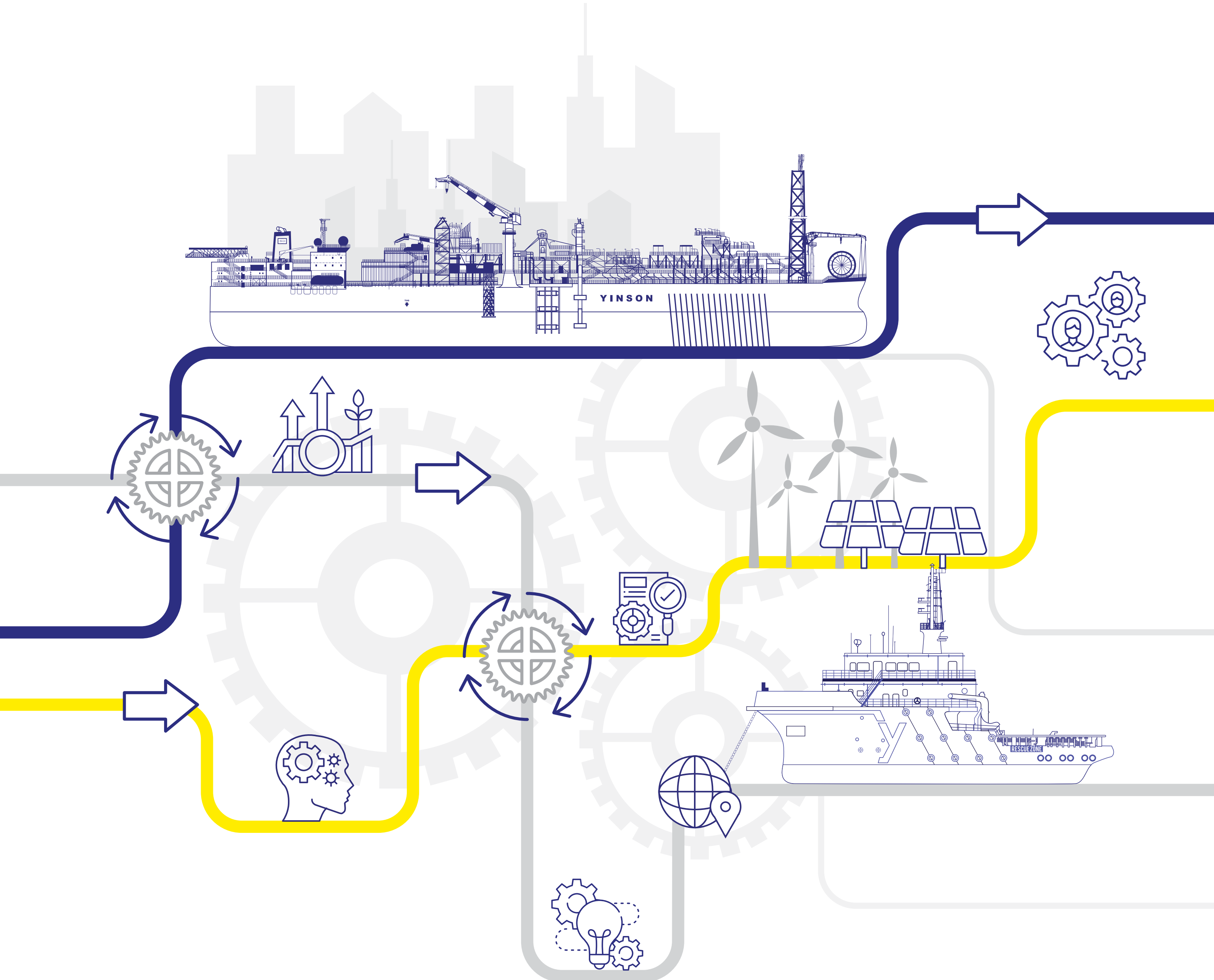

GEARED FOR GROWTH

ANNUAL REPORT 2020

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

WHAT'S INSIDE

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LIST OF ABBREVIATIONS

Scan to learn more about Yinson
www.yinson.com

About our theme, Geared for Growth

FYE 2020 started with great promise, as new opportunities emerged in the FPSO industry and the oil and gas market performed steadily. 'Geared for growth' is a reflection of the investments and effort Yinson put into building our execution, financial and operational capacity in line with this growth. In this report, we share how we have invested into this growth for greater stakeholder value, and how this has positioned us to be resilient for the challenges ahead.

ABOUT THIS REPORT

Yinson is pleased to present our Annual Report for the financial year ended 31 January 2020. In this report, we aim to provide a concise and transparent overview of our ability to create sustainable value for our stakeholders.

Through this report, Yinson ("the Company" or "the Group") aims to provide insight into our business model, changes in the external environment, and the arising risks and opportunities. We also detail our strategic response to these material issues and outline the governance structures which support the delivery of our strategic objectives.

In reading this report, we hope you will gain a greater understanding of how our business model relies on financial, manufactured, organisational, human, social & relationships and natural capitals as well as how our operations impact them. We also share our financial and non-financial performance and our insights into the future outlook for the Group.

The scope of this report includes Yinson and the subsidiaries which we have control over. The report covers the financial reporting period 1 February 2019 to 31 January 2020 ("FYE 2020").

In compiling this report, we have considered the following frameworks and guidelines:

- International Integrated Reporting Framework 2013 ("<IR> Framework")
- Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR") Guidelines, Sustainability Reporting Guidelines, Sustainability Reporting Toolkit and Corporate Governance Guide (3rd edition)
- The Malaysian Code on Corporate Governance 2017 ("MCCG")
- Global Reporting Initiative ("GRI") Standards
- International Petroleum Industry Environmental Conservation Association's Oil and Gas Industry Guidance on Voluntary Sustainability Reporting
- Industry best practices where relevant.

Materiality

The principal of materiality has been applied in assessing and deciding on the disclosures and content of this report. An item is considered material if it could substantively influence the decisions of the Group and its stakeholders, affecting our ability to create value over the short, medium and long term.

Assurance

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 FYE 2020. As required by Paragraph 15.23 of the Bursa Securities 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.

Board approval

The Board of Directors ("Board") acknowledges its responsibility to ensure the integrity of this report and has applied its collective mind to the preparation and presentation of this report. To the best of its knowledge and belief, the Board opines that this report is presented in accordance with the <IR> Framework and addresses all material issues. The Board confirms that it has approved the release of this Annual Report 2020.

Forward-looking statements

This report contains certain forward-looking statements with respect to Yinson's financial position, results, operations and businesses, which we believe to be realistic at the time this report is issued. These statements 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.

Let us know what you think

Please email corpcomms@yinson.com to provide feedback on this report and the type of information you would like to see in future reports.

Read Yinson's Annual Report 2020 via our interactive microsite
In line with Yinson's commitment to sustainability and the environment, we have reduced the number of hardcopy reports printed this year. We encourage you to read this report on our interactive microsite, available at **www.ar.yinson.com/2020**, also accessible by scanning this QR code.

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CHAIRMAN'S STATEMENT

On behalf of the Board, I am pleased to present to you Yinson's Annual Report 2020. This year, in line with our commitment to sustainability and the environment, we have made this report available to you digitally on our dedicated microsite. We hope you enjoy the interactive experience.

2019 proved to be a more stable year for global oil prices. Unlike the year before, the oil price ended in the vicinity of USD63 per barrel in contrast to the year's opening price of USD58 per barrel. Fluctuations during the year were less volatile compared to the numerous crests and troughs experienced in 2018. No doubt 2019's high of USD75 per barrel did not breach the previous financial year's high of almost USD85, however, it was a much more stable environment for the oil and gas industry.

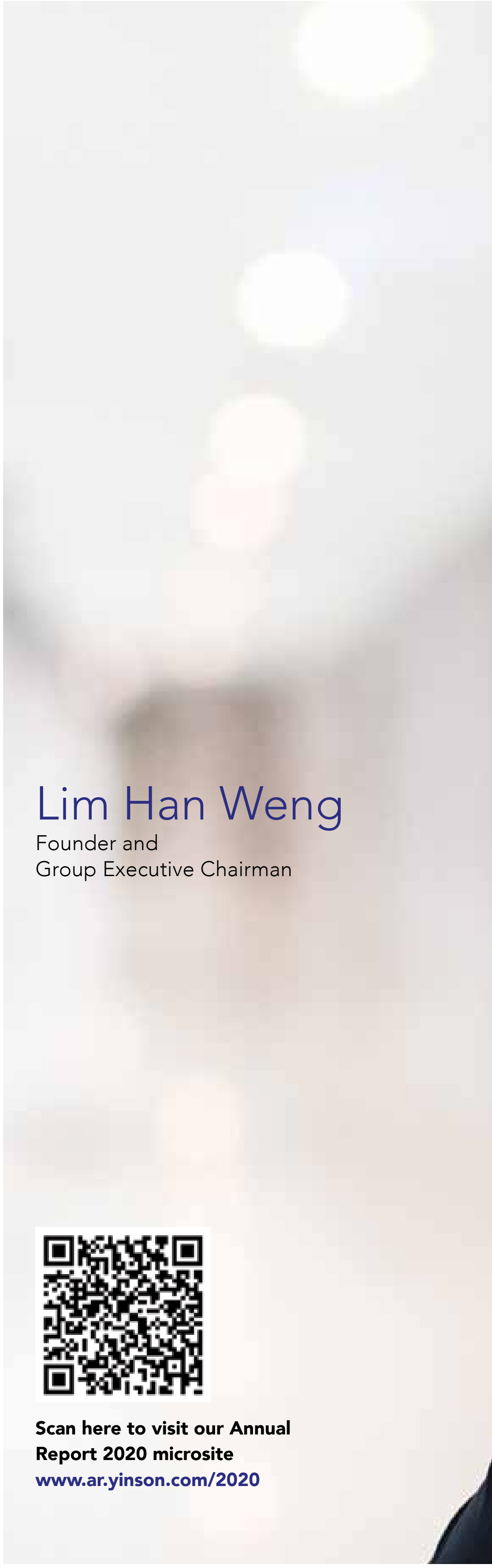
Benefiting from the stable environment and a brighter industry outlook, the activities of the floating production storage and offloading ("FPSO") industry gained momentum with more than 10 contracts awarded in 2019, a 50% increase compared to 2018. With that said, Yinson had our share of contracts bagged during the year, boosting our orderbook to approximately USD10.23 billion.

Remarkable FYE 2020

The financial year under review was undoubtedly full of highlights as we made our maiden entry into Malaysian waters through the deployment and achievement of first gas of FPSO Helang. On top of that, we also saw our first FPSO redeployment project to Nigeria as well as our first bid and project win in Brazil, the world's largest FPSO market.

With so much progress thus far, it is imperative that we deploy our business strategies with caution and ensure stability in our current operations through upkeeping our excellent average fleet uptime track record.

We are also humbled and honoured as our investor engagements have continued to be recognised. During the year, we were conferred with the 'ASEAN - Most Honoured Company Award' by Institutional Investor. With only 20 companies receiving this award out of 260 ranked companies, resulting from votes of nearly 2,500 investment professionals from 892 financial services firms, the win echoes Yinson's belief in building rock solid and lasting relationships with its investors. Indeed, the award inspires us to further enhance our existing robust investor relations programme.



Lim Han Weng
Founder and
Group Executive Chairman

Scan here to visit our Annual Report 2020 microsite
www.ar.yinson.com/2020

In addition, both our Kuala Lumpur and Singapore offices received the 'Best Companies to Work for in Asia Award 2019' by HR Asia. The award honours companies with outstanding employer practices and employee engagement across the Asian region. We consider our employees as one of our most important stakeholders, and these awards are an acknowledgement of the continuous efforts we devote to creating a vibrant, progressive workplace that puts them first.

These latest recognitions join our previous years' awards namely honours from the Malaysian Institute of Corporate Governance, IFN, IFR Asia, Asset Asia, Alpha Southeast Asia and The Edge Billion Ringgit Club, just to name a few.

Rewarding our shareholders

To reward our shareholders for their continued support, we distributed RM64.76 million in dividends in FYE 2020, representing 2 sen per ordinary share and 4 sen per ordinary share dividend declared for FYE 2019 and FYE 2020 respectively.

Yinson has further recommended a final dividend of 2 sen per ordinary share for FYE 2020, to be tabled to shareholders for approval at Yinson's forthcoming 27th Annual General Meeting ("AGM").

The declared and proposed dividends quantum is kept to a fairly stable level although Yinson's financial position has strengthened.

CHAIRMAN'S STATEMENT

Yinson is always mindful of the need to balance between rewarding shareholders while ensuring sufficient funding in line with the Group's business expansion plans.

Share price performance

Yinson's share price grew exponentially during the year, from RM4.08 on the first day of the financial year under review to RM7.17 in early July 2019. Our strong fundamentals and contract wins, along with the positive outlook of global oil price, ensured that the share price was sustained at that level into the second half of the year. As at the date of this report, as a result of the global economy slowdown due to the Covid-19 pandemic and weaker oil price since March 2020, the share price has been hovering around RM5.00. We believe that Yinson's strong fundamentals will ensure that the share price remains resilient and in a good position to regain its ground when the global economy recovers.

Market outlook

As we pen down our plans for the year ahead, we are anticipating the possibility of a global recession in the form of a double whammy caused by the collapse of oil price and the effects of a prolonged Covid-19 outbreak. It has been a bleak start to 2020 for most oil and gas companies across the supply chain, with oil prices falling below USD30 per barrel.

As gloomy as it may be, our Management has steered Yinson through downcycles of the oil and gas market in 2014 before, and we are confident that we will weather the storm once again.

Moving forward, against global economic headwinds, it is expected to be more challenging. By adjusting to the uncertain oil price environment, high cost producers are cutting development plans. However, some low-cost producers are still pushing forward on the development of their more prolific fields. The next market which Yinson will venture into is Brazil. Brazil's Petróleo Brasileiro S.A. ("Petrobras") is still issuing tenders, with one of them being a tender for the Mero-4 floater, despite the current economic situation. With that said, we opine that there will still be contracts to be awarded depending on the economic viability of the oil field. We will continue to tread cautiously during this period and will only take on contracts that significantly add to shareholders' value.

Sustainability

'Building trust' has been a strong focus for Yinson which we have been progressively and intentionally investing in over the years. We believe that a foundation of trust will ensure our sustainable growth for many years to come. To this end, we have been working hard to create avenues that encourage open and transparent dialogue, so that we can engage with and be accountable to all our stakeholders. Sustainability is one of Yinson's Core Values, and something that we believe needs to be instilled in every decision we make in order to achieve long term success for Yinson.

In line with our sustainability focus, the Board deliberated and supported several milestone developments that will strengthen the Group in the longer term. This includes the Group's first renewables venture in India, our new Human and Labour Rights ("HLR") Policy, determination of our material matters and a refresh of our Sustainability Policy.

Yinson's Board and Management further strengthened

We are pleased to welcome two new Directors to Yinson's Board this financial year. Puan Rohaya binti Mohammad Yusof was appointed as Non-Independent Non-Executive Director and Puan Sharifah Munira bt. Syed Zaid Albar as Independent Non-Executive Director on 1 January 2020. On that same date, we also announced the redesignation of Dato' Mohamad Nasir bin AB Latif from Non-Independent Non-Executive Director to Independent Non-Executive Director. The appointments have indeed further strengthened the Board's ability to lead the Group towards meeting the objectives and goals of Yinson. The diversity and experience of the Board has been enhanced, increasing our ability to make stronger decisions in the best interest of the Group.

Our Key Management team was also strengthened this year in line with our growth. We welcomed David Brunt, Chief Executive Officer ("CEO") of our Renewables Division in October 2019, marking the beginning of our diversification into renewable energy. Then just recently on 1 May 2020, Eirik Barclay moved into the corporate role of Group Executive Vice President of New Ventures and Technology, while Flemming Grønnegaard took up Eirik's previous role as CEO, Offshore Production. We congratulate Eirik and Flemming on their new roles. Also on 1 May 2020, we welcomed Rolf Normann as Chief Operations Officer, Offshore Production. The wealth of knowledge and experience brought into the Group by these appointments positions Yinson to remain relevant as a leader in the energy business for many years to come.

Appreciation

On behalf of the Board, I would like to express our appreciation to the authorities, our clients, financiers, vendors and advisors for the continuous support rendered to us. Your support played a very important role in helping us move forward and achieve our various milestones along the way.

Within the Group, a big thank you to our global Yinson family, you are forever Yinson's core. Let's continue to live up to all our Core Values! Thank you for your commitment and dedication all these years and for many more years to come.

LIM HAN WENG
Founder and
Group Executive Chairman

Yinson is a values-based organisation. We empower and align our team through our shared Vision, Mission and Core Values, which we believe is the key to delivering greater value to our stakeholders.

VISION

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

MISSION

Passionately delivering **powerful** solutions

CORE VALUES

Reliable

We always deliver on our commitments.

Open

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

Adaptable

We understand our stakeholders and collaborate to realise our common goals.

Decisive

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

Sustainable

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

ABOUT YINSON

Yinson is one of the world's leading energy solutions providers, with a presence in 11 countries. We design, construct, own and operate modern, purpose-built assets for the energy industry.

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 an FSO vessel, FSO PTSC Bien Dong 01, which paved the way for Yinson to win a contract for the charter of an FPSO vessel, FPSO PTSC Lam Son.

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 MOPU.

By mid-2016, Yinson divested its non-oil and gas businesses, streamlining the business to specifically serve the offshore oil and gas industry. We are now a full-fledged FPSO company, boasting a main fleet of six FPSOs (of which two are under conversion) and one FSO, complemented by four OSVs. We currently also have two tankers available for conversion into FPSOs.

Gearing for growth, Yinson recently diversified into a third business division – Renewables.

ABBREVIATIONS

FPSO
Floating Production Storage and Offloading

FSO
Floating Storage and Offloading

OSV
Offshore Support Vessel

MOPU
Mobile Offshore Production Unit

OUR BUSINESS

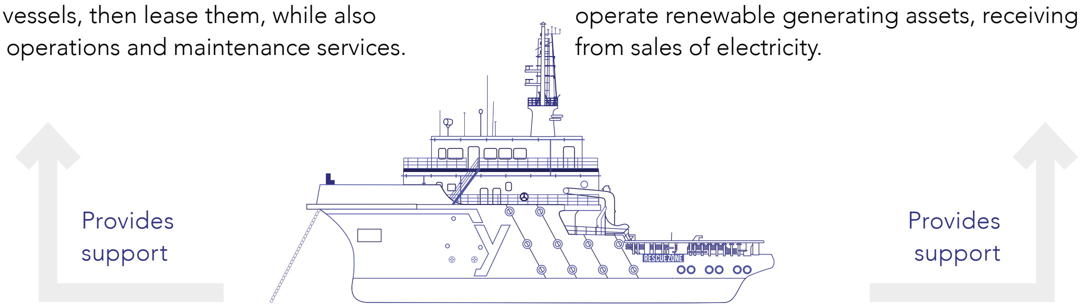
The Group is organised into three major business divisions namely Offshore Production, Renewables and Offshore Marine.

Offshore Production

Yinson provides integrated services for the offshore oil and gas industry. We design and construct vessels, then lease them, while also providing operations and maintenance services.

Renewables

Yinson's 5 to 10 year vision is for renewables to be a major revenue stream, where we will build, own, and operate renewable generating assets, receiving income from sales of electricity.



Offshore Marine

Own → Charter → Operate

Yinson's Offshore Marine Division is a supporting revenue stream for the Group, where we own, operate and charter OSVs to support services to the energy industry.

CORPORATE INFORMATION

AUDITORS

PricewaterhouseCoopers PLT

COMPANY SECRETARIES

Wong Wai Foong (202008001472) (MAICSA 7001358)
Tan Bee Hwee (202008001497) (MAICSA 7021024)
Lee Poh Yean (202008002980) (MAICSA 7015043)

REGISTERED OFFICE
CORPORATE OFFICE

BO2-A-18, Menara 3
No. 3, Jalan Bangsar, KL Eco City
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Tel: +603 2289 3888
Fax: +603 2202 1038
Email: info@yinson.com
Website: www.yinson.com

SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium, Jalan Damanlela
Pusat Bandar Damansara, Damansara Heights
50490 Kuala Lumpur, Malaysia
Tel: +603 2084 9000
Fax: +603 2094 9940

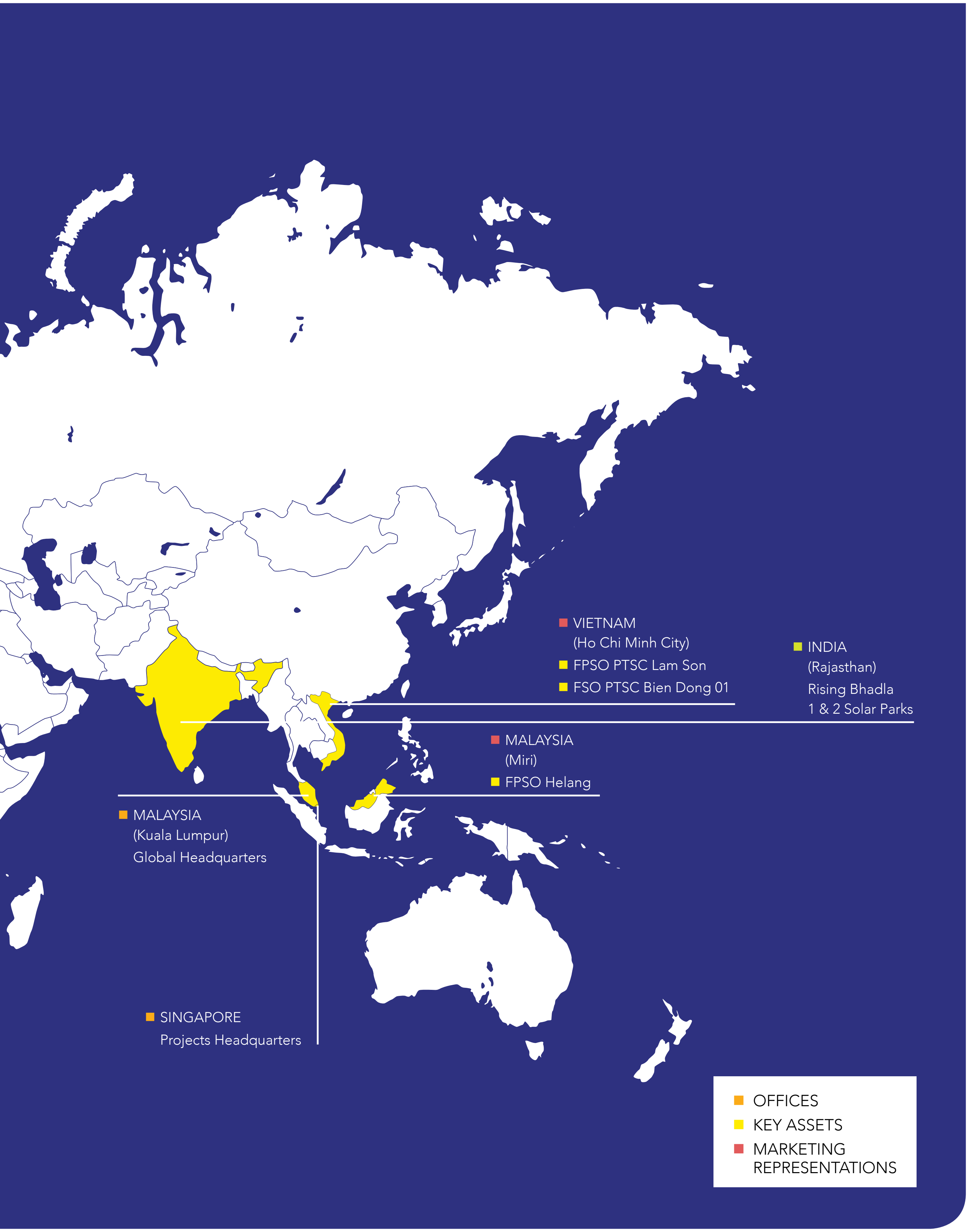
STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock name: Yinson
Sector: Energy
Stock code: 7293

PRINCIPAL BANKERS AND FINANCIERS

AmBank (M) Berhad
Bank of China (Malaysia) Berhad
CIMB Bank Berhad
Clifford Capital Pte Ltd
Crédit Industriel Et Commercial
Credit Suisse AG
DBS Bank Ltd
Development Bank of Japan, Inc
Export-Import Bank of Malaysia Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
ING Bank N.V
Intesa Sanpaolo S.p.A
Malayan Banking Berhad
Mizuho Bank, Ltd
MUFG Bank, Ltd
Natixis
Oversea-Chinese Banking Corporation Limited
Societe Generale
Standard Chartered Bank
Sumitomo Mitsui Banking Corporation
Taipei Fubon Commercial Bank Co. Ltd
The Bank of East Asia Limited
The Korea Development Bank
United Overseas Bank

OUR GLOBAL PRESENCE


VIETNAM
(Ho Chi Minh City)
FPSO PTSC Lam Son
FSO PTSC Bien Dong 01
INDIA
(Rajasthan)
Rising Bhadla
1 & 2 Solar Parks
MALAYSIA
(Miri)
FPSO Helang
MALAYSIA
(Kuala Lumpur)
Global Headquarters
SINGAPORE
Projects Headquarters
OFFICES
KEY ASSETS
MARKETING
REPRESENTATIONS

KEY ASSETS

OFFSHORE PRODUCTION ASSETS

FPSO Adoon

Block OML 123, Nigeria

Charterer
Addax Petroleum

Storage capacity
1,700,000 barrels

Mooring
Spread

Production capacity
Oil : 60,000 BOPD
Liquid : 140,000 BLPD
Gas Comp : 7 MMSCFD
Water Inj : 50,000 BWPD

Contract commencement
17 October 2006

Contract duration (firm)
2006 — 2022

Remaining contract tenure as at 31 January 2020 (firm)
2 years 8 months

Ownership
100% Yinson

Uptime
Above 99%

FPSO PTSC Lam Son

Block 1-2/97, Vietnam

Charterer
PTSC

Storage capacity
600,000 barrels

Mooring
External turret

Production capacity
Oil : 18,000 BOPD
Liquid : 28,000 BLPD
Gas Comp : 47 MMSCFD
Water Inj : 15,000 BWPD

Contract commencement
1 July 2017

Contract duration (firm)
2017 — 2021

Remaining contract tenure as at 31 January 2020 (firm)
1 year 5 months

Ownership
51% PTSC, 49% Yinson

Uptime
Above 99%

FSO PTSC Bien Dong 01

Block 05-2/05-3, Vietnam

Charterer
PTSC

Storage capacity
350,000 barrels

Mooring
Internal turret

Production capacity
-

Contract commencement
4 June 2013

Contract duration (firm + options)
2013 — 2033

Optional extension
5 + 2 + 2 + 1 years

Remaining contract tenure as at 31 January 2020 (firm + options)
13 years 4 months

Ownership
51% PTSC, 49% Yinson

Uptime
Above 99%

FPSO John Agyekum Kufuor

Offshore Cape Three Points (OCTP) Block, Ghana

Charterer
ENI

Storage capacity
1,400,000 barrels

Mooring
Spread

Production capacity

Oil	: 58,000 BOPD
Liquid	: 75,000 BLPD
Gas Inj	: 165 MMSCFD
Gas Exp	: 210 MMSCFD
Water Inj	: 55,000 BWPD

Contract commencement
4 June 2017

Contract duration (firm + options)
2017 — 2037

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

Remaining contract tenure as at 31 January 2020 (firm + options)
17 years 4 months

Ownership
74% Yinson, 26% Japanese consortium

Uptime
Above 99%

KEY ASSETS

OFFSHORE PRODUCTION ASSETS

FPSO Helang

Block SK10, Malaysia

Charterer
JX Nippon

Storage capacity
550,000 barrels

Mooring
Internal turret

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

Contract commencement
6 December 2019

Contract duration (firm + options)
2019 — 2037

Optional extension
10 X 1 years

Remaining contract tenure as at 31 January 2020 (firm + options)
17 years 10 months

Ownership
100% Yinson

Uptime
Above 99%

FPSO Anna Nery

Marlim in Campos Basin, Brazil
(Currently under conversion and is on schedule for deployment in Q2 2023)

Charterer
Petrobras

Storage capacity
1,600,000 barrels

Mooring
Spread

Production capacity
Oil : 70,000 BOPD
Liquid : 250,000 BLPD
Gas Comp : 142 MMSCFD
Water Inj : 240,000 BWPD

Contract commencement
2023

Contract duration (firm)
2023 — 2048

Remaining contract tenure as at 31 January 2020 (firm)
25 years from deployment scheduled in 2023

Ownership
75% Yinson, 25% Sumitomo

Uptime
-

FPSO Abigail-Joseph

OML 83 & 85, Nigeria

(Currently being commissioned, on schedule for deployment in Q2 2020)

Charterer
FIRST E&P

Storage capacity
870,000 barrels

Mooring
Spread

Production capacity
Oil : 50,000 BOPD
Liquid : 60,000 BLPD
Gas Lift : 15 MMSCFD
Gas Inj : 39 MMSCFD

Contract commencement
2020

Contract duration (firm + options)
2020 — 2035

Optional extension
2 + 6 X 1 years

Remaining contract tenure as at 31 January 2020 (firm + options)
15 years

Ownership
100% Yinson

Uptime
-

ABBREVIATIONS

BOPD
Barrels of oil per day

BLPD
Barrels of liquid per day

BWPD
Barrels of water per day

MMSCFD
Million standard cubic feet per day

KEY ASSETS

OFFSHORE MARINE ASSETS

YINSON HERMES

Vessel type
AHTS; DPS-1

LOA
59.25 m

Accommodation
42 pax

Horsepower
5,150 BHP

Bollard pull
68 tonnes

PTSC LAM KINH

Vessel type
AHTS; DPS-1

LOA
60.00 m

Accommodation
40 pax

Horsepower
5,150 BHP

Bollard pull
60 tonnes

YINSON PERWIRA

Vessel type
AHTS; DPS-2

LOA
70.7 m

Accommodation
40 pax

Horsepower
10,800 BHP

Bollard pull
128 tonnes

PTSC HUONG GIANG

Vessel type
PSV; DPS-2

LOA
69.9 m

Accommodation
50 pax

Horsepower
5,400 BHP

Clear deck space
600 m^2

ABBREVIATIONS

AHTS Anchor handling tug supply

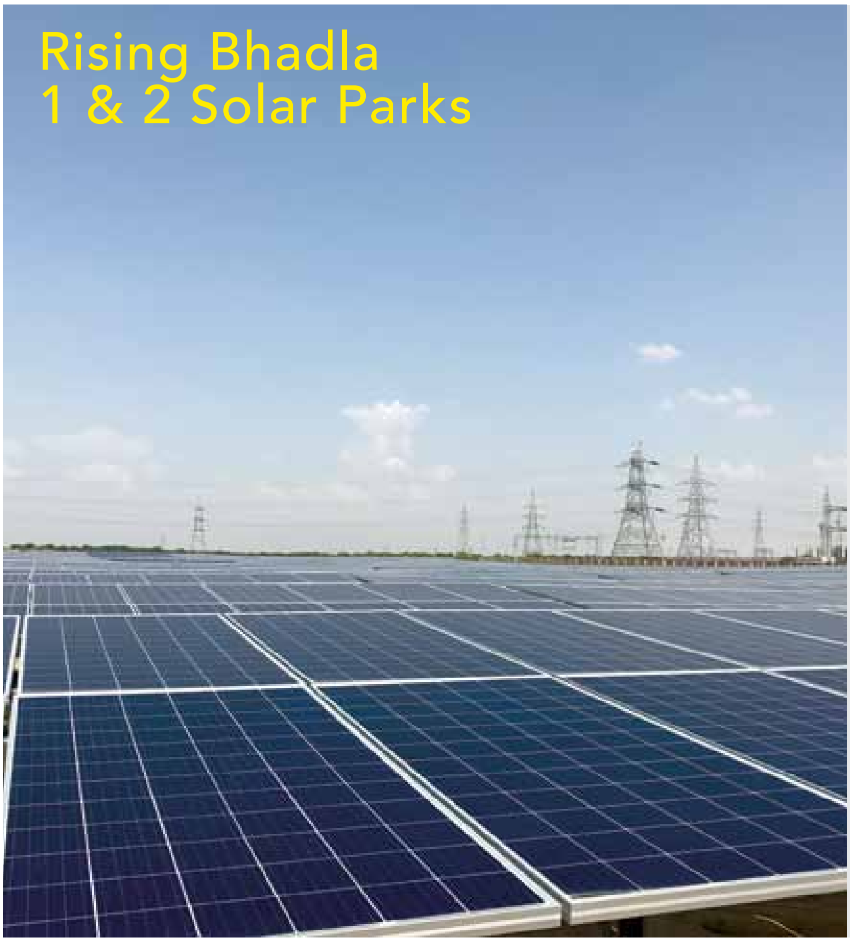
LOA Length overall

BHP Brake horsepower

PSV Platform supply vessel

RENEWABLES ASSETS

In March 2020, Yinson acquired 37.5% of Rising Sun Energy Private Limited ("RSE"), an India-incorporated company with two adjoining operational solar plants in the Bhadla Solar Park, Rajasthan, India. This acquisition marks Yinson's diversification into renewables.



