2018				
– first tranche	–	2,016,000	(88,333)	1,927,667
– second tranche	–	2,016,000	(88,333)	1,927,667
– third tranche	–	2,016,000	(88,334)	1,927,666
	–	6,048,000	(265,000)	5,783,000

No person to whom the option for unissued share has been granted as disclosed above has any right to participate by virtue of the option in any share issue of any other company.

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Lim Han Weng
Bah Kim Lian
Lim Han Joeh
Lim Chern Yuan
Dato' Wee Hoe Soon @ Gooi Hoe Soon
Dato' Mohamad Nasir Bin AB Latif
Datuk Raja Zaharaton Binti Raja Zainal Abidin
Datuk Abdullah Bin Karim (Appointed on 16 October 2018)
Datuk Syed Zaid Bin Syed Jaffar Albar (Resigned on 12 October 2018)

DIRECTORS' BENEFITS

Neither during nor at the end of the financial year was the Company or any of its subsidiaries a party to any arrangements whose objects was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate other than share options granted under the ESS.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in Note 11 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 38 to the financial statements.

DIRECTORS' AND OFFICERS' INDEMNITY AND INSURANCE COSTS

Details of Directors' and officers' indemnity and insurance costs are set out in Note 11 to the financial statements.

DIRECTORS' REMUNERATION

Details of Directors' remuneration are set out in Note 11 to the financial statements.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares or options over unissued shares or debentures in the Company or its subsidiaries during the financial year except as follows:

		Number of ordinary shares		
	1.2.2018	**Acquired**	**Sold**	**31.1.2019**
Shares in the Company				
Direct interest:				
Lim Han Weng	174,407,415	–	–	174,407,415
Bah Kim Lian	72,711,985	–	–	72,711,985
Lim Han Joeh	32,810,376	3,851,000	–	36,661,376
Lim Chern Yuan	61,200	–	–	61,200
Indirect interest:				
Lim Han Weng [(1)]	98,105,985	–	–	98,105,985
Bah Kim Lian [(2)]	176,696,615	–	–	176,696,615

[(1)] Indirect interest held through Liannex Corporation (S) Pte Ltd pursuant to Section 8 of the Companies Act 2016 and includes the interests of his spouse and children
[(2)] Indirect interest held through her spouse and children

	Number of options over unissued ordinary shares			
	1.2.2018	**Granted**	**Exercised**	**31.1.2019**
Share options in the Company				
Direct interest:				
Lim Han Weng	320,000	700,000	–	1,020,000
Lim Chern Yuan	280,000	600,000	–	880,000
Indirect interest:				
Lim Han Weng [(1)]	460,000	820,000	–	1,280,000
Bah Kim Lian [(2)]	780,000	1,520,000	–	2,300,000

[(1)] Indirect interest held through his children
[(2)] Indirect interest held through her spouse and children

Lim Han Weng and Bah Kim Lian by virtue of their interests in shares in the Company are also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

None of the non-executive directors were granted any options pursuant to the ESS during the financial year.

Directors' report (cont'd)

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

As at the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which have arisen since the end of the financial year.

No contingent or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company and its subsidiaries to meet their obligations when they fall due.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

In the opinion of the Directors:

(a) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than as disclosed in the financial statements under Note 8 and Note 9; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SUBSIDIARIES

Details of subsidiaries are set out in Note 19 to the financial statements.

AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in Note 9 to the financial statements.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on 6 May 2019. Signed on behalf of the Board of Directors:

Lim Han Weng
Director

Bah Kim Lian
Director

Statement by directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Lim Han Weng and Bah Kim Lian, being two of the Directors of Yinson Holdings Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 109 to 211 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2019 and financial performance of the Group and of the Company for the financial year ended 31 January 2019 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution dated 6 May 2019.

Lim Han Weng Director	Bah Kim Lian Director

Statutory declaration

Pursuant to Section 251(1) of the Companies Act 2016

I, Ho Guan Ming (MIA 15206), being the officer primarily responsible for the financial management of Yinson Holdings Berhad, do solemnly and sincerely declare that, the accompanying financial statements set out on pages 109 to 211 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared	)	
by the abovenamed Ho Guan Ming	)	
at Kuala Lumpur	)	
on 6 May 2019	)	Ho Guan Ming

Before me,

Commission for Oaths

Income statements

For the financial year ended 31 January 2019

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Revenue	6	**1,034,899**	910,156	**400,494**	120,716
Cost of sales	7	**(440,454)**	(363,790)	**–**	–
Gross profit		**594,445**	546,366	**400,494**	120,716
Other items of income					
Interest income		**17,817**	4,905	**47,500**	36,551
Other income	8	**32,776**	10,051	**496**	144
Other items of expenses					
Administrative expenses	9	**(128,427)**	(135,821)	**(153,200)**	(43,114)
Finance costs	12	**(185,559)**	(107,540)	**(49,526)**	(26,506)
Share of profit of joint ventures		**12,659**	43,081	**–**	–
Share of profit of associates		**150**	728	**–**	–
Profit before tax		**343,861**	361,770	**245,764**	87,791
Income tax expense	13	**(79,482)**	(69,697)	**(335)**	(406)
Profit for the financial year		**264,379**	292,073	**245,429**	87,385
Attributable to:					
Owners of the Company	14(a)	**234,896**	292,179	**245,429**	87,385
Non-controlling interests		**29,483**	(106)	**–**	–
		264,379	292,073	**245,429**	87,385
Earnings per share (EPS) attributable to owners of the Company (sen per share)					
Basic EPS	14(a)	**21.4**	26.8		
Diluted EPS	14(b)	**21.3**	26.8		

The notes on pages 119 to 211 are an integral part of these consolidated financial statements.

Statements of comprehensive income

For the financial year ended 31 January 2019

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit for the financial year	**264,379**	292,073	**245,429**	87,385
Other comprehensive income/(loss):				
Items that will be reclassified subsequently to profit or loss:				
- Cash flows hedge reserve	**6,722**	55,869	**–**	–
- Exchange differences on translation of foreign operations	**134,300**	(313,150)	**–**	–
Other comprehensive income/(loss) for the financial year	**141,022**	(257,281)	**–**	–
Total comprehensive income for the financial year	**405,401**	34,792	**245,429**	87,385
Attributable to:				
Owners of the Company	**371,660**	34,898	**245,429**	87,385
Non-controlling interests	**33,741**	(106)	**–**	–
	405,401	34,792	**245,429**	87,385

The notes on pages 119 to 211 are an integral part of these consolidated financial statements.

Statements of financial position

As at 31 January 2019

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Assets					
Non-current assets					
Property, plant and equipment	16	**5,298,201**	4,535,241	**2,906**	4,531
Investment properties	17	**20,108**	24,308	**–**	–
Intangible assets	18	**401,468**	23,660	**5,967**	8,690
Investment in subsidiaries	19	**–**	–	**790,481**	793,908
Investment in joint ventures	20	**483,040**	594,943	**119,526**	200,445
Investment in associates	21	**1,718**	1,949	**–**	30
Other receivables	24	**–**	6,497	**895,745**	583,746
Other assets	25	**14,754**	15,165	**–**	–
Finance lease receivables	33(a)	**15,169**	14,289	**–**	–
		6,234,458	5,216,052	**1,814,625**	1,591,350
Current assets					
Inventories	23	**9,926**	4,378	**–**	–
Trade and other receivables	24	**429,196**	369,040	**185,720**	77,566
Other assets	25	**115,151**	137,570	**382**	2,257
Finance lease receivables	33(a)	**468**	343	**–**	–
Tax recoverable		**3,703**	4,375	**257**	156
Derivatives	37	**893**	1,640	**–**	–
Other investments	22	**72,226**	79,901	**–**	–
Cash and bank balances	26	**1,217,279**	637,120	**9,480**	7,067
		1,848,842	1,234,367	**195,839**	87,046
Total assets		**8,083,300**	6,450,419	**2,010,464**	1,678,396

Statements of financial position (cont'd)

As at 31 January 2019

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Equity and liabilities					
Equity					
Share capital	27	**1,101,090**	1,099,490	**1,101,090**	1,099,490
Treasury shares	28	**(43,829)**	(12,633)	**(43,829)**	(12,633)
Reserves	30	**(328,632)**	86,841	**2,140**	1,962
Retained earnings	31	**1,016,783**	826,703	**314,710**	177,749
Equity attributable to owners of the Company		**1,745,412**	2,000,401	**1,374,111**	1,266,568
Perpetual securities issued by subsidiaries	45	**1,575,885**	632,162	**–**	–
Non-controlling interests		**302,680**	595	**–**	–
Total equity		**3,623,977**	2,633,158	**1,374,111**	1,266,568
Non-current liabilities					
Loans and borrowings	32	**2,748,368**	2,647,066	**–**	75
Unfavourable contracts	34	**–**	4,670	**–**	–
Other payables	36	**355,344**	361,783	**584,382**	382,981
Derivatives	37	**36,358**	42,349	**–**	–
Deferred tax liabilities	35	**546**	42	**–**	–
		3,140,616	3,055,910	**584,382**	383,056
Current liabilities					
Loans and borrowings	32	**401,362**	363,092	**45,867**	22,422
Unfavourable contracts	34	**4,906**	18,713	**–**	–
Trade and other payables	36	**379,826**	331,693	**6,104**	6,350
Derivatives	37	**3,082**	3,813	**–**	–
Put option liability	30(e)	**455,725**	–	**–**	–
Tax payables		**73,806**	44,040	**–**	–
		1,318,707	761,351	**51,971**	28,772
Total liabilities		**4,459,323**	3,817,261	**636,353**	411,828
Total equity and liabilities		**8,083,300**	6,450,419	**2,010,464**	1,678,396

The notes on pages 119 to 211 are an integral part of these consolidated financial statements.

Statements of changes in equity

For the financial year ended 31 January 2019

Group	Share capital RM'000 (Note 27)	Treasury shares RM'000 (Note 28)	Foreign currency translation reserve RM'000 (Note 30 (a))	Cash flows hedge reserve RM'000 (Note 30 (b))	Share-based option reserve RM'000 (Note 30 (c))	Capital reserve RM'000 (Note 30 (d))	Put option reserve RM'000 (Note 30 (e))	Retained earnings RM'000 (Note 31)	Total RM'000	Perpetual securities of subsidiaries RM'000 (Note 45)	Non-controlling interests RM'000	Total equity RM'000
	Attributable to owners of the Company											
2019												
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 (Note 3)	-	-	-	-	-	-	-	(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
Profit for the financial year	-	-	-	-	-	-	-	234,896	234,896	-	29,483	264,379
Other comprehensive income	-	-	126,266	10,498	-	-	-	-	136,764	-	4,258	141,022
Total comprehensive income	-	-	126,266	10,498	-	-	-	234,896	371,660	-	33,741	405,401
Transactions with owners												
Paid and accrued perpetual securities distribution by subsidiaries	-	-	-	-	-	-	-	(93,683)	(93,683)	-	-	(93,683)
Effect of changes in shareholding in subsidiaries	-	-	-	-	-	-	(455,725)	175,861	(279,864)	-	291,505	11,641
Cash dividends to owners of the Company (Note 15)	-	-	-	-	-	-	-	(108,468)	(108,468)	-	-	(108,468)
Cash dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(23,161)	(23,161)
Exercise of ESS	1,600	-	-	-	-	-	-	-	1,600	-	-	1,600
Issuance of ESS	-	-	-	-	178	-	-	-	178	-	-	178
Issue of perpetual securities by a subsidiary	-	-	-	-	-	-	-	-	-	943,723	-	943,723
Redemption of convertible notes instrument by a subsidiary	-	-	-	-	-	(96,690)	-	-	(96,690)	-	-	(96,690)
Purchase of treasury shares	-	(31,196)	-	-	-	-	-	-	(31,196)	-	-	(31,196)
Total transactions with owners	1,600	(31,196)	-	-	178	(96,690)	(455,725)	(26,290)	(608,123)	943,723	268,344	603,944
At 31 January 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

Statements of changes in equity (cont'd)

For the financial year ended 31 January 2019

Group	Share capital RM'000 (Note 27)	Treasury shares RM'000 (Note 28)	Foreign currency translation reserve RM'000 (Note 30 (a))	Cash flows hedge reserve RM'000 (Note 30 (b))	Share-based option reserve RM'000 (Note 30 (c))	Capital reserve RM'000 (Note 30 (d))	Put option reserve RM'000 (Note 30 (e))	Retained earnings RM'000 (Note 31)	Total RM'000	Perpetual securities of subsidiaries RM'000 (Note 45)	Non-controlling interests RM'000	Total equity RM'000
	Attributable to owners of the Company											
2018												
At 1 February 2017	1,099,462	(12,633)	347,501	(102,031)	304	-	-	636,110	1,968,713	437,460	-	2,406,173
Profit/(loss) for the financial year	-	-	-	-	-	-	-	292,179	292,179	-	(106)	292,073
Other comprehensive (loss)/income	-	-	(313,150)	55,869	-	-	-	-	(257,281)	-	-	(257,281)
Total comprehensive (loss)/income	-	-	(313,150)	55,869	-	-	-	292,179	34,898	-	(106)	34,792
Transactions with owners												
Paid and accrued perpetual securities distribution by subsidiaries	-	-	-	-	-	-	-	(34,494)	(34,494)	-	-	(34,494)
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	96,690	-	-	96,690	-	701	97,391
Cash dividends to owners of the Company (Note 15)	-	-	-	-	-	-	-	(65,291)	(65,291)	-	-	(65,291)
Exercise of ESS	28	-	-	-	-	-	-	-	28	-	-	28
Issuance of ESS	-	-	-	-	1,658	-	-	-	1,658	-	-	1,658
Issue of perpetual securities by a subsidiary	-	-	-	-	-	-	-	-	-	413,902	-	413,902
Redemption of perpetual securities by a subsidiary	-	-	-	-	-	-	-	(1,801)	(1,801)	(219,200)	-	(221,001)
Total transactions with owners	28	-	-	-	1,658	96,690	-	(101,586)	(3,210)	194,702	701	192,193
At 31 January 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

The notes on pages 119 to 211 are an integral part of these consolidated financial statements.

Company	Share capital RM'000 (Note 27)	Treasury shares RM'000 (Note 28)	Share-based option reserve RM'000 (Note 30 (c))	Retained earnings RM'000 (Note 31)	Total equity RM'000
2019					
At 1 February 2018	**1,099,490**	**(12,633)**	**1,962**	**177,749**	**1,266,568**
Total comprehensive income	**–**	**–**	**–**	**245,429**	**245,429**
Transactions with owners					
Cash dividends (Note 15)	**–**	**–**	**–**	**(108,468)**	**(108,468)**
Exercise of ESS	**1,600**	**–**	**–**	**–**	**1,600**
Issuance of ESS	**–**	**–**	**178**	**–**	**178**
Purchase of treasury shares	**–**	**(31,196)**	**–**	**–**	**(31,196)**
Total transactions with owners	**1,600**	**(31,196)**	**178**	**(108,468)**	**(137,886)**
At 31 January 2019	**1,101,090**	**(43,829)**	**2,140**	**314,710**	**1,374,111**
2018					
At 1 February 2017	1,099,462	(12,633)	304	155,655	1,242,788
Total comprehensive income	–	–	–	87,385	87,385
Transactions with owners					
Cash dividends (Note 15)	–	–	–	(65,291)	(65,291)
Exercise of ESS	28	–	–	–	28
Issuance of ESS	–	–	1,658	–	1,658
Total transactions with owners	28	–	1,658	(65,291)	(63,605)
At 31 January 2018	1,099,490	(12,633)	1,962	177,749	1,266,568

The notes on pages 119 to 211 are an integral part of these consolidated financial statements.

Statements of cash flows

For the financial year ended 31 January 2019

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Cash flows from operating activities					
Profit before tax		**343,861**	361,770	**245,764**	87,791
Adjustments for:					
Depreciation of property, plant and equipment	16	**279,047**	219,472	**1,328**	893
Amortisation of intangible assets	18	**5,502**	4,830	**2,874**	2,548
Amortisation of unfavourable contracts	34	**(19,436)**	(20,435)	**–**	–
Impairment/(reversal of) loss on:					
- trade receivables	24(a)	**1,070**	(649)	**–**	–
- other receivables	24(b)	**5,364**	–	**–**	–
- amounts due from subsidiaries	24(b)	**–**	–	**102,587**	–
- investment in a joint venture	20	**12,892**	–	**–**	–
- tax recoverable		**3,686**	–	**–**	–
- investment in subsidiaries	19	**–**	–	**3,457**	–
- plant and equipment	16	**33,030**	32,793	**–**	–
Inventory written off		**–**	1,067	**–**	–
Unrealised (gain)/loss on foreign exchange		**(23,020)**	62,403	**3,985**	6,067
Finance costs		**184,812**	109,606	**49,526**	26,506
Fair value loss/(gain) on:					
- investment properties	17	**4,200**	5,623	**–**	–
- marketable securities		**1,158**	(141)	**(3)**	–
- derivatives	12	**747**	(2,066)	**–**	–
Plant and equipment written off		**–**	37	**–**	4
Loss/(gain) on disposal of:					
- property, plant and equipment		**5**	(124)	**257**	(124)
- other investments		**(125)**	(433)	**–**	–
- associates		**(21)**	–	**–**	–
Share of profit of joint ventures		**(12,659)**	(43,081)	**–**	–
Share of profit of associates		**(150)**	(728)	**–**	–
Dividend income	6	**–**	–	**(354,702)**	(45,824)
Interest income		**(17,817)**	(4,905)	**(47,500)**	(36,551)
Operating cash flows before working capital changes - carried forward		**802,146**	725,039	**7,573**	41,310

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Operating cash flows before working capital changes - brought forward		**802,146**	725,039	**7,573**	41,310
Inventories		**(5,548)**	629	**–**	–
Receivables		**122,766**	(306,302)	**(153,364)**	(4,105)
Other current assets		**(104,166)**	(90,663)	**–**	–
Payables		**(106,838)**	337,969	**1,634**	9,486
Cash flows from operations		**708,360**	666,672	**(144,157)**	46,691
Interest received		**17,817**	4,905	**47,500**	9,378
Finance costs paid		**(142,386)**	(118,297)	**(49,189)**	(26,697)
Taxes paid		**(53,963)**	(56,094)	**(436)**	(255)
Net cash flows generated from/(used in) operating activities		**529,828**	497,186	**(146,282)**	29,117
Cash flows from investing activities					
Dividends received from joint ventures	20(i) & 20(ii)	**59,631**	20,046	**59,631**	45,824
Dividends received from subsidiaries		**–**	–	**295,071**	–
Proceeds from capital reduction of a joint venture	20(ii)	**80,919**	–	**80,919**	–
Advances to subsidiaries		**–**	–	**(172,582)**	(37,709)
Repayment from joint ventures		**–**	–	**4,157**	53,039
Investment in subsidiaries		**834**	(34,191)	**–**	(469)
Investment in joint ventures		**–**	(36,600)	**–**	–
Investment in associates		**–**	(113)	**–**	–
Proceeds from disposal of property, plant and equipment		**649**	161	**220**	150
Proceeds from disposal of other investments		**30,492**	11,236	**–**	–
Proceeds from disposal of shareholdings in a subsidiary	47	**415,786**	–	**–**	–
Purchase of other investments		**(20,000)**	(66,169)	**–**	–
Purchase of intangible assets	18	**(382,587)**	(2,644)	**(151)**	(492)
Purchase of property, plant and equipment	16(a)	**(789,066)**	(443,489)	**(180)**	(4,168)
(Placement)/withdrawal of fixed deposits pledged as security		**(131,047)**	(239,509)	**(131)**	253
Placement of short term investment		**(10)**	(11)	**(10)**	(11)
Net cash flows (used in)/generated from investing activities		**(734,399)**	(791,283)	**266,944**	56,417

Statements of cash flows (cont'd)

For the financial year ended 31 January 2019

		Group		Company	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Cash flows from financing activities					
Advances (to)/from directors		**(1,213)**	440	**(1,213)**	440
Dividends paid to owners of the Company	15	**(108,468)**	(65,269)	**(108,468)**	(65,269)
Dividends paid to non-controlling interests	19(b)	**(23,161)**	–	**–**	–
Drawdown of loans and borrowings		**788,399**	652,493	**182,724**	68,530
Repayment of loans and borrowings		**(864,020)**	(661,200)	**(161,628)**	(88,351)
Drawdown of finance leases obligations		**1,330**	27	**–**	–
Repayment of finance leases obligations		**(456)**	(383)	**(256)**	(194)
Proceeds from issuance of perpetual securities		**943,723**	413,902	**–**	–
Repayment of perpetual securities		**–**	(219,200)	**–**	–
Perpetual securities distribution paid		**(78,064)**	(30,652)	**–**	–
Purchase of treasury shares	28	**(31,196)**	–	**(31,196)**	–
Proceeds from equity-settled share-based options		**1,224**	28	**1,224**	28
Net cash flows generated from/(used in) financing activities		**628,098**	90,186	**(118,813)**	(84,816)
Net increase/(decrease) in cash and cash equivalents		**423,527**	(203,911)	**1,849**	718
Effects of foreign exchange rate changes		**8,687**	(9,375)	**420**	(899)
Cash and cash equivalents at beginning of financial year		**291,295**	504,581	**4,747**	4,928
Cash and cash equivalents at end of financial year	26	**723,509**	291,295	**7,016**	4,747

Reconciliation of liabilities arising from financing activities

		Group		Company	
Loan and borrowings	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
At 1 February	32	**3,010,158**	3,393,173	**22,497**	45,007
Cash inflows/(outflows)					
Finance costs paid		**(120,813)**	(95,288)	**(2,986)**	(2,141)
Drawdown		**789,729**	652,520	**182,724**	68,530
Repayment		**(864,476)**	(661,583)	**(161,884)**	(88,545)
Other changes					
Finance costs		**189,976**	97,528	**3,323**	1,950
Acquisition of a subsidiary		**–**	59	**–**	–
Foreign exchange movement		**145,156**	(376,251)	**2,193**	(2,304)
At 31 January	32	**3,149,730**	3,010,158	**45,867**	22,497

The notes on pages 119 to 211 are an integral part of these consolidated financial statements.

Notes to the financial statements

For the financial year ended 31 January 2019

1. CORPORATE INFORMATION

Yinson Holdings Berhad (the "Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed and quoted on the Main Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business of the Company is BO2-A-18, Menara 3, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur.

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the Group are disclosed in Note 19 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency. Unless otherwise indicated, the amounts in these financial statements have been rounded to the nearest thousand.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements.

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention unless otherwise indicated in this summary of significant accounting policies.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's and Company's accounting policies. Although these estimates and judgements are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

2.2 Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 January 2019. Control is achieved when the Group is exposed, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee, if and only if, the Group has:

(i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) exposure or rights to variable returns from its involvement with the investee; and

(iii) the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights in an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) the contractual arrangement with the other vote holders of the investee;

(ii) rights arising from other contractual arrangements; and

(iii) the Group's voting rights and potential voting rights.

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the consolidated financial statements of the Group from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the owners of the Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between carrying amounts of the controlling and non-controlling interests to reflect their relative interest in the subsidiary. Any difference between the amount of adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

If the Group loses control over a subsidiary, it:

(i) derecognises the assets (including goodwill) and liabilities of the subsidiary;

(ii) derecognises the carrying amount of any non-controlling interests;

(iii) derecognises the cumulative translation differences recorded in equity;

(iv) recognises the fair value of the consideration received;

(v) recognises the fair value of any investment retained;

(vi) recognises any surplus or deficit in profit or loss; and

(vii) reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Business combinations and goodwill

Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the "acquired" entity is reflected within equity as movement in retained earnings. The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities have always been combined since the date the entities had come under common control.