Asset holding and management company
Rising Sun Energy Private Limited

Counterparty
NTPC Limited (formerly National Thermal Power Corporation)

Location/country
Bhadla Solar Park, Rajasthan, India

Generation capacity
140MW (AC) / 175 MWp (DC)

Photovoltaic (PV) module type
Solar panels (Canadian Solar & JA Solar)

Mounting structure
Seasonal tilt (5°/30°)

Inverters
ABB

Grid connection
132 kV

Long-term estimated annual electricity production (P50 – 2020)
298 000 MWh/year

Commercial operations date
2017

Power purchase agreement term
25 years (2017 – 2042)

Ownership
37.5% Yinson

Plant availability
Above 99%

ABBREVIATIONS

MW	**MWp**	**kV**	**MWhv**
Megawatt	Megawatt peak	Kilovolt	Megawatt-hour

KEY EVENTS

2019

FEBRUARY

12 Feb
Secured contract for the operations and maintenance of FPSO Helang.

18 Feb
Entered into a Letter of Agreement with Sumitomo Corporation ("Sumitomo") for a potential joint venture for the FPSO Anna Nery project.

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

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

28 Feb
Secured contracts for the charter, operations and maintenance of FPSO Abigail-Joseph.

APRIL

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

JUNE

17 Jun
Tenure of FPSO Adoon extended for an additional four years with retrospective effect from 17 October 2018 to 16 October 2022.

MARCH

20 Mar
Signing ceremony for the provision of operations and maintenance services for FPSO Helang.

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

29 Mar
Began partnership with Teach For Malaysia ("TFM") Foundation.

31 Mar
Announced multiple agreements for the proposed acquisition of liftboats operator Ezion Holdings Limited ("EHL"), a Singapore public-listed company that owns, charters and operates offshore assets including liftboats.

20 Jun
Japanese consortium completed the final payment for the sale of a 26% stake in FPSO John Agyekum Kufuor ("FPSO JAK"), for a final consideration of USD117 million.

23 Jun
Participated in Asia Oil & Gas Conference 2019.

JULY

11 Jul
Held 26th AGM.

KEY EVENTS

JULY

13 Jul
Launched League of Extraordinary Apprentices Programme ("L.E.A.P") at GRADUAN® Aspire Career Fair 2019.

18 Jul
Co-taught with TFM at a high-needs school in Malaysia.

23 Jul
Participated in 2019 iAdvisory Seminar on Africa's Oil & Gas Opportunities.

19 Sep
Launched Yinson Scholars Programme for students in Takoradi, Ghana.

20 Sep
Held opening ceremony of Yinson's Miri office, Sarawak, Malaysia.

26 Sep
Sponsored International Coastal Clean-up Day, which saw Yinsonites cleaning beaches in Kuala Lumpur, Miri and Singapore.

25 Jul
Held naming ceremony for FPSO Helang.

SEPTEMBER

10 Sep
Participated in FPSO World Congress 2019.

16 Sep
Notice on termination of contract due to a prolonged force majeure event for Ca Rong Do field development in Vietnam.

KEY EVENTS

OCTOBER

1 Oct
Renewables Division established.

5 Oct
Participated in GRADUAN® – MASCA Australia Career Fair 2019.

9 Oct
Hosted Norwegian Energy Partners in Singapore office.

11 Oct
Awarded two Letters of Intent ("LOI") by Petrobras for the charter, operations and maintenance of FPSO Anna Nery.

21 Oct
Won 'Best Companies to Work for in Asia 2019 Award', Singapore chapter.

31 Oct
Hosted inaugural stakeholder engagement event, 'sYnergy'.

NOVEMBER

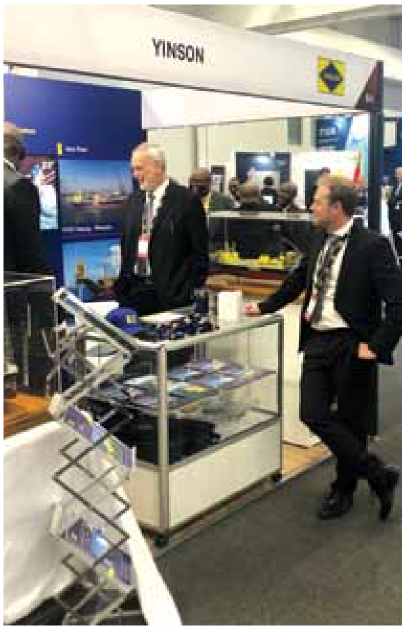
2 Nov
FPSO Abigail-Joseph project team participated in Plant-A-Tree programme in Singapore.

11 Oct
Received 'ASEAN – Most Honoured Company Award 2019' from Institutional Investor.

18 Oct
Oslo office ran for hope at Rosa sløyfe-løpet 2019, the Norwegian chapter of the Pink Ribbon Run.

8 Nov
Won 'Best Companies to Work for in Asia 2019 Award', Malaysia chapter. This recognition is the 2nd consecutive award for the Yinson Kuala Lumpur ("KL") office.

8 Nov
Participated in Africa Oil Week 2019.



KEY EVENTS

18 Nov
Signed USD800 million refinancing agreement with 13 local and international banks for FPSO JAK.

2020

JANUARY

9-10 Jan
Inaugural 'Yinson Up' human capital development event for leaders.

FEBRUARY

26 Feb
FPSO Abigail-Joseph sets sail for Nigeria.

28 Feb
Announced agreements for the proposed acquisition of EHL.

18 Nov
FPSO Adoon achieves eight years Lost Time Injury ("LTI") free.

DECEMBER

5 Dec
Regulus Offshore Sdn Bhd (subsidiary of Yinson) awarded 'Best HSE Performance in 2019'.

6 Dec
FPSO Helang achieves timely delivery of first gas.

MARCH

16 Mar
Signed long-term bareboat charter contract for FPSO PTSC Lam Son, effective from 1 July 2017 until 30 June 2021. This retrospectively replaces the interim contract which has been extended multiple times since 2017.

23 Mar
Firm contract signed with Petrobras for the FPSO Anna Nery project.

31 Mar
Acquired 37.5% stake in RSE, an India-incorporated company with two operational solar plants in Rajasthan, India.

APRIL

14 Apr
Completed USD800 million refinancing deal for FPSO JAK.

28 Apr
Concluded agreement with Sumitomo for their participation in the FPSO Anna Nery project with a 25% stake.

GROUP STRATEGY

Yinson's Group Strategy consists of its Business Strategy and Divisional Strategies

DIVISIONAL STRATEGIES

	Short-term goals	Medium-term goals	Long-term goals
OFFSHORE PRODUCTION	Deliver FPSO Abigail-Joseph on time and on budget. Build competent teams for Brazil project(s).	Execute large project(s) in Brazil on time and on budget. Seek potential assets to complement and enhance FPSO business.	Velocitise capital and monetise long-term FPSO projects through divestment of holding company to selected partners in order to secure new projects to achieve faster growth in the FPSO industry.
RENEWABLES	Build lean and focused team and grow initial portfolio quickly through acquisition of assets/ existing players. Initiate greenfield development.	Achieve significant presence in selected core markets. Drive value across entire value chain through efficient capital recycling.	Develop, build and operate multiple renewable assets globally to become a major revenue stream for the Group.
OFFSHORE MARINE	Maintain strong operational uptime and utilisation rate for existing vessels.	Realise synergistic value through acquisition of assets that can complement existing fleet.	Strengthen the Group's position by leveraging on these newly created platforms.

GROUP FINANCIAL HIGHLIGHTS

Financial year ended 31 January	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000
Revenue +	424,398	543,255	910,156	1,034,899	**2,519,340**
Profit before tax +	292,760	213,179	361,770	343,861	**331,118**
Profit after tax and minority interests	224,663	197,048	292,179	234,896	**209,909**
Share capital &	546,399	1,099,462	1,099,490	1,101,090	**1,106,639**
Total equity	2,253,384	2,406,173	2,633,158	3,623,977	**3,773,869**
Number of ordinary shares issued ('000)	1,092,798	1,092,798	1,092,808	1,093,245	**1,094,745**
Weighted average number of ordinary shares in issue ('000)	1,067,154	1,090,185	1,088,201	1,095,957	**1,091,160**
Total assets	4,839,810	6,290,329	6,450,419	8,083,300	**9,515,405**
Total liabilities	2,586,426	3,884,156	3,817,261	4,459,323	**5,741,536**
Total borrowings +	1,654,151	3,393,173	3,010,158	3,149,730	**3,830,403**
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA) +	345,452	273,163	649,803	801,160	**770,195**
Basic earnings per share (sen) #	21.05	18.07	26.85	21.43	**19.24**
Dividends rate (sen)	2.00	16.60	10.00	6.00	**4.00**
Net Assets Per Share (RM) ^	2.06	2.20	2.41	3.31	**3.45**
Gearing (times) +	0.73	1.41	1.14	0.87	**1.01**
Net Gearing (times) +	0.52	1.14	0.87	0.51	**0.63**
Adjusted Revenue +@	648,633	775,618	1,085,157	1,194,229	**2,672,244**
Adjusted Core EBITDA +@	437,540	532,547	822,672	897,451	**865,363**
Adjusted Core EBITDA Margin (%) +@	67.46	68.66	75.81	75.15	**32.38**
Adjusted Net Debt +@	1,779,136	3,135,655	2,242,175	1,853,779	**2,474,508**
Adjusted Net Debt / Adjusted Core EBITDA (times) +@	4.07	5.89	2.73	2.07	**2.86**

^ *Computed based on number of ordinary shares issued as at financial year end*

Computed based on weighted average number of ordinary shares in issue as at financial year end

+ *Amount exclude discontinued operations for financial years 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 became 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 and/or Net Debt plus the Group's share of financial results and/or Net Debt of its joint ventures and associates*

YINSON'S COVID-19 RESPONSE

Amid the unprecedented challenges arising from the Covid-19 pandemic, Yinson will continue to stand strong, united and adaptable. Yinson is committed to doing our part in the global energy supply chain so that vital energy products can continue to be provided to countries and communities during this time of crisis. We continue to prioritise the safety of our employees and crew, deliver on our commitments to all stakeholders and provide support to the local communities where we operate.

OUR PEOPLE

The mental and physical health and wellbeing of our employees and crew will always take precedence. For peace of mind, our employees and crew are given access to Covid-19 test kits, enhanced medical coverage and mental health services. Our onshore employees are fully equipped to work from home, allowing business functions to operate as usual. Having implemented elective work from home prior to the pandemic made the transition to full work from home much easier for the organisation. As for our offshore personnel, we have put in place additional strict quarantine procedures into our crew change procedures, social distancing support for those arriving from offshore, additional health screenings and provision of personal protective equipment ("PPE"). We keep closely in touch with our people through regular check-ins with direct reports, virtual town halls, lunch and learn sessions, quiz events and team building activities.

Human Capital (pg 84)

OUR OPERATIONS AND PROJECTS

Yinson's fleet uptime remains above 99%, maintained through a robust crewing retention and support programme, which has been enhanced to adapt to restrictions. With invaluable support from our clients, vendors, partners and other stakeholders, we have thus far been able to keep the FPSO Anna Nery conversion on track as per project schedule and are fully committed to meeting all project milestones. During this period, we also achieved several corporate milestones, including the signing of the firm contract for FPSO Anna Nery with Petrobras, conclusion of an agreement with Sumitomo for their 25% stake in the same project, and the completion of a USD800 million refinancing deal for FPSO JAK with 13 local and international banks. We believe our Core Values, Reliable, Open, Adaptable, Decisive and Sustainable, will help ensure consistent and aligned productivity across all our business units.

Manufactured Capital (pg 63), MD&A (pg 128)

AIDING OUR COMMUNITIES

Yinson has been actively supporting our frontliners and local communities. To date, Yinson has contributed over RM1 million in medical protective equipment and other needed supplies to support the fight against Covid-19, with donated items including face masks, medical protective equipment, face shields, sterile surgical gowns, hygiene kits and healthy meals to various hospitals and healthcare organisations. To ensure our efforts address the needs on the frontline, we worked closely with Malaysian Red Crescent Society for the bulk of the contributions. In the spirit of collaboration, we also funded an orphanage's efforts to produce 5,000 face shields to meet society's need for PPE. As the situation gradually improves and restrictions are lifted, Yinson will shift our focus to contribute actively to post recovery efforts, especially in the communities where we operate.

United in the fight against Covid-19 (pg 115)

FINANCIAL POSITION

Covid-19 poses a significant threat to the global oil and gas industry. The drastic actions taken to reduce the spread of the virus as well as the resultant global economic shutdown has seen a glut of oil supply and a sudden drop in oil demand. Oil prices may further decline if the economic downturn is further exacerbated by the continuing spread of Covid-19. While these are mitigated by the fact that the Group's revenue comes primarily from long term fixed priced contracts with reputable oil companies, we will continue to monitor and assess macro developments in order to take pre-emptive and proactive measures to mitigate adverse impacts, as and when necessary. The Group has strengthened its liquidity position by drawing on its longer-term loans and will reassess the situation if needed.

Financial Capital (pg 50), MD&A, (pg 128)


KNOCK ADOO

2

EXTERNAL ENVIRONMENT

EXTERNAL ENVIRONMENT

The external environment that Yinson operates in are key contributing factors to our business' viability.

Yinson is well positioned to act on the opportunities presented by these external variables. Yinson uses our materiality matrix to better target our efforts and management of sustainability topics. Further information on how we mitigate these risks and consider these opportunities are found within our six Capitals, listed after our commentary on each external variable.

GLOBAL ECONOMY

Overview

- Global growth could slow to its lowest reading since the Great Depression as the Covid-19 pandemic weighs on. This is exacerbated by cities and countries being 'locked down', restricting the flow of goods, services and people.
- The trade war between China and US, rise in trade barriers and dislocation of supply chains could worsen macroeconomic stress and geopolitical tensions.

Risks

- Global recession risk is heightened, given a protracted outbreak of Covid-19. Aggregated demand is expected to fall sharply.
- Through these challenging times, Yinson's operations and projects continue to be on track. Yinson has successfully completed a USD800 million refinancing exercise for FPSO JAK, adding liquidity to buffer the Group.

Opportunities

- Governments and Central Banks could conduct coordinated fiscal and monetary stimulus to prop up the global economy.
- The Federal Reserve ("the Fed") has cut interest rates twice to near-zero in March 2020 to help shore up the US economy amid the Covid-19 pandemic.
- The Fed has acted decisively to prevent the financial system from seizing up. It has entered into new territory and pledged to buy corporate bonds to help stabilise the market.

How Yinson mitigates this risk: Financial Capital (pg 50), MD&A (pg 128)

OIL AND GAS MARKET

Overview

- Oil and gas remains the largest contributor to the global energy mix. The contribution is expected to grow over the medium term, with demand peaking in 2030.
- The breakdown of OPEC+ talks in early-March saw oil prices plunging. However, OPEC+ turned around in April 2020 and agreed to production cuts to stabilise the oil market.
- With confinement measures in place in 187 countries due to Covid-19, the International Energy Agency predicted in April 2020 that this year's global oil demand will fall by 9.3 million barrels a day versus 2019.

Risks

- Oil is facing weak demand. Predictions in April 2020 are that demand will recover by year-end. However, considering the rapid changes in predictions over the past months, this is uncertain.
- Oil price volatility poses a threat to oil companies, especially those with higher production costs. To deal with the reduced revenues, most oil companies will, or already have, introduced significant capex reductions.

Opportunities

- The oil shock could curb US shale oil production. This may hasten global supply and demand back to an equilibrium.
- Notwithstanding the temporal dip in the oil market, global oil and gas demand is set to grow in the next decade.
- Green movement and IMO 2020 could see higher demand for cleaner fuels and fuels with lower sulphur content.

How Yinson mitigates this risk: Group strategy (pg 30), Financial Capital (pg 50), MD&A (pg 128)

FPSO MARKET

Overview

- Discovery of deepwater assets in offshore Africa, Brazil, Mexico and Guyana will be driving the demand for FPSOs.
- South America, Africa and Asia constitute more than 75% of the global FPSO market. Brazil is the largest market for FPSOs on a country level.
- Petrobras is the single largest operator of FPSO vessels globally with almost 10% of the fleet. Other major oil companies such as BP, Chevron, CNOOC, ENI, Exxon, Shell and Total operate almost 20% of the FPSO fleet, while lease contractors still have a share of approximately 50% of the fleet.

Risks

- High customer concentration risk.
- Project executions may be impacted by financial markets due to Covid-19, causing potential delays.
- FPSO projects may be delayed by oil companies. The trend is that this mainly impacts EPC projects, while lease projects continue as planned.
- Inability to secure project financing, new projects or deferment in projects amid stiff competition and tightening financing conditions.

Opportunities

- Increased demand for FPSOs in Brazil, Africa, Mexico and Guyana.
- Increasing demand for FPSOs to support deepwater projects as shallower prospects are exhausted.
- Postponement of projects free up capacity in the supply chain which could result in lower cost and shorter delivery times for the projects being executed.

How Yinson mitigates this risk: Group strategy (pg 30), Financial Capital (pg 50), Business Development (pg 64), Projects (pg 65), Governance (pg 69), Social & Relationships Capital (pg 102), MD&A (pg 128)

EXTERNAL ENVIRONMENT

REGULATIONS

Overview	Risks	Opportunities
• Over 100 governments committed to updating their national climate plans in line with the Paris Agreement, and these enhanced climate plans aim to include all vital sectors. • The International Maritime Organisation ("IMO") has ruled that from 1 January 2020, marine sector emissions in international waters be slashed. The marine sector will have to reduce sulphur emissions by over 80% by switching to lower sulphur fuels.	• Increased pressure from governments to adopt cleaner energy. • Increased technical complexity in FPSO operating environment in areas such as water treatment, flaring, and emissions. • Geopolitical tensions, regional instability and territorial disputes could affect oil field concessions. • Higher compliance costs.	• Increased demand for FPSOs in Brazil. • Yinson's clean record with regulators gives us an edge in heavily regulated environments. • IMO sulphur regulations have the potential to be highly disruptive to the pricing and availability of compliant fuels. Growing demand for middle distillates could result in upward price pressure on fuels such as diesel and jet fuel. • Other capital providers could provide alternative funding solutions for new projects.

How Yinson mitigates this risk: Renewables assets (pg 21), Group strategy (pg 30), Sustainability-linked financing (pg 53), Renewables (pg 68) Governance (pg 69), Government and regulatory bodies (pg 107), Natural Capital (pg 120), MD&A (pg 128)

TECHNOLOGY

Overview	Risks	Opportunities
• Offshore projects in increasingly isolated locations and deep waters increase the need for robust remote monitoring and data-driven operations. • Blockchain has enormous potential to reduce the risk of fraud, errors, and invalid transactions in energy trading, while making financial transactions more efficient, facilitating regulatory reporting requirements, and enabling interoperability.	• Cybersecurity concerns – safeguarding of confidential information and data integrity due to increased cybersecurity attacks from external hackers.	• Production improvement and efficient decision-making utilising real-time data and information. • Cost savings and improvement performance from digitalisation of various areas such as finance, Health, Safety, Environment and Quality ("HSEQ") and procurement.

How Yinson mitigates this risk: Business systems and processes (pg 74), Building IT capabilities (pg 77), MD&A (pg 128)

ALTERNATIVE ENERGY SOURCES

Overview

- Growing concern over environmental damage and the conservation of materials and fuels.
- A clear shift towards renewables in the global energy mix, from around 15% in 2016 to over 20% in 2030, as government policies gear towards cleaner energy.
- The expansion of generation from wind and solar PV helps renewables overtake coal in the power generation mix in the mid-2020s. By 2040, low-carbon sources could provide more than half of total electricity generation.
- 2020 could herald the year of the electric car, with a wave of new models launching as the world's biggest manufacturers scramble to lower the carbon dioxide emissions of their products.

Risks

- Potential changes in investor preferences towards carbon-friendly investments.
- Financial risks resulting from the process of adjusting towards a low-carbon and climate-resilient economy.
- Inability to manage 'environmental image' may reduce ability to attract talent.

Opportunities

- Growing generation from wind and solar photovoltaic presents opportunities for increased investment in Yinson's Renewables Division. Yinson has ventured into the renewables market in FYE 2021 with the acquisition of solar parks in Rajasthan, India.
- Widespread adoption and advancement of renewables infrastructure to drive capex and operating costs down.
- Governments promoting green energy via grants, subsidies or tax incentives.
- Greater opportunity to demonstrate better and continual control of our environmental impact can strenghthen our credibility in the market, thereby attracting talent.

How Yinson mitigates this risk: Renewables assets (pg 21), Group strategy (pg 30), Sustainability-linked financing (pg 53), Renewables (pg 68), Utilise digitalisation tools for HSEQ improvements (pg 78), Natural Capital (pg 120), MD&A (pg 128)


YINSON
International
Coastal Clean-up
21 September 2019

3

SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

Sustainability is an important value driver for Yinson's business and operations. We present this year's Sustainability Statement through the six capitals, as defined by the <IR> Framework.

Yinson refreshed our Group-wide sustainability strategies in FYE 2020, following the successful completion of our three-year Sustainability Plan in FYE 2019. The updated strategy focuses on operationalising sustainability, with attention given to environmental, social and governance ("ESG") factors. Progress on the strategies are reviewed by the Sustainability Committee ("SC") on a quarterly basis and as required. Given that sustainability is a journey and not a goal, the resulting disclosed themes, initiatives and indicators in this report are intended to increase in scope and depth for future reports.

YINSON'S ALIGNMENT TO THE UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS

The 17 United Nations' Sustainable Development Goals ("SDGs") are a blueprint to achieve a better and more sustainable future for all.

As Yinson contributes to all SDGs in varying depths, we have strategically directed our efforts towards SDGs that are most synergistic with our business strategies and goals. We seek to further target our efforts by considering Inter-agency and Expert Group on SDG (IAEG-SDGs) documents. While we are cognisant of the varied possibilities and limitations of SDG alignment, we have identified the following SDGs for our focus:

SUSTAINABLE DEVELOPMENT GOALS

Quality education

TARGET 4:3	By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.
TARGET 4A	Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all.
TARGET 4B	By 2020, substantially expand globally the number of scholarships available to developing countries, particularly, the least developed countries, small island developing States and African countries, for enrolment in higher education, including vocational training, and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries.
TARGET 4C	By 2030, substantially increase the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially least developed countries and small island developing States.

YINSON'S METHODS OF IMPACT

We believe in education-enabled social inclusion. This is highlighted by our Corporate Social Responsibility ("CSR") efforts in high-need locales, including those in Ghana and Malaysia. Our CSR Committee actively engages with Non-Governmental Organisations to identify projects through which we can provide positive impact.

Corporate Social Responsibility (pg 110)

Affordable and clean energy

TARGET 7.1	By 2030, ensure universal access to affordable, reliable and modern energy services.
TARGET 7.2	By 2030, increase substantially the share of renewable energy in the global energy mix.

YINSON'S METHODS OF IMPACT

Yinson is in the midst of business diversification with the establishment of our Renewables Division in FYE 2020.

In addition, our CSR Committee has been working closely with local communities globally, where feasible, to provide renewable energy generation to areas or subjects that face energy issues.

Renewables assets (pg 21), Group strategy (pg 30), Renewables (pg 68), Corporate Social Responsibility (pg 110), MD&A (pg 128)

SUSTAINABILITY STATEMENT

8 DECENT WORK AND ECONOMIC GROWTH

Decent work and economic growth

TARGET 8.2	Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.
TARGET 8.5	By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.
TARGET 8.6	By 2020, substantially reduce the proportion of youth not in employment, education or training.
TARGET 8.8	Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

YINSON'S METHODS OF IMPACT

Yinson has employees from multiple nationalities across all our offices. Further, benchmark checks for employee benefits and remuneration are done to ensure that they are on par with industry standards.

In addition, we provide training for both employees and crew. Aside from being beneficial to Yinson, we aim to upskill our employees in order to improve their productivity and employability moving forward.

Manufactured Capital (pg 63), Recruitment and retention (pg 84), Personal and professional development (pg 86), Performance recognition (pg 88), Localisation (pg 89), Leveraging on digital technologies (pg 92), Diversity and inclusion (pg 93), Health and safety (pg 95)

14 LIFE BELOW WATER

Life below water

TARGET 14.1	By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from landbased activities, including marine debris and nutrient pollution.
TARGET 14.2	By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans.
TARGET 14.C	Enhance the conservation and sustainable use of oceans and their resources by implementing international law as reflected in the United Nations Convention on the Law of the Sea, which provides the legal framework for the conservation and sustainable use of oceans and their resources, as recalled in paragraph 158 of 'The future we want'.

YINSON'S METHODS OF IMPACT

Yinson's operations are aligned to international treaties on the conservation of the ocean such as those defined by the International Convention for the Prevention of Pollution from Ships ("MARPOL") as well as environment-friendly operational practices outlined by ISO 14001: Environment Management Systems.

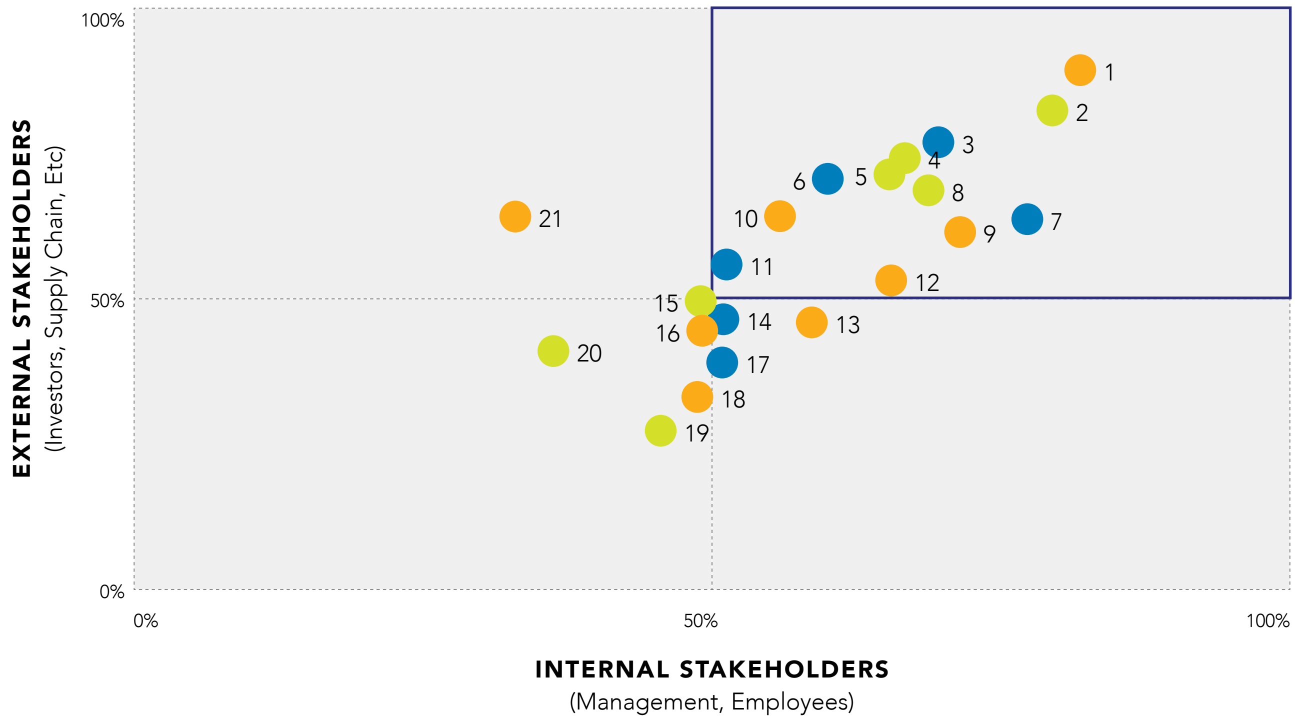
Corporate Social Responsibility (pg 110), Natural Capital (pg 120)

MATERIALITY

To be inclusive of our stakeholders with regards to our overall sustainability strategy, we underwent a stakeholders' materiality survey with both external (bankers, suppliers, investors, etc) and internal (management, employees) stakeholders to identify the relative importance of themes towards respective parties. The following diagram illustrates the results of the engagement exercise. For more on our stakeholders and how we engage with each party, please refer to Social & Relationships Capital.

Social & Relationships Capital (pg 102)

MATERIALITY MATRIX



Environment Social Governance

1 Operational Health & Safety	2 Pollution Management	3 Anti-Bribery & Anti-Corruption
4 Carbon Emissions Management	5 Waste Management	6 Sustainability Governance
7 Business Continuity & Performance	8 Energy Management	9 Employee Rights & Benefits
10 Anti-discrimination	11 Supply Chain Management	12 Training & Development
13 Workforce Diversity	14 Whistleblowing & Grievances	15 Water Management
16 Community Engagement	17 Information Technology Management	18 Customer Engagement
19 Material Management	20 Biodiversity Management	21 Child & Forced Labour

To better target our efforts and management of sustainability topics, Yinson has strategically focused its effort on the top 12 material topics as highlighted within Quadrant 1 of the diagram. Moving forward, we will expand into other areas in a tiered manner, starting with topics that are synergistic with the top 12 material topics.

Each of our material topics are elaborated to varying extents within the body of writeups in the respective Capitals. Please refer to the badges indicated in the legend.


YINSON

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OUR CAPITALS

48 How Yinson generates Value
50 Financial Capital
63 Manufactured Capital
69 Organisational Capital
84 Human Capital
102 Social & Relationships Capital
120 Natural Capital

ACHIEVING SUSTAINABLE GROWTH

Our ability to bring greater value to our stakeholders motivates us to perform our very best, because we believe that this is the key to sustainable growth.

We frame the value that we generate for our stakeholders through six capitals. Guided by our Vision, Mission and Core Values, we strive to manage our capitals in a way that achieves the desired outputs and outcomes for our stakeholders.

HOW YINSON GENERATES VALUE

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

MISSION Passionately delivering **powerful** solutions

CORE VALUES RELIABLE | OPEN | ADAPTABLE | DECISIVE | SUSTAINABLE

CAPITALS

FINANCIAL
The pool of available funds

MANUFACTURED
Physical materials and infrastructure

ORGANISATIONAL
Governance, systems and processes

HUMAN
Employees and crew

SOCIAL & RELATIONSHIPS
Interactions with our stakeholders

NATURAL
Environmental resources used in our processes

INPUTS

FINANCIAL
- Equity
- Loans and borrowings
- Cash
- Cash flow

MANUFACTURED
- Securing projects
- Building assets
- Operating assets

ORGANISATIONAL
Invest resources into:
- Corporate governance ("CG")
- Organisational structure
- Business systems and processes
- Company culture and communication

HUMAN
Invest resources into:
- Recruitment and retention
- Work-life balance
- Localisation
- Digital Human Resource ("HR") technologies
- Diversity and inclusion
- Health and safety

SOCIAL & RELATIONSHIPS
- Invest resources into engaging with all stakeholder groups to build trust and long-term relationships

NATURAL
- Air
- Energy
- Water
- Materials

VALUE CREATION PROCESS

BUSINESS DIVISIONS (PG 12)

OFFSHORE PRODUCTION | RENEWABLES | OFFSHORE MARINE

GROUP STRATEGY (PG 30)

Professional and skilled project management teams	Design, construct, own and operate model	Strong local presence in operating countries	Disciplined business and financial management
Securing opportunities with innovative and cost effective solutions	Good counterparties	Excellent track record in operations and maintenance	Long-term contracts and robust contractual terms

MATERIALITY MATTERS (PG 45)

ECONOMIC | SOCIAL | GOVERNANCE

UNITED NATIONS' SDGS (PG 42)

- **SDG 4** Quality Education
- **SDG 7** Affordable and Clean Energy
- **SDG 8** Decent Work and Economic Growth
- **SDG 14** Life Below Water

FIVE CORE PILLARS OF OUR BUSINESS (PG 132)

BUSINESS DEVELOPMENT | RISK, COMPLIANCE AND LEGAL | FINANCING | PROJECT EXECUTION | OPERATIONS

UNDERPINNED BY
External environment, risk and opportunities (pg 36)

OUTPUTS

FINANCIAL
- Stable dividend payouts
- Consistent operating cash flows
- Healthy balance sheet
- High return on equity

MANUFACTURED
- Projects secured
- Delivery and operations of key assets
- Energy production (oil, gas, solar)

ORGANISATIONAL
- Good governance
- Robust organisational structure
- Continuous business systems and processes improvements
- Strong company culture and communication

HUMAN
- High quality recruitment and retention outcomes
- Work-life balance
- Skilled local workforce
- Diversified and inclusive workplace
- Good health and safety records

SOCIAL & RELATIONSHIPS
- Long-term relationships built on trust

NATURAL
- Lower environmental impacts arising from carbon emissions, energy, pollution, water, waste and materials

SHARED OUTCOMES

- **Business continuity**
- **Achievement of short, medium and long-term divisional goals (pg 31)**
- **Provision of affordable energy worldwide**
- **A workforce that is empowered by our Core Values, R.O.A.D.S**
- **Improvement in the quality of life and environment in the communities where we operate**
- **Continued value generation for all our stakeholders**

STAKEHOLDERS (PG 102)

Employees	Investors and shareholders
Crew	Industry
Clients	Local communities
Vendors and suppliers	Bankers and lenders
Governments and regulatory bodies	Partners

FINANCIAL CAPITAL

Operating in a capital-intensive industry, Yinson seeks to allocate our Financial Capital efficiently to maximise the return on capital. Our sources of capital include contributions by our equity shareholders and perpetual securities holders, loans and borrowings from financial institutions, cash held as well as cash flow generated from operating activities. The key financial metrics described in this chapter allows us to measure our effectiveness in creating value to our stakeholders.

Yinson's strategy for managing Financial Capital

- Prioritise long-term business sustainability
- Velocitise and realise project value through strong teamwork and cross border integration
- Build strong local knowledge and experience
- Enlarge territory and increase impact
- Build long-term partnerships with corporate business partners, lenders and investors

LONG-TERM, STABLE CASH FLOWS

Financing is one of the five core pillars through which Yinson's business framework and strategy are outlined, as illustrated in this report's MD&A. The core pillars operate interdependently, with the performance of each core pillar inextricably linked with the performance of the other four.

Yinson's five core pillars (pg 132)

The function of the Financing pillar is to deliver long-term, stable cashflows for the Group. This enables the other core pillars to function well and safeguards the sustainability of our business, allowing Yinson to continue delivering value to our stakeholders for many years to come.

Yinson has come a long way since our entry into the FPSO market in 2011 and is acutely aware of the importance of ensuring long-term business sustainability. It is our mandate to only undertake projects that provide good overall returns to our shareholders, and each and every element of our projects from the beginning to end is thoroughly evaluated at the onset to safeguard the longevity of the Group.

With strong teamwork and cross border integration, we aim to enhance the performance of our projects, thereby unlocking greater project value. We believe that building a local team in the locations where we operate whilst leveraging off the strength and experience of the larger global team allows us to make stronger decisions at every level, thus maximising value for all stakeholders. It was the strong performance of our projects teams producing excellent operational results, coupled with the great efforts of the global corporate finance team that brought about the successful refinancing of FPSO JAK, thereby velocitising our capital invested and increasing the overall returns of the project.

Organisational structure (pg 73)

Closely related to this is our strategy of building strong local knowledge and experience, particularly relating to matters such as tax finance and ESG matters. Having a multinational footprint means that Yinson will need to consistently abide by various rules and regulations.

Our financial strategies synergise with our Group-wide ESG performance. This is highlighted through our current engagements with various ESG rating providers to improve our ESG profile and sustainability-linked financing ("SLF") opportunities. To better align our initiatives, we have revised our Sustainability Policy, as well as undertaken a new materiality assessment with our stakeholders to better pinpoint initiatives. This has led to the identification of material topics targeted by the Group .

Our teams are constantly brainstorming and evaluating new approaches and opportunities of raising financial capital, to venture into new territories, collaborate with new institutions, with the purpose of increasing our growth potential and impact across the globe. Our efforts to venture into new territories and increasing impact is further highlighted as Yinson was selected to participate in a RM200 million SLF with HSBC, which upon completion will provide an improved pricing upon achieving agreed sustainability performance targets.

Materiality (pg 45), Sustainability-linked financing (pg 53), Strengthen sustainability governance and reporting (pg 71)

As our Group grows, it is vital for us to continue to build and maintain strong, long-term relationships with our banking networks, capital market investors, shareholders and corporate partners. We also seek to establish close partnerships with local partners who invest alongside with us on our projects, as with how we have done in our current projects.

Bankers and lenders (pg 117), Partners (pg 119), MD&A (pg 128)

EQUITY SHAREHOLDERS AND PERPETUAL SECURITIES HOLDERS

Since 2011, Yinson has successfully raised financial capital through both equity and perpetual securities markets 12 times. Along with the success of these capital transactions, our deals have also earned us several accolades throughout the years, including awards from IFN, IFR, Alpha Southeast Asia and Asset Asia.

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

Equity shareholders

Yinson's shares are listed on the Main Market of the Bursa Malaysia Securities Berhad (KLSE:YINSON).

The top three shareholders of the Company are the family of Yinson's founder and Group Executive Chairman, Malaysia's Employees Provident Fund ("EPF"), and Kumpulan Wang Persaraan (Diperbadankan). The top three shareholders of Yinson own approximately 54.07% of stock collectively.

Shareholder	Stake
Lim Han Weng and family	26.34%
EPF	17.48%
Kumpulan Wang Persaraan (Diperbadankan)	10.25%
Total	**54.07%**

(According to the Company's Register of Substantial Shareholders as at 6 May 2020)

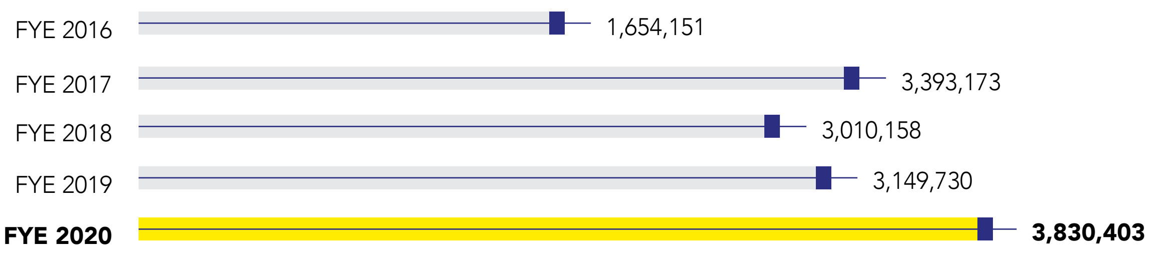
The founding Lim family remains the largest shareholder, with 26.34% ownership. The Lim family has subscribed to all rights issues raised by Yinson to date. Currently, the Chief Investment Officer of EPF resides on Yinson's Board. In 2015, EPF fully subscribed to Yinson's private placement of RM169.8 million.

Perpetual securities holders

Yinson raises external funding to carry out its business activities through a variety of sources. Since 2015, Yinson has issued perpetual securities to raise long-term funding to meet the capital expenditure needs of our projects. This has allowed us to raise a separate class of equity without taking on additional debt onto our balance sheet. The unique characteristics of the perpetual securities lend its support towards lowering the Group's gearing levels while buffering equity base and extending financing maturities.

LOANS AND BORROWINGS

Total loans and borrowings
(RM'000)



Loans and borrowings of the Group have been driven according to project execution needs. Given the capital-intensive nature of our business, it is essential that our projects are bankable on its terms and conditions and supported by financial institutions. Project financing loans are meticulously structured to ensure smooth disbursement during project execution, tie-in of repayment sources, sustainability of working capital, manageable leverage and securitised assets – all to safeguard the interests of our shareholders and lenders.

The loans and borrowings position of the Group experienced significant growth as a result of the successful execution of FPSO JAK, which was completed in FYE 2018. Growth in loans and borrowings during the current financial year of 21.6% to RM3,830.40 million is mainly attributed to the execution of the FPSO Helang project and preparatory funding drawn for the FPSO Anna Nery project.

Our loans and borrowings position in the coming three years is expected to increase further due to the drawdown of a refinancing loan for FPSO JAK in Q1 FYE 2021 and project financing to be undertaken for the FPSO Anna Nery project in Brazil and other potential projects.

Refinancing existing project financing

An excellent illustration of the effectiveness of our financing strategy is the USD800 million refinancing loan agreement signed with 13 local and global banks, to refinance the existing loan on FPSO JAK in November 2019. The refinanced loan allows Yinson to enjoy lower interest rates whilst velocitising our future cashflows to be invested into other projects. The deal was well received by the financial community and was oversubscribed by over 45%. The following banks participated in the refinancing:

- CIMB Bank Berhad
- Clifford Capital Pte. Ltd.
- Crédit Industriel Et Commercial
- DBS Bank Ltd.
- Korea Development Bank
- Maybank Investment Bank Berhad
- MUFG Bank, Ltd.
- Natixis, Singapore Branch
- Oversea-Chinese Banking Corporation Limited
- Societe Generale, London Branch
- Sumitomo Mitsui Banking Corporation
- Standard Chartered Bank (Singapore) Limited
- United Overseas Bank Limited

Of the 13 banks participating in the refinancing exercise, seven banks were new capital providers to Yinson. This is a heartening result of Yinson's efforts to widen its pool of capital providers and network. The loan was fully drawn down on 14 April 2020, with a tenure of 12 years.

Engaging with Export Credit Agencies ("ECAs")

Additionally, to extend our reach to the available capital in the markets, we are strengthening our relationships with ECAs to support our project financing activities. As part of our financing strategy for our Brazilian FPSO projects, Yinson is in dialogue with several European and Asian ECAs to support the project finance (PF) loans. If successful, these ECAs will be able to provide guarantees in support of the PF loans, thereby providing greater liquidity for the project with increased appetite from the commercial lenders.

Sustainability-linked financing

Sustainability is one of Yinson's Core Values, and an important value driver for all our stakeholders. We have focused on improving our ESG performance over the years, with the success of our efforts evidenced by our acceptance into the FTSE4Good index, and improvements in our sustainability ratings.

Strengthen sustainability governance and reporting (pg 71)

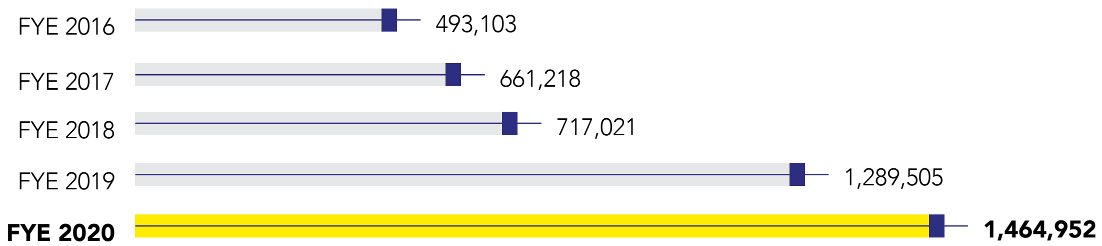
Adopting SLF as a strategy in raising capital is in line with our focus on sustainability, as it encourages us to strengthen our ESG practices, leading to greater value for our stakeholders and a more sustainable future for everyone.

FINANCIAL | MANUFACTURED | ORGANISATIONAL | HUMAN | SOCIAL & RELATIONSHIPS | NATURAL

In November 2019, Yinson was selected by HSBC Amanah to be an early adopter of Malaysia's first SLF with a RM200 million revolving credit facility granted to Yinson. This tiered pricing product feature allows Yinson to receive a preferential financing rate of the facility upon meeting pre-agreed targets related to our ESG performance. Amongst indicators considered are the carbon intensity of our operations, reduction in waste produced, increased diversity and improvements in our overall ESG performance ratings.

CASH AND LIQUID INVESTMENTS

Cash and liquid investments
(RM'000)

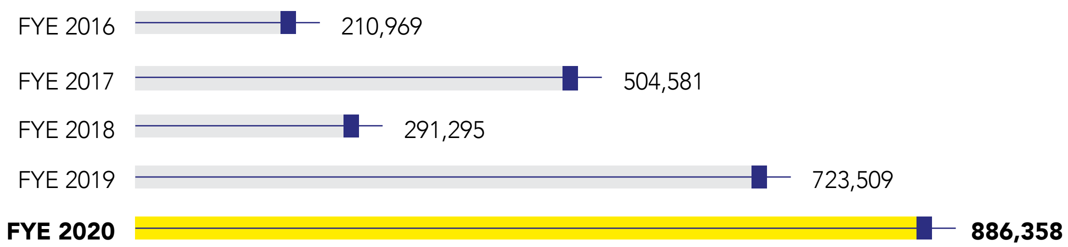


Yinson maintains a healthy cash and liquid investments balance of RM1.46 billion. The cash held is sufficient to meet business operational needs and support our project development activities. Our strategy for managing liquidity includes:

- Maintaining an appropriate mix of high-quality liquid investments and adequate cash buffers to meet unexpected cash outflows
- Maintaining cash flow projections to match the allocation of long-term financial capital with project capital expenditure needs
- Conducting regular stress testing to assess cash flow vulnerability under stressed situations and deploying the necessary action plans.

FREE AND AVAILABLE CASH

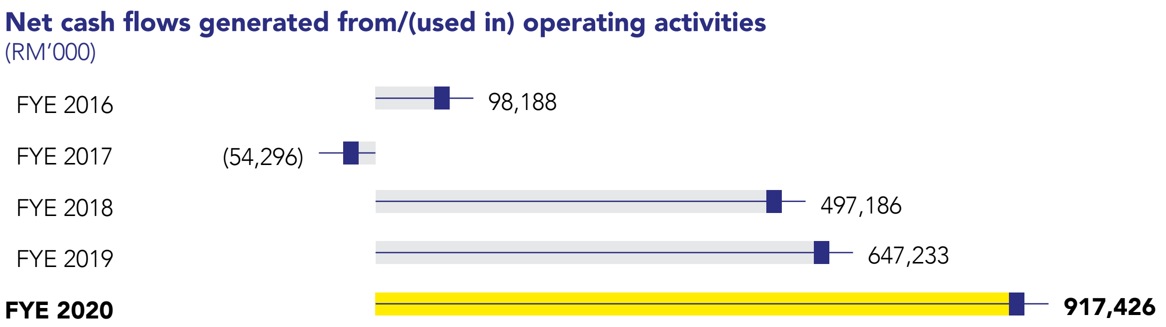
Free and available cash
(RM'000)



The Group's free and available cash presents a different perspective of our liquidity for our various business endeavours. This is quantified after isolating certain sources that have been earmarked to service loans and borrowings' obligations, and its utilisation is subject to approvals by lenders in accordance to the financing agreements.

A free and available cash position of RM886.36 million as at 31 January 2020 provides good support and flexibility for the Group to excel beyond its existing business boundaries.

NET CASH FLOWS GENERATED FROM/(USED IN) OPERATING ACTIVITIES



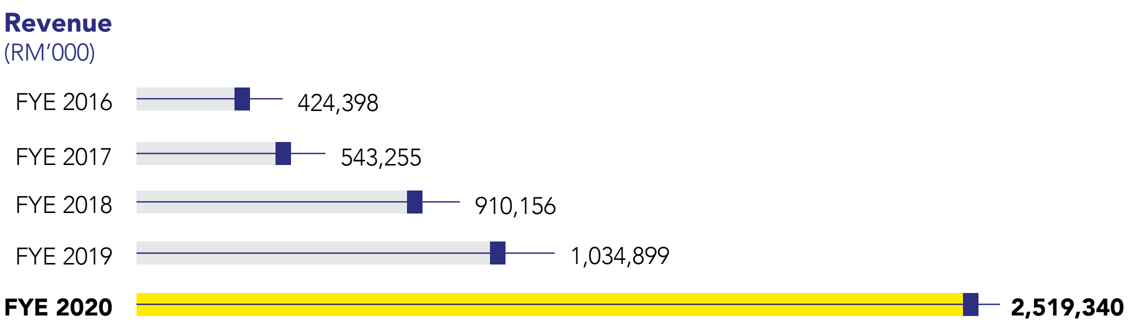
The Group's business model of earning stable recurring income from projects is evidenced by the growth of our cash flows from operations. At Yinson, the majority of cash flows generated and utilised are denominated in USD. As a result, Yinson enjoys a significant natural hedge on its currency risk which effectively minimises the Group's exposure to foreign currency volatility.

During the financial year, cash flows generated from operations were utilised in investing and financing activities as presented in the Statements of Cash Flows from pages 198 to 202.

KEY FINANCIAL METRICS

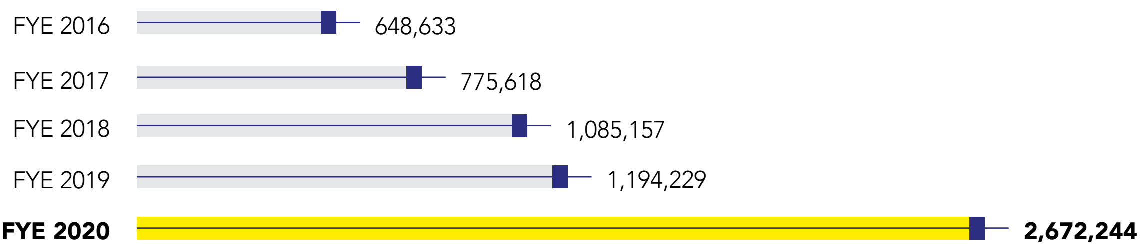
Our effectiveness in creating value to our stakeholders can be measured by the financial metrics described below:

REVENUE



ADJUSTED REVENUE

Adjusted Revenue
(RM'000)



The primary contributor to the Group's revenue is its FPSO leasing businesses operating in Ghana, Nigeria and Malaysia. These accounted for over 90% of reported revenue for FYE 2020. The revenue contribution of FPSO/FSO leasing businesses which are co-owned under joint venture arrangements in Vietnam and Ghana is presented separately as adjusted revenue accounted in accordance with the Group's equity ownership. Currently, the Group has four operating FPSOs, one operating FSO and two FPSOs in the construction phase.

The remaining businesses are four OSVs and three VLCC cargo vessels, of which one has been deployed towards the conversion into FPSO Anna Nery.

Each operating FPSO provides a continuous stream of recurring revenue and cash flows during the contracted operating period, that could stretch as long as 25 years. In FYE 2018, revenue for the Group grew close to RM1.00 billion with the operations commencement of FPSO JAK. FYE 2020 witnessed fresh revenue contribution from FPSO Helang since December 2019, raising revenue levels to RM2.52 billion. Of this figure, RM1.55 billion is non-recurring and associated with the contract's lease classification as a finance lease, which resulted in the accounting of the transaction as an outright sale of the vessel upon handing over its right of use to the field owner.

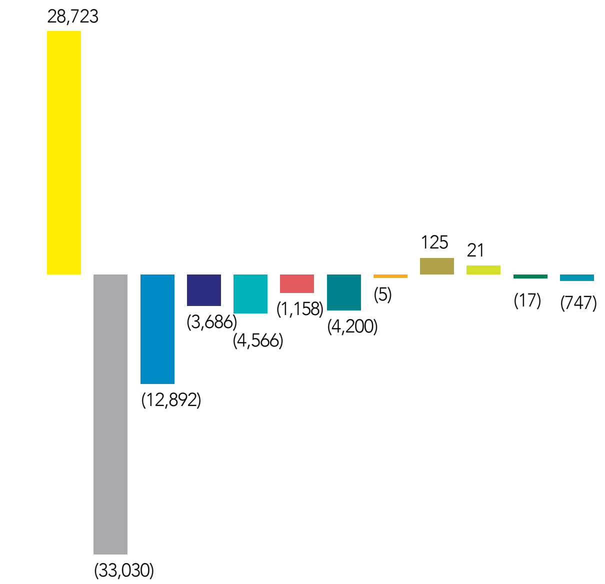
The cash flow resulting from these revenue streams are also explained in the sections relating to 'Net cash flows generated from/(used in) operating activities' and 'Free and available cash'.