In other case of acquisitions, business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Business combinations and goodwill (continued)

When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

When the Group acquires a contract in a business combination, it assesses whether the contract is favourable or unfavourable by comparing the terms to market prices at the time of acquisition. Refer to Note 2.31 for the accounting policy on favourable and unfavourable contracts.

If the business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured to fair value at the acquisition date, any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments: Classification and Measurement of Financial Assets and Financial Liabilities, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of fair value of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net identifiable assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units ("CGU"), or Group's CGUs, that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

2.4 Investment in subsidiaries, associates and joint ventures

(a) Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investment, the difference between the net disposal proceeds and their carrying amount is included in profit or loss.

The amount due from subsidiaries of which the Company does not expect repayment in the foreseeable future are considered as part of the Company's investments in subsidiaries. However, if the subsidiaries have the intention to repay or when the Company receives the actual proceeds from the net investment, then the net investment can be re-designated to intercompany loans.

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Investment in subsidiaries, associates and joint ventures (continued)

(b) Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss in the profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Current versus non-current classification

The Group presents assets and liabilities in statements of financial position based on current/non-current classification. An asset is current when it is:

(i) expected to be realised or intended to sold or consumed in normal operating cycle;

(ii) held primarily for the purpose of trading;

(iii) expected to be realised within twelve months after the reporting period; or

(iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

(i) it is expected to be settled in normal operating cycle;

(ii) it is held primarily for the purpose of trading;

(iii) it is due to be settled within twelve months after the reporting period; or

(iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.6 Fair value measurement

The Group measures financial instruments, such as, derivatives, and non-financial assets such as investment properties and other investments, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) in the principal market for the asset or liability; or

(ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's senior management determines the policies and procedures for both recurring fair value measurement, such as investment properties.

External valuers are involved for valuation of significant assets. Involvement of external valuers is decided upon annually by the senior management after discussion with and approval by the Company's audit committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The senior management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the senior management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed based on the Group's accounting policies. For this analysis, the senior management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The senior management, in conjunction with the Group's external valuers, also compares the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.7 Revenue from contracts with customers

The Group recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods or services.

A five-step process is applied before revenue can be recognised:

Step 1 : Identify contracts with customers;

Step 2 : Identify the separate performance obligations;

Step 3 : Determine the transaction price of the contract;

Step 4 : Allocate the transaction price to each of the separate performance obligations; and

Step 5 : Recognise the revenue as each performance obligation is satisfied.

The specific recognition criteria described below must also be met before revenue is recognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Revenue from contracts with customers (continued)

(i) Offshore maintenance support and rendering of services

In certain arrangement, the Group provides separate services to vessel charterer including vessel management, repair and maintenance, crewing and operators, provisions, insurance, logistic support during the on-hire period. Revenue from maintenance support and rendering of services are identified as single performance obligation as the contracts comprise multiple deliverables that include a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer.

The Group recognises revenue from offshore maintenance support and rendering of services over time, using an input method, measuring the inputs put in relative to the total expected inputs needed to transfer the promised services to the customer. Revenue is recognised on a straight-line basis as the inputs are expended evenly throughout the period.

Credit term to customer is generally for a period of 30 days.

(ii) Human resource services

Revenue from provision of human resource services is recognised upon delivery of service to customer. Credit term to customer is 30 days from the date of invoice.

(iii) Management fee

Management fees are recognised in the period in which the services are rendered.

(iv) Transportation services

Transportation revenue from the provision of chauffeur service are recognised upon monthly services performed. The credit term is for a period of 30 days.

2.8 Revenue from other sources

The Group recognises revenue from other sources as follows:

(i) Vessel chartering

Revenue from vessel chartering contracts classified as operating leases are recognised on a straight-line basis over the lease period for which the customer has contractual right over the vessel.

(ii) Dividend income

Dividends are received from financial assets measured at FVTPL and at FVOCI (2018: financial assets at FVTPL and AFS financial assets).

Dividend income from financial assets at FVTPL is recognised as part of net gains or net losses on these financial instruments.

Dividend income from financial assets at FVOCI (2018: AFS) are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits.

<u>Accounting policies applied from 1 February 2018</u>

From 1 February 2018 onward, dividends that clearly represents a recovery of part of the cost of an investment is recognised in OCI if it relates to an investment in equity instruments measured at FVOCI.

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Revenue from other sources (continued)

(iii) Investment and interest income

Interest income is recognised using the effective interest method.

Interest income from financial assets at FVTPL is recognised as part of net gains or net losses on these financial instruments.

Interest income on financial assets at amortised cost and financial assets at FVOCI (2018: available-for-sale debt securities and loans and receivables) calculated using the effective interest method is recognised in the profit or loss.

(iv) Rental income

Revenue from rental of investment properties are recognised at when the services are rendered. Payment of the transaction is due immediately upon confirmation of reservation by customer.

2.9 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

(i) when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(ii) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

(i) when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

(ii) in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Taxes (continued)

(b) Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the financial year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.10 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. However, exchange differences are deferred in OCI when they arose from qualifying cash flow or net investment hedges or are attributable to items that form part of the net investment in a foreign operation.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in OCI.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(ii) income and expenses for each statement of comprehensive income or separate income statement presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting exchange differences are recognised as a separate component of OCI.

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Foreign currencies (continued)

(c) Group companies (continued)

Goodwill and fair value adjustments arising on the acquisitions of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in OCI.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in OCI.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences relating to that foreign operation recognised in OCI and accumulated in the separate component of equity are reclassified to profit or loss, as part of the gain or loss on disposal. In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control) the proportionate equity in percentage share of the accumulated exchange difference is reclassified to profit or loss.

Intercompany loans where settlement is neither planned nor likely to occur in the foreseeable future, are treated as part of the parent's net investment. Translation differences arising therefrom are recognised in OCI. The accumulated translation differences are reclassified to profit or loss in proportion to the change in equity interest following a reduction in net investment with no change in control.

2.11 Cash dividend and non-cash distribution to owners of the company

The Company recognises a liability to make cash or non-cash distributions to owners of the company when the distribution is authorised and the distribution is no longer at the discretion of the Company. Subsequently, non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity. Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in profit or loss.

2.12 Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Refer to Note 2.14 for the accounting policy on borrowing costs.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Property, plant and equipment (continued)

Assets under construction are not depreciated as these assets not yet available for use. Depreciation is calculated on a straight-line basis to allocate the cost of each asset to their residual values over their estimated useful lives as follows:

Electrical installation	5 years
Motor vehicles	10 years
Renovation, equipment, furniture and fittings	10 years
Tugboats, barges and boat equipment	10 years
Vessels	12 to 25 years

An item of property, plant and equipment and any significant part is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognised.

Residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. Refer to Note 2.20 for the accounting policy on impairment of non-financial assets.

2.13 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(a) Accounting by lessee

Finance lease

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in payables. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in profit or loss over the lease term.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to the carrying amounts of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease expense.

Operating lease

Lease of an asset where a significant portion of the risks and rewards of ownership are retained by the lessor is classified as operating lease.

Operating lease payments are recognised as an operating expense in profit or loss on a straight-line basis over the lease term.

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Leases (continued)

(b) Accounting by lessor

Finance lease

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return.

Operating lease

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on a straight-line basis on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.15 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value, which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Refer to Note 2.6 for the accounting policy on fair value measurement.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.16 Intangible assets

Computer software

Cost incurred to acquire computer software that are not integral part of the related hardware, are capitalised as intangible assets and amortised on a straight-line basis over the estimated useful life of 5 - 10 years, when the assets are ready for their intended use. The capitalisation of computer software is on the basis of the costs incurred to acquire and bring to use the specific software.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

When an indication of impairment exists, the carrying amount of the intangible assets is assessed and written down to its recoverable amount. Refer to Note 2.20 for the accounting policy on impairment of non-financial assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Intangible assets (continued)

Contract rights

Costs incurred to acquire the contractual rights and obligations for a customer contract. It is recognised at its fair value at the date of acquisition and is subsequently amortised over the contract period of 18 years upon commencement of charter.

2.17 Financial instruments

<u>Accounting policies applied from 1 February 2018</u>

(i) Financial assets

(a) Classification, initial recognition and measurement

From 1 February 2018, the Group classifies its financial assets in the following measurement categories:

- Financial assets measured at amortised cost;
- Financial assets at fair value through other comprehensive income ("FVOCI"); and
- Financial assets at fair value through profit or loss ("FVTPL").

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ("SPPI").

(b) Subsequent measurement

<u>Debt instruments</u>

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(i) <u>Financial assets at amortised cost</u>

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost using the effective interest rate ("EIR") method. Any gains and losses are recognised in profit or loss when the debt instruments are derecognised or impaired, and through the amortisation process.

(ii) <u>Financial assets at fair value through other comprehensive income ("FVOCI")</u>

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI.

After initial measurement, FVOCI financial assets are subsequently measured at fair value with unrealised gains or losses recognised in OCI and credited in the FVOCI reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the FVOCI reserve to the profit or loss. Interest earned whilst holding FVOCI financial assets is reported as interest income using the EIR method.

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Financial instruments (continued)

Accounting policies applied from 1 February 2018 (continued)

(i) Financial assets (continued)

(b) Subsequent measurement (continued)

Debt instruments (continued)

(iii) Financial assets at fair value through profit or loss ("FVTPL")

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases.

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the profit or loss.

Equity instruments

The Group subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the profit or loss as applicable.

(c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flow from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Financial instruments (continued)

Accounting policies applied until 31 January 2018

(i) Financial assets

(a) Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

(b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at fair value through profit or loss;
- Loans and receivables;
- Held-to-maturity investments; and
- Available-for-sale financial assets.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by MFRS 139.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the profit or loss.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Re-assessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Financial instruments (continued)

Accounting policies applied until 31 January 2018 (continued)

(i) Financial assets (continued)

(b) Subsequent measurement (continued)

Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loan and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the EIR, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss as finance costs.

The Group did not have any held-to-maturity investments during the financial years ended 31 January 2019 and 2018.

Available-for-sale ("AFS") financial assets

AFS financial investments include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealised gains or losses recognised in OCI and credited in the AFS reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the profit or loss. Interest earned whilst holding AFS financial assets is reported as interest income using the EIR method.

The Group evaluates whether the ability and intention to sell its AFS financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if the management has the ability and intention to hold the assets for foreseeable future or until maturity.

For a financial asset reclassified from the AFS category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Financial instruments (continued)

Accounting policies applied until 31 January 2018 (continued)

(i) Financial assets (continued)

(c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flow from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(ii) Impairment of financial assets

Accounting policies applied from 1 February 2018

The Group and the Company assess on a forward looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group and the Company have three types of financial instruments that are subject to the ECL model:

(i) Trade and other receivables
(ii) Finance lease receivables
(iii) Cash and bank balances

While cash and bank balances are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

ECL represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument. For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Company expects to receive from the holder, the debtor or any other party.

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Financial instruments (continued)

(ii) Impairment of financial assets (continued)

Accounting policies applied from 1 February 2018 (continued)

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(a) General 3-stage approach for other receivables

At each reporting date, the Group and the Company measure ECL through loss allowance at an amount equal to 12 month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

Debt instruments at amortised costs other than trade receivables are using general 3-stage approach.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the debtor
- significant increases in credit risk on other financial instruments of the same debtor
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group and changes in the operating results of the debtor

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Note 42(b) sets out the measurement details of ECL.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Financial instruments (continued)

(ii) Impairment of financial assets (continued)

Accounting policies applied from 1 February 2018 (continued)

(b) Simplified approach for trade receivables

The Group and the Company apply the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables.

The Group and the Company define a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

(i) Quantitative criteria

The Group and the Company define a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

(ii) Qualitative criteria

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent

Financial instruments that are credit-impaired are assessed on individual basis.

Note 42(b) sets out the measurement details of ECL.

Accounting policies applied until 31 January 2018

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred "loss event"), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Financial instruments (continued)

(ii) Impairment of financial assets (continued)

Accounting policies applied until 31 January 2018 (continued)

Financial assets carried at amortised cost (continued)

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income (recorded as finance income in the profit or loss) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to profit or loss.

Available-for-sale ("AFS") financial assets

For AFS financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the profit or loss – is removed from OCI and recognised in the profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in OCI.

In the case of debt instruments classified as AFS, the impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the profit or loss.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the profit or loss, the impairment loss is reversed through the profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Financial instruments (continued)

(iii) Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

(b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include derivative financial instruments financial liabilities designated upon initial recognition as at fair value through profit or loss.

Derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by MFRS 9 as financial liabilities held for trading. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are contracts that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

The fair value of financial guarantee is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Financial instruments (continued)

(iii) Financial liabilities (continued)

(c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

(iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

2.18 Derivative financial instruments

The Group uses derivative financial instruments, interest rate swaps and foreign currency forward contracts, to hedge its interest rate risks and foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period.

Derivative that do not qualify for hedge accounting are classified as fair value through profit or loss and changes in fair value are recognised in profit or loss.

For derivative that qualifies as cash flow hedges, the gain or loss relating to the ineffective portion of changes in the fair value is recognised in profit or loss. The gain or loss relating to the effective portion is recognised in the OCI and later reclassified to profit or loss when the hedge item affects profit or loss.

Since adoption of MFRS 9, the Group documents at the inception of the hedge relationship, the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions. Prior to 1 February 2018, the Group documented at the inception of the transaction, the relationship between hedging instruments and hedged items and its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that were used in hedging transactions have been, and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Derivatives are classified as a non-current asset or liability when the remaining maturity is more than 12 months, and the balance is classified as current.

2.19 Inventories

Inventories are valued at the lower of cost and net realisable value.

Purchase costs and other costs incurred in bringing the trading goods and consumables to its present location and condition are accounted for on a first in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses, including impairment on inventories, are recognised in the profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase in revaluation reserve.

2.21 Cash and bank balances

Cash and bank balances in the statements of financial position comprise cash at banks, cash on hand and short-term deposits with a maturity of three months or less, for purpose of short-term working capital rather than for investment or other purposes, that are convertible to known amounts of cash and is not subject to significant risk of change in value.

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

2.22 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the profit or loss net of any reimbursement.

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Employee benefits

(a) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(b) Defined contribution plans

The Group's contributions to defined contribution plans are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further financial obligations.

(c) Share-based payment

The Group operates an equity-settled, share-based compensation plan ("Employee Share Scheme" or "ESS") under which the Group receives services from employees as consideration for equity options over ordinary shares of the Company. The fair value of the options granted in exchange for the services of the employees are recognised as employee benefit expense with a corresponding increase to share option reserve within equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and

- including the impact of any non-vesting conditions.

Non-market vesting conditions and service conditions are included in assumptions about the number of options that are expected to vest.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of the reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to share option reserve in equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

In its separate financial statements of the Company, the grant by the Company of options over its equity instruments to the employees of subsidiaries in the Group is treated as amounts owing by subsidiaries. The fair value of options granted to employees of the subsidiaries in exchange for the services of the employees to the subsidiaries are recognised as amounts owing by subsidiaries, with a corresponding credit to equity of the Company.

2.24 Transactions with non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statement of financial position, separately from owners of the Group. Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and carrying amount of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Share capital

(i) Classification

Ordinary shares are recorded at the proceeds received, net of directly attributable transaction costs. Ordinary shares are classified as equity.

(ii) Share issue costs

Incremental costs directly attributable to the issue of new shares or options are deducted against the share capital account. In other cases, they are charged to the profit or loss when incurred.

(iii) Dividend distribution

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

(iv) Purchase of own shares

Where the Company purchases the Company's equity instruments as a result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs, net of tax, is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled, reissued or disposed of. Where such ordinary shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity attributable to the owners of the Company.

2.26 Perpetual securities

Perpetual securities are classified as equity when there is no contractual obligation to deliver cash or other financial assets to another person or entity or to exchange financial assets or financial liabilities with another person or entity that are potentially unfavourable to the issuer. Incremental costs directly attributable to the issuance of new perpetual securities are shown in equity as a reduction, net of tax, from the proceeds. The proceeds received net of any directly attributable transaction costs are credited to perpetual securities in equity.

2.27 Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Details on the Group's and the Company's impairment policies of trade and other receivables are provided in Note 2.17(ii).

2.28 Trade and other payables

Trade and other payables represent liabilities for services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are classified as current liabilities unless payment is not due within 12 months after the reporting period. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Notes to the financial statements (cont'd)
For the financial year ended 31 January 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.29 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS are calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period and excluding treasury shares.

Diluted EPS are determined by adjusting the profit or loss attributable to owners of the Company and the weighted average number of ordinary shares outstanding adjusted for own shares held for the effects of all dilutive potential ordinary shares, which comprise share awards granted to employees.

2.30 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker comprising the Board of Directors, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

2.31 Favourable and unfavourable contracts

The terms of a contract acquired in a business combination are compared to market prices at date of acquisition to determine whether an intangible asset or liability should be recognised. If the terms of an acquired contract are favourable relative to market prices, an intangible asset is recognised. If the terms of an acquired contract are unfavourable relative to market prices, a liability is recognised. Subsequently, the acquired contract is measured at amortised cost over the period of the contract.

2.32 Deferred income

Deferred income relating to rental received in advance are deferred and recognised on a straight line basis over the term of the contract period.

3. STANDARDS, AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS, WHICH ARE APPLICABLE AND ADOPTED BY THE GROUP AND THE COMPANY

The Group and the Company have applied the following amendments for the first time for the financial year beginning on 1 February 2018:

(i) MFRS 9 "Financial Instruments: Classification and Measurement of Financial Assets and Financial Liabilities"

(ii) MFRS 15 "Revenue from Contracts with Customers"

(iii) Amendments to MFRS 2 "Classification and Measurement of Share-based Payment Transactions"

(iv) Annual Improvements to MFRS 128 "Investments in Associates and Joint Ventures"

(v) Amendments to MFRS 140 "Clarification on 'Change in Use' - Assets transferred to, or from Investment Properties"

(vi) IC Interpretation 22 "Foreign Currency Transactions and Advance Consideration"

The adoption of the above amendments to published standards does not have any material impact to the Group, other than MFRS 9 as disclosed below.

There is no material impact on adoption of MFRS 15 as significant portion of the Group's revenue source is governed under MFRS 117 "Leases".

3. STANDARDS, AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS, WHICH ARE APPLICABLE AND ADOPTED BY THE GROUP AND THE COMPANY (CONTINUED)

Adoption of MFRS 9

(i) Classification and measurement of financial assets

There is no impact on the classification and measurement of financial assets of the Group and the Company:

- debt instruments measured at amortised cost and FVTPL meet the conditions to be classified at amortised cost and FVTPL under MFRS 9 respectively; and
- equity investments measured at FVTPL continue to be measured on the same basis under MFRS 9.

(ii) Impairment

Until 31 January 2018, the Group and the Company assessed the impairment of loan and receivables and AFS financial assets based on the incurred impairment loss model. Note 2.17(ii) set out the details of accounting policies for impairment of financial assets under MFRS 139.

From 1 February 2018, the Group and the Company apply expected ECL model to determine impairment on investment in debt instruments that are measured at amortised cost and at FVOCI and financial guarantee contracts. The new accounting policies for impairment under MFRS 9 are set out in Note 2.17(ii).

(a) Trade receivables that do not contain significant financing components and other receivables

For all trade receivables that do not contain significant financing components, the Group and the Company apply the MFRS 9 simplified approach which is to measure the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life.

Other receivables that are repayable on demand and interest-free are classified as amortised cost in the Company's financial statements because the Company's business model is to hold and collect the contractual cash flows and those cash flows represent SPPI. The Company applied the general 3-stage approach when determining ECL for these other receivables.

This resulted in the recognition of additional loss allowances on 1 February 2018.

The following table reconciles the closing loss allowance measured in accordance with MFRS 139 incurred loss model as at 31 January 2018 to the opening loss allowance measured in accordance with the MFRS 9 ECL model at 1 February 2018:

	Reported as at 31.1.2018 RM'000	Effect of adoption on MFRS 9 RM'000	Restated as at 1.2.2018 RM'000
Consolidated Statement of Financial Position			
Investment in joint ventures	594,943	(1,436)	593,507
Trade and other receivables	369,040	(17,090)	351,950
Retained earnings	826,703	(18,526)	808,177

There is no additional loss allowance recognised by the Company on 1 February 2018.

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

4. STANDARDS, AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS TO EXISTING STANDARDS THAT ARE APPLICABLE TO THE GROUP AND THE COMPANY BUT NOT YET EFFECTIVE

(a) Financial year beginning on/after 1 February 2019

(i) Amendments to MFRS 9 "Prepayment Features with Negative Compensation"

The standard allows companies to measure some prepayable financial assets with negative compensation at amortised cost. Negative compensation arises where the contractual terms permit the borrower to prepay the instrument before its contractual maturity, but the prepayment amount could be less than the unpaid amounts of principal and interest. To qualify for amortised cost measurement, the negative compensation must be reasonable compensation for early termination of the contract, and the asset must be held within a 'held to collect' business model.

The amendments will be applied retrospectively.

(ii) Amendments to MFRS 128 "Long-term Interests in Associates and Joint Ventures"

The standard clarifies that an entity should apply MFRS 9 "Financial Instruments" (including the impairment requirements) to long-term interests in an associate or joint venture, which are in substance form part of the entity's net investment, for which settlement is neither planned nor likely to occur in the foreseeable future.

In addition, such long-term interest are subject to loss allocation and impairment requirements in MFRS 128.

The amendments shall be applied retrospectively.

(iii) MFRS 16 "Leases" supersedes MFRS 117 "Leases" and the related interpretations

Under MFRS 16, a lease is a contract (or part of a contract) that conveys the rights to control the use of an identified asset for a period of time in exchange for consideration.

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 will apply the new rules retrospectively from 1 February 2019, with the practical expedients permitted under the standard. Comparatives for financial year ended 31 January 2019 will not be restated.

(iv) IC Interpretation 23 "Uncertainty over Income Tax Treatments"

IC Interpretation 23 provides guidance on how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. If an entity concludes that it is not probable that the tax treatment will be accepted by the tax authority, the effect of the tax uncertainty should be included in the period when such determination is made. An entity shall measure the effect of uncertainty using the method which best predicts the resolution of the uncertainty.

IC Interpretation 23 will be applied retrospectively.

4. STANDARDS, AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS TO EXISTING STANDARDS THAT ARE APPLICABLE TO THE GROUP AND THE COMPANY BUT NOT YET EFFECTIVE (CONTINUED)

(a) Financial year beginning on/after 1 February 2019 (continued)

(v) Annual Improvements to MFRSs 2015 - 2017 Cycle

- Amendments to MFRS 3 "Business Combinations" clarify that when a party obtains control of a business that is a joint operation, the acquirer should account the transaction as a business combination achieved in stages. Accordingly it should remeasure its previously held interest in the joint operation (rights to the assets and obligations for the liabilities) at fair value on the acquisition date.

- Amendments to MFRS 11 "Joint Arrangements" clarify that when a party obtains joint control of a business that is a joint operation, the party should not remeasure its previously held interest in the joint operation.

- Amendments to MFRS 112 "Income Taxes" clarify that where income tax consequences of dividends on financial instruments classified as equity is recognised (either in profit or loss, other comprehensive income or equity) depends on where the past transactions that generated distributable profits were recognised. Accordingly, the tax consequences are recognised in profit or loss when an entity determines payments on such instruments are distribution of profits (that is, dividends). Tax on dividend should not be recognised in equity merely on the basis that it is related to a distribution to owners.

- Amendments to MFRS 123 "Borrowing Costs" clarify that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

The Group and the Company are currently assessing the impact of the adoption and application of the above new/amended standards.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Operating lease commitments – Group as lessor

The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Chartering of vessels to customers are recognised as revenue based on whether the charter contracts are determined to be an operating lease or a finance lease in accordance with MFRS 117 "Leases". The classifications of the charter contracts are assessed at the inception of the lease.

The lessee's purchase option is considered in classifying the lease contract. At lease inception, if it is not reasonably certain that the option will be exercised, the option will not be part of the basis for classification. If the lessee has an option to purchase the asset at a price that is expected to be sufficiently lower than fair value at the date of the option becomes exercisable, the exercise of option is regarded reasonably certain. The evaluation of the term "reasonably certain" involves judgement.

If the terms and conditions of the lease contracts change subsequently, the management will reassess whether the new arrangements would be classified as a new lease based on the prevailing market conditions.

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Measurement of ECL allowance for financial assets

The measurement of ECL allowance for financial assets measured at amortised cost and at FVOCI is an area that requires the use of significant assumptions about future economic conditions and credit behaviour of customers. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is detailed in Note 42(b). Areas of significant judgements involved in the measurement of ECL are detailed as follows:

(i) Significant increase in credit risk

During the financial year, the Group and the Company have assessed and transferred a portfolio of other receivables from performing category to underperforming category, arising from significant increase in credit risk in these receivables since initial recognition.

As at reporting date, these receivables is subject to considerable credit risk, because even a slight deterioration in cash flows could result in these receivables missing a contractual payment on the amount owing to the Group and the Company. Accordingly, the Group and the Company have recognised a lifetime ECL on these receivables.

(ii) Determining the number and relative weightings of forward-looking scenarios

The Group and the Company measure loss allowance at probability-weighted amount that reflects the possibility of credit loss occurring. This requires forecast of economic variables and their associated impact on PD ('probability of default'), LGD ('loss given default') and EAD ('exposure at default') which are provided in possible scenarios along with scenario weightings. Probability-weighted ECLs are determined by running each scenario through the relevant ECL model and multiplying it by the appropriate scenario weighting. As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Group and the Company consider these forecasts to represent its best estimate of the possible outcomes and are appropriately representative of the range of possible scenarios.

(c) Impairment of vessels

Each vessel is deemed to be a single CGU as the Group manages each vessel separately. The Group reviews these CGUs at each reporting date for impairment indicators in accordance with the accounting policy stated in Note 2.20. If there is an impairment indicator, the recoverable amount for the vessel will be ascertain based on the higher of the fair value less costs of disposal and its value in use. For value in use calculations, the future cash flows are based on contracted cash flows and estimates of uncontracted cash flows for the useful lives of each vessel discounted by an appropriate discount rate.

The impairment testing for CGU requires management's estimates and judgement to derive future cash flows based on key assumptions such as charter rates, utilisation levels and costs escalation based on historical trends amongst others. The discount rate used is based on industry average that varies over time.

The Group has evaluated the carrying amounts of vessels against their recoverable amounts and recorded an impairment charge to the carrying value of vessels of RM33,030,000 (2018: RM32,793,000) as disclosed in Note 16. The key assumptions and basis used to determine the recoverable amounts of the vessels are disclosed in Note 16.

(d) Useful life and residual value of vessels

The Group reviews the residual value and useful life of vessels, tugboats and barges at each reporting date based on factors such as business plans and strategies, expected level of usage and future technological developments. A reduction in the estimated useful life of vessels, tugboats and barges would increase the recorded depreciation and decrease the carrying value of vessels, tugboats and barges. The net book of value of vessels, tugboats and barges at 31 January 2019 is RM4,418,216,000 in Note 16.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(d) Useful life and residual value of vessels (continued)

For the financial year ended 31 January 2019, the impact of the sensitivity resulting from a 5 years increase/decrease in the estimated useful life and a 10% increase/decrease in estimated residual value of property, plant and equipment on the expected carrying value of property, plant and equipment and the depreciation expense charged to profit or loss annually are analysed as follows:

	Carrying value of property, plant and equipment Group RM'000	Depreciation expense Group RM'000
Useful life		
- Increase by 5 years	4,500,531	189,461
- Decrease by 5 years	3,988,745	695,474
Residual value		
- Increase by 10%	4,424,507	264,628
- Decrease by 10%	4,417,112	271,940

(e) Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value determined using market approach based on the comparison valuation method recognised in the profit or loss. The key assumptions and basis used to determine the fair value are as disclosed in Note 17.

(f) Income taxes

Judgement is involved in determining the Group's provision for income taxes as there are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

6. REVENUE

	Group		Company	
	2019 RM'000	**2018 RM'000**	**2019 RM'000**	**2018 RM'000**
Revenue from contracts with customers				
Vessel support services fees	**239,105**	287,407	**–**	–
Management fee income	**2,614**	1,050	**45,792**	74,892
Revenue from other sources				
Vessel chartering	**789,044**	621,449	**–**	–
Rental income	**650**	200	**–**	–
Advance interest income	**3,486**	50	**–**	–
Dividends from subsidiaries and joint ventures	**–**	–	**354,702**	45,824
	1,034,899	910,156	**400,494**	120,716

The Group and the Company recognise revenue from contracts with customers over time.

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

7. COST OF SALES

	Group 2019 RM'000	Group 2018 RM'000
Included in cost of sales are:		
Amortisation of unfavourable contracts (Note 34)	**(19,436)**	(20,435)
Depreciation of property, plant and equipment (Note 16)	**276,981**	216,927
Employee benefits expenses (Note 10)	**4,117**	2,733
Vessel operating expenses	**141,340**	108,402

8. OTHER INCOME

	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Fair value gain on marketable securities	**877**	386	**3**	–
Investment income	**70**	163	**10**	12
Service fee income	**–**	–	**483**	–
Gain on disposal of associated companies	**21**	–	**–**	–
Net gain on foreign exchange	**28,723**	–	**–**	–
Gain on sale of other investments	**155**	433	**–**	–
Reversal of impairment loss of trade receivables (Note 24(a))	**–**	649	**–**	–
Gain on disposal of property, plant and equipment	**111**	124	**–**	124
Finance lease income	**2,392**	430	**–**	–
Accrued reimbursements on additional taxes	**–**	6,297	**–**	–
Miscellaneous	**427**	1,569	**–**	8
	32,776	10,051	**496**	144

9. ADMINISTRATIVE EXPENSES

Included in administrative expenses are:

	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Auditors' remuneration:				
Fees for statutory audits				
- PricewaterhouseCoopers PLT	**678**	475	**270**	250
- Member firms of PricewaterhouseCoopers International Limited	**1,321**	1,204	**–**	–
Fee for non-audit services				
- PricewaterhouseCoopers PLT	**325**	437	**233**	372
- Member firms of PricewaterhouseCoopers International Limited	**509**	89	**27**	–
- Others	**659**	482	**436**	293
Amortisation of intangible assets (Note 18)	**5,502**	4,830	**2,874**	2,548
Depreciation of property, plant and equipment (Note 16)	**2,066**	2,545	**1,328**	893
Fair value loss on:				
- marketable securities	**2,035**	245	**–**	–
- investment properties (Note 17)	**4,200**	5,623	**–**	–
Impairment loss on:				
- trade receivables (Note 24(a))	**1,070**	–	**–**	–
- other receivables (Note 24(b))	**5,364**	–	**–**	–
- amounts due from subsidiaries (Note 24(b))	**–**	–	**102,587**	–
- tax recoverable	**3,686**	–	**–**	–
- investment in a joint venture (Note 20)	**12,892**	–	**–**	–
- investment in subsidiaries (Note 19)	**–**	–	**3,457**	–
- plant and equipment (Note 16)	**33,030**	32,793	**–**	–
Inventory written off	**–**	1,067	**–**	–
Loss on disposal of:				
- property, plant and equipment	**116**	–	**257**	–
- other investments	**30**	–	**–**	–
Operating leases - Payments for land and buildings	**757**	3,400	**1,366**	1,747
Plant and equipment written off (Note 16)	**–**	37	**–**	4
Net loss on foreign exchange	**–**	13,289	**2,275**	6,607
Employee benefits expenses (Note 10)	**42,187**	66,277	**23,658**	26,417

10. EMPLOYEE BENEFITS EXPENSES

	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Included in:				
Cost of sales (Note 7)	**4,117**	2,733	**–**	–
Administrative expenses (Note 9)	**42,187**	66,277	**23,658**	26,417
	46,304	69,010	**23,658**	26,417

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

10. EMPLOYEE BENEFITS EXPENSES (CONTINUED)

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Analysed as follows:				
Wages, salaries and bonuses	**37,091**	58,526	**19,005**	21,539
Social security contributions	**10**	31	**48**	41
Contributions to defined contribution plan	**1,513**	3,308	**1,835**	1,461
Share-based payments	**384**	557	**381**	860
Other benefits	**7,306**	6,588	**2,389**	2,516
	46,304	69,010	**23,658**	26,417

Included in employee benefits expenses of the Group and of the Company are executive and non-executive directors' remuneration as disclosed in Note 11.

11. DIRECTORS' REMUNERATION

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Executive directors' remuneration:				
- Fees	**210**	160	**210**	160
- Share-based payments	**104**	263	**104**	263
- Other emoluments	**9,060**	7,771	**9,060**	7,771
	9,374	8,194	**9,374**	8,194
Non-executive directors' remuneration:				
- Fees	**1,228**	880	**1,228**	880
- Other emoluments	**121**	50	**121**	50
	1,349	930	**1,349**	930
Total directors' remuneration	**10,723**	9,124	**10,723**	9,124
Additional disclosures				
Indemnity given or insurance effected for the Directors and officers	**804**	784	**804**	784
Amount paid to or receivables by any third party for services provided by Directors	**–**	40	**–**	40
	804	824	**804**	824

12. FINANCE COSTS

	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Bank charges	**6,163**	3,783	**1,120**	1,858
Interest expenses	**189,025**	158,746	**48,406**	24,648
Fair value loss/(gain) on derivatives for interest rate swap	**747**	(2,066)	**–**	–
	195,935	160,463	**49,526**	26,506
Less: Interest expenses capitalised in property, plant and equipment	**(10,376)**	(52,923)	**–**	–
	185,559	107,540	**49,526**	26,506

13. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the financial years ended 31 January 2019 and 2018 are:

	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Income statements				
Current income tax				
- Malaysian income tax	**1,520**	1,703	**440**	284
- Foreign tax	**75,478**	73,199	**35**	–
- Under/(over) provision in prior years	**1,986**	9	**(140)**	122
	78,984	74,911	**335**	406
Deferred tax (Note 35):				
- Relating to origination/reversal of temporary differences	**498**	(5,214)	**–**	–
	79,482	69,697	**335**	406

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

13. INCOME TAX EXPENSE (CONTINUED)

Reconciliation between tax expense and accounting profit:

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rates for the financial years ended 31 January 2019 and 2018 are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Profit before tax	**343,861**	361,770	**245,764**	87,791
Tax at Malaysian statutory tax rate of 24% (2018: 24%)	**82,527**	86,825	**58,983**	21,070
Income not subject to tax	**(4,297)**	(6,591)	**(108,930)**	(27,684)
Expenses not deductible for tax purposes	**71,525**	54,568	**50,422**	6,898
Different tax rates of subsidiaries	**(68,774)**	(54,908)	**–**	–
Changes in deferred tax asset not recognised	**(360)**	231	**–**	–
Shared of profit of joint ventures and associates	**(3,125)**	(10,437)	**–**	–
Under/(over) provision of tax expense in prior years	**1,986**	9	**(140)**	122
Income tax expense recognised in profit or loss	**79,482**	69,697	**335**	406

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2018: 24%) of the estimated assessable profit for the financial year.

Taxation for other jurisdictions are calculated at the rates prevailing in the respective jurisdictions. The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

14. EARNINGS PER SHARE

(a) Basic

Basic earnings per share amounts are calculated by dividing profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year excluding ordinary shares purchased by the Company and held as treasury shares (Note 28).

	Group	
	2019	2018
Profit attributable to owners of the Company used in the computation of basic earnings per share (RM'000)	**234,896**	292,179
Weighted average number of ordinary shares for computation of basic earnings per share ('000)	**1,095,957**	1,088,201
Basic earnings per share (sen)	**21.4**	26.8

The weighted average number of shares takes into account the weighted average effect of changes in ordinary shares transactions during the financial year.

14. EARNINGS PER SHARE (CONTINUED)

(b) Diluted

The diluted earnings per share is calculated by dividing the profit for the financial year attributable to the owners of the Company (adjusted for interest income, net of tax, earned on the proceeds arising from the conversion of the ESS options) by the weighted average number of ordinary shares as adjusted for the basic earnings per share 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.

	Group	
	2019	**2018**
Profit attributable to owners of the Company used in the computation of diluted earnings per share (RM'000)	**235,782**	292,491
Weighted average number of ordinary shares in issue ('000)	**1,095,957**	1,088,201
Adjusted for ESS options ('000)	**8,969**	3,790
Adjusted weighted average number of ordinary shares in issue for diluted earnings per share ('000)	**1,104,926**	1,091,991
Diluted earnings per share (sen)	**21.3**	26.8

(c) Reconciliations of earnings used in calculating earnings per share

	Group	
	2019 RM'000	**2018 RM'000**
Basic earnings per share		
Profit attributable to owners of the Company used in the computation of basic earnings per share	**234,896**	292,179
Diluted earnings per share		
Profit attributable to owners of the Company:		
Used in calculating basic earnings per share	**234,896**	292,179
Add: interest savings on ESS	**886**	312
Profit attributable to owners of the Company used in the computation of diluted earnings per share	**235,782**	292,491

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

15. DIVIDENDS

	Company			
	2019		2018	
	Dividend per ordinary share Sen	Amount of dividend RM'000	Dividend per ordinary share Sen	Amount of dividend RM'000
Interim single tier dividend in respect of the financial year ended:				
- 31 January 2019	**4.0**	**43,311**	–	–
Final single tier dividend in respect of the financial year ended:				
- 31 January 2018	**2.0**	**21,705**	–	–
Special single tier dividend in respect of the financial year ended:				
- 31 January 2018	**4.0**	**43,452**	–	–
Interim single tier dividend in respect of the financial year ended:				
- 31 January 2018	**–**	**–**	4.0	43,527
Final single tier dividend in respect of the financial years ended:				
- 31 January 2017	**–**	**–**	2.0	21,764
	10.0	**108,468**	6.0	65,291

The Directors recommend a final single tier dividend of 2.0 sen per share in respect of the current financial year for shareholders' approval at the forthcoming Annual General Meeting.

If approved, the entitlement date and payable date for the dividend would be 8 August 2019 and 28 August 2019 respectively.

16. PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings RM'000	Motor vehicles RM'000	Vessels, tugboats, and barges RM'000	Vessel construction in progress RM'000	*Other assets RM'000	Total RM'000
Cost						
At 1 February 2017	10,343	3,772	1,645,872	3,595,269	13,749	5,269,005
Acquisition of subsidiaries	–	615	259,322	–	468	260,405
Additions	5,618	–	530	491,350	7,825	505,323
Disposals	–	–	–	–	(970)	(970)
Written off	–	–	(3)	–	(253)	(256)
Reclassification	–	–	3,658,540	(3,658,540)	–	–
Reclassification to finance lease receivables (Note 33(a))	(14,688)	–	–	–	–	(14,688)
Exchange differences	(1,273)	(192)	(292,763)	(428,079)	(1,524)	(723,831)
At 31 January 2018 and 1 February 2018	–	4,195	5,271,498	–	19,295	5,294,988
Acquisition of subsidiaries	–	–	–	–	786	786
Additions	–	1,979	158,068	689,634	1,471	851,152
Disposals	–	(1,133)	(373)	–	(77)	(1,583)
Written off	–	–	–	–	(60)	(60)
Reclassification	–	–	(174,957)	174,957	–	–
Exchange differences	–	71	298,550	–	729	299,350
At 31 January 2019	**–**	**5,112**	**5,552,786**	**864,591**	**22,144**	**6,444,633**
Accumulated depreciation						
At 1 February 2017	68	2,166	619,379	–	5,336	626,949
Acquisition of subsidiaries	–	219	365	–	84	668
Charge for the financial year	(65)	275	216,217	–	3,045	219,472
Disposals	–	–	–	–	(933)	(933)
Written off	–	–	(1)	–	(218)	(219)
Exchange differences	(3)	(109)	(181,276)	–	(762)	(182,150)
At 31 January 2018 and 1 February 2018	–	2,551	654,684	–	6,552	663,787
Acquisition of subsidiaries	–	–	–	–	192	192
Charge for the financial year	–	327	276,112	–	2,608	279,047
Disposals	–	(595)	(257)	–	(77)	(929)
Written off	–	–	–	–	(60)	(60)
Reclassification	–	–	6	–	(6)	–
Exchange differences	–	43	71,770	–	327	72,140
At 31 January 2019	**–**	**2,326**	**1,002,315**	**–**	**9,536**	**1,014,177**

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Land and buildings RM'000	Motor vehicles RM'000	Vessels, tugboats, and barges RM'000	Vessel construction in progress RM'000	*Other assets RM'000	Total RM'000
Accumulated impairment loss						
At 1 February 2017	–	–	32,395	–	–	32,395
Acquisition of subsidiaries	–	–	37,520	–	–	37,520
Impairment (Note 9)	–	–	32,793	–	–	32,793
Exchange differences	–	–	(6,748)	–	–	(6,748)
At 31 January 2018 and 1 February 2018	–	–	95,960	–	–	95,960
Impairment (Note 9)	–	–	33,030	–	–	33,030
Exchange differences	–	–	3,265	–	–	3,265
At 31 January 2019	**–**	**–**	**132,255**	**–**	**–**	**132,255**
Net carrying amount						
At 31 January 2018	–	1,644	4,520,854	–	12,743	4,535,241
At 31 January 2019	**–**	**2,786**	**4,418,216**	**864,591**	**12,608**	**5,298,201**

Company	Motor vehicles RM'000	*Other assets RM'000	Total RM'000
Cost			
At 1 February 2017	1,157	1,374	2,531
Additions	–	4,168	4,168
Disposals	–	(950)	(950)
Written off	–	(23)	(23)
At 31 January 2018 and 1 February 2018	1,157	4,569	5,726
Additions	–	180	180
Disposals	(829)	–	(829)
At 31 January 2019	**328**	**4,749**	**5,077**

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Motor vehicles RM'000	*Other assets RM'000	Total RM'000
Accumulated depreciation			
At 1 February 2017	324	921	1,245
Charge for the financial year	116	777	893
Disposals	–	(924)	(924)
Written off	–	(19)	(19)
At 31 January 2018 and 1 February 2018	440	755	1,195
Charge for the financial year	67	1,261	1,328
Disposals	(352)	–	(352)
At 31 January 2019	**155**	**2,016**	**2,171**
Net carrying amount			
At 31 January 2018	717	3,814	4,531
At 31 January 2019	**173**	**2,733**	**2,906**

* Other assets comprise office equipment, computers, signboard, renovation, electrical installation and furniture and fittings.

(a) Additions to property, plant and equipment which were acquired during the financial year were as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Cash payment	**789,066**	443,489	**180**	4,168
Movement in property, plant and equipment creditors	**60,107**	61,834	**–**	–
Finance leases	**1,979**	–	**–**	–
	851,152	505,323	**180**	4,168

(b) The carrying amounts of property, plant and equipment pledged to financial institutions for banking facilities granted to the Group and lease assets pledged to the related finance lease liabilities as disclosed in Note 32 and Note 33(b) at reporting date were as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Vessels and barges	**4,450,255**	4,209,844	**–**	–
Motor vehicles	**2,786**	1,644	**–**	717
	4,453,041	4,211,488	**–**	717

(c) The Group's plant and equipment include borrowing costs arising from bank loans borrowed specifically for the purpose of the construction of a vessel. During the financial year, the borrowing costs capitalised as cost of plant and equipment amounted to RM10,376,000 (2018: RM52,923,000).

(d) The FPSO contracts include options for the charterers to purchase the respective FPSO vessels or to extend their charter periods beyond the initial firm lease period. The purchase option values are based on declining agreed prices, which are in excess of the current net book values of the FPSO vessels as at the reporting date.

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(e) Impairment of Floating Production Storage and Offloading vessels ("FPSOs")

The Group has undertook impairment assessment of its FPSOs based on value in use calculations. The vessels are chartered on long-term time charter contracts, hence, the value in use calculation uses discounted cash flow projections which takes into account the followings:

(i) Charter period and rates contracted under the time charter contracts;
(ii) Contract extension will be exercised and/or redeployment opportunities;
(iii) Projected off-hire periods;
(iv) Vessel operating expenses based on approved budget taken account an inflationary growth of 2.5% (2018: 2.5%); and
(v) Expected residual value estimated to be the discounted net book values of the vessels at the end of the fixed contract period.

These cash flow assumptions are supported by the Group's historical experience and past observable data and contractual rates. The cash flows are then discounted at rate ranging between 9.0% to 12.3% (2018: 9.0% to 10.9%) which reflects the specific risks relating to the cash flows generating from the long term charter contracts.

Based on the impairment assessment performed, management determined that no impairment is necessary for the Group's FPSOs for the current financial year.

Impairment of Offshore Support Vessels ("OSVs")

The decline in vessel utilisation and charter rates of OSVs in the current financial year were identified as impairment indicators. Subsequently, the Group undertook an impairment review, which resulted in an impairment loss of RM33,030,000 (2018: RM32,793,000) on certain OSVs based on their forecasted value in use. The key assumptions used are as follows:

(i) Utilisation rates and charter rates forecasted over the projected service lives of these OSVs. These were estimated based on past performance records, future market outlook and management's expectation of market developments;
(ii) Relevant operating costs adjusted for average inflation rate of 2.0% to 2.5% (2018: 2.5% to 3.0%) per annum over the projected service lives of the respective OSVs;
(iii) Expected residual value of OSVs based on scrap values at the end of their service lives;
(iv) Regional industry weighted average cost of capital ("WACC") ranging from 6.7% to 7.3% (2018: 6.9% to 9.7%); and
(v) The projected service lives of these OSVs.

The discount rates used are pre-tax and reflect specific risks relating to the CGUs. The discount rates applied to the cash flow projections are derived from the cost of capital plus a reasonable risk premium at the date of assessment of the CGUs. The Group had taken into consideration the current depressed market conditions in the oil and gas industry in the cash flow projections, which include lower forecasted vessel utilisation and charter rates.

Sensitivity to changes in key assumptions

Changing the assumptions selected by management would significantly affect the Group's results. The Group's review includes the sensitivity of key assumptions to the cash flow projections. An increase by 5% in the utilisation rates and charter rates respectively will result in a reduction of impairment loss by approximately RM12,386,000 (2018: RM4,596,000) and RM13,335,000 (2018: RM5,084,000) respectively with all other inputs remain constant. A decrease by 5% in utilisation rates and charter rates respectively will result in an additional impairment loss of approximately RM3,239,000 (2018: RM7,382,000) and RM4,242,000 (2018: RM7,871,000) respectively with all other inputs remain constant.

17. INVESTMENT PROPERTIES

Investment properties are stated at fair value, which was determined based on valuations at the reporting date using market comparison approach.