Profitability

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

FYE 2019
(RM'000)

TOTAL NON-CORE ITEMS



Reported PAT
RM264,379

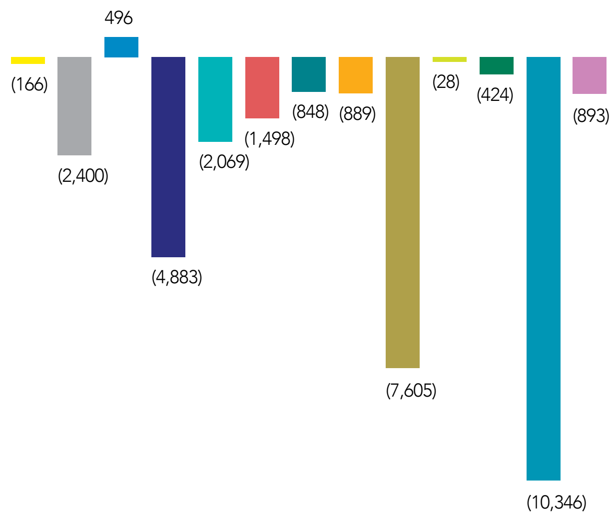
Total Non-Core Items
(RM31,432)

Core PAT
RM295,811

- Net gain on foreign exchange
- Impairment loss on property, plant and equipment
- Impairment loss on investment in a joint venture
- Impairment loss on tax recoverable
- Impairment on receivables
- Fair value loss on other investments
- Fair value loss on investment properties
- Loss on disposal of property, plant and equipment
- Gain on disposal of other investments
- Gain on disposal of associates
- Bad debt written off
- Fair value loss on derivatives

FYE 2020
(RM'000)

TOTAL NON-CORE ITEMS



Reported PAT
RM261,297

Total Non-Core Items
(RM31,553)

Core PAT
RM292,850

- Net loss on foreign exchange
- Fair value loss on investment properties
- Fair value gain on other investments
- Impairment loss on property, plant and equipment
- Impairment loss on tax recoverable
- Impairment on trade receivables, other receivables and other assets
- Loss on disposal of other investments
- Loss on disposal of property, plant and equipment
- One-off sharing of joint venture's shortfall in insurance claims
- Property, plant and equipment written off
- Waiver of debts
- Warranty cost provided for project
- Fair value loss on derivatives

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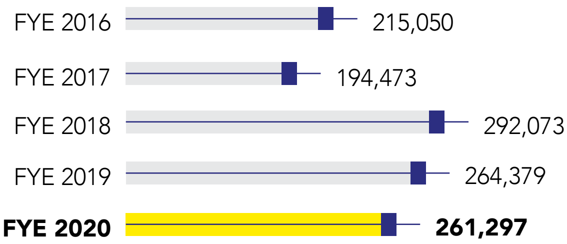
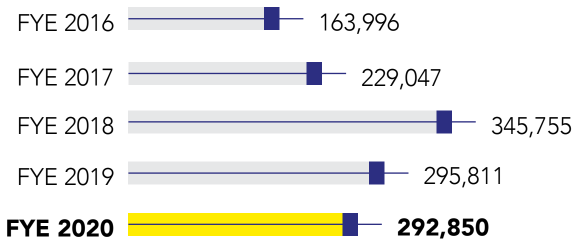
PROFITABILITY

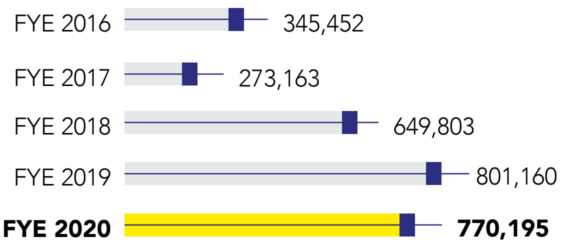
Reported PAT
(RM'000)



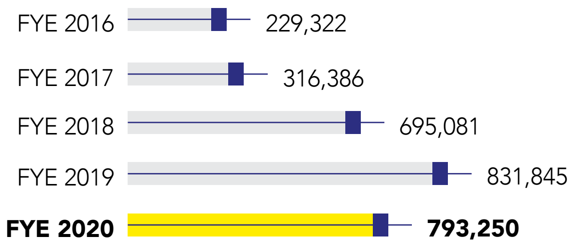
Core PAT
(RM'000)



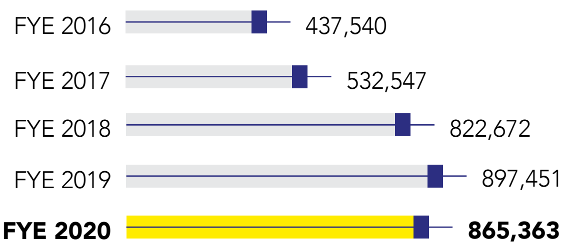
EBITDA
(RM'000)



Core EBITDA
(RM'000)



Adjusted Core EBITDA
(RM'000)



Our Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") is another important measurement of profitability as it isolates costs sunk into capital which enables a reader to better appreciate the earned profits in meeting the Group's financial obligations. This is extremely important given our Group's business is highly capital intensive. The Group's EBITDA stood at RM770.20 million for FYE 2020.

Profit for the Group has grown over the years despite the instabilities experienced in the oil and gas industry in recent years due to various market and geopolitical factors. During these periods, Yinson has been able to ride through fairly well with the successful deployment of FPSO JAK in Ghana and steady utilisation of our other assets.

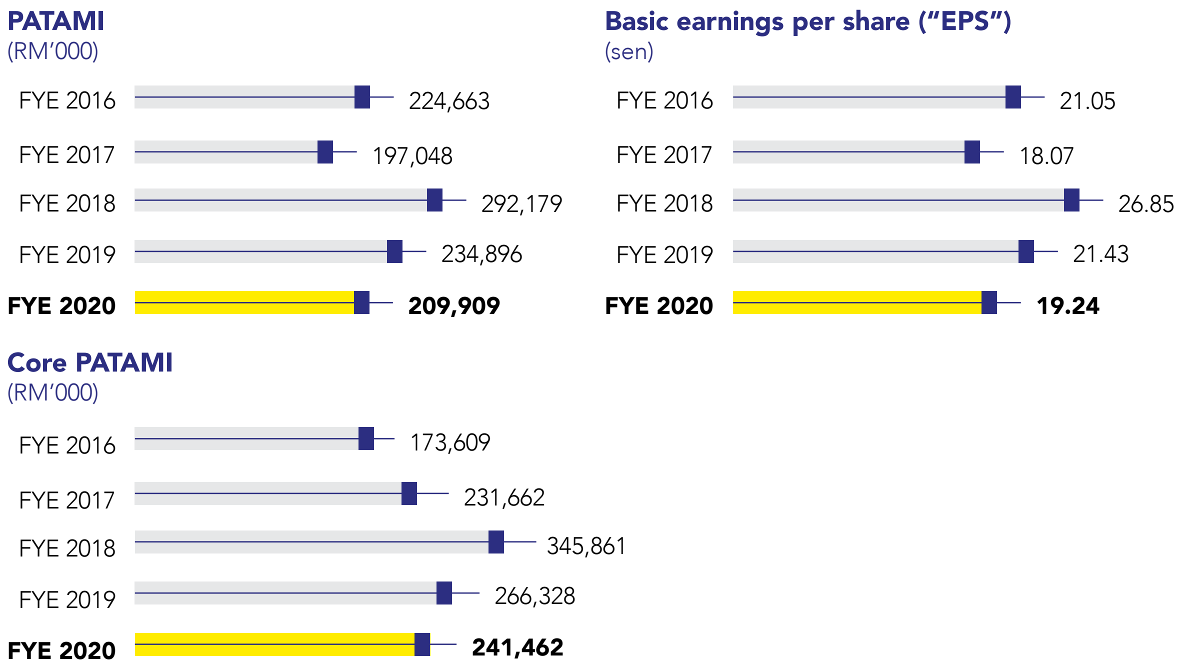
FYE 2020 started without operation contribution from FPSO Allan following the cessation of its charter contract at the end of FYE 2019 and unfavorable foreign exchange movement during the financial year.

Nevertheless, the strong operation management of our other assets and the successful deployment of FPSO Helang in Q4 kept the Group's PAT stable at RM261.30 million for FYE 2020 – a mere drop of 1.17% against the previous financial year.

The Group's results are often crowded by financial elements which the Management classifies as non-core financial items to be excluded in calculating its Core Adjusted EBITDA and Core PAT. Core results are more reflective of Yinson's actual business operations performance during the year. Likewise, Adjusted Core EBITDA and Core PAT achieved for the past two financial years have been stable with the Group recording RM865.36 million and RM292.85 million respectively for FYE 2020.

Reported & Core Profit After Tax charts (pg 57)

PROFIT AFTER TAX AND MINORITY INTEREST ("PATAMI")



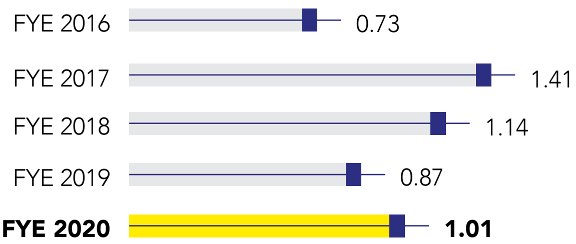
PATAMI

It is the Group's strategy to invite strategic partners to participate in our projects to maximise shareholder value whilst maintaining operational control. Thus, shareholders should refer to PATAMI to determine the amount of profit attributable to them. Reduction in PATAMI was visible in FYE 2019 when a Japanese consortium led by Sumitomo took up a 26% stake in FPSO JAK for a consideration of USD117 million. The Group recorded lower PATAMI and Core PATAMI in FYE 2020 of RM209.91 million and RM241.46 million respectively due to the full year effect of FPSO JAK's profit generation after attribution to the Japanese consortium in accordance to their stake in the project.

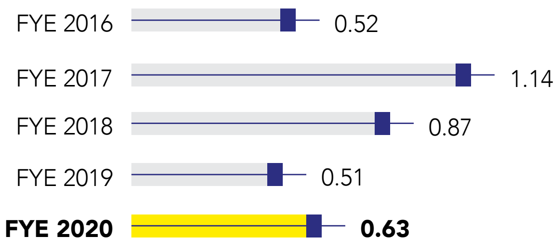
EPS of the Group computed based on PATAMI reflected similar trends to the aforementioned.

LEVERAGE INDICATORS

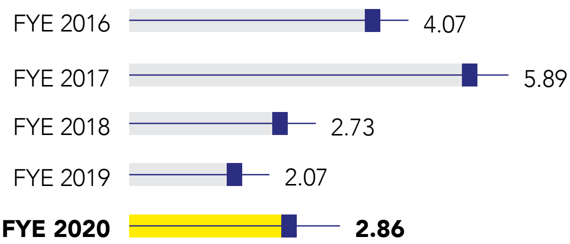
Gearing Ratio
(times)



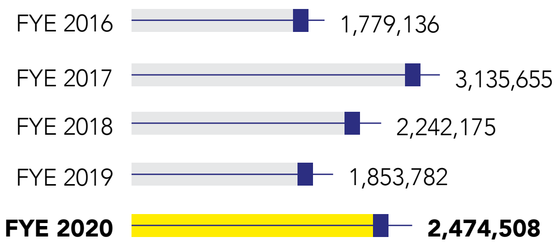
Net Gearing Ratio
(times)



Adjusted Net Debt/ Adjusted Core EBITDA (times)



Adjusted Net Debt
(RM'000)



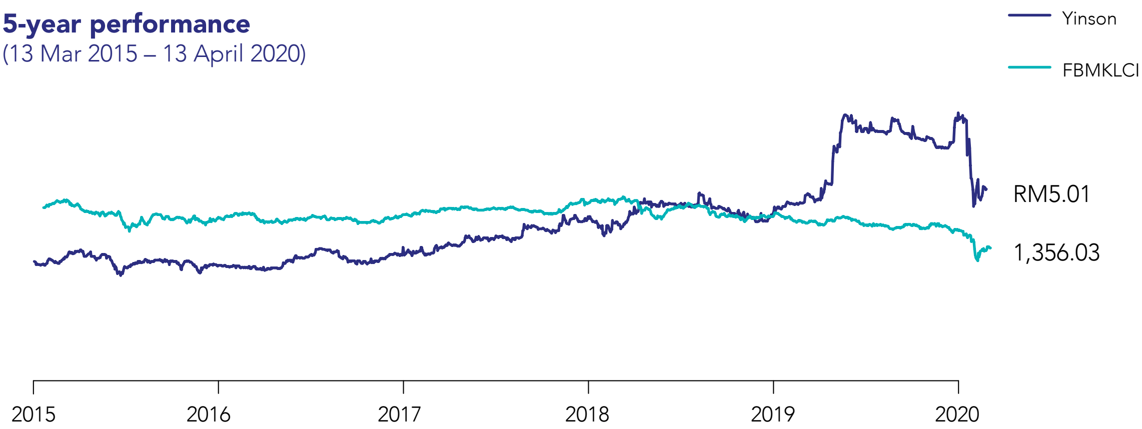
Net Gearing Ratio (calculated as 'Total Loans and Borrowings' less 'Cash and Bank Balances plus liquid investments' divided by 'Total Equity') is widely accepted as a key indicator of an entity's financial health and accepted by the Group's lenders. This ratio is actively monitored and managed, and is a result of a combination of selecting viable projects, establishing a sensible project and equity funding structure, and discipline in the creation of cash reserves for loan repayment. This ratio typically spikes during the project execution period but improves once the project has achieved lease commencement as the loan repayment begins and cash reserves are built up throughout the loan tenure. Meanwhile, the difference between Gearing Ratio and Net Gearing Ratio is the absence of 'Cash and Bank Balances plus liquid investments', with Gearing Ratio as a less meaningful interpretation of the Group's leveraging position as it excludes liquid assets.

While gearing ratios outline the degree of which the Group has financed its business through loans and borrowings compared against its equity, the Management assesses the repayment ability of its loans and borrowings through the Adjusted Net Debt/Adjusted Core EBITDA ratio. This ratio indicates the number of years taken for one of the key annual earnings of the Group to repay outstanding loans and borrowings, net of liquid assets (i.e. Cash and Bank Balances plus liquid investments), with a lower ratio being more favourable.

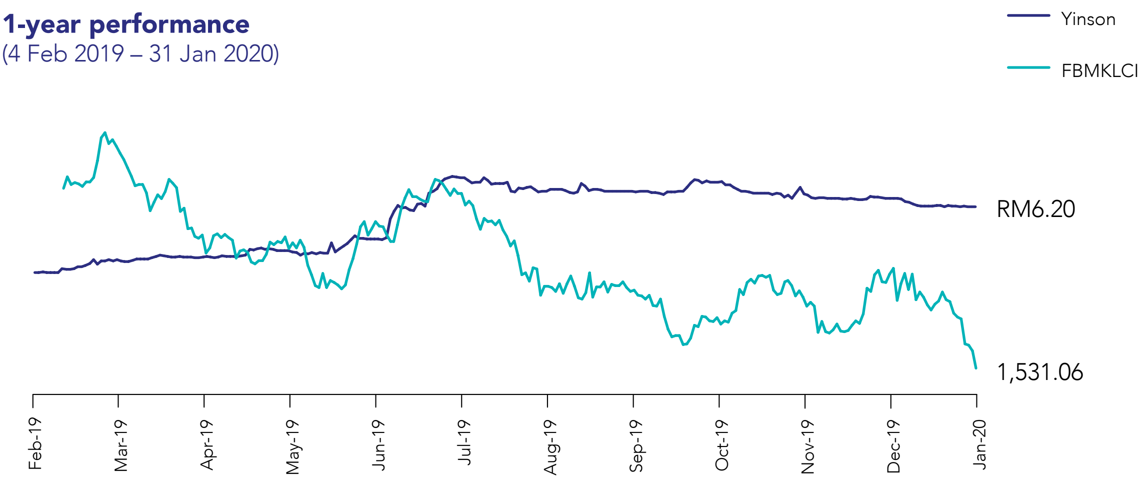
These Group ratios will increase in the coming years in tandem with the project execution funding needs of the FPSO Anna Nery project. To ensure a balanced and healthy financial position for the Group, the Management will continuously assess and determine the appropriate gearing ratios for the Group and balance its levels with equity fundraising proposals to shareholders where necessary.

EQUITY SHAREHOLDER INFORMATION

5-year performance
(13 Mar 2015 – 13 April 2020)



1-year performance
(4 Feb 2019 – 31 Jan 2020)



For FYE 2020, we declared and paid an aggregate dividend of 4.0 sen per share. Further, on a cumulative basis between 2014 to 2020, we paid 41.35 sen per share or RM448.69 million in total, of which 18.60 sen per share or RM202.53 million related to special dividends which were paid out subsequent to major divestment or monetisation of assets by the Group.

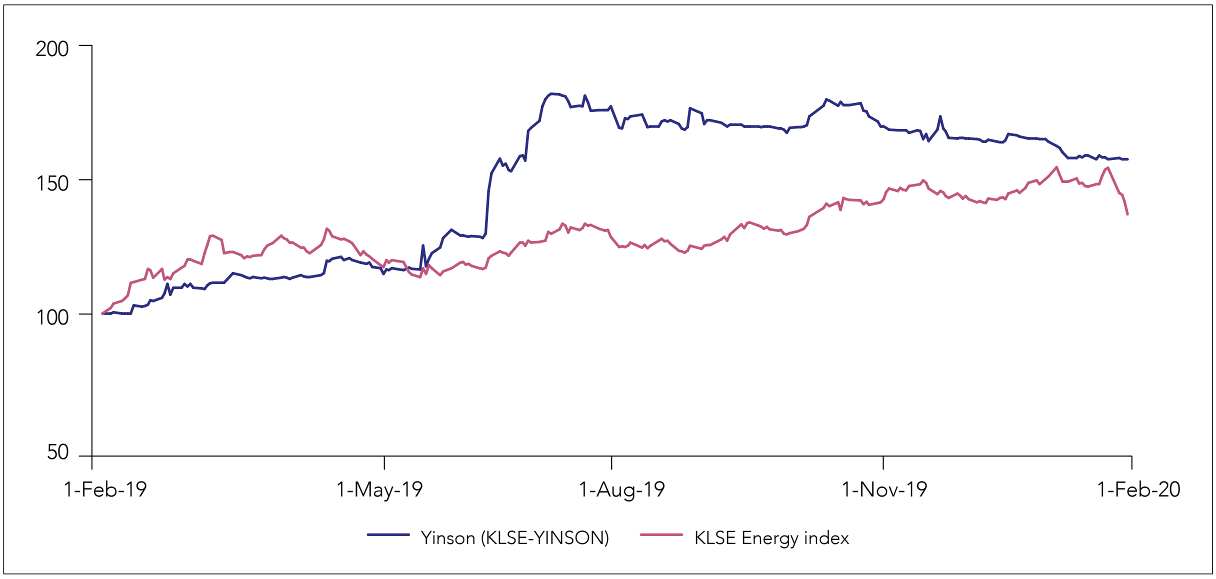
To protect shareholders' value, the Management is conscious of the need for effective use of capital and ensuring all business plans have been matched with an optimal capital plan.

The Company's last two capital raising exercises through our equity holders were conducted in 2014 and 2015. We raised RM568 million through a rights issue in 2014 for the acquisition of Fred. Olsen Production ASA, and RM169.6 million in 2015 via a private placement for the FPSO JAK project.

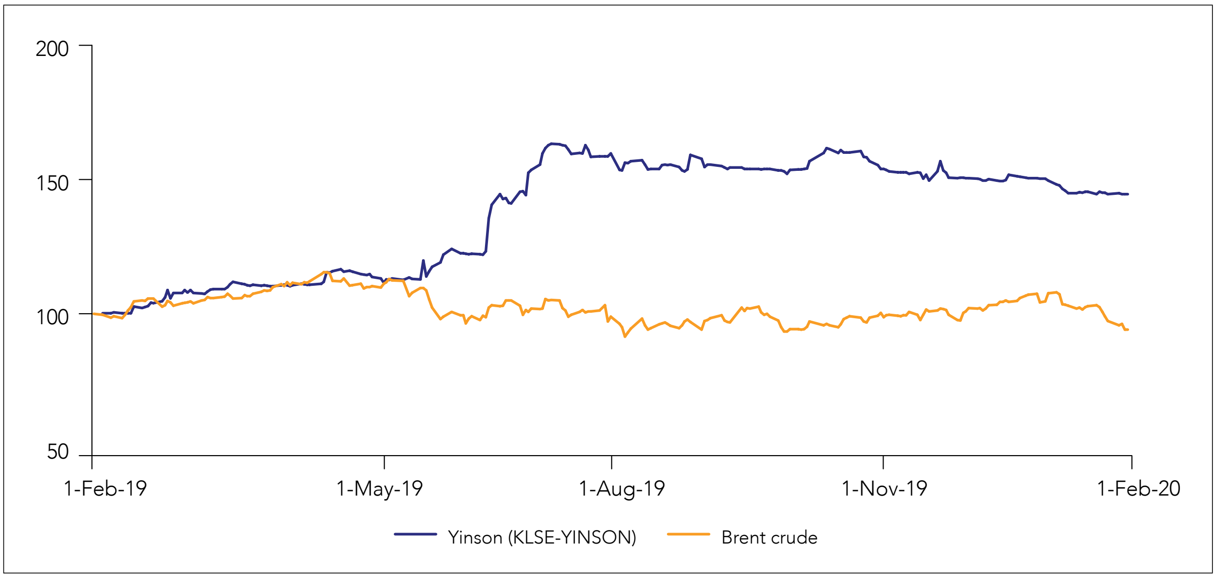
It is usual for most FPSO companies to conduct an equity capital raise for each project win to fund the equity portion of projects. Thus, it is noteworthy to mention that without any further funds raised through our equity holders since 2015, Yinson successully delivered FPSO JAK and FPSO Helang, and is in the process of delivering

FPSO Abigail-Joseph to Nigeria. This was achievable as our existing portfolio of assets is able to generate sufficient cash flows to be reinvested or leveraged against to fund the new projects. That said, this limits our ability to pay a more meaningful and stable dividend in the interim. Accordingly, the Company has not established a dividend policy in view of the growth plans we have in place.

Outside of dividends, we have also delivered strong capital appreciation for our equity shareholders. Over the current financial year, the share price rose by more than 50% from RM4.10 to RM6.20. Notably, as illustrated in the chart below, Yinson's share price growth has outperformed the KLSE Energy Index during the financial year.



Further, our share price appreciation has also outperformed Brent oil price as seen in this chart.



Yinson has been consistent in our efforts to build up our investor relations with institutional and retail investors. In acknowledgement of our efforts in investor relations, we were conferred with the 'ASEAN – Most Honoured Company Award 2019' by Institutional Investor Magazine. Our Core Value, 'Open', has helped our efforts in this area as we ensure accessibility to the Management and transparency and fairness in information to our shareholders.

MANUFACTURED CAPITAL

Our Manufactured Capital consists of the resources that go into the building, and acquisitions of, our key assets.

We also consider major infrastructure (including those provided by third parties) used in the building or acquisition of our assets as Manufactured Capital.

The management of this capital is a key business imperative and is considered an essential to fulfilling stakeholder expectations. All three business divisions (Offshore Production and Renewables, with support from Offshore Marine) receive inputs under this capital, with stewardship falling primarily under the Business Development, Projects and Operations core pillars.

Key phases of FPSO conversion project

BUSINESS DEVELOPMENT TEAM SECURES THE PROJECT

PROJECTS TEAM EXECUTES THE PROJECT

PROCESSES

- Project Management
- Engineering
- Procurement
- Construction and mechanical completion
- Pre-commissioning
- Voyage to offshore site
- Offshore installation
- Offshore commissioning

CONSTRUCTION AND INTEGRATION

- HULL
- TOPSIDES
- EIT PACKAGE AND E-HOUSE
- MOORING
- MARINE & UTILITIES
- RISERS

INFRASTRUCTURE DEPENDENCIES

Our infrastructure dependencies are inextricably linked to our stakeholders.
A key stakeholder in Manufactured Capital are our vendors.

Vendors/ suppliers (pg 105)

OPERATIONS TEAM TAKES OVER THE DAILY OPERATIONS AND MAINTENANCE OF THE ASSET

BUSINESS DEVELOPMENT

GOALS SET FOR FYE 2020	PROGRESS	GOALS SET FOR FYE 2021
Enter into the Brazil market	• Successful entry into Brazil market with the award of the FPSO Anna Nery project • Acquisition of donor vessel Front Falcon for use in the FPSO Anna Nery project • Awaiting outcomes of the Parque das Baleias project bid • Acquisition of donor vessel Ridgebury Eagle for use in the Parque das Baleias project bid	• Secure the contract for the Parque das Baleias project in Brazil • Build up a solid base of project targets for the years to come
Build our presence in countries where bidding and acquisition activities are taking place	• Set up of Brazil and Netherlands Operations offices for the FPSO Anna Nery project • Set up of satellite office in London for renewables activities	• Continue building and staffing Brazil and Netherlands operations offices for the FPSO Anna Nery project

In October 2019, Yinson successfully entered the Brazil market with the signing of two LOIs with Petrobras for the charter, operations and maintenance of an FPSO for the Marlim revitalisation project, Brazil. The LOIs were converted to definitive contracts on 23 March 2020. Sumitomo is participating in the project with an effective interest of 25%. Preparations and groundwork had begun prior to the contract award, including the purchase of donor vessel MT Front Falcon and the setting up and staffing of the Brazil and Netherlands operations offices.

We are currently awaiting the outcome of our bid for the Parque das Baleias FPSO project, located in the Campos Basin. In the meantime, we have continued to build our presence in Brazil to be ready in the event of a successful project award. The vessel MT Ridgebury Eagle was acquired as the intended donor vessel for this project.

Yinson's strategy for Business Development is to find and engage early in the right projects for Yinson and build a strong foundation for future long-term growth.

In parallel, general marketing will be continued, including participating in exhibitions and conferences that are good platforms for sharing our value proposition with our stakeholders in the industry.

External environment (pg 36), Industry (pg 109), MD&A (pg 128)

PROJECTS

GOALS SET FOR FYE 2020	PROGRESS	GOALS SET FOR FYE 2021
Delivery of projects safely and on time	• FPSO Helang on charter 6 December 2019 • FPSO Abigail-Joseph on track for delivery in Q2 2021 • Conversion works for FPSO Anna Nery underway as per project schedule	• Delivery of FPSO Abigail-Joseph in Q2 2021 • Progress with conversion works for FPSO Anna Nery as per project schedule

Our active projects during the financial year were FPSO Helang, FPSO Abigail-Joseph and FPSO Anna Nery. The key activities for these three vessels during the period under review are listed in this section.

FPSO Helang

We achieved timely delivery of all materials within the project schedule, with a 100% completion of Project Procurement scope.

Activity	Date
Contract award	30 Apr 2018
Vessel arrival at shipyard	24 Feb 2018
Installation of electrical house	31 Oct 2018
Installation of first batch of process modules, turret, power generation and oil metering skid	28 Jan 2019
Installation of gas turbine combined cycle power plants	15 Mar 2019
Installation of second batch of process modules	15 Apr 2019
Completion of mooring installation	15 Jun 2019
Receipt of Mechanical Completion Certificate and FPSO Sail away Certificate	17 Aug 2019
Moored at Layang Field	15 Sep 2019
Receipt of Ready for Commissioning Certificate	6 Nov 2019
Ready for Start-up Certificate	8 Nov 2019
FPSO Helang on charter	6 Dec 2019

FPSO Abigail-Joseph

The contract for FPSO Abigail-Joseph was secured in 2019, with the refurbishment, life extension works and installation of new structures including the helideck and riser balcony as well as the installation and integration of topsides modules taking place in Singapore. The project achieved a milestone as one of the world's fastest brownfield FPSO vessel modification and upgrading projects.

Activity	Date
Contract award	28 Feb 2019
First delivery of steel and pipe materials	9 Jul 2019
Vessel arrival at shipyard	28 Jul 2019
Completion of demolition scope	15 Sep 2019
Installation of metering skid and steel integration	27 Oct 2019
Completion of dry dock	4 Dec 2019
Accommodation ready for habitation	18 Dec 2019
Completion of tanks and hull coating	15 Jan 2020
Flash Gas/HP compressors skids installation and integration	15 Jan 2020
Completion of riser balcony structural work	20 Jan 2020
Departure to field	26 Feb 2020

FPSO Anna Nery

With FPSO Anna Nery, we have commenced placement of critical path and long lead items, as well as Early Works Engineering Contracts, as per project schedule.

Activity	Date
Contract award/LOI issued (effective date)	11 Oct 2019
Issued purchase order for gas turbine generators	7 Jan 2020
Issued purchase order for water injection module	24 Jan 2020
Vessel arrival at shipyard	16 Mar 2020
Entered into definitive contract	23 Mar 2020

OPERATIONS

7

GOALS SET FOR FYE 2020	PROGRESS	GOALS SET FOR FYE 2021
Maintain excellent fleet uptime and safety records for all FPSOs in operation	• 99.9% fleet average fleet uptime achieved in 2020 for FPSOs Yinson operates. This is a 99.8% five-year average • LTI frequency of 0.71 and Total Recordable Incident ("TRI") frequency of 1.42 Health and safety (pg 95)	• Maintain excellent fleet uptime records for all FPSOs in operation • Improve and maintain safety records for all FPSOs in operation
Maintain high fleet utilisation rate for OSVs	• Fleet was 100% utilised upon contract award. Utilisation rate over the financial year was 92.69%	• Improve and maintain fleet utilisation rates for all OSVs

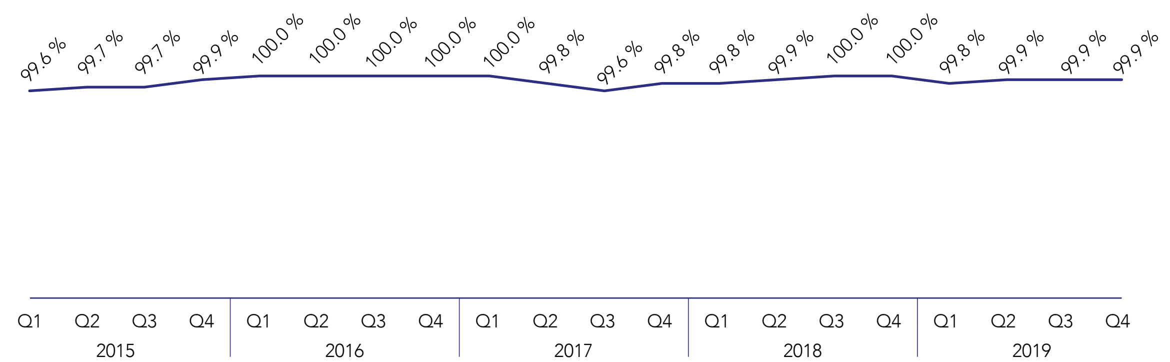
Yinson's FPSO operations are headquartered in Oslo, with base offices in the country where the vessel is in operation. Maintaining excellent fleet uptime and safety records is a priority during the operations phase.