	Group 2019 RM'000	Group 2018 RM'000
At 1 February	**24,308**	29,931
Changes in fair value (Note 9)	**(4,200)**	(5,623)
At 31 January	**20,108**	24,308

The investment properties of the Group have been pledged to financial institutions for banking facilities granted to the Company as disclosed in Note 32.

The following amounts are recognised in profit or loss in respect of investment properties:

	Group 2019 RM'000	Group 2018 RM'000
Rental income (Note 6)	**650**	200
Direct operating expenses arising from:		
- Investment properties that generate rental income	**655**	84
- Investment properties that do not generate rental income	**88**	180

The Group uses assumptions that are based on market conditions existing at the end of each reporting periods. The fair value of investment properties were estimated by management based on market evidence of transaction prices for similar properties, adjusted for differences in key attributes such as property size, view and quality of interior fittings.

Fair value is determined using Level 3 inputs (defined as unobservable inputs for asset or liability) in the fair value hierarchy of MFRS 13 Fair Value Measurement. Changes in fair value are recognised in profit or loss during the reporting period in which they are reviewed.

The fair value measurements using Level 3 inputs as at 31 January 2019 are as follows:

	Valuation Technique	Significant unobservable inputs: Price per square foot RM/psf
Residential	Market approach	813 - 1,272

Sensitivity to significant unobservable inputs

Changes in the price per square foot by 5% will result in a change in fair value of approximately RM1,225,000 (2018: RM1,228,000).

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

18. INTANGIBLE ASSETS

Group	Computer software RM'000	*Contract rights RM'000	Total RM'000
Cost			
At 1 February 2017	31,453	–	31,453
Acquisition of a subsidiary	79	–	79
Additions	2,644	–	2,644
Disposals	(4)	–	(4)
Exchange differences	(2,267)	–	(2,267)
At 31 January 2018 and 1 February 2018	31,905	–	31,905
Acquisition of a subsidiary	4	–	4
Additions	456	382,131	382,587
Exchange differences	949	–	949
At 31 January 2019	**33,314**	**382,131**	**415,445**
Accumulated amortisation			
At 1 February 2017	3,842	–	3,842
Acquisition of a subsidiary	17	–	17
Amortisation (Note 9)	4,830	–	4,830
Disposals	(4)	–	(4)
Exchange differences	(440)	–	(440)
At 31 January 2018 and 1 February 2018	8,245	–	8,245
Acquisition of a subsidiary	2	–	2
Amortisation (Note 9)	5,502	–	5,502
Exchange differences	228	–	228
At 31 January 2019	**13,977**	**–**	**13,977**
Net carrying amount			
At 31 January 2018	23,660	–	23,660
At 31 January 2019	**19,337**	**382,131**	**401,468**

18. INTANGIBLE ASSETS (CONTINUED)

Company	Computer software RM'000
Cost	
At 1 February 2017	12,505
Additions	492
At 31 January 2018 and 1 February 2018	12,997
Additions	151
At 31 January 2019	**13,148**
Accumulated amortisation	
At 1 February 2017	1,759
Amortisation (Note 9)	2,548
At 31 January 2018 and 1 February 2018	4,307
Amortisation (Note 9)	2,874
At 31 January 2019	**7,181**
Net carrying amount	
At 31 January 2018	8,690
At 31 January 2019	**5,967**

* Contract rights recognised pursuant to the consideration paid for the novation of a charter contract involving provision of EPCIC and leasing of FPSO facilities to be deployed at the Layang field.

19. INVESTMENT IN SUBSIDIARIES

	Company	
	2019 RM'000	2018 RM'000
Unquoted shares, at cost		
In Malaysia	**793,938**	793,908
Outside Malaysia	*****	*
	793,938	793,908
Accumulated impairment loss	**(3,457)**	–
	790,481	793,908

* Cost of unquoted share outside Malaysia is at its nominal value.

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

19. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Details of subsidiaries are as follows:

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2019	2018	Principal activities
Regulus Offshore Sdn. Bhd.	Malaysia	**70**	70	Provision of leasing, operations and maintenance of vessels
Yinson Energy Sdn. Bhd. (iv)	Malaysia	**30**	–	Provision of oil and gas engineering and marine support services and consultancy services
Yinson Marine Services Sdn. Bhd.	Malaysia	**100**	100	Provision of work permit and consultancy services
Yinson Mawar Sdn. Bhd.	Malaysia	**100**	100	Investment in properties
Yinson TMC Sdn. Bhd.	Malaysia	**100**	100	Provision of treasury management services to companies within the Group
OY Labuan Limited	Labuan	**100**	100	Dormant
Yinson Indah Limited	Labuan	**100**	100	Chartering of offshore support vessels
Yinson Offshore Limited	Labuan	**100**	100	Dormant
Yinson Tulip Ltd.	Labuan	**100**	100	Chartering of offshore support vessels
Yinson Macacia Limited	Labuan	**100**	100	Investment holding
Yinson Offshore Services Limited (ii)(v)	Labuan	**100**	–	Investment holding
Yinson Production Limited	Labuan	**100**	100	Investment holding
Yinson Trillium Limited	Labuan	**100**	100	Investment holding
Yinson Engineering Solutions Pte. Ltd. (i)	Singapore	**100**	100	Business and management consultancy services
Yinson Orchid Pte. Ltd. (i)	Singapore	**100**	100	Dormant
Yinson Nereus Ltd (iii)	Republic of the Marshall Islands	**100**	100	Investment holding
Yinson Juniper Ltd.	British Virgin Islands	**100**	100	Provision of treasury management services to companies within the Group

19. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2019	2018	Principal activities
Held through Yinson Macacia Limited:				
Yinson Lavender Limited	Labuan	**100**	100	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Held through Yinson Offshore Services Limited:				
Yinson Offshore Marine Limited (ii)(v)	Labuan	**100**	–	Investment holding
Held through Yinson Offshore Marine Limited:				
Yinson Camellia Limited (iv)	Labuan	**100**	100	Chartering of offshore support Vessels
Held through Yinson Production Limited:				
Yinson International Pte. Ltd. (i)(iv) (formerly known as Yinson Corporate Services Pte. Ltd.)	Singapore	**100**	100	Provision of treasury management services to companies within the Group
Yinson Production Offshore Pte. Ltd. (i)(iv) (formerly known as OY Offshore Pte. Ltd.)	Singapore	**100**	100	Investment holding and provision of management services
Yinson Production Pte. Ltd. (i)	Singapore	**100**	100	Provision of engineering design and consultancy services relating to the offshore oil and gas industry

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

19. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2019	2018	Principal activities
Held through Yinson Production Offshore Pte. Ltd.:				
Yinson Acacia Ltd (iii)(iv)	Republic of the Marshall Islands	**100**	100	Investment holding
Yinson Production AS (i)(iv)	Norway	**100**	100	Investment holding and provision of management services
Held through Yinson Acacia Ltd:				
Yinson Malva Production Pte. Ltd. (ii)(v)	Singapore	**100**	–	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Yinson Boronia Consortium Pte. Ltd. (ii)(v)	Singapore	**100**	–	Investment holding
Yinson Boronia Holdings (S) Pte. Ltd. (ii)(v)	Singapore	**100**	–	Investment holding
Yinson Clover Ltd (iii)	Republic of the Marshall Islands	**100**	100	Investment holding
Yinson Ghacacia Ltd (ii)(iii)	Republic of the Marshall Islands	**100**	–	Dormant
Yinson Heather Ltd (iii)	Republic of the Marshall Islands	**100**	100	Investment holding
Yinson Nepeta Holdings Ltd (ii)(iii)	Republic of the Marshall Islands	**100**	–	Investment holding
Yinson Nepeta Production Ltd (ii)	Republic of the Marshall Islands	**100**	–	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction

19. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2019	2018	Principal activities
Held through Yinson Boronia Holdings (S) Pte. Ltd.:				
Yinson Boronia Production (S) Pte. Ltd. (ii)(v)	Singapore	**100**	–	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Held through Yinson Ghacacia Ltd and Yinson Gazania Operations Limited (formerly known as OY Offshore Limited):				
Yinson Gazania Production Ltd. (ii)	Republic of the Marshall Islands	**94.9**	–	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Held through Yinson Heather Ltd:				
Anteros Rainbow Offshore Pte. Ltd. (i)	Singapore	**100**	100	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Held through Yinson Production AS:				
Yinson Lavender Operations Sdn. Bhd. (ii)	Malaysia	**100**	–	Provision of operations and maintenance of floating marine assets to the offshore oil and gas industry
Floating Operations and Production Pte. Ltd. (i)	Singapore	**100**	100	Provision of operations and maintenance of floating marine assets to the offshore oil and gas industry
Allan AS (i)	Norway	**100**	100	Investment holding
Adoon AS (i)	Norway	**100**	100	Investment holding

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

19. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2019	2018	Principal activities
Held through Yinson Production AS:				
Yinson Operations & Production West Africa Limited (iv)(v)	Nigeria	**40**	–	Provision of operations and maintenance of floating marine assets to the offshore oil and gas industry
Yinson Malva Operations, S.A. DE C.V. (ii)(v)	Mexico	**90**	–	Provision of operations and maintenance of floating marine assets to the offshore oil and gas industry
Held through Allan AS:				
Knock Allan Pte. Ltd.(i)	Singapore	**100**	100	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Held through Adoon AS:				
Adoon Pte. Ltd.(i)	Singapore	**100**	100	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Held through Yinson Trillium Limited and Yinson Production Pte. Ltd.:				
Yinson Production (West Africa) Pte. Ltd.(i)(iv)	Singapore	**74**	100	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Held through Yinson Nereus Ltd:				
Yinson Dynamic Ltd (iii)	Republic of the Marshall Islands	**100**	100	Dormant

(i) Audited by member firms of PricewaterhouseCoopers International Limited, which are separate and independent legal entities from PricewaterhouseCoopers PLT.
(ii) Subsidiaries newly incorporated during the current financial year.
(iii) Company not required to be audited under the laws of the country of incorporation.
(iv) The changes in the effective equity interest/reclassification of these companies in the Group are as disclosed in Notes 46 and 47.
(v) Auditor not appointed yet.

19. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Non-controlling interests in subsidiaries

The Group's subsidiary that has a material non-controlling interest ("NCI"), based on effective equity interest are as follows:

	Yinson Production (West Africa) Pte. Ltd. RM'000
2019	
Effective equity interest held by NCI	**26%**
Carrying value of NCI	**300,890**
Profit for the financial year attributable to NCI	**29,304**
Dividend paid to NCI	**23,161**

The summarised financial information before intercompany eliminations are as follows:

As at 31 January 2019	
Non-current assets	**3,604,569**
Current assets	**588,313**
Non-current liabilities	**(2,745,372)**
Current liabilities	**(290,240)**
Net assets	**1,157,270**
Financial year ended 31 January 2019	
Revenue	**578,343**
Profit for the financial year	**181,892**
Other comprehensive income	**67,694**
Total comprehensive income	**249,586**
Cash flows generated from operating activities	**569,110**
Cash flows used in investing activities	**(602)**
Cash flows used in financing activities	**(428,581)**
Net increase in cash and cash equivalents	**139,927**

The other subsidiaries of the Group which have non-controlling interest are individually not material.

2018

None of the Group's subsidiaries had material NCI individually or in aggregate to the financial position, financial performance and cash flows of the Group in the previous financial year.

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

20. INVESTMENT IN JOINT VENTURES

	Group 2019 RM'000	Group 2018 RM'000
Unquoted shares at cost		
- Outside Malaysia	**121,018**	201,935
Share of post acquisition reserves	**282,456**	330,864
Share of foreign currency translation reserve	**92,458**	62,144
Accumulated impairment loss	**(12,892)**	-
Share of net assets of joint ventures	**483,040**	594,943

	Company 2019 RM'000	Company 2018 RM'000
Unquoted shares, at cost:		
- Outside Malaysia	**119,526**	200,445

Details of joint ventures are as follows:

Name of joint ventures	Countries of incorporation	Proportion (%) of ownership interest 2019	Proportion (%) of ownership interest 2018	Principal activities
PTSC Asia Pacific Pte. Ltd. [(a)]	Singapore	**49**	49	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
PTSC South East Asia Pte. Ltd. [(a)]	Singapore	**49**	49	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Held through Yinson Production Pte. Ltd.:				
Yinson Production West Africa Limited [(a)]	Ghana	**49**	49	Provision of operations and maintenance of floating marine assets to the offshore oil and gas industry
Held through Yinson Ghacacia Ltd:				
Yinson Gazania Operations Limited [(a)(b)]	Ghana	**49**	49	Provision of operations and maintenance of floating marine assets to the offshore oil and gas industry
Held through Yinson Clover Ltd:				
PTSC Ca Rong Do Ltd	Republic of the Marshall Islands	**49**	49	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction

(a) Audited by member firms of PricewaterhouseCoopers International Limited, which are separate and independent legal entities from PricewaterhouseCoopers PLT.

(b) The changes in the effective equity interest/reclassification of these companies in the Group are as disclosed in Note 46.

20. INVESTMENT IN JOINT VENTURES (CONTINUED)

Summarised financial information of the joint ventures, based on its MFRS/IFRS financial statements are set out below:

(i) PTSC South East Asia Pte. Ltd.

	2019 RM'000	2018 RM'000
Summarised statement of financial position:		
Current assets*	**60,196**	86,774
Non-current assets	**438,457**	459,646
Current liabilities**	**(1,006)**	(27,585)
Non-current liabilities**	**(916)**	–
Net assets	**496,731**	518,835
Proportion of the Group's ownership	**49%**	49%
Carrying amount of the investment	**243,398**	254,229

* Included in current assets is cash and bank balances of RM40,093,000 (2018: RM73,640,000).

** Included in current and non-current liabilities in the previous financial year was borrowings of RM25,584,000 which were secured by property, plant and equipment of the Company and borne interest at LIBOR + 2.5% per annum. The loan was fully repaid on 15 February 2018.

	2019 RM'000	2018 RM'000
Summarised statement of comprehensive income:		
Revenue	**60,473**	94,154
Cost of sales	**(44,211)**	(27,326)
Other income	**654**	268
Administrative expenses	**(215)**	(1,247)
Finance costs	**(637)**	(4,160)
Profit before tax	**16,064**	61,689
Income tax expense	**(3,077)**	(3,115)
Profit for the financial year	**12,987**	58,574
Other comprehensive income/(loss)	**26,339**	(71,580)
Total comprehensive income/(loss)	**39,326**	(13,006)
Group's share of profit for the financial year	**6,364**	28,701
Group's share of other comprehensive income/(loss)	**12,906**	(35,074)
Group's share of total comprehensive income/(loss)	**19,270**	(6,373)
Dividend received from joint venture	**30,101**	20,046

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

20. INVESTMENT IN JOINT VENTURES (CONTINUED)

(ii) PTSC Asia Pacific Pte. Ltd.

	2019 RM'000	2018 RM'000
Summarised statement of financial position:		
Current assets*	**146,290**	342,361
Non-current assets	**374,720**	399,100
Current liabilities	**(1,783)**	(50,030)
Net assets	**519,227**	691,431
Proportion of the Group's ownership	**49%**	49%
Group's share of net assets	**254,421**	338,801
Accumulated impairment loss	**(12,892)**	–
Carrying amount of the investment	**241,529**	338,801

* Included in current assets is cash and bank balances of RM76,297,000 (2018: RM216,596,000).

	2019 RM'000	2018 RM'000
Summarised statement of comprehensive income:		
Revenue	**70,265**	173,984
Cost of sales	**(50,498)**	(103,931)
Other income	**1,951**	–
Administrative expenses	**(1,352)**	(379)
Finance costs	**–**	(39,992)
Profit before tax	**20,366**	29,682
Income tax expense	**(224)**	(13)
Profit for the financial year	**20,142**	29,669
Other comprehensive income/(loss)	**35,731**	(93,504)
Total comprehensive income/(loss)	**55,873**	(63,835)
Group's share of profit for the financial year	**9,870**	14,538
Group's share of other comprehensive income/(loss)	**17,508**	(45,817)
Group's share of total comprehensive income/(loss)	**27,378**	(31,279)
Dividend received from joint venture	**29,530**	–
Capital repayment from joint venture	**80,919**	–

20. INVESTMENT IN JOINT VENTURES (CONTINUED)

(iii) Yinson Production West Africa Limited

	2019 RM'000	2018 RM'000
Summarised statement of financial position:		
Current assets*	**84,280**	48,991
Non-current assets	**14,951**	–
Current liabilities	**(87,298)**	(45,111)
Non-current liabilities	**(15,020)**	–
Net assets	**(3,087)**	3,880
Proportion of the Group's ownership	**49%**	49%
Carrying amount of the investment	**(1,513)**	1,901

* Included in current assets is cash and bank balances of RM14,218,000 (2018: RM1,936,000).

	2019 RM'000	2018 RM'000
Summarised statement of comprehensive income:		
Revenue	**193,541**	75,902
Cost of sales	**(184,149)**	(92,651)
Other income	**18**	26,610
Administrative expenses	**(4,113)**	(1,739)
Finance costs	**(5,526)**	(848)
(Loss)/profit before tax	**(229)**	7,274
Income tax expense	**(6,580)**	(4,060)
(Loss)/profit for the financial year	**(6,809)**	3,214
Other comprehensive income/(loss)	**105**	(398)
Total comprehensive (loss)/income	**(6,704)**	2,816
Group's share of (loss)/profit for the financial year	**(3,336)**	1,575
Group's share of other comprehensive income/(loss)	**51**	(195)
Group's share of total comprehensive (loss)/income	**(3,285)**	1,380

(iv) Investment in other joint ventures

The summarised financial information of investment in other joint ventures are not presented as these investments are individually immaterial to the Group.

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

21. INVESTMENT IN ASSOCIATES

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Unquoted shares, at cost:				
- Outside Malaysia	**157**	267	**–**	–
- In Malaysia	**–**	30	**–**	30
	157	297	**–**	30
Share of post-acquisition reserves	**2,500**	2,350	**–**	–
Share of foreign currency translation reserve	**(939)**	(698)	**–**	–
	1,718	1,949	**–**	30

Details of associates are as follows:

Name of associates	Countries of incorporation	Proportion (%) of ownership interest 2019	Proportion (%) of ownership interest 2018	Principal activities
Yinson Energy Sdn. Bhd. [(d)]	Malaysia	**–**	30	Provision of oil and gas engineering and marine support services and consultancy services
Held through Yinson Production AS:				
Floating Operations & Production West Africa Ltd [(a)]	Nigeria	**40**	40	Provision of operations and maintenance of floating marine assets to the offshore oil and gas industry
Held through Yinson Dynamic Ltd:				
OY Genesis Ltd [(b)(d)]	Republic of the Marshall Islands	**–**	49	Dormant
OY Jasper Ltd [(b)(d)]	Republic of the Marshall Islands	**–**	49	Dormant
OY Topaz Ltd [(b)(d)]	Republic of the Marshall Islands	**–**	49	Dormant
Held through Yinson Acacia Ltd:				
Yinson Operations & Production West Africa Limited [(c)(d)]	Nigeria	**–**	40	Provision of operations and maintenance of floating marine assets to the offshore oil and gas industry

(a) Audited by a firm other than member firm of PricewaterhouseCoopers International Limited and PricewaterhouseCoopers PLT.
(b) Company not required to be audited under the laws of the country of incorporation.
(c) Auditor not appointed yet.
(d) The changes in the effective equity interest/reclassification of these companies in the Group are as disclosed in Note 46.

21. INVESTMENT IN ASSOCIATES (CONTINUED)

Floating Operations & Production West Africa Ltd ("FOPWAL")

The Group's interest in FOPWAL is accounted for using the equity method in the consolidated financial statements. The financial statements of FOPWAL for the financial year ended 31 December 2018 have been used in applying the equity method of accounting as allowed by Paragraph 34 of MFRS 128 Investments in Associates and Joint Ventures. There is no significant transaction or event that occurred between 31 December 2018 and the reporting date and hence no adjustment has been made for the current and previous financial years.

The summarised financial information of investment in associates are not presented as these investments are individually immaterial to the Group.

22. OTHER INVESTMENTS

	Group	
	2019	**2018**
	RM'000	**RM'000**
Financial assets at fair value through profit or loss		
Investment funds:		
- In Malaysia	**20,262**	79,901
- Outside Malaysia	**51,964**	–
	72,226	79,901
Current	**72,226**	79,901

23. INVENTORIES

	Group	
	2019	**2018**
	RM'000	**RM'000**
Consumables	**9,926**	4,378

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

24. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2019 RM'000	**2018 RM'000**	**2019 RM'000**	**2018 RM'000**
Current:				
Trade receivables				
Third parties	**138,694**	214,980	**–**	–
Joint ventures	**38,037**	14,069	**–**	–
Associates	**–**	334	**–**	–
Directors' related companies	**1,665**	1,609	**–**	–
	178,396	230,992	**–**	–
Accumulated impairment loss	**(10,047)**	(7,272)	**–**	–
	168,349	223,720	**–**	–
Other receivables				
Refundable deposits	**26,174**	25,168	**340**	517
Sundry receivables	**167,245**	120,324	**334**	5,769
Due from subsidiaries:				
- bearing interest of KLIBOR + 3.00% p.a.	**–**	–	**142,329**	62,054
- non-interest bearing	**–**	–	**112,534**	9,185
Due from joint ventures	**112,576**	23,257	**1,062**	1
Due from associates	**–**	40	**–**	40
	305,995	168,789	**256,599**	77,566
Accumulated impairment loss	**(45,148)**	(23,469)	**(70,879)**	–
	260,847	145,320	**185,720**	77,566
	429,196	369,040	**185,720**	77,566
Non-current:				
Other receivables				
Loans to subsidiaries				
- bearing interest of KLIBOR + 3.00% p.a.	**–**	–	**552,727**	527,366
- non-interest bearing	**–**	–	**374,000**	49,883
Due from a joint venture	**–**	6,497	**–**	6,497
	–	6,497	**926,727**	583,746
Accumulated impairment loss	**–**	–	**(30,982)**	–
	–	6,497	**895,745**	583,746
Total trade and other receivables	**429,196**	375,537	**1,081,465**	661,312

Trade receivables are non-interest bearing and are generally on 30 (2018: 30) day terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

24. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2019	**2018**
	RM'000	**RM'000**
Neither past due nor impaired	**139,917**	147,906
1 to 30 days past due not impaired	**7,795**	13,822
31 to 60 days past due not impaired	**3,594**	3,357
61 to 90 days past due not impaired	**1,058**	5,785
91 to 120 days past due not impaired	**5,232**	46,735
More than 121 days past due not impaired	**10,753**	6,115
	168,349	223,720
Impaired	**10,047**	7,272
	178,396	230,992

Receivables that are neither past due nor impaired

Receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to approximately RM28,432,000 (2018: RM75,814,000) that are past due at the reporting date but not impaired.

Receivables that are impaired and provided for

The Group's trade receivables that are individually impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2019	**2018**
	RM'000	**RM'000**
Trade receivable		
- More than 121 days past due and impaired	**10,047**	7,272
Less: Allowance for impairment	**(10,047)**	(7,272)
	–	–

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

24. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (continued)

Movement for trade receivables allowance for impairment accounts:

	Group	
	2019 RM'000	**2018 RM'000**
At 1 February	**7,272**	7,454
Impacts arising from application of MFRS 9	**1,611**	–
At 1 February (restated)	**8,883**	7,454
Charge for the financial year	**1,070**	–
Reversal of impairment loss	**–**	(649)
Exchange differences	**94**	467
At 31 January	**10,047**	7,272

Trade receivables that are individually determined to be impaired at the reporting date related to debtors that are in significant financial difficulties and/or have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Other receivables

Included in other receivables is an accrued reimbursable recoverable income totalling RM7,276,000 (2018: RM21,625,000) representing the Group's rights to be compensated under the contractual terms with the customer for the additional tax expense incurred.

Amounts due from subsidiaries bearing interest of KLIBOR + 3.00% per annum are denominated in USD and RM. The amounts are unsecured and repayable upon demand, except for amounts of RM552,727,000 (2018: RM527,366,000) which are not expected to recover within the next 12 months.

Amounts due from subsidiaries which are non interest bearing are denominated in USD and RM. These amounts are unsecured and repayable upon demand, except for amounts of RM374,000,000 (2018: RM49,883,000) which are not expected to recover within next 12 months.

Amounts due from joint ventures are unsecured and bear interest of 5.00% to 8.52% (2018: 4.50% to 5.77%) per annum. These amounts are denominated in USD.

<u>Other receivables that are impaired and provided for</u>

The Group's other receivables that are individually impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2019 RM'000	**2018 RM'000**
Other receivables		
- 31 to 60 days past due and impaired	**14,823**	–
- More than 121 days past due and impaired	**30,325**	23,469
Less: Allowance for impairment	**(45,148)**	(23,469)
	–	–

24. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Other receivables (continued)

Movement for other receivables allowance for impairment accounts:

Group

2019

	Performing RM'000	Under-performing RM'000	Not performing RM'000	Total RM'000
At 1 February	–	–	23,469	23,469
Impacts arising from application of MFRS 9	3,137	–	12,342	15,479
At 1 February (restated)	3,137	–	35,811	38,948
Charge for the financial year	4,155	–	1,209	5,364
Exchange differences	199	–	637	836
At 31 January	7,491	–	37,657	45,148

2018

	RM'000
At beginning/end of the financial year	23,469

Company

2019

	Performing RM'000	Under-performing RM'000	Not performing RM'000	Total RM'000
At 1 February	–	–	–	–
Charge for the financial year	–	18,616	83,971	102,587
Exchange differences	–	–	(726)	(726)
At 31 January	–	18,616	83,245	101,861

Allowance for impairment is related to amounts due from its subsidiaries.

Refer to Note 42(b)(ii) for the Group's and the Company's definition on performing, underperforming and not performing.

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

25. OTHER ASSETS

	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Current:				
Prepayments	**115,151**	137,570	**382**	2,257
Non-current:				
Prepayments	**14,754**	15,165	**–**	–
	129,905	152,735	**382**	2,257

Prepayments mainly comprise of project development costs related to secured projects and bid tenders which are still in progress.

26. CASH AND BANK BALANCES

	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Cash on hand and at banks	**507,160**	394,754	**7,017**	4,747
Short term investment	**361**	348	**361**	348
Deposits with licensed banks	**709,758**	242,018	**2,102**	1,972
Cash and bank balances	**1,217,279**	637,120	**9,480**	7,067

For the purpose of the statements of cash flows, cash and cash equivalents at the reporting dates comprise of the following:

	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Cash and bank balances	**1,217,279**	637,120	**9,480**	7,067
Less:				
Deposits pledged with banks	**(493,409)**	(280,525)	**(2,103)**	(1,972)
Bank balance in Escrow account	**–**	(64,952)	**–**	–
Short term investment	**(361)**	(348)	**(361)**	(348)
Cash and cash equivalents	**723,509**	291,295	**7,016**	4,747

Cash at bank earns interest at floating rates based on daily bank deposit rates. Deposits with licensed banks are made for varying periods of between one to three months, depending on the immediate cash requirements of the Group, and earn interest at the respective deposit rates.

Deposit with a licensed bank, denominated in USD, of approximately RM40,953,000 (2018: RM39,204,000), has been pledged to the bank for a performance guarantee issued in favour of a subsidiary's customer for a period of six years. The deposit is made for period of one month (2018: one month) and earns interest at 2.40% (2018: 1.41%) per annum.

Bank balances and deposits with licensed banks of approximately RM452,456,000 (2018: RM241,321,000) have been pledged to the banks for the banking facilities of the Company and the subsidiaries, as disclosed in Note 32.

Bank balance in Escrow account of approximately RM64,952,000 in the previous financial year represented payment received as part of the consideration for the disposal of 26% equity interest of a subsidiary. The fund in Escrow account has been released upon completion of the transaction on 6 June 2018.

27. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2019 '000	2018 '000	2019 RM'000	2018 RM'000
Ordinary shares issued and fully paid:				
At 1 February	**1,092,808**	1,092,798	**1,099,490**	1,099,462
Issued during the financial year				
- Exercise of ESS	**437**	10	**1,600**	28
At 31 January	**1,093,245**	1,092,808	**1,101,090**	1,099,490

28. TREASURY SHARES

	Group and Company			
	2019		2018	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
At 1 February	**4,607**	**12,633**	4,607	12,633
Treasury shares purchased	**7,319**	**31,196**	–	–
At 31 January	**11,926**	**43,829**	4,607	12,633

At the Annual General Meeting held on 12 July 2018, the shareholders of the Company had approved for the Company to repurchase its own shares up to a maximum of ten percent (10%) of its prevailing issued and paid-up share capital of the Company. The Directors of the Company are committed to enhancing the value of the Company and believed that the repurchase plan was being applied in the best interest of the Company and its shareholders.

29. EMPLOYEES' SHARE SCHEME

The Company implemented an Employees' Share Scheme ("ESS" or "Scheme") which came into effect on 3 November 2015 for a period of 5 years to 2 November 2020. The ESS is governed by the By-Laws which were approved by the shareholders on 3 November 2015. On 25 January 2018, the Board of Directors resolved to extend the ESS tenure for additional five (5) years till 2 November 2025 in accordance with the terms of the ESS By-Laws.

During the financial year, the Company had made the second offer of options under ESS Scheme on 30 March 2018.

The main features of the Scheme are as follows:

(a) An eligible employee shall pay a sum of RM1.00 as consideration for acceptance of that offer. An option shall be exercisable at a price which is the weighted average of the market price quotation of the shares for the five (5) market days immediately preceding the date on which the options are granted, rounded to the nearest sen, or the par value of the shares, whichever is higher.

(b) Unless otherwise determined by ESS committee, each option shall become exercisable, to the extent of one-third of the shares covered thereby, on each of the first three (3) anniversaries of the date of grant, if the holder of such option shall have been in the continuous service of the Company or subsidiaries that are not dormant throughout such period. No options shall be exercisable if the exercise of such options would violate any provision of applicable laws, nor shall any options be exercisable more than five (5) years from the date on which the Scheme became effective.

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

29. EMPLOYEES' SHARE SCHEME (CONTINUED)

The main features of the Scheme are as follows: (continued)

(c) The new shares issued upon the exercise of an option will be subject to all the provisions of the Company's Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and shall rank pari passu in all respects with the then existing issued ordinary shares of the Company, save that they will not entitle the holders thereof to receive any rights or bonus issue or dividends or distributions the entitlement date of which precedes the date of the issue of such new shares.

(d) The aggregate maximum number of Scheme Shares that may be allocated to any one category/designation of eligible Director or employee of the Group shall be determined by the ESS Committee provided that:

(i) the Directors (including non-executive directors) and senior management do not participate in the deliberation and discussion of their own allocation;

(ii) not more than 80% of the Scheme Shares available under the ESS on any date shall be allocated in aggregate to the Directors (including non-executive directors) and senior management of the Group; and

(iii) the allocation to any individual eligible Director or employee of who, either singly or collectively through persons connected with the eligible Director or employee, holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company, does not exceed ten percent (10%) of the shares available under the ESS.

The fair value of share options granted were determined using the Trinomial valuation model, taking into account the terms and conditions upon which the options were granted. The inputs to the model used were as follows:

	Grant date	
	23.12.2016	**30.3.2018**
Dividend yield (%)	0.70	1.58
Expected volatility (%)	24.78	19.86 - 25.72
Risk-free interest rate (%)	3.34 - 3.48	3.85
Expected life of option (years)	2.50 - 3.50	1.50 - 3.50
Share price at date of grant (RM)	3.03	4.00
Exercise price of option (RM)	2.80	3.65
Fair value of option at date of grant (RM):		
- 1st tranche (RM)	0.65	0.45
- 2nd tranche (RM)	0.71	0.70
- 3rd tranche (RM)	0.76	0.82

The expected average life of options is based on historical information, which may not necessarily be indicative of the future exercise pattern that may occur. The expected volatility reflects the assumptions based on the historical volatility on the assumptions that this is indicative of future trends which may also not necessarily be the actual outcome.

29. EMPLOYEES' SHARE SCHEME (CONTINUED)

Movements in the number of share options over ordinary shares outstanding and their related weighted average exercise prices are as follows:

2019

Grant date	Average exercise price per share option RM	At start of the financial year '000	Granted '000	Exercised '000	Lapsed '000	At end of the financial year '000
23.12.2016	**2.80**	**3,790**	**–**	**(437)**	**(157)**	**3,196**
30.3.2018	**3.65**	**–**	**6,048**	**–**	**(265)**	**5,783**
		3,790	**6,048**	**(437)**	**(422)**	**8,979**

2018

Grant date	Average exercise price per share option RM	At start of the financial year '000	Granted '000	Exercised '000	Lapsed '000	At end of the financial year '000
23.12.2016	2.80	4,000	–	(10)	(200)	3,790

Subsequent to the financial year end, the Company has made third offer of options to eligible Executive Directors and employees of the Company. The details are disclosed in Note 48 to the financial statements.

30. RESERVES

(a) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It also included the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in currency different from that of the Group's presentation currency.

(b) Cash flows hedge reserve

The cash flow hedge reserve represents cumulative fair value gain or loss arising from derivatives recognised. The effective portion of cash flow hedges is recognised in reserve while the ineffective portion will be reclassified to profit or loss.

(c) Share-based option reserve

The share-based option reserve comprises the cumulative value of employee services received for the issue of share options by the Company. The fair value, measured at grant date of the share options granted to these employees is recognised as an employee expense in profit or loss and a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options.

(d) Capital reserve

Capital reserve arising from step-up acquisition of a subsidiary, which pertains to convertible note instruments which are to be settled via issuance of equity shares of the subsidiary upon the occurrence of conditions set out in the convertible note agreement.

(e) Put option reserve

Put option reserve arising from the disposal of 26% equity interest in a subsidiary, where option was granted to a non-controlling interest to sell back its equity stake to the Group at their original consideration less dividends received by them upon occurence of conditions set out in the shareholders agreement.

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

31. RETAINED EARNINGS

The Company may distribute dividends out of its entire retained earnings as at 31 January 2019 under the single tier system.

32. LOANS AND BORROWINGS

	Group		Company	
	2019 RM'000	**2018 RM'000**	**2019 RM'000**	**2018 RM'000**
Current:				
Secured				
Term loans	**228,971**	226,392	**–**	–
Sukuk Murabahah	**–**	71,222	**–**	–
Revolving credits	**413**	21,433	**413**	21,433
Obligations under finance leases (Note 33(b))	**349**	335	**22**	203
	229,733	319,382	**435**	21,636
Unsecured				
Revolving credits	**171,629**	43,710	**45,432**	786
	171,629	43,710	**45,432**	786
	401,362	363,092	**45,867**	22,422
Non-current:				
Secured				
Term loans	**2,747,342**	2,495,793	**–**	–
Sukuk Murabahah	**–**	151,108	**–**	–
Obligations under finance leases (Note 33(b))	**1,026**	165	**–**	75
	2,748,368	2,647,066	**–**	75
	3,149,730	3,010,158	**45,867**	22,497
Total borrowings				
Term loans	**2,976,313**	2,722,185	**–**	–
Sukuk Murabahah	**–**	222,330	**–**	–
Revolving credits	**172,042**	65,143	**45,845**	22,219
	3,148,355	3,009,658	**45,845**	22,219
Obligations under finance leases (Note 33(b))	**1,375**	500	**22**	278
Total loans and borrowings	**3,149,730**	3,010,158	**45,867**	22,497

(a) The secured loans and borrowings of the Group are secured by certain assets of the Group as disclosed in Notes 16, 17 and 26.

(b) All unsecured loans and borrowings of the subsidiaries are guaranteed by the Company.

(c) The revolving credits bear floating interest rates ranging from 4.14% to 5.49% (2018: 4.35% to 6.20%) per annum.

(d) The term loans bear floating interest rates ranging from 5.64% to 5.99% (2018: 4.68% to 6.28%) per annum.

(e) The Sukuk Murabahah in the previous financial year borne fixed interest rate at range of 5.25% to 5.75% per annum.

32. LOANS AND BORROWINGS (CONTINUED)

The remaining maturities of the loans and borrowings (excluding obligations under finance leases) as at the reporting date are as follows:

	Interest rate terms	Currency exposure	Total carrying amount RM'000	On demand or within one year RM'000	More than 1 year and less than 2 years RM'000	More than 2 years and less than 5 years RM'000	5 years or more RM'000
Group							
At 31 January 2019							
Secured							
Term loans	Floating rates varies based on London Interbank Offer Rate ("LIBOR")	USD	**2,976,313**	**228,971**	**268,221**	**1,082,189**	**1,396,932**
Revolving credits	Floating rates varies based on cost of funds ("COF")	USD	**413**	**413**	**-**	**-**	**-**
Unsecured							
Revolving credits	Floating rates varies based on Kuala Lumpur Interbank Offered Rate ("KLIBOR")	RM	**43,797**	**43,797**	**-**	**-**	**-**
	Floating rates varies based on LIBOR	USD	**127,832**	**127,832**	**-**	**-**	**-**
			3,148,355	**401,013**	**268,221**	**1,082,189**	**1,396,932**
At 31 January 2018							
Secured							
Term loans	Floating rates varies based on COF	USD	17,770	7,239	7,016	3,515	-
	Floating rates varies based on LIBOR	USD	2,704,415	219,153	225,782	656,624	1,602,856
Sukuk Murabahah	Fixed rate	RM	222,330	71,222	151,108	-	-
Revolving credits	Floating rates varies based on COF	USD	393	393	-	-	-
		RM	21,040	21,040	-	-	-
Unsecured							
Revolving credits	Floating rates varies based on COF	USD	786	786	-	-	-
		RM	42,924	42,924	-	-	-
			3,009,658	362,757	383,906	660,139	1,602,856

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

32. LOANS AND BORROWINGS (CONTINUED)

The remaining maturities of the loans and borrowings (excluding obligations under finance leases) as at the reporting date are as follows: (continued)

	Interest rate terms	Currency exposure	Total carrying amount RM'000	On demand or within one year RM'000	More than 1 year and less than 2 years RM'000	More than 2 years and less than 5 years RM'000	5 years or more RM'000
Company							
At 31 January 2019							
Secured							
Revolving credits	Floating rates varies based on COF	USD	**413**	**413**	**-**	**-**	**-**
Unsecured							
Revolving credits	Floating rates varies based on LIBOR	USD	**45,432**	**45,432**	**-**	**-**	**-**
			45,845	**45,845**	**-**	**-**	**-**
At 31 January 2018							
Secured							
Revolving credits	Floating rates varies based on COF	USD	393	393	-	-	-
		RM	21,040	21,040	-	-	-
Unsecured							
Revolving credits	Floating rates varies based on COF	USD	786	786	-	-	-
			22,219	22,219	-	-	-

33. FINANCE LEASES

(a) Finance lease receivables

	Group 2019 RM'000	Group 2018 RM'000
Minimum lease receivables:		
Within 1 year	**2,833**	2,697
More than 1 year and less than 5 years	**11,332**	10,787
More than 5 years	**22,145**	23,822
	36,310	37,306
Less: Future finance income	**(20,673)**	(22,674)
Present value of finance lease receivables	**15,637**	14,632
Present value of finance lease receivables		
Amount due within 12 months	**468**	343
Amount due after 12 months	**15,169**	14,289
	15,637	14,632

The Group had entered into 13 (2018: 14) years lease arragement for a parcel of land and buildings. At the end of lease term, the lessee has the exclusive rights to purchase the leased properties.

(b) Obligations under finance leases

	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Minimum lease commitments:				
Within 1 year	**413**	350	**22**	211
More than 1 year and less than 2 years	**542**	168	**–**	76
More than 2 years and less than 5 years	**588**	–	**–**	–
Total minimum lease payments	**1,543**	518	**22**	287
Less: Amounts representing finance charges	**(168)**	(18)	**–**	(9)
Present value of minimum lease payments	**1,375**	500	**22**	278
Present value of payments:				
Within 1 year	**349**	335	**22**	203
More than 1 year and less than 2 years	**470**	165	**–**	75
More than 2 years and less than 5 years	**556**	–	**–**	–
Present value of minimum lease payments	**1,375**	500	**22**	278
Less: Amount due within 12 months (Note 32)	**(349)**	(335)	**(22)**	(203)
Amount due after 12 months (Note 32)	**1,026**	165	**–**	75

The finance lease liabilities are secured by charges over the leased assets (Note 16) and secured by corporate guarantees from the Company. The discount rates implicit in the leases ranges from 1.98% to 3.22% (2018: 2.34% to 2.43%) per annum.

Notes to the financial statements (cont'd)
For the financial year ended 31 January 2019

34. UNFAVOURABLE CONTRACTS

	Group	
	2019 RM'000	2018 RM'000
Cost		
At 1 February	**108,040**	121,612
Exchange differences	**5,038**	(13,572)
At 31 January	**113,078**	108,040
Accumulated amortisation		
At 1 February	**84,657**	73,791
Amortisation (Note 7)	**19,436**	20,435
Exchange differences	**4,079**	(9,569)
At 31 January	**108,172**	84,657
Net carrying amount	**4,906**	23,383
Amount to be amortised:		
- Current	**4,906**	18,713
- Non-current	**–**	4,670
	4,906	23,383

The unfavourable contracts represent the fair value of the services contracts embedded in the time charter contracts, determined at the time of the acquisition of subsidiaries, which were recognised as liabilities. Subsequently, these are measured at amortised cost over the contract period.

35. DEFERRED TAX LIABILITIES

	Group	
	2019 RM'000	2018 RM'000
At 1 February	**42**	5,450
Acquisition of a subsidiary	**–**	16
Recognised in profit or loss (Note 13)	**498**	(5,214)
Exchange differences	**6**	(210)
At 31 January	**546**	42

35. DEFERRED TAX LIABILITIES (CONTINUED)

The components and movements of deferred tax liabilities during the financial year are as follows:

	Accelerated capital allowances and others RM'000	Total RM'000
At 1 February 2017	5,450	5,450
Acquisition of a subsidiary	16	16
Recognised in profit or loss	(5,214)	(5,214)
Exchange differences	(210)	(210)
At 31 January 2018 and 1 February 2018	42	42
Recognised in profit or loss	498	498
Exchange differences	6	6
At 31 January 2019	**546**	**546**

As at the reporting date, the Group had unutilised tax losses and unabsorbed capital allowances of approximately RM23,199,000 (2018: RM4,284,000) that are available to offset against future taxable profits of the respective subsidiaries in which these unutilised tax losses and unabsorbed capital allowances arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability.

The availability of unutilised capital allowances to offset against future taxable profits of the respective subsidiaries in Malaysia are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act, 1967 and guidelines issued by the Malaysia tax authority. The use of tax losses of subsidiaries in other countries are subject to the agreement of the tax authorities of those countries and compliance with certain provisions of the tax legislations of the countries in which the subsidiaries operate.

36. TRADE AND OTHER PAYABLES

	Group		Company	
	2019 RM'000	**2018 RM'000**	**2019 RM'000**	**2018 RM'000**
Current:				
Trade payables				
Third parties	**112,800**	30,302	**–**	–
Other payables				
Due to directors	**1,456**	1,040	**1,456**	1,040
Due to subsidiaries	**–**	–	**1,420**	612
Due to joint ventures	**8,528**	4,436	**–**	–
Due to associates	**–**	595	**–**	590
Directors' related companies	**13**	56	**–**	56
Sundry payables	**46,121**	82,495	**495**	577
Accruals	**170,789**	104,539	**2,733**	3,475
Deferred income	**28,823**	27,121	**–**	–
Deposit	**11,296**	81,109	**–**	–
	267,026	301,391	**6,104**	6,350
	379,826	331,693	**6,104**	6,350

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

36. TRADE AND OTHER PAYABLES (CONTINUED)

	Group		Company	
	2019 RM'000	**2018 RM'000**	**2019 RM'000**	**2018 RM'000**
Non-current:				
Other payables				
Due to subsidiaries	**–**	–	**584,382**	382,981
Deferred income	**355,344**	361,783	**–**	–
	355,344	361,783	**584,382**	382,981
Total trade and other payables	**735,170**	693,476	**590,486**	389,331

(a) Trade payables

Trade payables are non-interest bearing and the general credit terms granted to the Group is 30 (2018: 30) days.

(b) Other payables - current

All other payables are unsecured, non-interest bearing and are repayable on demand.

Included in the Group's sundry payables and accruals are related to capital expenditures incurred for the construction of a vessel amounting to RM46,084,000 (2018: RM92,567,000).

(c) Other payable - non-current

Amounts due to subsidiaries are unsecured and the Company has discretion to defer the settlement for at least 12 months from the balance sheet date. Included in the amounts due to subsidiaries is an interest-bearing loan of approximately RM584,382,000 (2018: RM382,981,000), which bears interest of 7.18% to 8.02% (2018: 6.60% to 7.22%).

37. DERIVATIVES

	Group			
	2019		2018	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Non-current				
Hedging derivatives:				
- Interest rate swaps	**–**	**(36,358)**	–	(42,349)
Current				
Hedging derivatives:				
- Interest rate swaps	**–**	**(3,082)**	–	(3,813)
Non-hedging derivatives:				
- Interest rate swaps	**893**	**–**	1,640	–

The interest rate swaps reflect the positive change in fair value of those interest rate swaps that are not designated in hedge relationship, but are used to manage the exposure to the risk of changes in market interest rates arising from certain floating rate bank loans of the Group.

A subsidiary of the Company had entered into a series of USD interest swap contracts with banks. The interest rate swaps reflect the negative change in fair value of those interest rate swaps which have been designated as cash flows hedge and are used to manage the exposure to the risk of changes in market interest rates arising from floating rate bank loans of the subsidiary.

The fair values of the interest rate swaps are determined by using the prices quoted by the counterparty banks which are categorised as Level 2 of the fair value hierarchy. There is no transfer from Level 1 and Level 2 or out of Level 3 during the financial year.

Notes to the financial statements (cont'd)
For the financial year ended 31 January 2019

38. SIGNIFICANT RELATED PARTY DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

(a) Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2019 RM'000	**2018 RM'000**	**2019 RM'000**	**2018 RM'000**
Related companies controlled by certain Directors:				
- management fee income	**–**	750	**–**	750
- advances	**–**	278	**–**	–
- management and administration charges	**–**	240	**–**	–
- rental income	**56**	79	**56**	79
- service fee income	**114**	–	**114**	–
Associates:				
- chartering charges	**–**	3,241	**–**	–
- consultancy fee charges	**439**	2,699	**439**	2,699
- purchases of goods	**–**	2,044	**–**	–
- management and administration charges	**–**	848	**–**	–
- rental income	**11**	71	**11**	71
- interest income	**4**	50	**4**	–
- advances	**–**	40	**–**	40
- management fee income	**9**	10	**9**	10
Joint ventures:				
- dividend income	**59,631**	20,046	**59,631**	20,046
- interest income	**–**	1,139	**–**	1,139
Subsidiaries:				
- net advances	**–**	–	**172,582**	243,183
- management fee income	**–**	–	**45,792**	74,132
- interest income	**–**	–	**47,466**	35,386
- dividend income	**–**	–	**295,071**	25,779
- service fee income	**–**	–	**364**	–
- rental income	**–**	–	**97**	128

(b) Related party balances

Related party balances have been disclosed in Notes 24 and 36 to the financial statements.