An average fleet uptime of 99.9% was achieved for our four FPSOs that were in operation throughout FYE 2020.

FPSOs	Annual average uptime
FPSO PTSC Lam Son	99.7%
FPSO PTSC Bien Dong 01	100%
FPSO Adoon	100%
FPSO JAK	99.8%

Yinson's fleet uptimes since 2015 for the assets that we operate is 99.8%. This includes Marc Lorenceau (until Q1 2017), FPSO Allan (until Q4 2018), FPSO Adoon and FPSO JAK (from Q2 2017). These statistics are recorded by calendar year.

Average 5-year fleet uptime for assets that Yinson operates



Yinson's OSV fleet achieved a high utilisation rate of 92.69% in FYE 2020, with 100% utilisation for Yinson Perwira and PTSC Lam Kinh. Our other OSVs experienced the following on-hire periods:

OSVs	On-hire periods
Yinson Hermes	Feb 2019 to Jul 2019
	Sep 2019 to Jan 2020
PTSC Huong Giang	6 Apr 2019 to 6 Dec 2019
	16 Jan 2020 to 31 Jan 2020

RENEWABLES

GOALS SET FOR FYE 2020	PROGRESS	GOALS SET FOR FYE 2021
Assess opportunities to expand and diversify into other forms of energy infrastructure assets	• Establishment of Renewables Division in October 2019 • Part-acquisition of two solar farms in Rajasthan, India, in March 2020 • Recruitment of renewables core team	• Continue building lean and focused team • Initiate greenfield development activity • Establish growth platform • Position renewables to secure opportunities in energy transition

Yinson reached a significant milestone in our long-term strategy for diversification with the establishment of our Renewables Division in October 2019. The renewables team is focussing on Asian and European markets, with asset acquisition activity already kickstarted in FYE 2020.

On 31 March 2020, Yinson successfully completed our first foray into renewables with the acquisition of a 37.5% equity interest in Rising Sun Energy Private Limited ("RSE"), an India-incorporated company with two operational solar plants in the Bhadla Solar Park, Rajasthan, India. The two adjoining solar plants have a combined generation capacity of 140MW (AC rated), and achieved their scheduled commissioning dates in 2017. 25-year Power Purchase Agreements, expiring in 2042, have been signed with NTPC Limited, India's largest power utility, majority owned by the Government of India.

We aim to initiate greenfield development activity in FYE 2021, where we develop, build, own and operate renewable assets. With the establishment of a platform comprising both brownfield and greenfield assets, Yinson will be positioned to meet our goal for growth in this market and to secure other opportunities in energy transition.

Renewables assets (pg 21), Group strategy (pg 30), Looking to the future (pg 139)

ORGANISATIONAL CAPITAL

Our Organisational Capital consists of the structures that help employees – and thereby the business – become more productive. We believe excellence in organisational capital is a differentiator that can give Yinson a competitive edge.

We measure the success of our Organisational Capital by looking at our progress in the following areas:

Governance

Organisational structure

Business systems and processes

Company culture and communication

GOVERNANCE

GOALS SET FOR FYE 2020	PROGRESS	GOALS SET FOR FYE 2021
Review and strengthen Group-level governance	• Several policies updated, reviewed and approved by the Board • Group-wide training on policies achieved target • Human and Labour Rights Policy developed and approved • Enhanced Whistleblowing Policy and Procedure • Set up Personal Data Protection organisational structure	• Achievement of ISO 45001:2018 certification • Achievement of ISO 37001:2016 certification • Enhance vendor assessment criteria on environmental and social indicators • Train and mobilise Data Protection Officers ("DPOs") to drive Personal Data Protection on a local level • Implement HLR Policy • Establish and implement Information Security Policy
Strengthen sustainability governance and reporting	• Obtained ESG Ratings from MSCI and Sustainalytics • Revised Sustainability Policy	
Strengthen experience and effectiveness of our Board	• Appointed two new Board members, bringing greater diversity and experience • Redesignation of Board member • Execute training programme for Board members	

Review and strengthen Group-level governance

Our international presence and diversity of business operations require that we adhere to various 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. As a testament of our strong CG, we have been included in Bursa Malaysia's Green Lane Policy, whereby our corporate announcements enjoy a more efficient time-to-market process.

Key Offshore Production-related certifications

- International Safety Management (ISM) Code
- International Ship and Port Security (ISPS) Code
- ISO 9001:2015
- ISO 14001:2015
- OHSAS 18001:2007

Key Offshore Marine-related certifications

- International Safety Management (ISM) Code
- International Ship and Port Security (ISPS) Code
- Maritime Labour Convention (MLC)

Yinson's Code of Conduct and Business Ethics ("COBE")

3 14

In line with our aim of fostering a culture of integrity across Yinson and our supply chain, we continue to implement Yinson's COBE diligently. The COBE defines the foundation of our ethical standards and expectations for personal conduct. Yinson displayed a strong record of compliance to our COBE, with no fines, penalties or settlements imposed in FYE 2020.

The COBE brings together Yinson's main governance policies, including references to our other Group-wide policies. In addition, it sets the standards of operations for parties that have business dealings with Yinson, including business partners, third parties, international commercial representatives and vendors.

In FYE 2020, a number of policies and procedures were enhanced and approved by the Board, including our Sustainability Policy and Whistleblowing Policy and Procedure.

Our Anti-Bribery and Anti-Corruption ("ABAC") Policy covers key areas of concern and outlines standards of employee behaviour towards ABAC issues. This includes areas such as the prohibition of political involvement on Yinson's behalf, conflicts of interest, facilitation payments, hospitality and gifts, and entertainment.

We have established a number of supporting programmes that aim to further strengthen Group-wide ABAC standards of behaviour. This includes the utilisation of our ABAC online training module. Set up in January 2019, the platform is designed to enhance employees' understanding of the policy. The training module was successfully completed by more than 400 employees in the review period. Refresher courses are held yearly and are compulsory for all employees.

Should any issues pertaining to ABAC arise, employees are encouraged to voice up through appropriate channels such as our independently managed Whistleblowing Hotline that is available 24/7. To increase employee awareness on whistleblowing, notices were displayed at high-traffic areas in our offices, encouraging employees to speak up and outlining various channels for blowing the whistle, whilst serving as a reminder that Yinson does not tolerate unethical behaviour.

Our Whistleblowing Policy and Procedure was further updated in FYE 2020. The enhanced document now allows anonymous whistleblowing and lists examples of reportable conducts. To date, Yinson has not received any substantiated whistleblowing reports. Nonetheless, we will be increasing communications relating to whistleblowing internally moving forward.

Governance trainings and awareness

- 25 physical ABAC workshops held Group-wide since 2018
- Online ABAC trainings held since 2019
- Survey done to obtain feedback from internal and external parties on content of ABAC online training module

Personal Data Protection Act ("PDPA") and General Data Protection Regulation ("GDPR")

Yinson stepped up our practices pertaining to PDPA and GDPR within this review period, with measures implemented including:

- Setting up the structure of Data Protection in Yinson with the appointment of a Chief DPO and local DPOs for our respective offices
- Implementing corrective measures to address existing Personal Data and GDPR issues
- Undertaking relevant trainings for key personnel relating to Personal Data laws in respective countries
- Awareness briefings and talks conducted during our Yinson Up training event.

In FYE 2021, we plan to further operationalise PDPA efforts by incorporating PDPA notifications on our public website according to our operating countries and including our Privacy Notice on both external and internal communication platforms. Moving forward, we aim to train and mobilise our respective DPOs to drive PDPA efforts on a local level to maintain adequate personal data protection of our employees and business contacts.

Strengthen sustainability governance and reporting 6

The Group places high importance in managing sustainability throughout our operations. Sustainability Governance at Yinson mainly relates to the strategies and corresponding structures that are utilised to better manage ESG matters. To ensure our overall sustainability strategy is aligned to our stakeholders' views, we revised our Sustainability Policy in the review period. The new document acts as our key guiding framework for managing all ESG matters, and was created based on the Materiality Matrix that was developed after obtaining inputs from both internal and external stakeholders.

Sustainability Statement (pg 42)

Sustainability Governance Management Structure

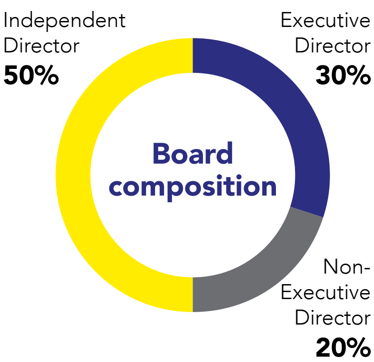
Yinson's Board maintains oversight of sustainability strategies through our SC, which is chaired by our Group CEO. The SC meets every quarter and when required to discuss how to better integrate sustainability across the Group.

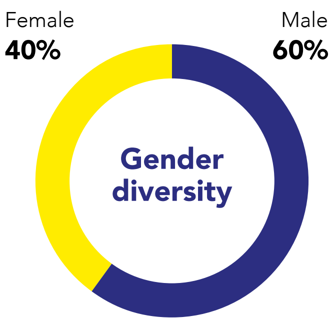
Sustainability Committee Members

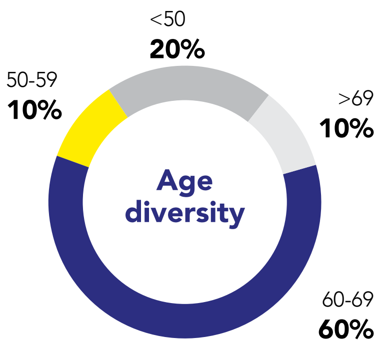
Lim Chern Yuan	Group Chief Executive Officer (Chairman of SC)
Daniel Bong Ming Enn	Group Chief Strategy Officer, Head of Corporate Advisory Office
Eirik Arne Wold Barclay	Group Executive Vice President, New Ventures and Technology
Flemming Grønnegaard	Chief Executive Officer, Offshore Production
Lim Chern Wooi	Chief Executive Officer, Offshore Marine
Andrew Choy Wei Nung	General Counsel, Group Legal
David Charles Brunt	Chief Executive Officer, Renewables

Strengthen experience and effectiveness of our Board

In FYE 2020, our Board was strengthened with two new appointments and one redesignation, bringing greater diversity and experience to the Board. Throughout the year, we executed a training programme for Board members to increase their skills and capacities.







Board of Directors (pg 144), Corporate Governance Overview Statement (pg 153)

Within our Enterprise Risk Management ("ERM") framework, we have newly included Energy Transition Risk as part of our strategic risks. This relates to Board-level management of risks and opportunities that come with the move towards a more climate-friendly economy, as well as the broader narratives that come into play for the achievement of this goal. As such, we are committed to managing the themes under sustainability better. Our efforts are guided by our Materiality Matrix, Sustainability Policy, as well as ESG ratings that we are engaged with, among others.

In the review period, we have initiated an ESG risk rating exercise with Sustainalytics – and our commitment to better sustainability performance is further highlighted through linkage of Sustainalytics' ESG Risk Rating to one of our credit facilities.

As of FYE 2020, Yinson received an MSCI ESG Rating of B. Further, Yinson is a member of the FTSE4Good Index, an equity index series that is designed to facilitate investment in companies that meet globally recognised corporate responsibility standards.

ORGANISATIONAL STRUCTURE

GOALS SET FOR FYE 2020	PROGRESS	GOALS SET FOR FYE 2021
Cross continent integration of business units	• Extended expertise from Yinson's headquarters to build capabilities of local workforce where we operate	• Continue cross continent integration of business units
Improve internal departmental structure to align with Group's growth	• Introduction of new Group HR Director to improve approach and integration of HR function across the Group • Limits of Authority updated and approved • Introduction of Management Accounting, Asset Lifecycle Management ("ALM") and Project Quality Departments	• Continual improvement of internal departmental structure

Cross continent integration of business units

To support Yinson's growth, we encourage cross continent integration of our business units, where we grow and upskill our teams in the locations where we operate. In addition to hiring talent from local communities, one of the ways we execute this strategy is by mobilising our existing experts to new territories, allowing knowledge transfer and adoption of our corporate culture. For example, in FYE 2020, we strengthened our Corporate Advisory functions across the Group, with our Financial Reporting, and Investments & Strategic Finance teams expanding beyond our Global Headquarters in Kuala Lumpur to several regions. Similarly, we have mobilised our experts in operations and projects to start up our new offices in Brazil and Netherlands to strengthen our bases.

Cross continent integration

- **Maintain our Global, Projects and Operations Headquarters as Centres of Excellence**
- **Build up local capabilities to support the communities we are in**
- **Mobilise existing experts to new territories to encourage transfer of knowledge**
- **Mobilise existing staff to new locations to increase and encourage adoption of corporate culture**

Internal departmental structure improvements

In FYE 2020, Yinson brought a new Group HR Director into our Management team to improve the approach and integration of HR functions across the Group. The role of our new Group HR Director is also to spearhead the implementation and achievement of the goals set out in this Capital.

In December 2019, Yinson's Board approved an update of our Limits of Authority document in line with the growing size and complexity of our projects. Changes were made to streamline current operations, and reinforced through regular trainings. Our internal audit scope was expanded to align with this document. This update further ensures consistent, good business practice and CG across all divisions of the Group, alignment of objectives and increased safeguarding of company assets.

We also aligned our human resources with the growing needs of our business to continually innovate and improve. New departments that have been established during the year in review include the Management Accounting, ALM, and Project Quality Departments.

BUSINESS SYSTEMS AND PROCESSES

GOALS SET FOR FYE 2020	PROGRESS	GOALS SET FOR FYE 2021
Establish ALM Department, strategy and structure	Successfully established in December 2019	• Optimise existing systems for ALM processes • Further establish ALM functions
Enhancement of Group's Enterprise Resource Planning ("ERP") system	• Migration of 51 out of 57 reporting sites completed • Upgraded to latest version of ERP system • Explored and optimised usage of ERP system functionalities across the Group	• Complete ERP system upgrade and migration of reporting sites • Automation of data input via Artificial Intelligence ("AI") capabilities • Improve connectivity between offices, information accessibility, digital filing and access control

GOALS SET FOR FYE 2020	PROGRESS	GOALS SET FOR FYE 2021
Build Information Technology ("IT") capabilities	• Review of IT Roadmap by the Board • Completed domain standardisation • Completed Phase 1 of Yinson's Global Network Revamp • Supported digitalisation efforts within the Group • Supported rollout of Sharepoint collaboration platform	• Complete Phase 2 of Yinson's Global Network Revamp • Roll out enhanced cybersecurity readiness measures • Continue supporting digitalisation efforts within the Group • Support ongoing maintenance of Sharepoint collaboration platform
Utilise digitalisation tools for HSEQ improvements	• Completed development of digital apps for Safety Culture Transformation Programme • Identified HSEQ platforms to be integrated with other work processes within the Group • Established data indicators for environmental impact monitoring and control	• Enhance existing management system to become fully integrated with all work processes, easy to use and certified to relevant standards • Develop the safety culture maturity to the next level, utilising new digital methods and tools • Ensure full environmental impact monitoring and control • Establish systems and processes for improved control and reduction in Cost of Poor Quality ("COPQ")
Strengthening of Document Control System	Implemented Phase 1 of document control web portal	• Implement Phase 2 of document control web portal • Initiate Document Management Standardisation across all projects
Digitalisation and upgrade of supply chain management process	• Completed Technical and Commercial evaluation and recommendation • Identified areas where frame agreements can be established	• The Vendor Registration Platform ("VRP") system to be compliant and qualified to ISO 9001 standards • Enhance capabilities relating to pre-qualification assurance and vendor performance • Increase the scope of the VRP to include analytics • Implement a standardised risk profile matrix

GOALS SET FOR FYE 2020	PROGRESS	GOALS SET FOR FYE 2021
Expand our offshore communication system to include digital reporting for punchlists, mechanical completions and commissioning	Currently being implemented for FPSO Anna Nery project	Implement on all future projects
Strengthen Corporate Advisory function through digitalisation	Explore digitalisation solutions for tax and treasury processes	• Implement new Treasury Management System • Implement new Tax Management and reporting solution

Asset Lifecycle Management

ALM is defined as the process of managing an asset from 'cradle to grave'. ALM aims to optimise asset usage by identifying potential inefficient processes in each stage of an asset's lifecycle, derived through the monitoring and utilising of available data.

Ultimately ALM aims to safeguard the integrity of our assets, optimise performance and provide objective data-based recommendations for continuous learning and development through all phases of a project.

Yinson focuses on four main areas within ALM, which are Asset Reliability, Asset Performance Data, Maintenance System Management and Lifecycle Efficiency.

In FYE 2020, the ALM Department was established, with strategy and goals formalised and communicated across the Group. With the concept and organisational structure now in place, Yinson will focus on optimising the already established systems that fall within ALM and further establish new identified functions, such as Performance Data Management and Lifecycle Efficiency processes.

Enhancement of Group's ERP system

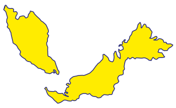
Since 2014, Yinson has embarked on a continual improvement initiative to synchronise accounting data through a Group-wide ERP system named IFS. The system enables information to be seamlessly shared amongst departments and across geographical borders, decreasing communication gaps and creating greater time and process efficiencies.

A key benefit of this system is that it creates a digital, near paperless operation environment. While this has an obvious positive impact on the environment, it also results in integrated and common information outputs from stakeholders, improving cost analysis integrity, quality and efficiency.

During FYE 2020, Yinson performed a successful upgrade to the latest version of IFS. Out of the box came modern interfaces, global and intercompany support as well as enhanced support on customer configuration. With the stabilising phase nearly over, focus is moved to harvest the benefits where Yinson will explore and optimise usage and functionality of IFS including third-party add-ons. The areas Yinson are currently exploring covers accounting, supply chain, document management, project and Computerised Maintenance Management System ("CMMS") modules.

In the same year, IFS CMMS module was progressively and successively rolled out to its operational FPSOs. The CMMS module is tightly integrated with full supply chain, document management and accounting, all in a replicated solution providing full access to needed data both onshore and offshore.

In terms of accounting, as at 31 January 2020, Yinson has completed migration of 51 out of 57 reporting sites to the IFS system, with the remaining sites targeted to be migrated by December 2020.



Malaysia

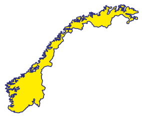
Entities
40

Status
Migration completed

Singapore

Entities
7

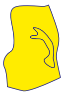
Status
Migration completed



Norway

Entities
6

Status
2 completed | 2 in progress
2 target September 2020



Ghana

Entities
1

Status
Migration completed

Nigeria

Entities
1

Status
Target completion to June 2020

Netherlands

Entities
1

Status
Started IFS

Brazil

Entities
1

Status
Target completion December 2020

The Group has kickstarted an initiative to automate data input from documents and the creation of related document libraries via AI capable software. The automation allows resources to be freed up and strategically redeployed to other improvement areas. The initiative has been implemented for vendor transactions, and will be further expanded to other routine processes within the Group. Another focus for the year is improving the connectivity between offices, information accessibility, implementing standardised digital filing and enhancing access control.

Build IT capabilities 17

An IT Roadmap was presented to the Board in FYE 2019. The Roadmap is a three-year plan that clearly sets the way forward in terms of IT and digitalisation until 2021. It identifies current IT challenges, the strategy for addressing them and outlines the plan for achieving a new and enhanced IT landscape that will cater for the expected growth trajectory of the Group. The strategy will adopt the approach from cloud first, hybrid and finally on-premise solutions with assessments based upon the technical, financial and security viabilities that best suit the business and industry.

The plan aligns with the Group's overall direction to digitalise, collaborate, co-source and improve connectivity between all offices and assets.

In FYE 2020, the following initiatives relating to improving Yinson's business processes were successfully rolled out:

- Domain standardisation across the Group, enabling integration of communications platforms
- Phase 1 of Yinson's Global Network Revamp, involving implementation of a new multiprotocol label switching network, resulting in better system access for office users
- Support for operational digitalisation efforts for operations and projects initiatives as outlined in this section, such as ALM, IFS system, Robotics Process Automation ("RPA"), approval workflows and document review processes
- Support for Group-wide communication and collaboration initiatives, in particular the Sharepoint platform.

In FYE 2021, the IT team will embark into phase 2 of Yinson's Global Network Revamp, which includes enhancing software-defined wide-area network to improve network performance for office users. In terms of automation, digitalisation and collaboration, we aim to roll out RPA projects, Sharepoint collaboration sites and workflow approval processes while also providing and advising on the IT architecture for digitalisation.

Cybersecurity continues to be a strong focus for the Group. We recognise the ever-evolving cybersecurity threat to infrastructure and system disruptions, as well as information security breaches that could arise from cybersecurity attacks. To provide Group-wide guidance on addressing cybersecurity concerns, an Information Security Policy is currently being developed. From FYE 2021, we plan to carry out yearly enhanced cybersecurity training, which will be compulsory for all employees, as well as the following measures to strengthen our ability to mitigate cybersecurity risks:

- Execute an in-depth cybersecurity threat assessment
- Invest in a global enhanced cybersecurity solution
- Launch a phishing awareness campaign and assessment, followed by user-awareness training for all employees.

Utilise digitalisation tools for HSEQ improvements

Yinson's goals with regard to HSEQ are to have zero accidents, zero harm to the environment, and excellence in project execution. Digitalisation is an important strategy that Yinson is investing in to reach these goals, as depicted in the graphic below.

HSEQ digital strategy

Integrated Management Systems

Reporting and management of HSEQ and operational information at Yinson are facilitated through two main well-established digital platforms. Our in-house Yinson Management System (YMS) maintains HSEQ management documents, while an external software system manages specific procedures and processes for our offshore vessels, such as checklists, incident reporting and improvements, permits-to-work, audits and findings, risk assessments and emergency information.

In FYE 2021, we aim to enhance our existing systems to be further integrated with work processes across the Group. Together with other teams in Yinson, we will be working towards establishing more user-friendly dashboards and overviews that can be used to identify improvement areas, whilst being certified to relevant standards.

Safety culture improvement

One of Yinson's HSEQ goals is to develop the safety culture maturity to the next level, utilising new methods and digital tools. Our Safety Culture Transformation Programme, which was started in 2015, is one example of how digitalisation has enhanced learning amongst employees and crew.

Employees answered a digital survey which was benchmarked based on results from over 100,000 employees in the offshore industry, and results were analysed to determine Yinson's capacity to respond positively and openly to failures.

Based on survey results, gaps were identified and an action plan built to address them. One of the key learning tools in the programme is a learning platform, which includes four different digital apps. One of these is a 'game' where employees and crew are presented with real-life scenarios and prompted to react. Crew engagement with the app will help the Group identify areas for improvement, while reinforcing desirable safety culture behaviours. The four digital apps were completed in FYE 2020. The apps will be launched globally on board all FPSOs and offices in FYE 2021.

Environment impact control

To support the Group's focus on sustainability and also in line with our goal of causing zero harm to the environment, we will be working towards rolling out a robust environmental impact monitoring and control system for our FPSOs in the coming financial year. Our aim is to digitalise and automate some monitoring processes, working together with Yinson's sustainability team to ensure that data for key sustainability indicators are accurately captured. With the data captured, we will be able to better plan how to manage our environmental impacts in the years to come.

Natural Capital (pg 120)

Reducing COPQ

We believe that the improvement in digital reporting, investigation and monitoring of quality costs will serve to reduce the COPQ across the operations of our assets. COPQ is a cost that could realistically reduce when systems, processes and products are improved. Reduction in COPQ is a strategic HSEQ goal, and development of methodology and processes will start in FYE 2021.

Strengthening of Document Control System

As the Group grows, it becomes increasingly important that our document control system continues to evolve to meet stringent standards of the industry and the certifications that we adhere to. In the coming financial year, we will focus on aligning the documentation system and numbering format across our corporate, projects and operations office. We will also enhance the management of change process and tighten processes relating to the reviews and updates of controlled documents. In addition, we plan to increase the accessibility of these documents across the Group via our corporate intranet, YNet, albeit with stricter access control.

In FYE 2020, we implemented Phase 1 of a user-friendly web portal which allows our contractors and employees to work together on documents in a controlled environment. This was successfully implemented in our active projects, and will be used for future projects as well. Phase 2, which is planned for FYE 2021, aims to see the portal integrating with our ERP system.

Enhancement of offshore communication system

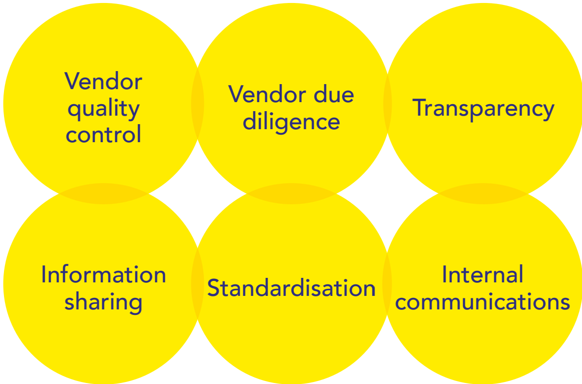
During the financial year in review, we successfully enhanced our offshore communication system by expanding into digital reporting for punchlists, mechanical completions and commissioning. This is part of the Group's overall strategy in digitalisation, moving away from a manual system of records and tracking. Our aim is to bring about greater efficiency of site teams and systematic control of ownership and reporting. The system was successfully deployed on FPSO Helang, and we look forward to implementing it in our upcoming projects as well.

Digitalisation and upgrade of supply chain management process

Yinson's goal is to use digital tools/technology to continuously streamline and improve how we manage our supply chain, thus enabling us to deliver the required goods at the right time, right price and highest quality.

We currently facilitate the screening and selection of our vendors through our VRP, which is designed to capture and administrate requirements to be our vendor.

Continual improvement of vendor management capabilities



In the coming financial year, Yinson is looking to upgrade the VRP to ISO 9001 qualified standards, and enhance capabilities relating to pre-qualification assurance and vendor performance. We aim to improve the supply chain tendering process via automation and digitalisation, to achieve a system that is streamlined, sustainable, transparent and scalable. Another planned enhancement is to increase the scope of the VRP to include the ability to run analytics and to generate business insights for supply chain optimisation.

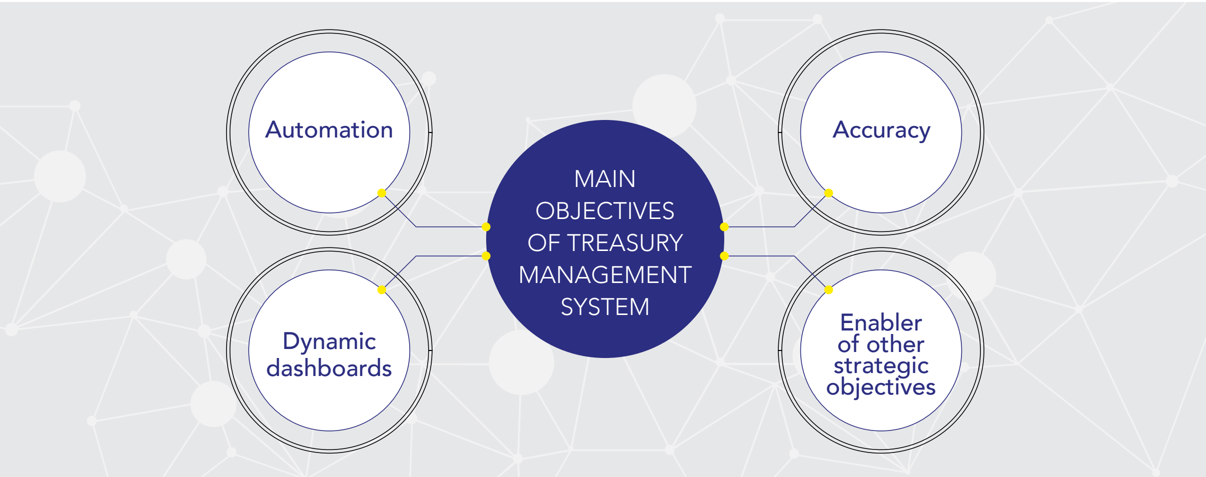
In the coming financial year, our procurement team will explore areas where strategic frame agreements with vendors can be established, which we believe will improve lead times and leverage off economies of scale.

To achieve these objectives, we will leverage off the industry experience and knowledge of the team; alongside current project and tender opportunities.

Vendors/suppliers (pg 105)

Strengthen Corporate Advisory function through digitalisation

In the coming financial year, Yinson plans to implement an integrated and technologically-robust Treasury Management System to facilitate our growth across new territories and the development of our business divisions.



Through the system, Yinson is looking to standardise manual processes and introduce a single platform to monitor complex covenants and financial data reports, putting accurate information at our fingertips to optimise liquidity decision-making. Additionally, the Group will further streamline intragroup charges of the Offshore Production Division with the purpose of developing a centralised approach for cost management and recovery.

There are many factors challenging the effective operation of Yinson's corporate tax function, including the centralisation of tax oversight, demands of globalisation, increased regulatory scrutiny, increasingly complex law, heightened CG, increased demand for transparency, scarcity of resources, and shorter financial closing cycles.

To keep pace with these demands and challenges and to effectively address them, Yinson is in the midst of acquiring a tax management and reporting solution that provides useful insights to help appraise the abovementioned global tax reporting challenges and identify possible improvements in the accuracy and timeliness of these processes – ultimately sharpening Yinson's effectiveness in managing our tax obligations. The benefits of having such solution would include:

- Deadline monitoring
- Promotes collaboration on data, status and monitoring of tax operations
- Provides visibility over tax operations throughout the group as well as entity level
- Gathers and analyses tax information from every territory/entity in a centralised solution
- Dashboard and analytics to drive better business insights
- Streamlines tax reporting format
- Centrally stores important tax documents.

We believe that the implementation of this tax management and reporting solution will enhance our tax compliance process and lower our tax compliance risks.

COMPANY CULTURE AND COMMUNICATION

GOALS SET FOR FYE 2020	PROGRESS	GOALS SET FOR FYE 2021
Reinforce corporate culture	• Corporate culture sessions for all Yinsonites completed • Corporate culture component integrated as onboarding process for new joiners • Integration of Core Values into hiring and appraisal system • Integration of Core Values into everyday life at Yinson	• Corporate culture emphasis campaign • Brand awareness workshops across the Group
Establish effective Group-wide communication platforms	• Corporate intranet and collaboration platform launched groupwide • Group-wide town halls implemented	• Enhanced collaboration across the Group
Establish Project Communications team	• Projects Communication team established	• Increase projects communications across the Group and externally

Reinforcing Yinson's corporate culture

We realise that in order to continue our success as an organisation, it is vital that our team be aligned in how we think and make decisions. Thus, Yinson's corporate culture - comprising our Mission, Vision and Core Values - continues to underpin everything that we do.

Relaunched in 2018 with corporate culture workshops and team building activities, FYE 2020 has seen a structured and deliberate integration of our corporate culture into daily life at Yinson, including the following measures:

- Integration of corporate culture and Core Values into Yinson's brand, flowing through to all internal and corporate communications
- Restructure of appraisal process so that employees' KPIs are directly linked to their understanding of, and how they utilise the Core Values in their decisions and actions
- Restructure of hiring process to put forward the potential candidate's alignment with our Core Values as a key consideration
- Leadership and human development training events to develop skills aligning to our Core Values
- Establishment of various communication channels, tools and platforms to encourage the Core Value, 'Open'
- Significant investment into aligning our business processes with the Core Value, 'Sustainable'.

Recruitment and retention (pg 84), Personal and professional development (pg 86), Performance recognition (pg 88)

Group-wide communication platforms

Alongside the strengthening of IT systems to improve our communication infrastructure, Yinson took several steps in FYE 2020 to establish avenues to enable employees to communicate better and have their voices heard.

Of particular significance was the launch of Yinson's corporate intranet in October 2019. Named YNet by popular vote, this is a vibrant, interactive space for Yinsonites to read and post updates, connect to one another, and access the latest documents and resources. YNet is designed to encourage employee engagement and bridge communication gaps between teams, employee levels, geographical locations and cultures.

One of the functionalities on YNet is 'Questions and Answers' - a forum that encourages employees to ask questions, and vote for those that they would like an answer for. Yinson's Management Committee ("MC") addresses the top voted questions during town hall meetings.

Complementing YNet is 'team sites' - collaborative spaces that allow employees to work on projects and share information securely, from anywhere and on any device. Permissions, governance and functionalities of team sites were set in FYE 2020, so we are looking forward to roll out across the Group in FYE 2021.

Projects Communications team

In FYE 2020, Yinson established a Project Communications team to facilitate effective communication and coordination across the Group. This involves highlighting the progress of all ongoing projects, whilst also keeping the projects teams abreast with Company-related announcements, mandatory workshops, events and highlights.

Amongst communication initiatives by the Projects Communications team is the production of video documentary content, and organising CSR, team building and social events for the projects teams.

HUMAN CAPITAL

At Yinson, our employees and crew are considered a core capital. The skills, happiness, engagement and safety of our people are the foundation of our success and play a key role in achieving our business objectives.

Yinson shapes its goals for Human Capital around the following priority areas:

- Recruitment and retention
- Adding value through work-life balance
- Localisation
- Leveraging on digital technologies
- Diversity and inclusion
- Health and safety

RECRUITMENT AND RETENTION

GOALS SET FOR FYE 2020	PROGRESS	FOCUS FOR FYE 2021
Recruitment and retention of high-quality employees and crew	• Successfully recruited and manned all offshore crew to support projects and operations • Launched L.E.A.P • Established partnerships with Malaysian and Singaporean universities • Engaged employees through engagement survey and 360 assessment for leadership group	• Recruit and man all offshore crew to support projects and operations • Expand L.E.A.P to Projects Headquarters • Continue to build and develop existing university partnerships • Maintain attrition rate of 5% or below • Improve staff engagement scores to 67%
Personal and professional skills development	• Training and Development Policy approved by the Board • Carried out first Human Capital Development initiative, 'Yinson Up'	• Continuation of 'Yinson Up' initiatives across other offices • Identification of learning and development needs that support continuous professional development
Performance recognition	• Launched long service awards	• Review approach to performance management • Establish more avenues to recognise and reward employees and crew

Recruitment and retention of high-quality employees and crew

Yinson focuses on recruiting employees who align to our Core Values, and we prioritise this 'team' mindset highly alongside the potential hire's skillset and experience. With the uptake in the global FPSO industry, we are cognisant that the competition for talent is fierce, and Yinson must invest on being an employer of choice to deliver on our commitments to all our stakeholders.

Yinson's steady growth of employee numbers correlates with the Group's growth, as we build our team according to the needs of the projects we undertake. As part of our strategy to retain our employees, the Group first looks inwards for internal transfers to fill new job positions before looking outwards.

For our offshore crew, our achievements for FYE 2020 are as follows:

- Successfully recruited and manned all offshore crew for FPSO Helang to support transfer from projects into operations
- Recruitment and manning of all offshore crew for FPSO Abigail-Joseph is underway and on track for transfer from projects into operations in FYE 2021
- Successfully supported ongoing operations in Ghana and Nigeria for FPSO JAK and FPSO Adoon
- Successfully recruited for all Headquarters and base offices.

FYE 2021, we will continue to support ongoing operations in Ghana, Nigeria and Malaysia, while also recruiting pre-ops crew for our asset under construction, FPSO Anna Nery.

Yinson welcomed its first batch of two apprentices to join us under L.E.A.P in October 2019. During the 2.5-year programme, our apprentices have a chance to rotate to all departments within the Corporate Advisory Office, including one month of shadowing and mentorship with a member of Yinson's C-suite. We are planning to expand L.E.A.P to attract engineering graduates in our Singapore office in the near future.

Yinson also ran trainee programmes for our Ghana and Nigeria operations and continued to build partnerships with local tertiary education institutions.

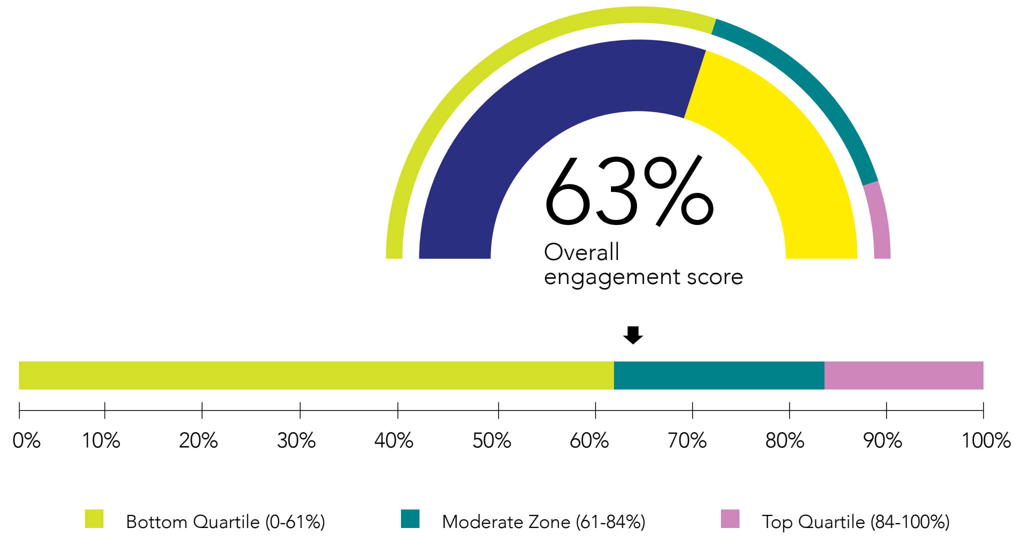
Localisation (pg 89),
Local communities (pg 110)

While we celebrate the growth of the Group, we are aware that this same growth brings its own set of challenges including impacts on corporate culture, staff engagement and attrition rates. Yinson's recruitment and retention strategy focuses on reinforcing company culture and Core Values, talent management and performance recognition.

We ran two Group-wide employee surveys in FYE 2020. The first survey covers office-based employees on their engagement levels, whilst the second is a 360 survey for our leadership team, from team leaders to our MC.

227 employees completed the first survey, representing 79% of employees. Yinson's overall engagement score was 63%, placing us in the 'moderate' zone. The survey highlighted key strengths of Yinson as 'Diversity and inclusion', and 'Empowerment and autonomy'. Meanwhile, results also pointed to opportunities for the Group to invest in infrastructure and improve on how we recognise and reward our employees. An action plan has been developed and has begun to be implemented. We hope to see engagement levels rise to at least 67% when the survey is repeated in FYE 2021.

Results of FYE 2020 Group-wide employee survey



External benchmarks

23 points 86%	2 points 65%	21 points 84%	4 points 67%
Best Employers Malaysia (2019)	APAC OIL, Gas & Consumable Fuels (2018-2019)	Best Employers APAC (2019)	Malaysia Norm (2018-2019)

The 360 assessment was undertaken by 59 Yinson leaders. It rated Yinson's leadership against 11 leadership competencies, highlighting areas where the leadership group was most aligned, as well as untapped areas and 'blind spots'. Individual leaders were subsequently presented with their personal results and received one-on-one coaching, addressing key areas for improvement. We see this focus on leadership development as an important way to maintain high ownership and engagement levels across the Group.

Personal and professional development 12

Yinson believes that career development planning is important for all employees and is a key component of the performance management process.

Development activities focus on:

- Identifying training and development needs through regular performance appraisal processes
- Working out individual development plans which encourage taking on higher roles and responsibilities
- Upgrading skillsets
- Encouraging adaptability and mobility.
- Highlighting opportunities for internal movement.

The Group's Training and Development Policy was approved by the Board on 26 June 2019. This is a key way the Group seeks to develop employees in their individual capacities towards achieving their personal development goals whilst ensuring succession within the Group. The Policy covers in-house training, external programmes, and company sponsorship of approved training programmes across all offices. We have further committed within the document to provide financial assistance to employees who seek training to enhance their core competencies. We do not currently provide any transition assistance programmes for cases of employee retirement or termination.

Percentage of employees receiving regular performance and career development reviews in FYE 2020

100%

We have two-way performance reviews that promote conversation between line managers and corresponding subordinates. The appraisal process covers all employee levels, from junior to senior management. This structure encourages the alignment of expectations, as well as the bridging of skill gaps for better career development through identification of relevant training needs.

During the financial year, Yinson launched a programme called 'Yinson Up', or 'Yup' for short. These are human capital development events designed to improve employee performance, capabilities and skills. The first Yinson Up event, held from 9 to 10 January 2020, saw 70 Yinson leaders from across the Group's global offices coming together for two days of training and strategy alignment to gear up for the high growth period ahead. Future events will target other employee groups within the organisation.

At Yinson, we recognise that the training and competence of our crew are crucial pre-requisites for safe execution of FPSO operations, high productivity, effective succession planning, crew motivation, commitment, career development and knowledge retention for the Company.

A rigorous competency and training matrix is developed for each asset and deployed across its crew. Every training course is followed by a competence assessment.

For offshore crew, the matrix broadly comprises of the following types of training:

Entry level trainee programme → Build the capacity of recent graduates with little or no experience in the oil and gas sector.

Localisation (pg 89)

On the job training → Ensure practical learning experience for all employees

Mandatory training → Ensure crew have the safety training required for their positions

Mandatory training (pg 100)

Technical training → Ensure crew are trained in equipment and process

Performance recognition

In FYE 2020, Yinson began rewarding employee loyalty through long service awards, with 38 Yinsonites recognised for being with us for five years or more.

We continued rewarding employees through our Employees' Share Scheme ("ESS"), where eligible employees are rewarded based on their performance and the duration of their service, among other criteria. 101 Yinsonites were invited to participate in ESS in FYE 2020.

Various communication channels are used to celebrate performance at work and lessons learnt, such as our corporate intranet, town hall meetings, team meetings and other internal events.

ADDING VALUE TO BUSINESS THROUGH WORK LIFE BALANCE

9

PROGRESS IN FYE 2020	FOCUS FOR FYE 2021
• Enhanced flexible working hours options • Introduction of 'Work from home' arrangements for KL and Singapore offices • Examination leave introduced • Enhancement of annual, medical, maternity and paternity leave benefits • Monthly 'Family day' introduced in Singapore office • Increase in family-friendly CSR events • KL and Singapore offices received 'Best Employer to Work for in Asia Award 2019' by HR Asia	• New KL office to incorporate family-friendly facilities • Implementation of healthier meals at work • Review approach to flexible working hours and arrangements, incorporating learnings from Covid-19

At Yinson, we recognise our employees' families as an important internal stakeholder group. We realise that how happy our employees are outside of work directly affects how productive they are at work, so we strive to be an employer of choice in all the regions where we operate by improving work-life balance.

Our efforts have earned our KL and Singapore offices recognition as the 'Best Companies to work for in Asia', an award given by HR Asia. FYE 2020 is the second consecutive year the KL office has received this award.

We enhanced our flexible working hours options from the two time-slot options introduced in FYE 2019 to four for the KL office. Meanwhile in other offices, we maintained our practise of having employees in the office during core working hours, giving them the flexibility to make arrangements to arrive and depart any time outside of core working hours.

Yinson piloted 'Work from home' arrangements for KL and Singapore offices in FYE 2020. Under the pilot, employees may apply to work from home a maximum of two days per month. This arrangement has been taken up by around 10% of employees as at the end of FYE 2020, with no drop in productivity recorded.

In FYE 2021, we aim to review our approach to flexible working hours and work from home arrangements following the pilot in Malaysia and Singapore, as well as our Covid-19 experience.

Yinson's Covid-19 response (pg 33)

We also introduced examination leave, complementing our focus on employee training and professional development. Additionally, in Malaysia, we extended our maternity leave from 60 days to 120 days and paternity leave from two days to 14 days. The allocations have surpassed industry norms.

We sought to involve and appreciate our families more this year. Our Singapore office introduced a monthly 'family day', where employees are encouraged to leave the office early and spend time with their families. We also made a conscious effort to select CSR events which can involve our families. For example, all three beach clean-up events in Miri, Singapore and Kuala Lumpur, as well as Project FPSO Abigail-Joseph's tree planting activity saw our loved ones joining in.

Corporate Social Responsibility (pg 110)

The KL office is looking to move to new premises during FYE 2021. One of the key considerations for the design of the new premise is to make it as family-friendly as possible, with facilities including a fully equipped nursing room and childrens' play area.

LOCALISATION

GOALS SET FOR FYE 2020	PROGRESS	FOCUS FOR FYE 2021
Launch and execute Nigeria Trainee Programme	12 trainees successfully underwent the Nigeria Trainee Programme	Employ majority of trainees for operations
Continue execution of Ghana Graduate Trainee Programme	20 trainees successfully completed the Ghana Graduate Trainee Programme	Identify opportunities for international secondment within the Group
Hire local workforce	66% local workforce achieved in Ghana office	80% local workforce in Ghana office by 2022

One of Yinson's business strategies is to build a strong local presence in our operating countries. We believe that the more local capacity is created in terms of skilled workforce and experience, the more sustainable our local operations will be. The FPSO business is long-term, with assets continuously operating in their fields for many years. Thus, building a sustainable workforce is paramount.

Nigeria Trainee Programme

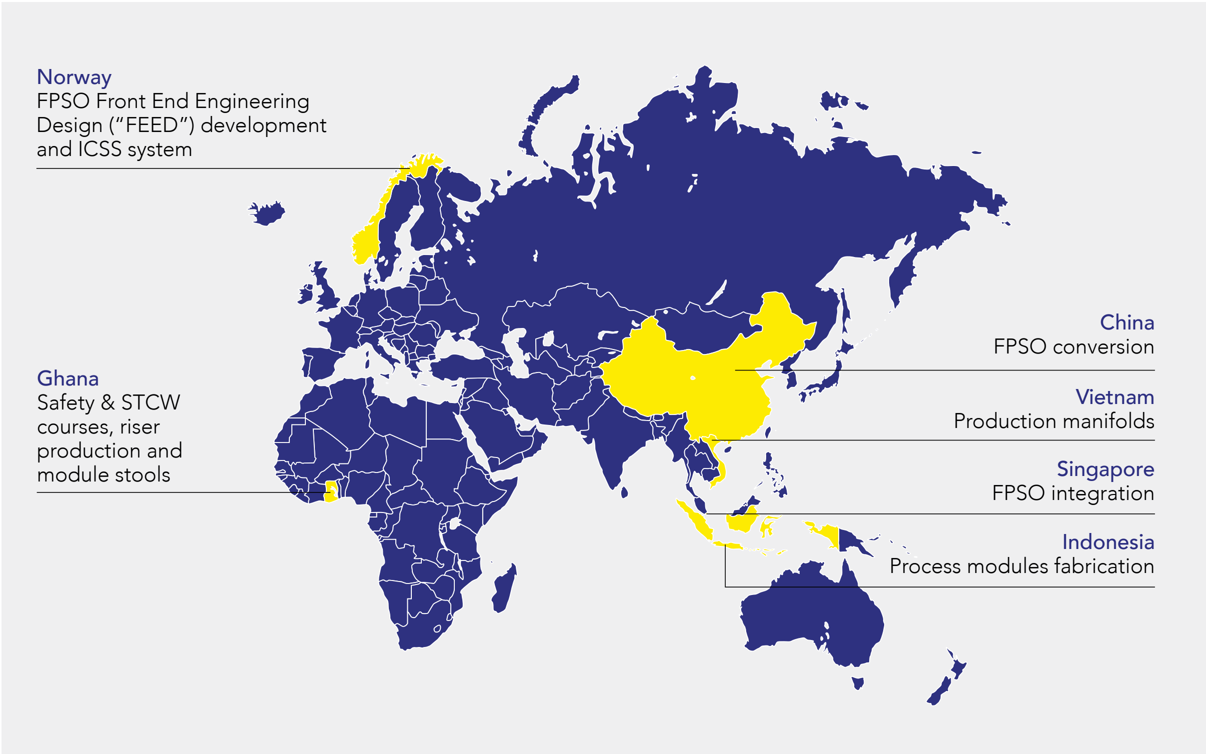
Nigeria's trainee programme was launched this financial year, with 12 trainees undergoing a 12-month programme in the pre-ops phase for FPSO Abigail-Joseph. The training programme had four parts:

Entry phase	Relevant medical examinations, engagement contract, required Standards of Training, Certification and Watchkeeping ("SCTW") courses
FPSO familiarisation	Four weeks aboard FPSO JAK followed by a visit to FPSO Abigail-Joseph
Shipyard training	12 weeks of shipyard and classroom training at two Keppel Training Centres in Singapore
Vessel attachment	On-the-job training onboard FPSO Abigail-Joseph and training courses in accordance with the training matrix.

The positions trained for were Junior Maintenance Technician Engineers, Junior Cargo Operators, Junior Field Operators, Electricians, Storekeepers, Fitters and Motormen. It is expected that a majority of these trainees will be employed as crew in operations. We will continue to monitor the modalities for future trainee programmes and crew localisation plans in Nigeria following the completion of crew employment.

Ghana Graduate Trainee Programme

Ghana's Graduate Trainee Programme has been in place since the project phase of FPSO JAK. The first batch of 20 trainees underwent training from 2015 to 2017, in six different countries.



At the end of the two years, 15 trainees were identified for offshore assistant positions and five for onshore positions. As at FYE 2020, 10 of the 15 offshore trainees have been promoted to full time positions, while the remaining five are still being assessed through our succession planning programme to take up full time roles. All five onshore trainees have been promoted to permanent positions - four are in based in Ghana as Operations Engineer, Maintenance Engineer and Cost Controller; and one is based in Oslo as Asset and Reliability Engineer.

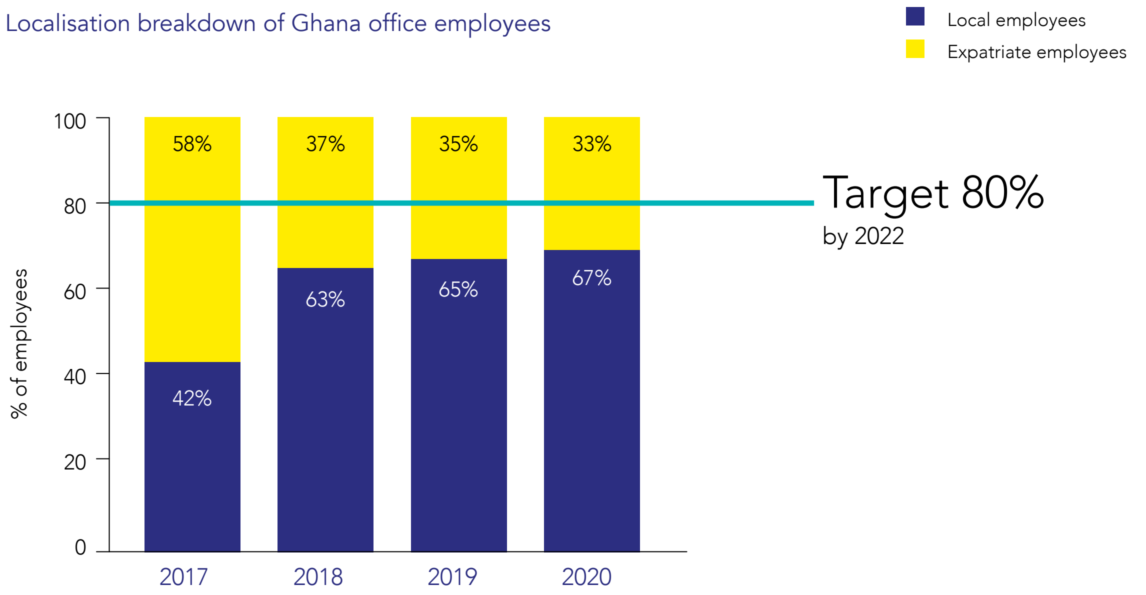
This trainee programme has now evolved to be included in our offshore crew training programme.

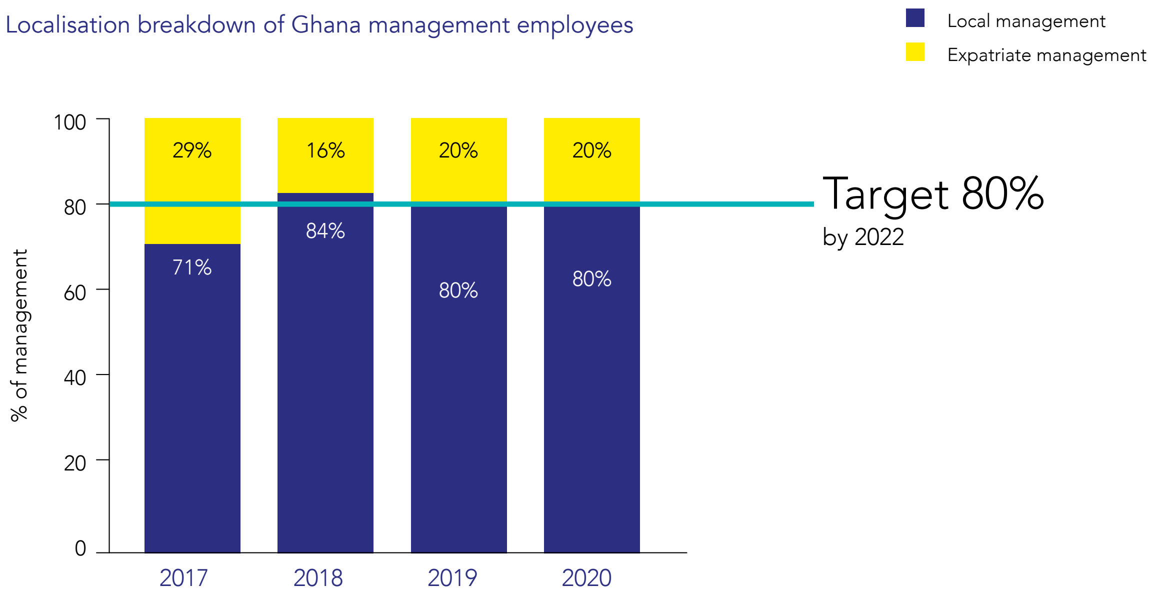
Personal and professional development (pg 86)

Hiring a local workforce

Hiring local workforce has been a focus area for our base offices. For Ghana and Nigeria, such a practice is a part of the local content requirement. We aim to adopt the same practice across the Group as part of our commitment to creating a sustainable local workforce.

For our Ghana office, the contractual agreement is to reach 80% localisation by mid 2022, five years after commencement of operations. As at February 2020, our Ghana office consisted of 33% expatriates and 67% locals, with the local figures including 28 outsourced crew.





In our Miri office, Malaysians make up 100% of the office, of which 82% are local to East Malaysia. We celebrate the local culture where we can. For example, the opening of our Miri office featured traditional dancers and cuisine, as well as a local lion dance troupe. In Nigeria, all Yinson employees are Nigerian.

LEVERAGING ON DIGITAL TECHNOLOGIES

PROGRESS IN FYE 2020	FOCUS FOR FYE 2021
• Established digitalisation roadmap and strategy for HR and crewing • Rolled out online performance appraisal system to KL and Singapore offices • Launched online flexible benefit claims via app	• Commence execution of the HR digitalisation strategy • Roll out e-training module • Continue rollout of online appraisal system to the remaining offices

Yinson aspires to embrace the changing business environment by moving from 'analog HR' to 'new digital HR'. In the traditional 'analog' style of HR, an employee experience could consist of hiring, onboarding, performing, developing, rewarding then retiring. But with digital HR, Yinson aims to enhance our employee experience through:

- Engagement and experience
- Digital competence and leadership
- Social learning and gamification
- People analytics and big data
- Automation and tools
- Digital workplace and mobility.

In FYE 2020, Yinson developed the frameworks and targets for our HR digitalisation project, with a number of initiatives planned for FYE 2021.

In FYE 2020, an online appraisal system was rolled out to our KL and Singapore offices. We aim to complete the roll-out to all remaining offices by the end of FYE 2021. Another enhancement we made was to digitalise the flexible claims process for our KL office, making it easier to submit and track claims requests.

HR digitalisation goals

Short-term goals → **Medium-term goals** → **Long-term goals**

- **Short-term goals:** Bring analog HR data into digital sources
- **Medium-term goals:** Identify and implement HR systems that achieve HR digitalisation roadmap and strategy
- **Long-term goals:** Digital workers, fully online

DIVERSITY AND INCLUSION

10 13 21

PROGRESS IN FYE 2020	FOCUS FOR FYE 2021
• Increase COBE-related disclosures • Establish Group-wide communication on whistleblowing channel and company policies on diversity and inclusion	• Establish plan of activity to underpin aspirations in diversity and inclusion

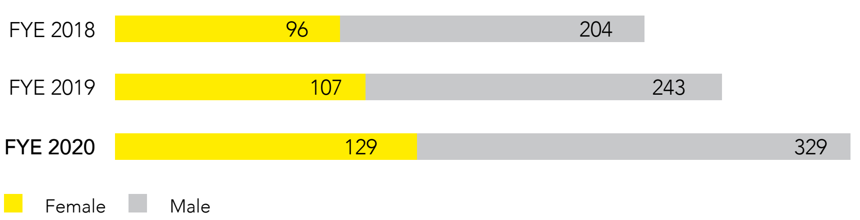
With a workforce spanning 11 countries and over 20 nationalities, we recognise that individuals from every background can make unique and valuable contributions to our business. It is precisely this diversity that helps us excel on a global playing field.

Yinson's commitment to diversity and inclusion is upheld through Yinson's HLR Policy and COBE. These documents set our expectations of operating standards for both internal and external stakeholders. Content-wise, they cover key tenets identified within the Universal Declaration on Human Rights, as well as those established in the International Labour Organisation's eight fundamental conventions. In line with this commitment, we do not tolerate any form of discrimination or harassment on any grounds including race, colour, ethnicity or national origin, gender or gender identity, sexual orientation, age, religion, disability, marital status or any other legally protected status. In addition, our HLR Policy highlights commitments towards freedom of association and collective bargaining, anti-child and anti-forced labour, and minimisation of community impacts where we operate.