(c) Compensation to key management personnel

Key management personnel of the Group and of the Company are made up of executive directors of the Group and the Company. Information of compensation to executive directors is disclosed in Note 11.

39. COMMITMENTS

	Group 2019 RM'000	Group 2018 RM'000
(a) Capital commitments		
Approved and contracted for:		
- Property, plant and equipment	**485,977**	197,950
- Investment	**–**	201,065
Approved but not contracted for:		
- Property, plant and equipment	**255,743**	1,522,658
- Investment	**–**	1,005,089
	741,720	2,926,762

(b) Operating lease commitments – Group as lessee

The Group has entered into leases for the use of premises and equipment. These leases have remaining tenures ranging between 1 year to 7 years with options to extend for the lease periods mutually agreed between the lessees and lessors. The Group is restricted from leasing the leased premises to third parties.

Future minimum rentals payable under non-cancellable operating leases at the reporting date are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Within 1 year	**10,793**	7,056	**2,401**	1,415
More than 1 year and less than 5 years	**21,719**	25,512	**835**	1,385
More than 5 years	**218**	87	**–**	–
	32,730	32,655	**3,236**	2,800

(c) Operating lease commitments – Group as lessor

The Group has entered into leases for its vessels. These non-cancellable leases have remaining lease term of between 2.5 months to 13.5 years and subject to revision on the rental charge where contractually applicable.

Future minimum rentals receivable under non-cancellable operating leases at the reporting date are as follows:

	Group 2019 RM'000	Group 2018 RM'000
Within 1 year	**596,444**	809,568
More than 1 year and less than 5 years	**3,484,791**	2,568,076
More than 5 years	**4,641,334**	4,194,612
	8,722,569	7,572,256

Chartering fees from leasing of vessels recognised in profit or loss during the financial year are disclosed in Note 6.

Subsequent to the financial year, the Group has secured additonal projects as disclosed in Note 48(a) and (c).

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

40. FAIR VALUE MEASUREMENT

(a) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

	Fair value measurement using			
	Quoted prices in active market Level 1	**Significant observable inputs Level 2**	**Significant unobservable inputs Level 3**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At 31 January 2019				
Non-financial asset:				
Investment properties	**–**	**–**	**20,108**	**20,108**
Financial assets:				
Derivatives	**–**	**893**	**–**	**893**
Other investments	**–**	**72,226**	**–**	**72,226**
Financial liabilities:				
Interest rate swaps	**–**	**39,440**	**–**	**39,440**
Put option liability	**–**	**–**	**455,725**	**455,725**
At 31 January 2018				
Non-financial asset:				
Investment properties	–	–	24,308	24,308
Financial assets:				
Derivatives	–	1,640	–	1,640
Other investments	–	79,901	–	79,901
Financial liability:				
Interest rate swaps	–	46,162	–	46,162

The Group classifies fair value measurement using the fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

There have been no transfers between the three levels of fair value measurements during the financial years ended 31 January 2019 and 31 January 2018.

40. FAIR VALUE MEASUREMENT (CONTINUED)

(b) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	24
Loans and borrowings (current), excluding obligations under finance leases	32
Loans and borrowings (non-current), excluding obligations under finance leases and certain bank loans	32
Trade and other payables	36

The carrying amounts of financial liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of loans and borrowings excluding obligations under finance leases are reasonable approximation of fair values due to the insignificant impact of discounting.

The fair values of non-current loans and borrowings excluding obligations under finance leases are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Financial guarantees

Fair value is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guarantee period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default; and
- The estimated loss exposure if the party guaranteed were to default.

The Company has assessed the financial guarantee contracts and concluded that the financial impact of the guarantees is not material as the probability of crystallisation is remote.

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

40. FAIR VALUE MEASUREMENT (CONTINUED)

(c) Fair values of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	Group	
	2019 RM'000	**2018 RM'000**
Financial asset:		
Carrying amount:		
- Due from a joint venture (non-current)	–	6,497
Fair value:		
- Due from a joint venture (non-current)	–	6,262
Financial liabilities:		
Carrying amount:		
- Obligations under finance leases (current and non-current)	**1,375**	500
- USD bank loans (non-current)	**2,747,342**	2,485,262
	2,748,717	2,485,762
Fair value:		
- Obligations under finance leases (current and non-current)	**1,375**	500
- USD bank loans (non-current)	**2,268,509**	2,030,427
	2,269,884	2,030,927

41. FINANCIAL INSTRUMENTS BY CATEGORY

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Financial assets				
Financial assets measured at fair value through profit or loss				
- Derivatives (Note 37)	**893**	1,640	**–**	–
- Other investments (Note 22)	**72,226**	79,901	**–**	–
	73,119	81,541	**–**	–
Financial assets at amortised costs (2018: Loan and receivables at amortised cost):				
- Finance lease receivables (Note 33(a))	**15,637**	14,632	**–**	–
- Trade and other receivables (Note 24)	**429,196**	375,537	**1,081,465**	661,312
- Cash and bank balances (Note 26)	**1,217,279**	637,120	**9,480**	7,067
	1,662,112	1,027,289	**1,090,945**	668,379
Total	**1,735,231**	1,108,830	**1,090,945**	668,379
Financial liabilities				
Financial liabilities designated as cash flow hedge				
- Interest rate swaps (Note 37)	**39,440**	46,162	**–**	–
Financial liabilities measured at fair value through profit or loss				
- Put option liability	**455,725**	–	**–**	–
Other financial liabilities at amortised cost:				
- Trade and other payables (Note 36)	**735,170**	693,476	**590,486**	389,331
- Loans and borrowings (Note 32)	**3,149,730**	3,010,158	**45,867**	22,497
	3,884,900	3,703,634	**636,353**	411,828
Total	**4,380,065**	3,749,796	**636,353**	411,828

The Group's and the Company's exposure to various risks associated with the financial instruments are discussed in Note 42.

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, other than derivatives and put option liability, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets, other than derivatives, include other investments, trade and other receivables, cash and short-term deposits that are derived directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by corporate finance team that advises on financial risks and the appropriate financial risk governance framework for the Group. The corporate finance team provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk. Financial instruments affected by market risk include loans and borrowings, short-term deposits, financial assets at fair value through profit or loss and derivatives.

The sensitivity analysis in the following sections relate to the positions as at 31 January 2019 and 2018.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's loans and borrowings with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and floating rate loans and borrowings. The Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and floating rate interest amounts calculated by reference to an agreed-upon notional principal amount.

<u>Interest rate sensitivity</u>

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group's profit before tax would have been approximately RM3,200,000 (2018: RM2,877,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities and the Group's net investments in foreign subsidiaries.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily RM, USD and Norwegian Krone ("NOK"). The foreign currency in which these transactions are denominated is mainly USD, SGD, Euro, NOK and Ghanaian Cedi.

The Group holds cash and cash equivalents denominated in foreign currencies for working capital purposes. The other financial instruments denominated in foreign currencies include financial assets at fair value through profit or loss, trade and other receivables, trade and other payables and loans and borrowings.

The Group is also exposed to currency translation risk arising from its net investment in foreign operations in Labuan, Singapore, Norway, Republic of the Marshall Islands and British Virgin Islands. The Group's investments in its foreign subsidiaries, joint ventures and associates are not hedged as the currency position in these investments are considered to be long-term in nature.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(ii) Foreign currency risk (continued)

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and SGD exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

		Group	
		2019	**2018**
		RM'000	**RM'000**
USD/RM	- Strengthened 5%	**(28,815)**	(2,391)
	- Weakened 5%	**28,815**	2,391
SGD/RM	- Strengthened 5%	**(1,090)**	(3,809)
	- Weakened 5%	**1,090**	3,809

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amounts of each class of financial assets recognised in the statement of financial position, including derivative financial instruments with positive fair value.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the individual credit standings and financial strengths. Outstanding receivables are regularly monitored.

Credit risk from balances with banks and financial institutions is managed by the Group's finance department in accordance with the Group's policy. Counterparty credit standings are reviewed by the Company's Senior Management on an annual basis, and may be updated throughout the financial year. Limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments.

(i) Trade receivables

ECL for trade receivables are measured using simplified approach. The expected loss rates are based on the payment profiles of sales over a period of 36 months before reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group and the Company have identified the growth domestic product ("GDP"), GDP growth, oil price and country rating in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. No significant changes to estimation techniques or assumptions were made during the reporting period.

The reconciliation of allowance for impairment and maximum exposure to credit risk are disclosed in Note 24(a).

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (continued)

(ii) Debt instruments at amortised costs other than trade receivables

ECL for debt instruments at amortised costs other than trade receivables are measured using general 3-stage approach. The Group and the Company use three categories which reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Group's and the Company's ECL model is as follows:

Category	Group's and Company's definition of category	Basis for recognising ECL
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows.	12 month ECL
Underperforming	Debtors for which there is a significant increase in credit risk or significant increase in credit risk if presumed the forward looking information and indicators available signify impairment to debtor's ability to repay.	Lifetime ECL
Not performing	Debtor's ability to repay or likelihood of repayment is determined as fully impaired according to the available indicators.	Lifetime ECL (credit impaired)

Based on the above, loss allowance is measured on either 12 month ECL or lifetime ECL using a PD x LGD x EAD methodology as follows:

- PD ('probability of default') – the likelihood that the debtor would not be able to repay during the contractual period;
- LGD ('loss given default') – the percentage of contractual cash flows that will not be collected if default happens; and
- EAD ('exposure at default') – the outstanding amount that is exposed to default risk.

In deriving the PD and LGD, the Group and the Company consider historical data by each debtor by category and adjusts for forward-looking macroeconomic data. The Group and the Company have identified the industry and geographical area which the debtor operates in, to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (continued)

(ii) Debt instruments at amortised costs other than trade receivables (continued)

The following table contains an analysis of the credit risk exposure for which an ECL allowance is recognised. The gross carrying amount disclosed below also represents the Group's and the Company's maximum exposure to credit risk on these assets:

Group
2019

	Performing RM'000	Under-performing RM'000	Not performing RM'000	Total RM'000
Other receivables				
Gross carrying amount	268,338	–	37,657	305,995
Accumulated impairment loss	(7,491)	–	(37,657)	(45,148)
Net carrying amount	260,847	–	–	260,847
Tax recoverable				
Gross carrying amount	3,703	–	3,686	7,389
Accumulated impairment loss	–	–	(3,686)	(3,686)
Net carrying amount	3,703	–	–	3,703
Cash and bank balances				
Gross/net carrying amount	1,217,279	–	–	1,217,279
Finance lease receivables				
Gross/net carrying amount	15,637	–	–	15,637

Company
2019

	Performing RM'000	Under-performing RM'000	Not performing RM'000	Total RM'000
Other receivables (excluding amounts due from subsidiaries)				
Gross carrying amount	1,736	–	–	1,736
Accumulated impairment loss	–	–	–	–
Net carrying amount	1,736	–	–	1,736
Amounts due from subsidiaries				
Gross carrying amount	1,062,531	35,814	83,245	1,181,590
Accumulated impairment loss	–	(18,616)	(83,245)	(101,861)
Net carrying amount	1,062,531	17,198	–	1,079,729
Cash and bank balances				
Gross/net carrying amount	9,480	–	–	9,480

The reconciliation of allowance for impairment of other receivables is disclosed in Note 24(b).

As at 31 January 2019, the credit risk of the Group primarily relates to the Group's 5 (2018: 3) largest customers which accounted for 75% (2018: 92%) of the outstanding trade receivables at the end of the reporting period. The Group believes these counterparties' credit risk is low taking into consideration of their financial position, past collection experiences and other factors. Except for the impairment loss provided as disclosed in Note 24(a) to the financial statements, management does not expect any counterparty to fail to meet their obligations.

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective are to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and perpetual securities.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted repayment obligations.

Group	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
31 January 2019				
Trade and other payables	**379,826**	**144,117**	**211,227**	**735,170**
Loans and borrowings	**419,474**	**1,415,591**	**1,395,367**	**3,230,432**
Derivatives	**3,082**	**36,358**	**–**	**39,440**
Put option liability	**–**	**–**	**455,725**	**455,725**
Total undiscounted financial liabilities	**802,382**	**1,596,066**	**2,062,319**	**4,460,767**
31 January 2018				
Trade and other payables	331,693	135,604	226,179	693,476
Loans and borrowings	389,518	1,119,159	1,594,199	3,102,876
Derivatives	3,813	42,349	–	46,162
Total undiscounted financial liabilities	725,024	1,297,112	1,820,378	3,842,514
Company				
31 January 2019				
Trade and other payables	**6,104**	**584,382**	**–**	**590,486**
Loans and borrowings	**45,867**	**–**	**–**	**45,867**
Financial guarantee ^	**515,734**	**–**	**–**	**515,734**
Total undiscounted financial liabilities	**567,705**	**584,382**	**–**	**1,152,087**
31 January 2018				
Trade and other payables	6,350	382,981	–	389,331
Loans and borrowings	22,430	75	–	22,505
Financial guarantee ^	3,083,337	–	–	3,083,337
Total undiscounted financial liabilities	3,112,117	383,056	–	3,495,173

^ The maximum amount of the financial guarantees issued to the banks for subsidiaries' borrowings is limited to the amount utilised by the subsidiaries. The earliest period any of the financial guarantees can be called upon by banks is within the next 12 months. The Company believes that the liquidity risk in respect of the financial guarantees is minimal as it is unlikely that the subsidiaries will not make payment to the banks when due.

43. SEGMENT INFORMATION

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

(i) Offshore & Marine - This segment comprises provision of vessels and marine related services.

(ii) Other operations - This segment comprises of investment, management services and treasury services.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

	Offshore & Marine RM'000	Other operations RM'000		Consolidated RM'000
31 January 2019				
Revenue:				
Gross revenue	1,168,786	517,110		1,685,896
Inter-segment	(148,065)	(502,932)	A	(650,997)
	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 for the financial year				264,379
Amortisation and depreciation	(259,855)	(5,258)		(265,113)
Fair value loss:				
- marketable securities	-	(1,158)		(1,158)
- investment properties	-	(4,200)		(4,200)
- derivatives	-	(747)		(747)
Impairment loss on plant and equipment	(33,030)	-		(33,030)
Impairment loss on:				
- trade receivables	(1,070)	-		(1,070)
- other receivables	(1,379)	(3,985)		(5,364)
- investment in a joint venture	-	(12,892)		(12,892)
- tax recoverable	(3,686)	-		(3,686)
Net unrealised gain on foreign exchange	5,748	17,272		23,020
Other non-cash income/(expenses)	252	(111)		141
Assets and liabilities				
Segment assets	7,022,892	1,060,408		8,083,300
Segment liabilities	3,736,165	723,158		4,459,323
Additions to property, plant and equipment	718,046	133,106		851,152

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

43. SEGMENT INFORMATION (CONTINUED)

	Offshore & Marine RM'000	Other operations RM'000		Consolidated RM'000
31 January 2018				
Revenue:				
Gross revenue	1,021,256	184,435		1,205,691
Inter-segment	(112,110)	(183,425)	A	(295,535)
	909,146	1,010		910,156
Results:				
Segment results	488,605	(63,104)		425,501
Finance costs				(107,540)
Share of profit of joint ventures				43,081
Share of profit of associates				728
Income tax expense				(69,697)
Profit for the financial year				292,073
Amortisation and depreciation	(200,413)	(3,454)		(203,867)
Fair value gain/(loss):				
- marketable securities	–	141		141
- investment properties	–	(5,623)		(5,623)
- derivatives	(6)	2,072		2,066
Impairment loss on plant and equipment	(32,793)	–		(32,793)
Net unrealised gain/(loss) on foreign exchange	12,808	(75,211)		(62,403)
Other non-cash (expenses)/income	(370)	472		102
Assets and liabilities				
Segment assets	5,743,825	706,594		6,450,419
Segment liabilities	3,031,267	785,994		3,817,261
Additions to property, plant and equipment	500,854	4,469		505,323

Notes

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

A Inter-segment revenues are eliminated on consolidation.

Geographical information

The Group operates in the followng main geographical areas:

(i) Malaysia - mainly involved in leasing and sub-leasing of vessels on bareboat or time charter basis.

(ii) Asia (excluding Malaysia), Africa and Norway - mainly involved in the charter of vessels and ship management services.

43. SEGMENT INFORMATION (CONTINUED)

Geographical information (continued)

Revenue by location of the Group's operations are analysed as follows:

	Group 2019 RM'000	Group 2018 RM'000
Malaysia	**30,199**	29,860
Africa	**981,510**	876,790
Norway	**9,675**	3,506
Other countries	**13,515**	–
	1,034,899	910,156

Non-current assets other than financial instruments and deferred tax assets managed by the Group in Africa amounted to RM4,138.11 million as at 31 January 2019 (2018: RM4,184.09 million).

The Group's largest customers (by revenue contribution) are from the Offshore & Marine segments. In the financial year ended 31 January 2019, 3 customers contributed revenue individually exceeding 10% of the Group's total revenue, amounting to RM230,671,000, RM171,197,000 and RM578,343,000 respectively. In the financial year ended 31 January 2018, 3 customers contributed revenue individually exceeding 10% of the Group's total revenue, amounting to RM228,297,000, RM171,773,000 and RM461,346,000 respectively.

44. CAPITAL MANAGEMENT

For the purpose of the Group's and the Company's capital management, capital includes share capital and all other equity reserves attributable to owners of the Company. The objectives of the Group's and the Company's capital management are to maximise shareholders' value, to maintain optimal capital structure to reduce cost of capital and to sustain future developments of the Group.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, shares buy-back or issue new shares. The Group and the Company monitor capital using a debt-to-capital ratio, which is net debt divided by total capital plus net debt. Net debt includes interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Loans and borrowings (Note 32)	**3,149,730**	3,010,158	45,867	22,497
Trade and other payables (Note 36)	**735,170**	693,476	590,486	389,331
Less: Cash and bank balances (Note 26)	**(1,217,279)**	(637,120)	(9,480)	(7,067)
Net debt	**2,667,621**	3,066,514	626,873	404,761
Equity attributable to owners of the Company, total capital	**1,745,412**	2,000,401	**1,374,111**	1,266,568
Capital and net debt	**4,413,033**	5,066,915	**2,000,984**	1,671,329
Debt-to-capital ratio	**60%**	61%	**31%**	24%

The Group and Company are required to comply with financial covenants such as Debt Service Cover Ratio and Debt to Equity Ratio, as defined in the respective facilities agreements. During the financial year, the Group and the Company have complied with these requirements.

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

45. PERPETUAL SECURITIES

(i) By Yinson TMC Sdn. Bhd. ("YTMC")

(a) USD100 million

On 25 September 2015, YTMC, a wholly owned subsidiary of the Company issued perpetual securities of USD100 million. The perpetual securities are:

- unconditionally and irrevocably guaranteed by the Company;
- direct, unsecured, unconditional and unsubordinated obligations of the subsidiary; and
- rank at least pari passu with all other present and future unconditional, unsubordinated and unsecured obligations of the subsidiary at all times, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The perpetual securities are unrated and are not listed on Bursa Malaysia Securities Berhad or on any other stock exchange bearing no fixed maturity date but are callable 5 years from date of issuance ("First Call Date") at their principal amounts by YTMC fall due on 25 September 2020. The instrument carries an initial periodic distribution rate of 7% per annum where such distribution rate will subject to annual additional step-up margin of 1% after First Call Date provided that the maximum distribution rate shall not exceed 15% per annum. However under the program, YTMC has no obligation to pay any distribution and is allow to elect for distribution deferment at its sole discretion where does not constitute a default. The perpetual securities may also be redeemed at the option of YTMC upon the occurrence of certain events by YTMC as per detailed in the terms and conditions of the perpetual securities.

On 25 March 2019, YTMC had fully repurchased and cancelled the outstanding perpetual securities.

(b) RM1.5 billion

On 8 May 2018, YTMC issued RM950 million Sukuk Mudharabah under its RM1.5 billion Perpetual Sukuk Mudharabah Programme. The perpetual securities are:

- unconditionally and irrevocably guaranteed by the Company;
- direct, unsecured, unconditional and unsubordinated obligations of the subsidiary; and
- rank at least pari passu with all other present and future unconditional, unsubordinated and unsecured obligations of the subsidiary at all times, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The perpetual securities are unrated and are not listed on Bursa Malaysia Securities Berhad or on any other stock exchange bearing no fixed maturity date but are callable 15 years from date of issuance ("First Call Date") fall due on 9 May 2033. The issued instrument carries a periodic distribution rate of 6.8% per annum, distributable semi-annually calculated at the nominal value of securities issued. The distribution rate will subject to an agreed step-up margin of 1% per annum after First Call Date. However under the program, YTMC has no obligation to pay any distribution and is allow to elect for distribution deferment at its sole discretion where does not constitute a breach of covenant. The perpetual securities may also be redeemed at the option of YTMC upon the occurrence of certain events by YTMC as per detailed in the terms and conditions of the perpetual securities.

From the Group's perspective under MFRS 132 "Financial Instruments: Presentation", the Perpetual Securities is classified as equity because the payment of any distribution or redemption is at the discretion of the Group.

45. PERPETUAL SECURITIES (CONTINUED)

(ii) By Yinson Juniper Ltd ("YJL")

On 5 October 2017, YJL, a wholly owned subsidiary of the Company issued perpetual securities of USD100 million under its USD500 million Multi-Currency Perpetual Securities Programme. The perpetual securities are:

- unconditionally and irrevocably guaranteed by the Company;
- direct, unsecured, unconditional and unsubordinated obligations of the subsidiary; and
- rank at least pari passu with all other present and future unsecured, unconditional and unsubordinated obligations of the subsidiary, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The perpetual securities are unrated and are listed on the Singapore Exchange Securities Trading Limited bearing no fixed maturity date but are redeemable at YJL's option 5 years from date of issuance ("First Reset Date") fall due on 5 October 2022. The issued instrument carries a periodic distribution rate of 7.85% per annum, distributable semi-annually calculated at the nominal value of securities issued. The distribution rate will subject to an agreed step-up margin of 5% per annum above the prevailing U.S. Treasury Rate after First Reset Date. However under the program, YJL has no obligation to pay any distribution and is allow to elect for distribution deferment at its sole discretion where does not constitute a default. The perpetual securities may also be redeemed at the option of YJL upon the occurrence of certain events by YJL as per detailed in the terms and conditions of the perpetual securities.

From the Group's perspective under MFRS 132 "Financial Instruments: Presentation", the Perpetual Securities is classified as equity because the payment of any distribution or redemption is at the discretion of the Group.

Subsequent to the financial year, the Group issued 2 fresh Perpetual Securities as disclosed in Note 48(d).

46. SUMMARY OF EFFECTS OF ACQUISITION AND RE-ORGANISATION OF COMPANIES

2019

(i) Reclassification of company

(a) On 30 March 2018, the Company entered into a supplemental shareholders' agreement on Yinson Energy Sdn. Bhd. ("YESB"). Following MFRS 10 control assessment, it was determined that YESB ceased to be an associate of the Group and became a 30% direct owned subsidiary of the Group.