A key focus for FYE 2020 was educating employees on the principles set out in our ABAC Policy and raising awareness on our whistleblowing channel. Our whistleblowing channel can be used by employees to report violations stemming from COBE-related misconduct, as well as violations of any items under our HLR Policy.

Yinson's Code of Conduct and Business Ethics (pg 70)

Employee distribution by gender

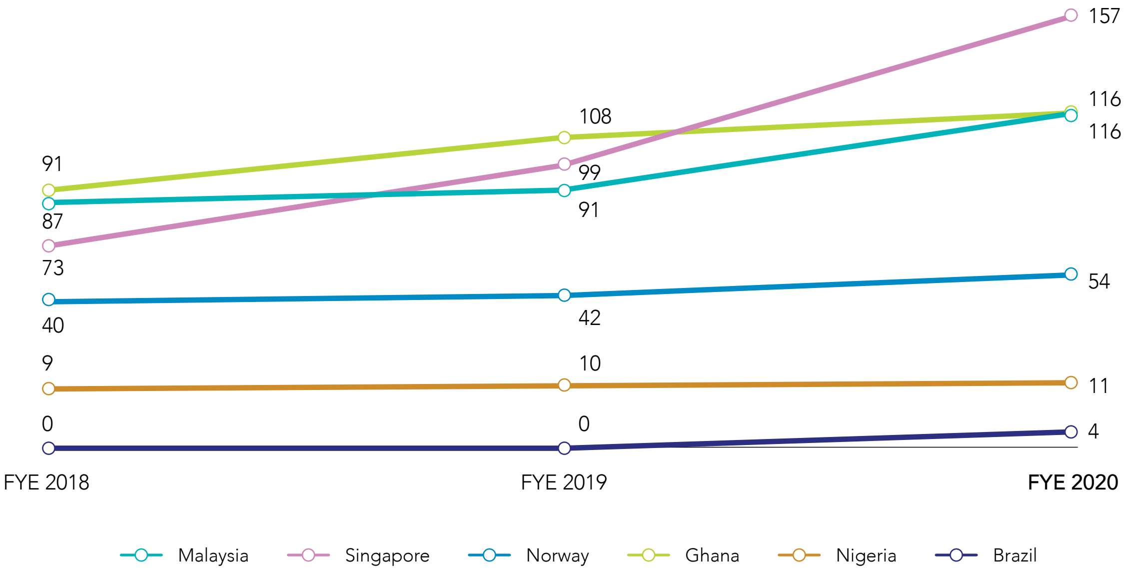


Reports of discrimination cases received

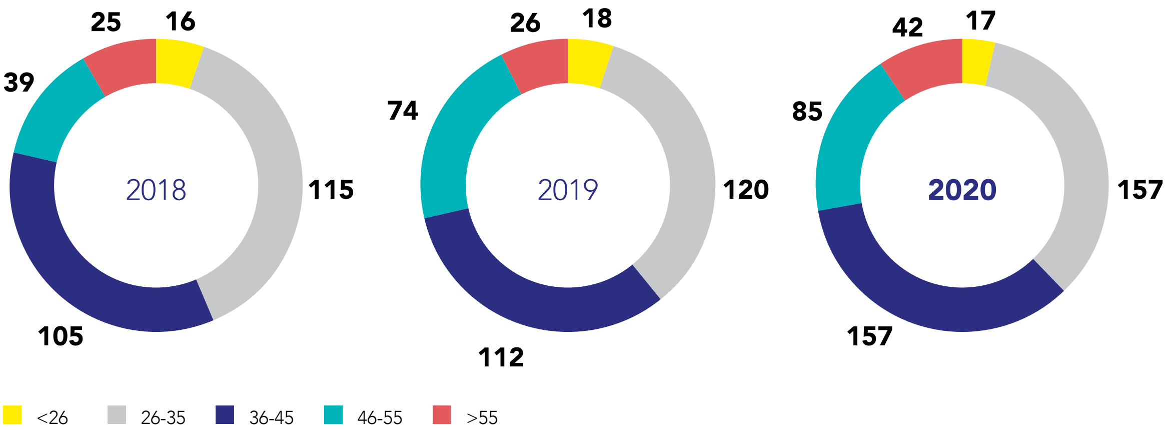
0

Employee distribution by country

TOTAL	FYE 2018	FYE 2019	FYE 2020
	300	350	458



Employee distribution by age group



Average attrition rates by country

	FYE 2018	FYE 2019	FYE 2020
Malaysia	0.9%	1.2%	1.3%
Singapore	5.88%	1.11%	7.61%
Norway	n.a.	0.59%	0.37%
Ghana	1.10%	0.92%	0.86%
Nigeria	11%	0%	9.09%
Brazil	n.a.	n.a.	0%

Total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period

0

HEALTH AND SAFETY

1

GOALS SET FOR FYE 2020	PROGRESS	FOCUS FOR FYE 2021
Increase onshore safety and wellbeing	• Each office took ownership to drive health and wellbeing campaigns and activities in their respective country offices • Safety culture was built through awareness campaigns, Safety Moments, safety briefings, fire drills and other safety related initiatives	• Increase office participation in health and wellbeing activities in each country office • Continuous building of safety culture in onshore offices • Provide employees with access to an external Employee Assistance Programme provider
Safety in Offshore Production Division	• LTI frequency of 0.71 and TRI frequency of 1.42 • FPSO Adoon achieves eight years LTI free • Executed safety training across the Group • Emergency response training carried out in Singapore • Expansion of International SOS corporate membership to cover the Group	• Maintain strong safety performance across projects and operations phase of assets • Develop the safety culture maturity to the next level
Safety in Offshore Marine Division	• Zero LTIs, Restricted Work Days ("RWD"), First Aid Cases ("FAC"), Loss of Primary Containment ("LOPC"), illness, diseases or near miss cases • Executed Equipment & Tools safety campaign • Executed Monsoon campaign • Received 'Best HSE Performance 2019' and 'Marine Vessel Safety and Operation Excellence' awards	• Continuous improvement of the current practice through the Integrated Management System deliverables • Enhance competency of health and safety by leveraging on awareness and training capability

As a responsible employer and reliable business partner, we work diligently to provide a safe working environment to our employees, crew and all who work with us such as our contractors. This is to ensure the business continues to function effectively, and to attract and retain skilled people and business partners. As such, our Group-wide target is to have zero health and safety issues wherever we operate – be it onshore or offshore.

Safety culture is inseparable from our Core Values, and both are embedded in our organisation. We strive to build a culture where our people embrace failure, as we believe this is the most effective way to prevent mistakes from escalating to major incidents, and enables us to learn as an organisation. In addition to our internal company culture, we have safety guidelines established within our contractual agreements with relevant business partners to guide overall project commitments towards safety.

We take a systematic approach to health and safety, and deliver programmes to enhance safety practices across the organisation. Our risk management frameworks and processes, designed to safeguard the health and safety of all employees, are captured via the integration of our ERM system with our OHSAS 18001: Health & Safety Management systems. We have an internal requirement for auditors of our ISO certifications/ management systems to be certified in ISO 19011 to lead, participate in, and report their respective audit findings. As per the requirements to maintain ISO certifications, audits need to be completed once every three years. Having said that, we have internal audit processes once a year. This is to ensure that our risk identification, assessments and incident investigations are maintained at optimum levels.

In the event of unforeseen circumstances or potential emergencies, we empower our employees to use their best judgment on protecting health and safety through our internal Stop Work Policy, which outlines the Management's full support towards employee, client and contractor decisions to stop work in the face of potential hazards.

Yinson has run a Safety Culture Transformation Programme since 2015 in collaboration with an external consultant, which evaluates our capacity to effectively embrace failure. Under the programme, our safety culture is periodically evaluated against eight leadership behaviours, and action plans are developed to address identified gaps. In FYE 2020, we developed digital tools to enhance learning and collaboration, which was identified as one of the improvement areas in FYE 2019 survey.

Safety culture improvement (pg 79)

Onshore safety

The nature of work in offices generally lead to lesser safety risks, relative to the offshore divisions. We reinforce safety culture in our offices as below:

- Observation cards prominently available in every office
- Safety moment segments at every town hall meeting, conducted by HSEQ personnel
- Safety briefings before every event, conducted by HSEQ personnel
- Safety inductions as part of the onboarding process
- Training of employees to function as first aiders, floor wardens and fire marshals
- Basic Occupational First Aid, CPR & Automated External Defibrillator and Building Emergency Response & Basic Fire Fighting training for employees.

Health and wellbeing initiatives in our offices in FYE 2020

KUALA LUMPUR

The KL office launched 'Lunch and Learn' talks, with themes generally revolving around health and safety, the environment and CSR.

Two safety-related talks that took place are a crime prevention talk by the Malaysia Crime Prevention Foundation and a talk on stress management by our corporate insurance providers.

The KL office also started free 'Workout Tuesdays' for employees, which aim to bring fitness through workout routines including bodyweight and dumbbell exercises.

SINGAPORE

Our Singapore office continued championing the yearly OCBC cycle, with over 30 participants from Singapore and Malaysia taking part this time round.

Salsa fit classes were organised, with classes culminating in an energetic performance during the Singapore office's Annual Dinner.

Breakfast is provided on alternate Mondays to kickstart the week. Also, fruits are served every alternate Tuesday to encourage healthy lifestyles.

OSLO

Our Oslo office's sports club was established, with activities including skeet shooting, and stretching and yoga classes in the office.

The office also introduced regular 'Lunch and Learn' sessions where employees can watch a presentation or a learning video. Plus, healthy lunches, fruits and snacks are provided every day.

Employees in our Oslo office participated in the Rosa Sløyfe-løpet 2019, the Norwegian chapter of the Pink Ribbon Run as a show of support for the Pink Ribbon cause.

In the next financial year, the Oslo office plans to hold lady-style and swing dance classes, among others.

PORT HARCOURT

Yinson's Nigeria office continued their corporate membership of the Python (Air Assault) golf course in Port Harcourt which allows employees to enjoy a game of golf or a walk.

The office also organised a talk on mental health and wellbeing including stress management, where staff learnt how to identify signs of stress and other mental health issues, and received practical tips for managing them.

ACCRA AND TAKORADI

Yinsonites in our Ghana office participated in the Accra International Marathon (AIM) in October 2019, an initiative which we have participated in since 2015. The course ranges from 5km to 42km, and participants are encouraged to combine any activity they like such as running, jogging, walking or dancing during the marathon.

MIRI

Employees in Yinson's Miri office took up membership at the nearby Beach Republic Health and Fitness Club, giving them the opportunity to access facilities and classes for a fit and healthy lifestyle. The club is equipped with a gym, swimming pool, beach volleyball court, badminton court, basketball court and beach football. Employees also have access to zumba and yoga classes.

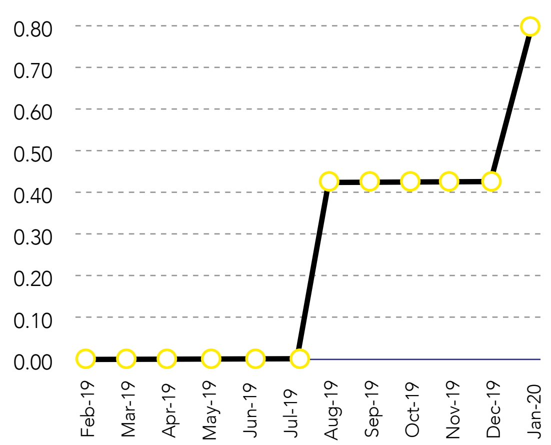
Safety on our FPSOs

We continued to maintain a good health and safety record aboard our FPSOs in FYE 2020, with a LTI Frequency of 0.71 and TRI Frequency of 1.42. Although this is a slight rise compared to FYE 2019, it is still below average industry levels. For FYE 2020 this includes incidents from four FPSOs – FPSO JAK, FPSO Adoon, FPSO Helang (on charter from 6 December 2019), and FPSO Allan (handed over to Projects team on 27 July 2019).

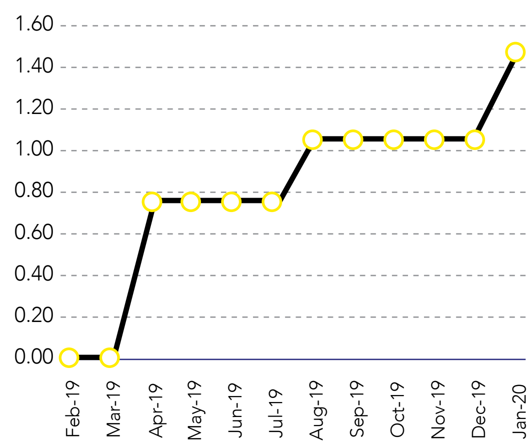
An LTI is an injury sustained by an employee that leads to loss of productive work in the form of absenteeism or delays. TRI is a measure that encompasses all fatalities, LTIs, Restricted Work Cases ("RWC"), cases of substitute work due to injury, and Medical Treatment Cases ("MTC") by medical professionals. TRI does not include any FACs.

Safety performance aboard FPSOs that Yinson operated

FYE 2020 LTI Frequency during operations



FYE 2020 TRI Frequency during operations



Health, Safety and Environment ("HSE") parameters	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Fatalities	0	0	0	0
LTI	1	3	0	2
MTC	0	1	0	2
RWC	0	0	0	0
FAC	0	16	2	1
LTI Frequency	0.55	1.04	0	0.71
TRI Frequency	0.55	1.39	0	1.42

The incidents that occured in FYE 2020 are as follows:

- 2 LTIs – (i) A crew lost balance and fell down a ladder from one topside deck to another, causing a broken leg and bruises. (ii) A crew slipped on deck while cleaning, resulting in an injured knee
- 2 MTCs – (i) A contractor opened a camlock on a waterpump under pressure, causing the camlock to 'jump', resulting in a broken nose. (ii) A contractor cut his hand during the cutting of a ziptie, resulting in a cut requiring stitches
- 2 FAC – (i) A crew tripped on the edge of a walkway, resulting in minor leg and hand injuries. (ii) A crew was impacted in the face by a chain on a chain-block, and suffered minor injuries.

All cases are investigated by our HSEQ-led Investigation Committee, and results used to develop 'lessons learnt' and other training materials to mitigate root causes and reduce the risk of similar incidents happening again. This process is supported via our established, implemented and maintained procedures for, among others, notification, recording, investigation and analysing of HSE incidents; defining HSE deficiencies and other factors that might be the contributor or cause of incidents; defining need for mitigating activities; and so on.

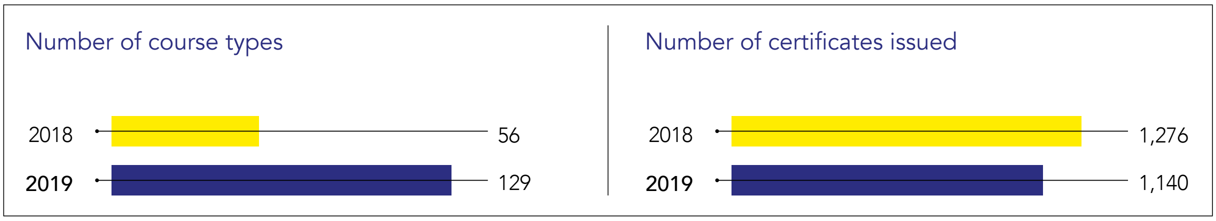
Our Occupational Health and Safety management systems act to identify and control potential risks including those that may require emergency response procedures. Our commitment towards preparation for, and responses to such emergencies and those beyond are captured via our formalised internal Emergency Response Plan. The document outlines procedures to be undertaken in the event of emergencies, including communication procedures for our unit-level emergency response teams and channels for contacting our external stakeholders. Furthermore, regular training in the form of emergency exercises and drills are conducted to ensure personnel maintain a high-level of readiness.

Safety performance during the projects phase of Yinson's FPSOs

HSE parameters	2015	2016	2017	2018	2019
Total manhours worked	5,561,947	11,872,155	770,094	4,283,527	7,268,052
Fatalities	0	0	0	0	0
LTI	0	0	0	0	0
MTC	2	5	0	0	1
RWC	0	5	1	0	0
FAC	1	10	1	5	6
LTI Frequency	0	0	0	0	0
TRI Frequency	0.4	0.8	1.3	0	0.14

Mandatory safety training is undertaken by an external service provider that specialises in training mobilisation and ensuring that all crew are fully trained in accordance with contractual and government requirements for their country of operation.

Below is an overview of mandatory training conducted during the calendar year for crew on all our operating vessels. The rise in the number of course types this year is because on-the-job training for local Nigerians on FPSO Adoon have been included in the scope of training.



Top 10 mandatory training courses aboard operating vessels

2019

Course name	Number of certificates issued
Confined Space Rescue	107
Confined Space Entry	105
Helicopter Underwater Escape Training	27
Scaffolding Awareness	22
Fire and Gas Detection System	17
Advanced Oil Tanker	14
Helicopter Landing Officer	14
Basic Fire Fighting	13
BOSIET	13
Helideck Emergency Response Team	13

2018

Course name	Number of certificates issued
Confined Space Entry	136
Security Awareness Training	115
Confined Space Rescue	111
Proficiency in Survival Craft	76
HUET	51
Personal Survival Techniques	41
Rigging and Slinging	41
Fire Prevention and Fire Fighting	37
Elementary First Aid	36
Scaffolding Competent Person	36

A few highlights for the financial year are as below:

- FPSO Adoon achieved eight years LTI free on 18 November 2019
- In October 2019, a two-day Emergency Response Training was conducted for our Singapore emergency response team, in cooperation with the Norwegian Hull Club. The purpose was to strengthen confidence in handling incidents and 'next-of-kin' challenges.

To ensure the safety of our people while travelling and stationed away from home, Yinson subscribes to International SOS, an international medical and travel security service which gives access to local medical, security and logistics experts, almost anywhere in the world. This includes 24/7 access to travel emergency assistance centres, an online travel tracker and evacuation and repatriation services. Employees also have access to up-to-date travel advisories and an e-learning hub, enabling them to make well-informed travel decisions taking into consideration health and safety risks. The service is enabled through an easy-to-use mobile and website app. We started subscribing to this service in 2017 and have been gradually increasing the scope and coverage across the Group. In FYE 2020, we expanded the coverage of this service to include every Yinson employee and crew.

In addition to the guidelines established for our internal stakeholders, we have also created plans to protect our contractors on site. Approaches include having our HSE lead/manager review contractor HSE plans and perform follow-ups where applicable. Further, we conduct regular trainings and drills for our contractors to ensure they are familiar with their responsibilities, muster points, and use of the emergency equipment.

Safety on our OSVs

Our Offshore Marine Division maintained a strong HSE performance in FYE 2020 with zero LTIs, RWCs, FACs, LOPCs, illnesses or diseases or near miss cases. There were three property damage cases reported during the year. Quick corrective measures were taken and preventive measures put in place including enhanced voyage planning, additional checking for property wear and tear, and the inclusion of new inspections in weekly routine checks.

An Equipment & Tools Safety Campaign was carried out in January 2019, as this was highlighted as an area for improvement following an analysis of Unsafe Act Unsafe Condition ("UAUC") cards submitted in 2018. The campaign consisted of awareness training, acknowledgement of best UAUC cards, and a 'Best safety video' competition. Following the campaign, the number of observation cards submitted on tools and equipment dropped from 30% to 27%, with the quality of observations and positive interventions rising notably. We also launched a Monsoon Campaign in October 2019, with the objective of increasing vigilance during the monsoon period, with results yet to be provided at the time of writing this report.

Other initiatives include management visits, quarterly roving inspections, monthly analysis of UAUC cards and Hazard Hunt inspections. Our Offshore Marine Division's HSE achievements were acknowledged through two awards from our client.

Clients (pg 103)

Safety performance of Yinson's OSVs

	PTSC Lam Kinh	PTSC Huong Giang	Yinson Hermes	Yinson Perwira	Total
Incident reports					
FYE 2018	0	2	0	0	2
FYE 2019	0	1	0	2	3
FYE 2020	1	0	1	1	3
Recordable cases					
FYE 2018	0	0	0	0	0
FYE 2019	0	0	0	0	0
FYE 2020	0	0	0	0	0
Lost Time Injuries					
FYE 2018	0	0	0	0	0
FYE 2019	0	0	0	0	0
FYE 2020	0	0	0	0	0
Observation cards					
FYE 2018	286	249	251	268	1,054
FYE 2019	556	478	281	295	1,610
FYE 2020	1040	1100	301	365	2,806

SOCIAL & RELATIONSHIPS CAPITAL

Our Social & Relationships Capital consists of our relationships with our stakeholders, and aims to strengthen the bonds of trust with society. It leverages off shared values and behaviours, and provides us with our social license to operate.

Interactions with our stakeholders, taking careful considerations of their concerns and earning their trust are central to developing and maintaining this capital.

Our network is organised into 10 stakeholder groups. The groups and key methods of engagement are listed in this table.

STAKEHOLDER GROUP	METHODS OF ENGAGEMENT	
Employees Human Capital (pg 84)	• Town halls • Employee activities • Corporate intranet, YNet • Employee engagement surveys	• Employee performance review • Family friendly offices and activities • Training and development programmes
Crew Human Capital (pg 84)	• Crew activities • Corporate intranet, YNet • Crew training • Safety Culture Transformation Programme	• Annual Officer's Conference • Management visits • Inspections • Shipboard safety meetings
Clients	• Regular engagement, communication and dialogue • Client forums and events • Site visits	• Kick-off meetings • Milestone meetings and updates
Vendors/suppliers	• Regular engagement, communication and dialogue • Tenders and requests for proposals • Vendor Registration Platform	• Online training module and assessments on Yinson's stance towards ABAC • Site visits • Vendor audit • Supplier and industry conferences
Governments and regulatory bodies	• Regular engagement, communication and dialogue • Compliance with applicable legislations • Consultation on regulatory matters • Participation in Government and regulatory events	• Announcements and disclosures • Audits and inspections • Work and resident permit issuances • Kick-off, engagement and clarification meetings • Submission of reports • Competency trainings

STAKEHOLDER GROUP	METHODS OF ENGAGEMENT
Investors and shareholders	• Analyst briefings • Investor Relations web portal • Annual Reports • AGMs and Extraordinary General Meetings ("EGM") • Circulars • Investor conferences • One-on-one engagements
Industry	• Participation as exhibitors at industry conferences • Participation as speakers at industry conferences • Networking events
Local communities	• CSR activities • Engagement with local vendors • Local trainee programmes • Press releases • Website and social media • Entrepreneur and leadership development programmes • Career development programmes
Bankers and lenders	• Road shows • Site visits • Stakeholder engagement event, sYnergy • One-on-one engagements
Partners	• Regular engagement, communication and dialogue • Stakeholder engagement event, sYnergy • Collaboration on announcements, press releases and events

CLIENTS

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Offshore Production Division

Yinson's clients are oil companies who engage us to build assets for the extraction of hydrocarbons at their fields. As an FPSO leasing company, our services are provided under the following contract types:

- Time charters: Yinson leases an owned FPSO/FSO as well as operates and maintains the asset
- Bareboat charters: Yinson bareboat charters the FPSO to our partner who would then enter into a time charter with the client
- Operations and maintenance contracts: The client appoints Yinson to operate and maintain the vessel with the crew under our payroll.

We have a symbiotic relationship with our clients, as they look to us as their defacto production arm. We place great importance on maintaining and growing these relationships through regular engagements such as dialogues, reports, client forums as well as face-to-face meetings during negotiations, kick-offs and milestones events.

One of Yinson's business strategies is 'Good counterparties'. We seek to conduct our business with reputable clients and joint venture parties which limit or remove counterparty risk. Yinson has four clients with whom our FPSO assets are currently on charter, and two clients whose assets are currently under conversion.

Key assets (pg 16)

Client	Description	Relationship to Yinson
Petróleo Brasileiro S.A. (Petrobras)	Petrobras is one of the largest producers of oil and gas in the world, primarily engaged in exploration and production, refining, energy generation, trading and distribution of oil products. Petrobras is among the largest publicly traded companies in Latin America with common and preferred shares listed on the São Paulo, New York and Madrid Stock Exchanges.	Petrobras is the charterer of FPSO Anna Nery, which is currently under conversion.
Eni SpA / Eni Ghana	Eni SpA, is listed on the Milan Stock Exchange. It is engaged in the exploration and production of oil and natural gas, processing, transportation, and refining of crude oil, transport of natural gas, storage and distribution of petroleum products, and the production of base chemicals, plastics and elastomers.	Eni Ghana, a wholly-owned subsidiary of Eni SpA, is the charterer of FPSO JAK.
PetroVietnam Technical Services Corporation (PTSC)	PTSC is listed on the Hanoi Stock Exchange and is a member of Vietnam Oil and Gas Group. Its main operations involves providing technical services to the oil and gas industries including EPCI for offshore facilities, EPC for industrial facilities and FSO/FPSO services.	PTSC is the charterer of FSO PTSC Bien Dong 01 and FPSO PTSC Lam Son of which they have 51% ownership in while Yinson holds the remaining 49%.
Addax Petroleum	Addax Petroleum is owned by Sinopec International Petroleum Exploration and Production Corporation. It engages in the exploration and production of oil and gas in Africa, the Middle East, and the North Sea.	Addax Petroleum is the charterer for FPSO Adoon.
JX Nippon Oil and Gas Exploration (Malaysia) Limited (JX Nippon)	JX Nippon is a subsidiary of JXTG Holdings, one of Japan's leading corporate groups listed on the Nikkei. JXTG's oil and gas business spans upstream, midstream and downstream segments. It owns oil and gas assets across the world including North America, Europe, Australia and Southeast Asia.	JX Nippon is the charterer for FPSO Helang.
First Exploration & Petroleum Development Company Limited (FIRST E&P)	FIRST E&P engages in the exploration, production and sale of oil and gas in Nigeria. In 2018, FIRST E&P was recognised by the Federal Ministry of Petroleum Resources as the 'Most Compliant Nigeria Content Oil Company'.	FIRST E&P is the charterer of FPSO Abigail-Joseph, which is currently under conversion.

Offshore Marine Division

Vessel	Client
PTSC Lam Kinh	Repsol Oil & Gas Malaysia Limited
PTSC Huong Giang	Repsol Oil & Gas Malaysia Limited
Yinson Hermes	PETRONAS Carigali Sdn Bhd/Uzma Bhd
Yinson Perwira	PTT Exploration and Production Public Company Limited

During the financial year, Yinson's four OSVs were on hire for most of the year, with short scheduled off-hire periods during the monsoon season and in between contracts. We saw our OSVs being rehired by the same clients – a testament to our ability to deliver satisfactorily on our commitments.

We received two awards in FYE 2020 from our clients in recognition of our achievements in HSEQ. These are the 'Best HSE Performance 2019 Award, which was presented during Repsol's CEO Forum in December 2019, and 'Marine Vessel Safety & Operational Excellence Award' which was presented by Repsol Logistics in recognition of PTSC Lam Kinh's good performance throughout the year.

Health and safety (pg 95)

Renewables Division

Yinson's newly established Renewables Division currently has one client, NTPC Limited. NTPC Limited, formerly National Thermal Power Corporation Limited, is India's largest power utility, majority owned by the Government of India. It is listed on the National Stock Exchange (NSE), Mumbai, India. NTPC Limited is the client/counterparty for the power purchase agreements for the solar photovoltaic plants at Rising Bhadla 1 & 2, India.

Renewables assets (pg 21),
Renewables (pg 68),
Looking to the future (pg 139)

Vendors/suppliers 11

Yinson focuses on building deep, long-term working relationships with our key suppliers, as we believe this is the key to enabling Yinson to deliver projects on time and on budget, and also ensuring safe and efficient operations of our units.

The strength of our relationships with vendors comes from regular engagement, communication and dialogue throughout the tender, project execution and operational phase. Throughout the engagement, we also conduct audits where we assess the quality of the goods and services, check relevant certificates and verify that contractual terms are being met.

During the year, our Singapore office hosted 18 guests from 12 Norway-based energy industry companies, who were in Singapore in conjunction with the Singapore Offshore and Shipyard Roadshow 2019. The visit was arranged by roadshow organiser Norwegian Energy Partners (NORWEP). Spanning five days from 7 to 11 October, the roadshow connects Norway-based energy industry suppliers with decision makers, project managers, technical managers and procurement managers in leading Singapore shipyards and engineering companies.

While we nurture our relationships with our existing vendors, we also welcome new vendors to engage with us. This helps us to keep abreast with the latest vendor solutions in the market and widen our internal knowledge base, enabling us to make stronger vendor choices. These connections are further reinforced through our regular attendance at exhibitions and conferences that gather key players and service providers in the industry.