(b) On 19 September 2018, Yinson Acacia Ltd entered into a supplemental shareholders' agreement in relation to its investment in an associate, Yinson Operations & Production West Africa Limited ("YOPWAL"). Subsequent to the MFRS 10 control assessment, YOPWAL was determined as a 40% direct owned subsidiary of the Group.

(ii) Internal re-organisation of companies

During the financial year, the Group had completed the internal re-organisation for following companies:

(a) On 20 March 2018, Yinson Ghacacia Ltd, an indirect wholly owned subsidiary of the Group, completed the acquisition of 49% equity interest in Yinson Gazania Operations Limited ("YGOL") from Yinson Nereus Ltd, a wholly owned subsidiary of the Group for a cash consideration of USD1. YGOL remains as a joint venture of the Group.

(b) On 24 September 2018, Yinson Production AS, an indirect wholly owned subsidiary of the Group, completed the acquisition of 40% equity interest in Yinson Operations & Production West Africa Limited ("YOPWAL") from Yinson Acacia Ltd, an indirect wholly owned subsidiary of the Group for a cash consideration of USD28,080.

(c) On 24 September 2018, Yinson Acacia Ltd, an indirect wholly owned subsidiary of the Group, completed the acquisition of 100% equity interest in Yinson Nepeta Production Ltd ("YNPL") from Yinson Nepeta Holdings Ltd, an indirect wholly owned subsidiary of the Group for a cash consideration of USD1. YNPL remains as an indirect wholly owned subsidiary of the Group.

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

46. SUMMARY OF EFFECTS OF ACQUISITION AND RE-ORGANISATION OF COMPANIES (CONTINUED)

2019 (continued)

(ii) Internal re-organisation of companies (continued)

(d) On 27 September 2018, Yinson Production Limited, a wholly owned subsidiary of the Group, completed the acquisition of 100% equity interest in Yinson Production Offshore Pte. Ltd. ("YPOPL") (formerly known as OY Offshore Pte. Ltd.) from the Company for a cash consideration of USD1. As a result, YPOPL became an indirect wholly owned subsidiary of the Group.

(e) On 27 September 2018, Yinson Production Limited, a wholly owned subsidiary of the Group, completed the acquisition of 100% equity interest in Yinson International Pte. Ltd. ("YIPL") (formerly known as Yinson Corporate Services Pte. Ltd.) from the Company for a cash consideration of USD1. As a result, YIPL became an indirect wholly owned subsidiary of the Group.

(f) On 31 October 2018, Yinson Production Offshore Pte. Ltd., an indirect wholly owned subsidiary of the Group, completed the acquisition of 100% equity interest in Yinson Production AS ("YPAS") from Yinson Production Limited, a wholly owned subsidiary of the Group for a cash consideration of USD175,360,501. YPAS remains as an indirect wholly owned subsidiary of the Group.

(g) On 31 October 2018, Yinson Production Offshore Pte. Ltd., an indirect wholly owned subsidiary of the Group, completed the acquisition of 100% equity interest in Yinson Acacia Ltd ("YAL") from the Company for a cash consideration of USD1. As a result, YAL became an indirect wholly owned subsidiary of the Group.

(h) On 1 November 2018, Yinson Offshore Marine Limited, an indirect wholly owned subsidiary of the Group, completed the acquisition of 100% equity interest in Yinson Camellia Limited ("YCL") from Yinson Nereus Ltd, a wholly owned subsidiary of the Group for a cash consideration of USD9,640,559. YCL remains as an indirect wholly owned subsidiary of the Group.

(i) On 31 January 2019, Yinson Production AS, an indirect wholly owned subsidiary of the Group, completed the acquisition of 100% equity interest in Yinson Lavender Operations Sdn. Bhd. ("YLOSB") from the Company for a cash consideration of RM1. As a result, YLOSB became an indirect wholly owned subsidiary of the Group.

2018

(i) The Company had on 6 June 2017 increased its investment in Regulus Offshore Sdn. Bhd. ("ROSB") from 49% to 70% by acquiring 21,000 ordinary shares representing 21% of the issued share capital of ROSB for a total consideration of RM469,461. Subsequent to the acquisition, ROSB ceased to be an associate of the Group and became a 70% direct owned subsidiary of the Group.

(ii) Yinson Heather Ltd, an indirect wholly owned subsidiary of the Group, had on 27 December 2017, acquired from Four Vanguard Servicos E Navegacao LDA 19,600,000 ordinary shares in Anteros Rainbow Offshore Pte. Ltd. ("ARO"), representing 49% equity interest of the issued and paid up share capital of ARO, for a consideration of USD9,000,000 (equivalent to approximately RM36,751,500).

Following the completion of the acquisition, ARO ceased to be a joint venture entity of the Group and became an indirect wholly owned subsidiary of the Group.

The amounts of revenue and loss before tax of the subsidiaries acquired during the financial year which have been included in the income statements of the Group for the period from the dates of acquisition to 31 January 2018 are amounted to approximately RM19,667,000 and RM79,758,000 respectively. Had the acquisitions taken effect at the beginning of the financial year, the revenue and loss before tax of the subsidiaries acquired would have been approximately RM28,237,000 and RM82,148,000 respectively.

46. SUMMARY OF EFFECTS OF ACQUISITION AND RE-ORGANISATION OF COMPANIES (CONTINUED)

2018 (continued)

Details of the consideration paid, assets acquired and liabilities assumed, the non-controlling interests recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

	Carrying value RM'000	Fair value RM'000
Property, plant and equipment	222,217	222,217
Intangible assets	62	62
Inventories	767	767
Trade and other receivables	8,002	8,002
Tax recoverable	98	98
Cash and bank balances	1,054	1,054
Trade and other payables	(22,002)	(22,002)
Loans and borrowings	(59)	(59)
Convertible note instruments	(96,966)	(96,966)
Deferred tax liabilities	(16)	(16)
Non-controlling interests	(701)	(701)
Share of net assets acquired	112,456	112,456
Bargain purchase		(21)
Derecognition of associate and joint venture		(77,190)
Purchase consideration		35,245
Cash and bank balances arising from the acquisitions of subsidiaries		(1,054)
Net cash outflow from acquisitions		34,191

47. SUMMARY OF EFFECTS OF DILUTION AND DISPOSAL OF COMPANIES

(a) On 6 June 2018, Yinson Trillium Limited ("YTL"), a wholly owned subsidiary of the Company, completed the disposal of 26% equity interest in Yinson Production (West Africa) Pte. Ltd. ("YPWAPL") to Japan Sankofa Offshore Production Pte. Ltd. for a maximum cash consideration of USD117 million, subject to price adjustment. As a result, the Group's effective equity interest in YPWAPL has reduced from 100% to 74%.

(b) On 31 December 2018, Yinson Dynamic Ltd, an indirect wholly owned subsidiary of the Group, completed the disposal of its entire 49% equity interest in each of OY Genesis Ltd ("OYGL"), OY Jasper Ltd ("OYJL") and OY Topaz Ltd ("OYTL") for a total cash consideration of USD3. As a result, OYGL, OYJL and OYTL ceased to be associates of the Group.

Below are the effects of the disposal for item (a) on the financial position and the cash flows of the Group:

	RM'000
Property, plant and equipment	926,190
Trade and other receivables	47,186
Cash and bank balances	118,826
Trade and other payables	(116,342)
Loans and borrowings	(680,766)
Derivative liabilities	(4,589)
Tax payables	(22)
Share of net assets disposed	290,483
Gain on disposal (recognised to equity)	175,861
Sales consideration (net of transaction cost)	466,344
Add: Direct expenses attributable to the disposal	2,681
Less: Sales consideration yet to receive	(53,239)
Net cash inflow from disposal	415,786

Notes to the financial statements (cont'd)

For the financial year ended 31 January 2019

48. SUBSEQUENT EVENTS

(a) On 12 February 2019, Yinson Energy Sdn. Bhd., a direct owned subsidiary of the Company received and accepted a letter of award from JX Nippon to undertake a contract for the Provision of Operation and Maintenance Services for the Nippon FPSO Facilities, by JX Nippon ("O&M Contract").

The tenure of the O&M Contract is effective from 12 February 2019 and shall remain in full force until termination of the contract for Provision of EPCIC and Leasing for Layang FPSO Facilities ("Charter Contract"). The tenure of the Charter Contract is for a firm period of 8 years with options for 10 extension periods of one year each ("Extension Options"). The estimated aggregate value of the O&M Contract, assuming the Extension Options are fully exercised, is approximately USD578,000,000 (equivalent to approximately RM2,357,000,000). The scope of the O&M Contract is to perform operation and maintenance works for the Nippon FPSO Facilities, which is expected to commence operations at the Layang field by 4th quarter of 2019.

(b) On 27 February 2019, the Company made the third offer of options, a total of 9,000,000 options at exercise price of RM4.00 per share in 3 equal tranches exercisable upon the vesting condition and shall expire on 27 February 2023. Offers are made to eligible Executive Directors and employees of the Company.

(c) Yinson Nepeta Production Ltd ("YNPL", an indirect wholly owned subsidiary of the Company incorporated in the Republic of Marshall Islands), Yinson Operations & Production West Africa Limited ("YOPWAL"), an indirect subsidiary of the Company incorporated in the Federal Republic of Nigeria, and First Exploration & Petroleum Development Company Limited ("FIRST E&P") had on 28 February 2019 executed a contract for the bareboat charter ("Bareboat Charter Contract") for the provision of a floating production storage and offloading facility to be named Abigail-Joseph ("FPSO") for use at the Anyala & Madu Fields ("Fields") under Oil Mining Leases 83 & 85, offshore the Federal Republic of Nigeria. YOPWAL had also on the even date, entered into a contract for the operations and maintenance of the FPSO with FIRST E&P ("O&M Contract").

The primary term of the charter under the Bareboat Charter Contract and O&M Contract is 7 years each from the issuance date of the certificate of first oil under the Bareboat Charter Contract. FIRST E&P shall be entitled to extend such primary term by one extension period of 24 months and up to 6 further extension periods of 12 months each under the terms and conditions set out in the respective Contract ("Extension Options"). The cumulative duration of the primary term and extension terms of each Contract shall not exceed in aggregate of 15 years.

The estimated aggregate value of the Contracts, assuming the Extension Options are fully exercised, is approximately USD901,793,000 (equivalent to approximately RM3,671,000,000) comprising Bareboat Charter Contract of USD617,093,000 and O&M Contract of USD284,700,000 and the FPSO is expected to commence operations at the Fields by the fourth quarter of 2019.

(d) Yinson Juniper Ltd ("YJL"), a wholly owned subsidiary of the Company 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 Program on 29 March 2019 and 5 April 2019.

Both the Perpetual Securities are unrated and are listed on the Singapore Exchange Securities Trading Limited bearing no fixed maturity date but are redeemable at YJL's option 5 years from date of issuance ("First Reset Date") fall due on 29 March 2024. The issued Perpetual Securities carry periodic distribution rate of 8.10% per annum, distributable semi-annually calculated at the nominal value of securities issued. The distribution rate will subject to an agreed step-up margin of 5% per annum above the prevailing U.S. Treasury Rate after First Reset Date. However under the program, YJL has no obligation to pay any distribution and is allow to elect for distribution deferment at its sole discretion where does not constitute a default. The Perpetual Securities may also be redeemed at the option of YJL upon the occurrence of certain events by YJL as per detailed in the terms and conditions of the Perpetual Securities.

From the Group's perspective under MFRS 132 "Financial Instruments: Presentation", the Perpetual Securities will be classified as equity in financial year ending 31 January 2020 because the payment of any distribution or redemption is at the discretion of the Group.

48. SUBSEQUENT EVENTS (CONTINUED)

(e) 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, entered into a Conditional Debt Conversion Agreement and Conditional Option Agreement, with Ezion Holdings Limited ("EHL"), a Singapore company specialises in the development, ownership and chartering of offshore assets to support the offshore energy markets, with the intention to acquire a majority stake in EHL.

YEPL is currently in advanced stage of discussions with certain lenders including major secured lenders of EHL and/or its subsidiaries and jointly owned companies (collectively "EHL Group") ("Designated Lenders") to acquire the benefits and rights in respect of up to USD916,000,000 (equivalent to approximately RM3,739,112,000) of the existing loans extended to the relevant EHL Group company ("Existing Loans") under the relevant facility and/or credit agreements ("Existing Financing Agreements") with such Designated Lenders ("Relevant Debts") through debt assignment.

The Conditional Debt Conversion Agreement allows YEPL to capitalise the Relevant Debts into EHL shares at SGD0.055 per share. The Conditional Option Agreement allows YEPL to subscribe for up to 3.36 billion EHL shares at the exercise price of SGD0.0605 per share at any time during a period of 5 years commencing from the date of the issuance of options. Upon completion of the debts conversion, YEPL will hold a minimum of 70% of EHL's enlarged share capital. The debts assignment, Debts Conversion and the subscription option are collectively known as the "Proposals".

The Proposals are subject to, amongst others, finalisation of the debts assignment with the lenders, and a whole host of regulatory approvals. It is YEPL's intention to retain the listing status of EHL. The Proposals are inter-conditional and the completion of such Proposals shall take place simultaneously.

(f) On 17 April 2019, Adoon Pte. Ltd., an indirect wholly owned subsidiary of the Company entered into extension of contract on existing terms and conditions for the charter of FPSO Adoon with Addax Petroleum Development (Nigeria) Limited on an interim basis from 17 April 2019 to 16 May 2019.

49. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 January 2019 were authorised for issue in accordance with a resolution of the Board of Directors on 6 May 2019.

Independent auditors' report to the members of Yinson Holdings Berhad

(Incorporated in Malaysia) (Company No. 259147-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Yinson Holdings Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 January 2019, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 January 2019 of the Group and of the Company, and the Income Statements, Statements of Comprehensive Income, Statements of Changes In Equity and Statements of Cash Flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 109 to 211.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Significant judgements used to evaluate for impairment indicators and assessing the carrying value of vessels *Refer to Note 5(c) which sets out the critical accounting estimates and judgement and Note 16(e) to the financial statements.* As at 31 January 2019, the Group has three Floating, Production, Storage and Offloading ("FPSO") vessels totalling RM4,094.4 million, four Offshore Support Vessels ("OSV") totalling RM193.2 million, a tanker totalling amounting to RM130.6 million and a FPSO vessel under construction amounting to RM864.6 million. The carrying value of these vessels totalling RM5,282.8 million, representing 65% of the Group's total assets. Significant judgements are exercised by management in identifying impairment indicator. Consequently, critical estimates on key assumptions are applied by management when performing impairment assessments over the carrying value of vessels for which impairment indicators were identified. In assessing the recoverable amounts of these assets, value-in-use ("VIU") is used whereby management estimates the future cash flows expected to be earned by these vessels, current utilisation and in particular the timing for the subsequent redeployment of certain FPSO vessels beyond their current contract periods. In addition, key assumptions that are subject to significant judgement are charter rates, vessels utilisation levels and discount rates. Arising from the above, the Group recognised an impairment charge of RM33.0 million on its OSVs for the current financial year.	Audit procedures performed over this key audit matter were as follows: • Evaluated management's assessment of impairment indicators for the vessels; and • For vessels which had impairment indicators, the audit procedures performed on management's VIUs were as follows: • Checked that the valuation methodologies have been consistently applied from prior years and across the Group; • Benchmarked key assumptions used by management in the VIU calculations such as charter rates and vessel utilisation levels to market data such as oil prices, interest rates and market outlook for the oil & gas sector; • Assessed reliability of management's prior years assumptions on utilisation levels and charter rates to evaluate robustness of management's assumptions by backtesting to actual utilisation levels and revenue earned against prior year's projections; • Compared management's discount rates against the industry's weighted average cost of capital with the assistance from our internal experts; • Tested the mathematical accuracy of the VIU calculations prepared by management; and • Evaluated the adequacy of the Group's disclosures included in Note 16 of the consolidated financial statements. Based on the procedures performed, no material exception was noted.

Independent auditors' report to the members of Yinson Holdings Berhad (cont'd)

(Incorporated in Malaysia) (Company No. 259147-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
Assessing the impact of expected credit loss ("ECL") model on the trade and other receivables of the Group *Refer to Note 24 to the financial statements.* **YHB Group's trade and other receivables** As at 31 January 2019, the total gross trade and other receivables reported in the consolidated financial statements was RM484.4 million. Of this amount, RM55.2 million had been provided for impairment loss. We focused on the carrying value of trade and other receivables as there are significant judgements and critical estimates made by management in determining loan loss allowances arising from applying ECL on these financial assets.	Audit procedures performed over this key audit matter were as follows: **YHB Group's trade and other receivables** In assessing the ECL model on the trade and other receivables, we performed the following audit procedures: • Discussed with management to understand the underlying assumptions used in the simplified approach under MFRS 9 when determining the ECL for trade and other receivables; • Reviewed the appropriateness of key assumptions used in the simplified approach impairment model and testing mathematical accuracy of the model used; and • Tested the accuracy of the ageing against supporting documents on a sample basis. Based on the procedures performed, no material exception was noted.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
Assessing the carrying value of equity investments in subsidiaries and amounts due from subsidiaries *Refer to Notes 19 and 24 to the financial statements.* **(a) YHB Company's equity investment in subsidiaries** As at 31 January 2019, the net carrying value of equity investments in subsidiaries reported in the Company's statement of financial position totalled RM790.5 million. During the current financial year, the equity investments in certain subsidiaries were written down by RM3.5 million as the recoverable amounts were lower than the corresponding carrying values. We focused on the carrying value of equity investments in subsidiaries as the recoverable amounts are subject to significant judgement and critical estimates made by management over the key assumptions used in projected cash flows and the discount rates. **(b) YHB Company's amounts receivable from subsidiaries** As at 31 January 2019, the amounts receivable from subsidiaries reported in the Company's statement of financial position amounted to RM1,181.6 million. During the current financial year, the amounts receivable from subsidiaries were impaired by RM101.9 million as a result of applying ECL. We focused on the carrying value of amounts receivable from subsidiaries as there are significant judgements and critical estimates made by management in determining the ECL.	Audit procedures performed over this key audit matter were as follows: **(a) YHB Company's equity investments in subsidiaries** In assessing the recoverable amounts of equity investments in subsidiaries, we performed the following audit procedures: • Evaluated management's assessment of impairment indicators; • For equity investments which had impairment indicators, assessed the VIU from discounted cash flows used by management to determine the recoverable amounts; • Agreed the projected cash flows to the budgets approved by the Board of Directors; • Discussed with management the key assumptions used in the valuation model and checked these to supporting documentation; and • Back-testing actual historical cash flow results to previous forecasts to ascertain the robustness of forecasts. **(b) YHB Company's amounts receivable from subsidiaries** In assessing the ECL model on the amounts receivable from subsidiaries, we performed the following audit procedures: • Discussed with management to understand the underlying assumptions used in the general 3-stage impairment model under MFRS 9 when determining the ECL for amounts receivable from subsidiaries; • Reviewed the appropriateness of key assumptions used in the 3-stage impairment model and testing mathematical accuracy of the model used; and • Tested the accuracy of the ageing against supporting documents on a sample basis. We evaluated the adequacy of the impairment charges that was recognised and the appropriateness of the disclosures included in the notes to the financial statements. Based on the procedures performed, no material exception was noted.

Independent auditors' report to the members of Yinson Holdings Berhad (cont'd)

(Incorporated in Malaysia) (Company No. 259147-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report, Chairman's Statement, Management Discussion and Analysis, Sustainability Statement, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control, Report on Audit Committee and Statement on Directors' Responsibility, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

(d) Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

TIANG WOON MENG
02927/05/2020 J
Chartered Accountant

Kuala Lumpur
6 May 2019

Analysis of shareholdings

As at 2 May 2019

Issued Share Capital : RM1,124,134,595.60 of 1,093,437,473 ordinary shares
No. of Treasury Shares held : 13,328,600
Voting Rights : One vote per ordinary share

ANALYSIS OF SHAREHOLDINGS (According to the Record of Depositors as at 2 May 2019)

Adjusted capital after excluding treasury shares

Range	No. of Holders	% of Holders	No. of Shares	% of Shares
Less than 100	275	10.26	4,597	0.00
100 to 1,000	481	17.95	316,776	0.03
1,001 to 10,000	957	35.71	4,415,126	0.41
10,001 to 100,000	587	21.90	20,995,900	1.94
100,001 to 54,005,442 *	378	14.10	857,419,274	79.38
54,005,443 and above **	2	0.07	196,957,200	18.23
	2,680	100.00	1,080,108,873	100.00

Remark: * - Less than 5% of issued shares
** - 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS (According to the Company's Register of Substantial Shareholders as at 2 May 2019)

	Name	Direct Interest No. of Shares	Direct Interest %^	Indirect Interest No. of Shares	Indirect Interest %^
1	Lim Han Weng	168,820,415	15.63	103,692,985[1]	9.60
2	Kumpulan Wang Persaraan (Diperbadankan)	94,066,400	8.71	18,922,900[2]	1.75
3	Employees Provident Fund Board	137,736,900	12.75	–	–
4	Bah Kim Lian	72,711,985	6.73	176,696,615[3]	16.36

1 Deemed interested by virtue of his spouse and children direct shareholdings in the Company pursuant to Section 59(11)(c) of the Companies Act 2016 and Liannex Corporation (S) Pte Ltd and Yinson Legacy Sdn Bhd direct shareholding in the Company pursuant to Section 8(4) of the Companies Act 2016
2 Deemed interested in the shares held by Kumpulan Wang Persaraan (Diperbadankan)'s Fund Manager pursuant to Section 8 of the Companies Act 2016
3 Deemed interested by virtue of her spouse and children direct shareholdings in the Company pursuant to Section 59(11)(c) of the Companies Act 2016
^ Net of treasury shares

Lim Han Weng and Bah Kim Lian by virtue of their interests in the shares of the Company are also deemed interested in shares of all the Company's subsidiaries to the extent that the Company has an interest.

DIRECTORS SHAREHOLDINGS (As per Register of Director's Shareholdings as at 2 May 2019)

Name	Direct Interest				Indirect Interest			
	No. of Shares	%^	No. of Options	%*	No. of Shares	%^	No. of Options	%*
Lim Han Weng	168,820,415	15.63	2,670,000	14.02	103,692,985[1]	9.60	2,780,000	14.59
Bah Kim Lian	72,711,985	6.73	–	–	176,696,615[2]	16.36	5,450,000	28.61
Lim Han Joeh	36,661,376	3.39	–	–	–	–	–	–
Lim Chern Yuan	61,200	0.01	1,880,000	9.87	–	–	–	–

1 Deemed interested by virtue of his spouse and children direct shareholdings in the Company pursuant to Section 59(11)(c) of the Companies Act 2016 and Liannex Corporation (S) Pte Ltd and Yinson Legacy Sdn Bhd direct shareholding in the Company pursuant to Section 8(4) of the Companies Act 2016

2 Deemed interested by virtue of her spouse and children direct shareholdings in the Company pursuant to Section 59(11)(c) of the Companies Act 2016

^ Net of treasury shares

* The Company had offered total of 19,048,000 options under the Employees' Share Scheme as at 2 May 2019

30 LARGEST SHAREHOLDERS (According to the Record of Depositors as at 2 May 2019)

	Name	No. of Shares	%^
1	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	102,990,800	9.54
2	Kumpulan Wang Persaraan (Diperbadankan)	93,966,400	8.70
3	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for AIA Bhd.	51,225,900	4.74
4	Kenanga Nominees (Tempatan) Sdn Bhd Pledged securities account for Lim Han Weng	28,000,000	2.59
5	Kenanga Nominees (Tempatan) Sdn Bhd Pledged securities account for Bah Kim Lian (LHWRC)	27,972,027	2.59
6	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Trinity View Sdn Bhd (PBCL-0G0556)	26,700,000	2.47
7	AmSec Nominees (Tempatan) Sdn Bhd Pledged securities account - Ambank (M) Berhad for Lim Han Weng	23,814,585	2.20
8	AmSec Nominees (Tempatan) Sdn Bhd Pledged securities account - Ambank Islamic Berhad for Lim Han Weng	23,261,642	2.15
9	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Bah Kim Lian (PB)	23,100,000	2.14
10	HSBC Nominees (Tempatan) Sdn Bhd Exempt AN for BNP Paribas Singapore Branch (Local)	21,310,000	1.97
11	DB (Malaysia) Nominees (Tempatan) Sendirian Berhad Exempt AN for Bank of Singapore Limited	20,625,000	1.91
12	Maybank Nominees (Tempatan) Sdn Bhd Pledged securities account for Lim Han Weng	20,200,000	1.87

Analysis of shareholdings (cont'd)

As at 2 May 2019

	Name	No. of Shares	%^
13	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Trinity View Sdn Bhd (PB)	18,397,000	1.70
14	Lim Han Weng	18,027,928	1.67
15	Maybank Investment Bank Berhad IVT (10)	17,292,700	1.60
16	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged securities account for Lim Han Weng	17,271,050	1.60
17	CIMB Group Nominees (Tempatan) Sdn Bhd Yayasan Hasanah (AUR-VCAM)	16,185,000	1.50
18	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Pledged securities account for Lim Han Weng	15,000,000	1.39
19	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (LSF)	14,704,800	1.36
20	Kenanga Nominees (Tempatan) Sdn Bhd Pledged securities account for Bah Kim Lian	13,986,013	1.29
21	DB (Malaysia) Nominee (Asing) Sdn Bhd Deutsche Bank AG Singapore for Liannex Corporation (S) Pte Ltd (Maybank SG)	13,680,000	1.27
22	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank New York (Norges Bank 1)	13,181,600	1.22
23	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged securities account for Lim Han Weng	12,727,272	1.18
24	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Nomura)	12,150,800	1.12
25	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Commerce Trustee Berhad - Kenanga Growth Fund	11,226,500	1.04
26	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (LPF)	10,937,000	1.01
27	Liannex Corporation (S) Pte Ltd	9,424,800	0.87
28	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Islamic Trustee Berhad for Affin Hwang Multi-Asset Fund	9,000,000	0.83
29	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank New York (Norges Bank 14)	8,996,980	0.83
30	Maybank Nominees (Tempatan) Sdn Bhd Mtrustee Berhad for CIMB Islamic Dali Equity Growth Fund (UT-CIMB-DALI)(419455)	8,973,200	0.83
		704,328,997	65.18

^ Net of treasury shares

List of properties

Details of all the properties owned by the Group and the Company as at 31 January 2019 are set out as follows:-

Location	Description of Existing Use	Tenure (expiry date/year)	Age of Building (years)	Land Area (sq.m)/ Gloss Built up Area (sq m)	Fair Value/ Net Book Value (RM'000)	Last Date of Revaluation (R) / Acquisition (A)	Owner
INVESTMENT PROPERTIES							
Unit A1-27-2 Residensi St Mary No. 1, Jalan Tengah, 50250 Kuala Lumpur	Service residence	Freehold land	7	370	3,358	R: 31.1.2019	Yinson Mawar Sdn Bhd
Unit A1-27-3 Residensi St Mary No. 1, Jalan Tengah, 50250 Kuala Lumpur	Service residence	Freehold land	7	340	3,024	R: 31.1.2019	Yinson Mawar Sdn Bhd
Unit C1-27-1 Residensi St Mary No. 1, Jalan Tengah, 50250 Kuala Lumpur	Service residence	Freehold land	7	555	4,828	R: 31.1.2019	Yinson Mawar Sdn Bhd
Unit C1-27-2 Residensi St Mary No. 1, Jalan Tengah, 50250 Kuala Lumpur	Service residence	Freehold land	7	340	2,966	R: 31.1.2019	Yinson Mawar Sdn Bhd
Unit C2-27-1 Residensi St Mary No. 1, Jalan Tengah, 50250 Kuala Lumpur	Service residence	Freehold land	7	340	2,966	R: 31.1.2019	Yinson Mawar Sdn Bhd
Unit C2-27-2 Residensi St Mary No. 1, Jalan Tengah, 50250 Kuala Lumpur	Service residence	Freehold land	7	340	2,966	R: 31.1.2019	Yinson Mawar Sdn Bhd

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the TWENTY-SIXTH ANNUAL GENERAL MEETING of YINSON HOLDINGS BERHAD will be held at **Pullman Ballroom 2, Level 2, Pullman Kuala Lumpur Bangsar, No. 1, Jalan Pantai Jaya, Tower 3, 59200 Kuala Lumpur** on **Thursday, 11 July 2019** at **10.30 a.m.** or any adjournment thereof, to transact the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 January 2019 together with the Reports of the Directors and Auditors thereon.	**Please refer to Note 1 of the Explanatory Notes**
2. To approve the payment of a Final Single Tier Dividend of 2 sen per ordinary share in respect of the financial year ended 31 January 2019.	**Ordinary Resolution 1**
3. To approve the payment of Directors' fees of RM1,437,890.42 for the financial year ended 31 January 2019.	**Ordinary Resolution 2**
4. To approve the payment of Directors' benefits of up to RM300,000.00 for the period from 12 July 2019 until the next Annual General Meeting of the Company to be held in 2020.	**Ordinary Resolution 3**
5. To re-elect the following Directors who are retiring by rotation in accordance with Clause 96 of the Constitution of the Company and being eligible, have offered themselves for re-election:	
(i) Mr Lim Han Weng	**Ordinary Resolution 4**
(ii) Dato' Mohamad Nasir bin Ab. Latif	**Ordinary Resolution 5**
6. To re-elect Datuk Abdullah bin Karim, who is retiring in accordance with Clause 101 of the Constitution of the Company and being eligible, has offered himself for re-election.	**Ordinary Resolution 6**
7. To re-appoint PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 31 January 2020 and to authorise the Directors to fix their remuneration.	**Ordinary Resolution 7**
8. To transact any other business of which due notice shall be given.	

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolutions with or without modifications:

9. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** — **Ordinary Resolution 8**

"THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company and approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and any other governmental/regulatory authorities, the Directors of the Company be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to allot shares in the Company at any time and upon such terms and conditions and for such purposes and to such persons whomsoever as the Directors of the Company may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors of the Company be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company after the approval was given, or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is earlier, unless revoked or varied by a resolution of the Company at a general meeting."

10. **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")** **Ordinary Resolution 9**

"THAT subject to Section 127 of the Companies Act 2016 ("the Act") , the Constitution of the Company, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authorities, approval be and is hereby given to the Company, to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company, provided that:

(i) the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution shall not exceed ten percent (10%) of the total number of issued shares of the Company as at any point of purchase; and
(ii) the maximum fund to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements (where applicable) available at the time of the purchase.

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares purchased in their absolute discretion in the following manner:

(i) to cancel all the shares so purchased; and/or
(ii) to retain the shares so purchased as treasury shares for distribution as dividends to the shareholders and/or resell the treasury shares on the stock market of Bursa Securities in accordance with the relevant rules of Bursa Securities; and/or
(iii) to retain part of the shares so purchased as treasury shares and cancel the remainder of the shares so purchased; or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force.

THAT such authority conferred by this resolution shall commence upon the passing of this Ordinary Resolution and shall continue to be in force until:

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which such resolution was passed; or at which time it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
(b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
(c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first,

AND THAT the Directors of the Company be authorised to give effect to the Proposed Renewal of Share Buy-Back Authority with full power to assent to any modifications and/or amendments as may be required by the relevant authorities."

Notice of Annual General Meeting (cont'd)

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of shareholders at the Twenty-Sixth Annual General Meeting of the Company to be held on Thursday, 11 July 2019, a Final Single Tier Dividend of 2 sen per ordinary share in respect of the financial year ended 31 January 2019 will be paid on 28 August 2019 to the shareholders of the Company whose names appear in the Record of Depositors on 8 August 2019. The entitlement date for the dividend payment is on 8 August 2019.

A Depositor shall qualify for entitlement to the dividend only in respect of:

(a) Shares transferred into the Depositor's Securities Account before 4.30 p.m. on 8 August 2019 in respect of ordinary transfer; and
(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD
YINSON HOLDINGS BERHAD

WONG WAI FOONG (MAICSA 7001358)
TAN BEE HWEE (MAICSA 7021024)
LEE POH YEAN (MAICSA 7015043)
Company Secretaries

Kuala Lumpur
31 May 2019

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one (1) or more proxies to attend and vote in his stead. A proxy may, but need not, be a member of the Company.

2. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.

3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

4. Where an authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

5. The instrument appointing a proxy shall be in writing signed by the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

6. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially or certified copy of that power or authority shall be deposited at the Company's Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

7. Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements, all resolutions set out in this notice will be put to vote on a poll.

8. Depositors who appear in the Record of Depositors as at 4 July 2019 shall be regarded as member of the Company entitled to attend the Annual General Meeting or appoint a proxy to attend, speak and vote on his/her behalf.

EXPLANATORY NOTES ON ORDINARY BUSINESS:

1. ITEM 1 OF THE AGENDA – RECEIPT OF REPORT AND AUDITED FINANCIAL STATEMENTS

The Audited Financial Statements together with the reports of the Directors and Auditors in Agenda item no. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Act, does not require a formal approval of shareholders. Hence, this item on the Agenda is not put forward for voting.

2. ORDINARY RESOLUTION 2 & 3 – DIRECTORS' FEES AND BENEFITS

In January 2018, the Nominating and Remuneration Committee ("NRC") had reviewed the fees and benefits of the Board and Board Committees taking into consideration the market trends for similar positions, time commitment and responsibilities of the respective Directors. The NRC has recommended for revision of Directors' fees and benefits to be at par with the current market rate of the same business sector across regions and to commensurate with the Directors' commitment, experiences and expertise for discharging their duties.

Having considered the magnitude of the Group's on-going FPSO projects bidding and venturing into new business platforms, the Board approved the following revision of Directors' fees and benefits with effect from 1 February 2018. The structure of revised Directors' fees and benefits are as follows:

Type of Fees	RM
Board of Directors fees	
Non-Executive Director/Independent Director	200,000/annum
Executive Director	50,000/annum
Chairman of the Board	60,000/annum
Audit Committee/Board Risk Management Committee fees	
Committee Chairman fees	30,000/annum
Committee Member fees	20,000/annum
Other Board Committees	
Committee Chairman fees	20,000/annum
Committee Member fees	10,000/annum

Type of Benefits	RM
Meeting Attendance Allowance	
Board Meeting and General Meeting Allowances	2,000/meeting
Board Committees Allowances	1,000/meeting

The details of the Directors' fees and benefits for the financial year ended 31 January 2019 are set out in the Corporate Governance Overview Statement as contained on pages 85 and 86 of the 2019 Annual Report.

Payment of the Directors' fees for the financial year ended 31 January 2019 amounting to RM1,437,890.42 will be made by the Company if the proposed Ordinary Resolution 2 is passed at the forthcoming Annual General Meeting.

Payment of the Directors' benefits will be made by the Company as and when incurred if the proposed Ordinary Resolution 3 is passed.

3. ORDINARY RESOLUTION 7 – RE-APPOINTMENT OF AUDITORS

The Board, with Audit Committee's recommendation, at its meeting held on 6 May 2019 endorsed for the re-appointment of PricewaterhouseCoopers PLT as External Auditors of the Company for the financial year ending 31 January 2020 be presented to the shareholders for approval.

Notice of Annual General Meeting (cont'd)

EXPLANATORY NOTES ON SPECIAL BUSINESS:

4. ORDINARY RESOLUTION 8 – AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE ACT

The proposed Ordinary Resolution 8 is a renewal of the previous year's general mandate for issuance of shares by the Company under Sections 75 and 76 of the Act. The Ordinary Resolution, if passed, will empower the Directors of the Company, from the date of the Twenty-Sixth Annual General Meeting, to issue and allot new ordinary shares of the Company of up to ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors of the Company consider would be in the best interest of the Company. This authority, unless earlier revoked or varied by the Company at a General Meeting, will expire at the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is earlier.

The authority to issue shares pursuant to Sections 75 and 76 of the Act will provide flexibility and expediency to the Company for any possible fund raising activities involving the issuance or placement of shares to facilitate business expansion or strategic merger and acquisition opportunities involving equity deals or part equity or to fund future investment project(s) or for working capital requirements, which the Directors of the Company consider to be in the best interest of the Company. The approval is sought to avoid any delay and cost in convening a general meeting to approve such issuance of shares.

As at the date of this Notice, the Company did not issue any new shares pursuant to the general mandate granted to the Directors at the Twenty-Fifth Annual General Meeting of the Company held on 12 July 2018 and the mandate will lapse at the conclusion of the Twenty-Sixth Annual General Meeting. A renewal of this authority is being sought at the Twenty-Sixth Annual General Meeting.

5. ORDINARY RESOLUTION 9 – PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The proposed Ordinary Resolution 9, if passed will empower the Company to purchase its own ordinary shares up to ten per centum (10%) of the total number of issued shares of the Company.

Please refer to the Statement to Shareholders in relation to the Proposed Renewal of Share Buy-Back Authority dated 31 May 2019 accompanying Annual Report 2019 of the Company for further information on the Proposed Renewal of Share Buy-Back Authority.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

No Director is standing for election at the forthcoming Twenty-Sixth Annual General Meeting.

Administrative details

For the 26th Annual General Meeting

REGISTRATION

1. Registration will start at 9.00 a.m. in front of Ballroom 2, Level 2 of Pullman Kuala Lumpur Bangsar ("Pullman KL Bangsar") and the Annual General Meeting ("AGM") will start at 10.30 a.m. We strongly encourage you to be there early for ease of registration.

2. Please produce your original Identity Card or valid Passport (collectively referred to as Identification) at the registration counter for verification purposes. Please ensure that you collect your Identification upon completion of registration. You are strictly not allowed to register on behalf of another individual even if you can produce the original Identification of said individual.

3. You will be given the following upon registration:
   a. Wristband;
   b. One Refreshment Voucher and one Lunch Voucher ("Meal Vouchers").

4. Each attendee who is present as shareholder or proxy or corporate representative; or as representative of more than one (1) shareholder is entitled to one (1) set of Meal Vouchers only. If there are two (2) proxies appointed by a shareholder, they will still be entitled to one (1) set of Meal Vouchers only. The Meal Vouchers will be given to the first proxy to register at the registration counter.

DURING AGM

1. You are required to wear the Wristband upon entrance to the meeting venue and throughout the AGM. There will be no replacement in the event the Wristband is lost, stolen or misplaced.

2. Shareholders/proxies will be given a voting device to cast his/her vote via electronic poll voting. Please follow the instructions given by the poll administrator at the AGM.

REFRESHMENT

1. Shareholders/proxies will be served with free flow coffee and tea only. Please redeem your refreshment packs by producing your Refreshment Voucher after registration.

2. After AGM, you may proceed to the lunch venue at the ground floor of Pullman KL Bangsar. Please produce your Lunch Voucher before entrance.

3. Lost, stolen or misplaced Meal Vouchers will not be replaced or reimbursed.

OTHER MEETING DETAILS

1. Free WIFI is available at Pullman KL Bangsar for the convenience of shareholders/proxies. Please turn off or silence your mobile phone during the AGM.

2. Only indoor parking at Pullman KL Bangsar (subject to availability and excluding valet parking) is eligible for parking validation. You are required to exchange your parking ticket strictly at the registration counter only.

3. Lost, misplaced or stolen tickets or any other transportation fee/parking receipts that are not specifically from Pullman KL Bangsar's indoor parking will not be reimbursed or replaced.

ENQUIRY

1. For enquiries prior to the AGM, please contact Yinson Holdings Berhad's Group Corporate Secretary Department at +603 2289 3888 or the following contact on Mondays to Fridays from 9.00 a.m. to 6.00 p.m. except public holidays:

   Share Registrar
   Messrs Securities Services (Holdings) Sdn Bhd

   Mr Wong Piang Yoong
   En Hisham Hashim

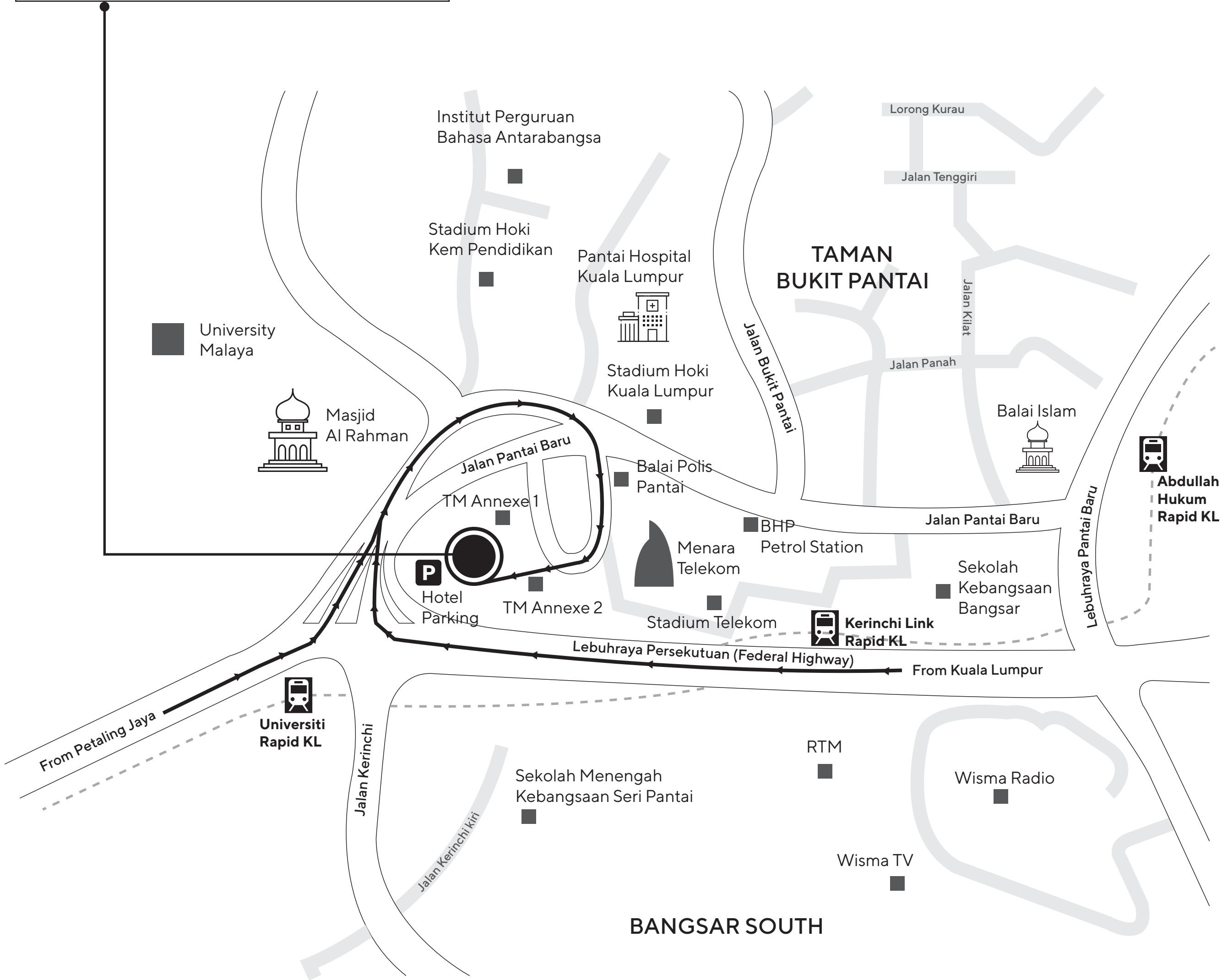
   Tel: +603 2084 9000

Administrative details (cont'd)

For the 26th Annual General Meeting

Venue of 26th Annual General Meeting:

PULLMAN KUALA LUMPUR BANGSAR
No. 1, Jalan Pantai Jaya, Tower 3,
59200 Kuala Lumpur,
Malaysia
Tel: +603 2298 1888
Fax: +603 2298 1999



YINSON

YINSON HOLDINGS BERHAD
(Company No. 259147-A)
(Incorporated in Malaysia)

Form of Proxy

No. of shares held:	
CDS Account No.:	

Tel No. ____________________
(During Office hours)

*I/We ______________________________ NRIC/Passport/Company No ____________________
(Name in full)

of ____
(Full Address)

being member(s) of YINSON HOLDINGS BERHAD, hereby appoint:

Proxy 1			
Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	**Proportion of Shareholdings**	
		No. of Shares	**%**
Full Address			

and/or (delete as appropriate)

Proxy 2			
Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	**Proportion of Shareholdings**	
		No. of Shares	**%**
Full Address			

or failing him/her, the Chairman of the Meeting as *my/our proxy/proxies to attend and vote for *me/us and on *my/our behalf at the Twenty-Sixth Annual General Meeting of the Company to be held at **Pullman Ballroom 2, Level 2, Pullman Kuala Lumpur Bangsar, No. 1, Jalan Pantai Jaya, Tower 3, 59200 Kuala Lumpur** on **Thursday, 11 July 2019 at 10.30 a.m.** or any adjournment thereof, as indicated below:

Item	**Agenda**			
1.	To receive the Audited Financial Statements for the financial year ended 31 January 2019 together with the Reports of the Directors and Auditors thereon			
		Ordinary Resolution	**For**	**Against**
2.	Payment of a Final Single Tier Dividend	1		
3.	Payment of Directors' fees for the financial year ended 31 January 2019	2		
4.	Payment of Directors' benefits for the period from 12 July 2019 until the next Annual General Meeting to be held in 2020	3		
5.	Re-election of Mr Lim Han Weng as Director	4		
6.	Re-election of Dato' Mohamad Nasir bin Ab. Latif as Director	5		
7.	Re-election of Datuk Abdullah bin Karim as Director	6		
8.	Re-appointment of Messrs PricewaterhouseCoopers PLT as Auditors	7		
Special Business				
9.	Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016	8		
10.	Proposed Renewal of Share Buy-Back Authority	9		

Please indicate with an "X" in the spaces provided on how you wish your votes to be cast. If no specific direction as to voting is given, your proxy will vote or abstain from voting at his discretion.

Dated this day ______________ of ______________ 2019

____

* Signature/Common Seal of Shareholder
* Delete if not applicable

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one (1) or more proxies to attend and vote in his stead. A proxy may, but need not, be a member of the Company.

2. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.

3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

4. Where an authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

5. The instrument appointing a proxy shall be in writing signed by the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

6. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially or certified copy of that power or authority shall be deposited at the Company's Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

7. Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements, all resolutions set out in this notice will be put to vote on a poll.

8. Depositors who appear in the Record of Depositors as at 4 July 2019 shall be regarded as member of the Company entitled to attend the Annual General Meeting or appoint a proxy to attend, speak and vote on his/her behalf.

Please fold here to seal

Affix Postage Stamp

The Share Registrar
YINSON HOLDINGS BERHAD (259147-A)
c/o Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium, Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Please fold here to seal

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