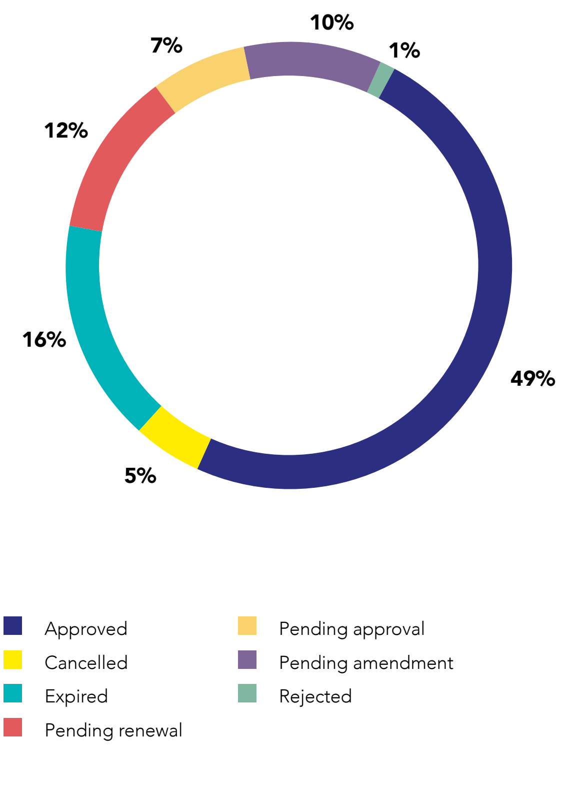
Industry (pg 109)

Yinson manages new vendor applications through our VRP. The platform screens for items such as robustness of ABAC practises and alignment towards ISO standards. Assessment criteria is broken into Commercial and Technical segments, with required disclosures including past project experience in terms of type of work done, change orders and contract values. Coinciding with the VRP, we require our vendors to take an online training and assessment module to ensure they understand Yinson's stance on ABAC matters.

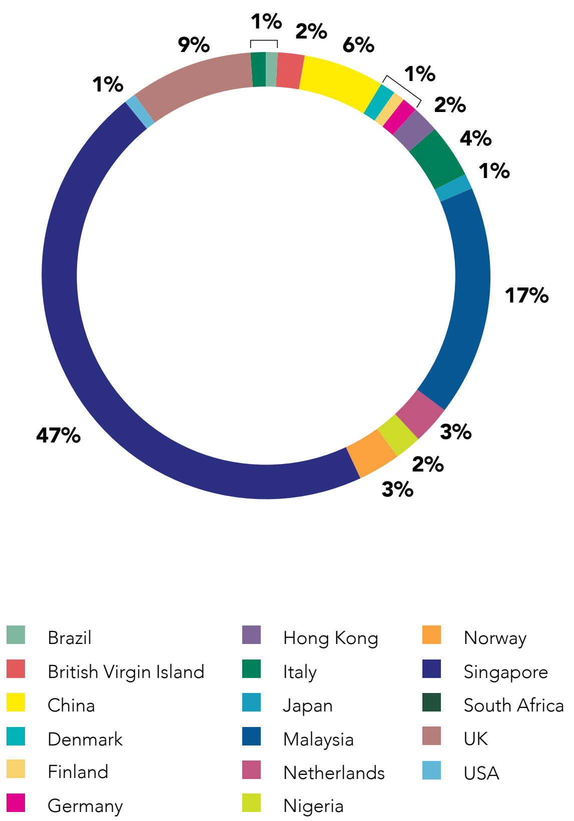
In FYE 2021, we aim to enhance our VRP with social and environmental criteria, including fair labour practises, human rights aspects, health and safety practises and environmental policies.

In FYE 2020, approximately 243 vendors registered on our VRP.

Vendor registration status



Vendors by country



Governments and regulatory bodies

The Group has operations in 11 countries, with active offshore production assets operating in three countries during the financial year in review.

Yinson ensures our compliance with applicable legislation is in order to maintain our license to operate. At the same time, we also comply with industry-specific regulations, which determine the boundaries within which our business is permitted to operate, such as with regards to financial management, health and safety, product quality and labour practises. The Group undergoes all necessary accreditation processes to remain compliant, and is committed to providing information in a transparent and reliable way that allows the correct assessment of the issues inherent to our business.

We also place great emphasis on compliance as this is a key way to achieve greater transformation and impact in the local communities where we operate.

	FPSO JAK	FPSO Adoon	FPSO Helang
Host country	Ghana	Nigeria	Malaysia
Flag country	Singapore	Singapore	Malaysia
Main regulatory bodies we engage with	• Petroleum Commission • Ghana Revenue Authority • Ghana Immigration Service • Environmental Protection Agency • Registrar General's Department • District Assemblies • Ghana Maritime Authority • Bank of Ghana	• Department of Petroleum Resources • Nigerian Content Development and Monitoring Board	• Marine Department of Malaysia • Department of Occupational Safety and Health • Department of Environment Malaysia • Malaysian Communications and Multimedia Commission • Civil Aviation Authority of Malaysia • Malaysia Petroleum Management, PETRONAS
Methods of engagement	• Regulatory trainings and briefings • Compliance with quarterly and annual reports on local content • Application for regulatory approvals and consents • Annual audits and monitoring and inspection • Work and resident permit issuances • Access to the vessel and operations bases in Accra and Takoradi to conduct assessments to issue our various permits and licenses	• Obtaining and annual renewal of permits to operate • Kick-off, engagement and clarification meetings as required • Submission of various performance and compliance reports • Quarterly reviews and annual audits	• Regular inspections, audits and surveys • Applicable license fees • Compliance with applicable regulations • Competency trainings as stipulated in the regulations • Meetings and engagements

FINANCIAL | MANUFACTURED | ORGANISATIONAL | HUMAN | SOCIAL & RELATIONSHIPS | NATURAL

Investors and shareholders

We engage extensively with our investors and shareholders on our business model and strategy, including risks, opportunities and growth potential as we believe this enhances these relationships and improves shareholder confidence and stable, sustainable business operations.

Yinson maintains an Investor Relations web portal, publicly accessible through our website at www.yinson.com. The portal includes up-to-date information for our investors and shareholders including:

- Financial information (financial highlights, financial performance and ratio analysis)
- Stock information (price ticker, interactive stock charts, price & volume, distribution of shareholdings, top 30 shareholders)
- CG information (charters, policies, CG reports)
- Reports and presentations (Annual Reports, Quarterly Reports, Circulars, Corporate presentations)
- Bursa Announcements
- Press releases
- Corporate calendar
- Price gain & loss calculator
- Direct phone number and email address of Investor Relations team.

Investors may also subscribe to our News Alerts through the portal, through which the Group's latest news and announcements will be sent via email.

In FYE 2020, our Investor Relations team attended several Investor Conferences to speak directly to our investors on company updates and strategy, whilst addressing questions or concerns that they may have. These conferences are also an opportunity to network and deepen relationships.

Date	Title	Location
January 2019	Credit Suisse 10th Annual ASEAN Conference	Singapore
March 2019	Invest Malaysia (Maybank)	Kuala Lumpur
April 2019	UOB Kay Hian Syariah Gems Conference 2019	Kuala Lumpur
May 2019	Maybank Invest Asia	Singapore
June 2019	Citibank ASEAN C-Suite Investor Conference	Singapore
September 2019	Nomura Malaysia Corporate Day	Tokyo and Seoul
October 2019	UOB Kay Hian Asia Gems Conference	Singapore
December 2019	Nomura Non-deal Road Show	Singapore
January 2020	CGS CIMB 12th Annual Malaysia Corporate Day	Kuala Lumpur
January 2020	Credit Suisse 11th Annual ASEAN Conference	Singapore

Analyst and fund manager briefings are another way we keep our investors informed. Held in our Global Headquarters in Kuala Lumpur and also available via secure teleconferencing, the briefings are conducted by our MC and Investor Relations teams in an open and transparent manner.

Below is a list of analyst and fund managers' briefings conducted throughout FYE 2020 to date:

Date	Topic	Number of attendees
28 March 2019	Briefing on Q4 FYE 2019 results	33
1 April 2019	Briefing on EHL proposed acquisition	42
27 June 2019	Briefing on Q1 FYE 2020 results	50
26 September 2019	Briefing on Q2 FYE 2020 results	41
16 October 2019	Briefing of LOI award for FPSO Anna Nery	63
19 December 2019	Briefing on Q3 FYE 2020 results	40
24 February 2020	Briefing on LOI award for Pecan project	42
2 March 2020	Briefing on EHL proposed acquisition	30
26 March 2020	Briefing on Q4 FYE 2020 results	46
1 April 2020	Briefing on part-acquisition of Indian solar plants	38

In addition to the above, Yinson engages with our shareholders and investors through the publication of this Annual Report, which is also now available via our dedicated microsite, as well as through our AGMs and EGMs.

INDUSTRY

As an experienced player in the FPSO industry, Yinson is committed to sharing our knowledge with our peers in the industry to enhance industry excellence while providing support to our peers.

Yinson strategically participates in exhibitions and conferences that we believe will bring value to us, and at the same time allow us to meet with various stakeholder groups for knowledge sharing, collaborations and partnerships. The exhibitions that Yinson participated in FYE 2020 include:

- Local Content Conference 2019, Takoradi, Ghana – 20 to 22 November 2019
- Africa Oil Week 2019, Cape Town, South Africa – 5 to 8 November 2019
- FPSO World Congress 2019, Singapore – 10 to 11 September 2019
- Asia Oil & Gas Conference 2019, Kuala Lumpur – 23 to 25 June 2019
- Offshore Technology Conference 2019, Houston – 6 to 9 May 2019.

Yinson was also invited to share its knowledge at various conferences, including:

- Eirik Barclay, Yinson's Group Executive Vice President, New Ventures and Technology, delivered the keynote speech at the World FPSO Congress 2019. The speech was entitled 'State of the FPSO Nation', which discussed offshore exploration and production developments and opportunities for the international FPSO market, and driving cost competitiveness through innovation and collaboration across the FPSO value chain

- Filipe Costa, Managing Director, Yinson Boronia Production B.V., took part in the Plenary Roundtable discussion at the World FPSO Congress 2019. The topic was 'Ensuring Effective FEED: 5 Key Criteria to Ensure that You Are Ready for FID'
- Kevin Tan, Yinson's Vice President – Project Services, chaired the discussions at the World FPSO Congress 2019 on 'FPSO Supply Chain and Procurement'
- Andrew Choy, Yinson's General Counsel, participated as a panel speaker at the iAdvisory seminar on 'Africa's Oil & Gas opportunities: Featuring Ghana, Nigeria, Angola and Mozambique'. The event was organised by Enterprise Singapore.

LOCAL COMMUNITIES

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As a global organisation whose operations touch the lives of individuals all over the world, we are committed to good corporate citizenship in every community we operate in. We do this through our CSR programmes, prioritisation of local vendors, hiring and building a local workforce, and imparting skills and development to our local communities.

Corporate Social Responsibility

We aim to create shared economic, environmental and social value to the benefit of our Group and the community around us through the delivery of targeted, meaningful and long-lasting community development programmes. We are mainly guided by our CSR Policy and Procedures, which highlights principles and themes that we should align to when we undertake CSR activities – this includes environment conservatism and rehabilitation, as well as education.

Focus area of Yinson's CSR Mission

- Promoting quality education and effective learning
- Promoting education through sports
- Providing skills improvement and training opportunities to meet the demands of the energy industry
- Promoting environmental conservation and rehabilitation

We have taken part in the following CSR activities in FYE 2020.

TEACH FOR MALAYSIA (TFM)

We continued to be a corporate partner with independent, non-profit organisation, TFM through our sponsorship of a Fellow, Divyang Hong. Engagement activities in FYE 2020 are as follows.

Sponsorship of Seindah Yinson

One of the critical needs identified by our Fellow in the school where he is based includes declining attendance rates. This directly contributes to poor academic performance. The Seindah Yinson Programme incentivises students to maintain better attendance through an inter class 'Attendance league' competition and an individual attendance challenge. The class with the highest attendance rates, and individual students with best attendance records are rewarded in a school-wide appreciation ceremony, complete with certificates, trophies and a celebratory year-end 'party'. After implementation, school attendance rates went up by 1.24%, a significant achievement considering that the results demonstrated a reversal in the declining attendance trend.

Average student attendance

87.62% 2018

88.86% 2019

TFM Week 2019

Senior Management co-taught alongside Divyang during this event. Our Group CEO interacted with students on the skillsets needed to excel in the global environment of rapid digitalisation.

Dragon's Den

Our Director of CEO's Office acted as one of three corporate panel judges in 'Dragon's Den', where Fellows pitched initiatives to address social issues within their local communities. The annual event was held in conjunction with TFM's biannual Innovation Day. Ideas presented by Fellows were deliberated and sponsored by participating corporates.

Speakers' Platform (SPLAT!)

SPLAT! is a debate training platform created by TFM Fellows for high school students to improve their command of English and critical thinking skills. The initiative peaks with a debating tournament. Divyang is a founding mentor of SPLAT!

SPLAT! tournament 2020 highlights

159 students from 7 high needs schools around Kuala Lumpur participated

144 were participating in an English debate competition for the very first time

TFM Brownbag Session

Yinson met with TFM's incoming 2020 cohort during the foundation's 7-week Pre-Service Programme. Yinson's representatives had the opportunity to closely engage with the incoming Fellows to understand how they are trained in preparation for their upcoming roles as educators.

INTERNATIONAL COASTAL CLEAN-UP DAY

Yinson was the main sponsor in Malaysia and Singapore for International Coastal Clean-Up Day 2019, a nationwide beach clean-up event organised by non-profit organisaton Reef Check Malaysia.

The beach clean-up saw over 140 Yinsonites and their family members from our Kuala Lumpur, Miri and Singapore offices cleaning the coasts at Piasau Boat Club, Miri; Pantai Bagan Lalang, Selangor; and Beach B in Coney Island, Singapore. In Miri, 10 divers took to the sea for the clean-up.

Yinsonites recorded the successful removal of over 1,000 items of rubbish, weighing over 74kg from both the Malaysia offices, and 305kg from the Singapore office. This included food wrappers, containers, Styrofoam items, cigarette butts and broken fishing gear.

Kuala Lumpur, Malaysia

Miri, Malaysia

Singapore

YINSON SCHOLAR'S PROGRAMME

This new scholarship programme, initiated by Yinson's Ghana office, provided financial assistance to 10 senior high school students from Kejabil MA Junior High School and Pretea Junior High School in FYE 2020. The scholarship covers a monthly stipend and necessities such as trunks, chop boxes, exercise books, textbooks, pillows, calculators, school bags and shoes.

DESKTOP COMPUTER DONATION

Yinson's Ghana office donated approximately 20 desktop computers to the Information Technology & Communications (ITC) Centre within St Mary's Senior High School's compound to help solve the lack of computers in public schools. With a seating capacity of over 50, the ITC Centre also serves four public junior high schools (JHCs) in the vicinity – Arthur Fischer JHS, Apowa Catholic JHS, Kejabil MA JHS and Preatea Awunorkrom JHS. Yinson also donated two laptops to each of these schools in 2019.

DONATION OF FOOTBALL JERSEYS WITH FUTURESTARS

Yinson has expanded the coverage of its CSR efforts in Ghana to include the Pretea Junior High School. This was marked by a joint contribution of 27 football jerseys and preloved shoes that are still in good condition with our local charity partner, Futurestars.

YINSON WELDING TRAINING CENTRE

Yinson continued our annual support of the Yinson Welding Training Centre in Takoradi Technical Institute with a contribution of approximately USD15,000 worth of welding consumables. The centre was launched and named in 2017. Its construction was funded by Yinson and furnished with welding and mechanical equipment provided by the Ghana Ministry of Energy in partnership with the World Bank.

FURNITURE DONATION AND SCHOLARSHIP AWARD

Yinson donated 140 desks and chairs to the Effiat and Mbo host communities where FPSO Adoon is operating, for the use of students in primary and secondary schools within the vicinity. The donation was very well-received, and we have made arrangements to have an additional 80 desks and chairs donated to the communities. In addition, Yinson has awarded scholarships to eight university students from the same communities.

PLANT-A-TREE PROGRAMME AND EARTHQUAKE RELIEF

Yinson's FPSO Abigail-Joseph Project Team participated in Garden City Fund's Plant-A-Tree Programme. 61 employees and their families planted 35 new trees at the Dairy Farm Nature Park, including Sparrow's Mango, Tampines, Kayu Arang, Kembang Semangkuk Jantung, Salam, and Stink Bean trees.

The team also contributed SGD2,400 to earthquake relief efforts in Mindanao, Philippines, where approximately 300 families were given daily necessities and another 150 received purified water.

SELF-SUSTAINABLE GARDEN FOR OBRA DO BERÇO

Yinson's Brazil office funded the building of a self-sustainable kitchen garden area for Obra do Berço, a non-profit shelter for orphaned and underprivileged children in Rio de Janeiro, Brazil. The funds went into turning the shelter's existing garden into a self-sustainable kitchen garden complete with proper irrigation and water proofing edges. The funds also went towards buying gardening tools, seeds and a recycling system. Yinsonites volunteered alongside shelter personnel and the children to plant various herbs, vegetables and fruits such as rosemary, basil, parsley, mint, bell peppers, papaya and jabuticaba trees.

PINK RIBBON CAUSE

Employees from Yinson's Oslo office participated in Norwegian chapter of the Pink Ribbon Run, the Rosa Sløyfe-løpet 2019 on 18 October 2019 to show support for the Pink Ribbon cause. Yinson sponsored the participation fees for all eight participating Yinsonites and their partners.

The run is an annual community sporting event which takes place during the Breast Cancer Awareness Month in October across 10 main cities and townships in Norway.

UNITED IN THE FIGHT AGAINST COVID-19

Amidst the spread of the Covid-19 pandemic, Yinson actively supported our frontliners and relief efforts around the word.

- Donation of 34,000 masks, 10,000 units of medical protective equipment, as well as RM90,000 worth of fabric which was made into PPE to #responsMalaysia, a platform facilitated by the Malaysian Red Crescent Society (MRCS) with the support of Malaysia's Ministry of Finance.
- Contribution of 3,500 units of medical protective clothing and 1,000 pieces of face masks to Sultanah Aminah Hospital, Johor Bahru in response to a donation initiative by the Johor Menteri Besar's office.
- Donation of 5,000 face shields, also to #responsMalaysia. These face shields were procured through the Rainbow Project (Projek Pelangi), an initiative put together by 'Rumah Pengasih Warga Prihatin' (RPWP), an orphanage that saw all 200 of its residents working together to produce all kinds of protective medical equipment for our frontliners.
- Donation of 4,000 masks and 900 sterile surgical gowns to be used as PPE to Tung Shin Hospital in Kuala Lumpur.
- Donation of 1,350 personal hygiene products to the Sungai Buloh Hospital in Selangor, comprising a mix of toothbrushes, toothpastes, hair shampoos and anti-bacterial shower gels.
- Provision of healthy meals for healthcare workers in Damansara Specialist Hospital, Sungai Buloh Hospital and Kuala Lumpur Hospital. This is a collaboration with Salad Atelier, a food and beverage provider.
- Donation of 380 units of medical isolation coveralls and face protection shields, head and shoe covers, and reusable goggles to the Miri General Hospital in Sarawak. This was a collaboration with Singapore-based Apex Sealing Technologies Pte.

Engagement with local vendors

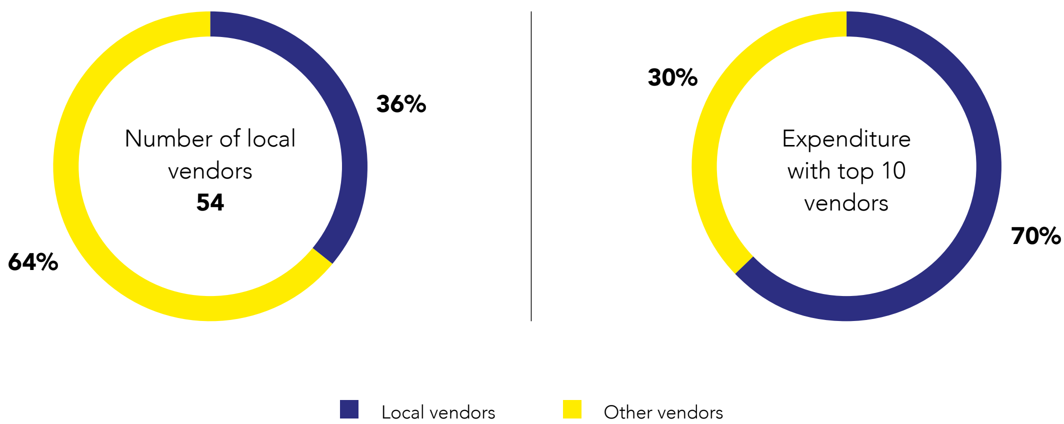
As we have long-term commitments in the countries we operate in, we are continuously working to improve and strengthen our supply chain through local suppliers and resources. A close cooperation throughout the organisation and across countries, allows us to see opportunities for a more adaptable and sustainable supply chain.

We contract both local and foreign suppliers, defined relative to the locations where our vessels are operating. Wherever possible, we prioritise local suppliers and service providers to support local economies and empower local communities, while increasing the effectiveness of the supply chain and reducing transport-related carbon emissions.

For FYE 2020, our assets in the operations phase were FPSO JAK and FPSO Adoon. FPSO Helang went on charter on 6 December 2019, at which point it moved on to the Operations phase. We will include local vendor engagement for FPSO Helang in the next reporting cycle.

FPSO JAK: Local vendor engagement in FYE 2020

FPSO Adoon: Local vendor engagement in FYE 2020



Localisation of workforce

We believe that the more local capacity is created in terms of skilled workforce and experience, the more sustainable our local operations will be. Yinson contributes to the localisation of our country offices through our trainee programmes, which were successfully implemented in Ghana and Nigeria, and by endeavoring to hire a local workforce.

Nigeria Trainee Programme (pg 89),
Ghana Graduate Trainee Programme (pg 90),
Hiring a local workforce (pg 90)

Local development initiatives

We continued to build partnerships with local tertiary education institutions in FYE 2020 with the aim of sharing our value proposition with students. During the financial year, the KL office established a partnership with Malaysians of Melbourne University; while the Singapore office began a partnership with Singapore Institute of Technology. The KL office will be partnering with Sunway University, Malaysia, this financial year. We also launched our L.E.A.P for young graduates.

Recruitment and retention of high-quality employees and crew (pg 85)

In March 2020, over 30 local entrepreneurs and emerging Yinson leaders attended a talk on 'Leadership for Sustainable Growth', delivered by globally recognised thought-leader Rajeev Peshawaria.

Organised by Yinson as part of the Group's ongoing effort to bring value to the communities around us, the talk was designed to unlock leadership potential, empowering people to become effective leaders in their spheres.

BANKERS AND LENDERS

Our bankers and lenders provide the equity that funds business growth. We engage extensively with the banking community on our business model and strategy, including risks, opportunities and growth potential as we believe this improves the prospect of securing future capital.

Yinson's strategy for managing Financial Capital (pg 50),
Financing section in MD&A (pg 134)

In FYE 2020, we organised several roadshows where key personnel from our teams responsible for fund raising visited several European-based banks to strengthen existing relationships and meet with potential new financiers. Key personnel from Yinson also visited several financial institutions in China to further explore funding strategies for our projects and to expand Yinson's pool of lenders.

In October 2019, Yinson organised for representatives from four financial institutions to visit FPSO Abigail-Joseph, which was under conversion at the Keppel Benoi shipyard, Singapore. The visit aimed to provide an update on the progress of the conversion, build a deeper understanding of the FPSO business and showcase Yinson's capabilities in delivering projects. Participants went through a safety briefing and project presentation, followed by a vessel tour led by key project personnel.

SYNERGY 2019 – CREATING ENERGY SYNERGIES

On 31 October 2019, Yinson hosted its first stakeholder engagement event, sYnergy 2019. The event saw the gathering of over 300 guests to discuss various synergies to elevate the energy industry to the next level.

sYnergy 2019 brought together the Management and their teams, partners, leading bankers, financiers, investors, as well as energy professionals and industry shapers from the region and beyond.

Themed 'Geared for Growth', the event saw experts sharing on insightful topics such as 'Fostering Strong Partnerships: A Strategy for Growth and Diversification', 'FPSO Market Insights', 'Risk, Rewards and Realities of Corporate Credit and Infrastructure Projects' and 'Roadmap to Digitalisation'. The fruitful event was rounded up with a networking dinner.

We intend to host sYnergy regularly, each with a different theme relating to Yinson and the energy industry. Our intention is to engage our key stakeholders on our vision, strategy and plans to build strong relationships based on trust and knowledge sharing.

PARTNERS

Forming alliances with reliable business partners has been a key success for Yinson, enabling us to increase our access to capital and strengthen our bidding capabilities. This has allowed the Group to bid for larger contracts and venture into new regions.

Yinson's partnership with Sumitomo is an example of a strategic partnership that has grown over the years, resulting in a win-win for both parties. On 28 April 2020, Yinson and Sumitomo concluded an agreement for Sumitomo to participate in the FPSO Anna Nery project with a 25% stake. Sumitomo's participation follows on from the signing of a long-term and binding Memorandum of Understanding on 20 April 2018 to jointly pursue and collaborate in the leasing and operation of FPSO and FSO projects worldwide. Under this collaboration, Yinson commits to overseeing and conducting the overall project implementation, while Sumitomo commits to seeking competitive logistics and financing on top of enhancing the project execution.

Another successful partnership that Yinson established was with a Japanese consortium consisting of Sumitomo, Kawasaki Kisen Kaisha Ltd ("KLine"), JGC Holdings Corporation ("JGC Holdings") and Development Bank of Japan Inc ("DBJ"). The Japanese consortium successfully acquired a 26% equity interest in FPSO JAK in June 2018 – a transaction that velocitised the value of the project, enabling fresh capital to be redeployed for our strategic business growth plans.

Yinson's longest-standing partnership is with PetroVietnam Technical Services Corporation ("PTSC") with whom we jointly own our two Vietnamese-based assets. The partnership enabled Yinson to venture into the offshore production industry in 2011, and continues until this day.

We maintain our partnerships through site visits, meetings, events and roadshows to ensure that we have an ongoing dialogue and that information is shared towards creating mutually beneficial synergies. In FYE 2020, we actively engaged with our partners on multiple occasions including hosting sYnergy 2019.

YINSON'S PARTNERSHIPS

NATURE OF PARTNERSHIP	Sumitomo	Japanese consortium consisting of Sumitomo, KLine, JGC Holdings and DBJ	PTSC
	25% effective interest in FPSO Anna Nery		51% ownership of FPSO PTSC Lam Son and FSO PTSC Bien Dong 01
	26% equity stake in FPSO JAK	26% equity stake in FPSO JAK	

NATURAL CAPITAL

Our Natural Capital consists of the naturally occurring resources used in, or affected by, our business activities. Yinson is aware of its multifaceted environmental footprint stemming from its business operations.

FYE 2020 MAIN IMPACTS FROM FPSO OPERATIONS

CARBON EMISSIONS

DIRECT EMISSIONS
000' tonnes of Co_2
350.0

ENERGY

ENERGY CONSUMPTION
million kWh
325.0

POLLUTION

OIL SPILLS TO SEA
tonnes
0

WATER

DRINKING WATER CONSUMED ON BOARD
tonnes
157.6

MATERIALS

CHEMICALS
'000 litres
3,612

FUTURE GOALS

- Improve monitoring and disclosure of environment-related impacts
- Implement phasic approach to monitoring carbon footprint
- Consolidate baseline for reporting, towards setting of targets
- Improve environmental awareness across all Yinson offices and locations
- Identify more efficient methods of managing Carbon Dioxide Equivalents (Co_2e) or carbon emissions

Governance of our Natural Capitals

The management of this capital is the responsibility of Yinson's highest governance bodies, including our Senior Management. As such, we are committed to improving Group-wide environmental performance.

Strengthen sustainability governance and reporting (pg 71)

We seek to minimise our environmental impacts at all levels of our organisation, as reflected by the environmental goals set in our Sustainability Policy. Our strategy for doing so emphasises strict adherence to environmental regulations, such as our continued maintenance of certifications such as ISO 14001:2005 Environmental Management Systems. We also benchmark our processes against industry best practices and strive to improve our monitoring and disclosure-related indicators. Yinson conducts its business activities through an intricate system of management frameworks in all business activities.

On top of having our operations certified to the relevant standards, we focus as well on the aspects beyond those that are key to the oil production process. For example, before the initiation of any projects, Environmental Impact Assessments are performed by independent consultancies at the sites in accordance with local environmental assessment regulations as well as international lender environmental and social standards. Stakeholders from local communities are also typically consulted within this process. Further to the report, management plans are then created as follow-ups to eliminate or reduce adverse environmental, social and health impacts where plausible. We have not identified any non-compliance with environmental laws and/or regulations.

Further, our management of environment aspects is guided by our internal Emergency Response Plan, which details procedures to effectively identify potential impacts towards the environment for further action. This acts as an additional layer of control on top of our environment management systems.

Following the revision of our Sustainability Policy, we have expanded our boundary of environmental aspects to be managed and disclosed. We acknowledge the gaps in our existing reporting mechanisms, and target to improve comprehensiveness of data gathering for our assets and corporate offices moving forward. Implementing robust environmental impact monitoring and controls is one of the goals our sustainability team has set for FYE 2021, in line with the Group's overall direction towards digitalisation. Working together with our HSEQ team, we aim to digitalise and automate some monitoring processes to ensure that data for key sustainability indicators are accurately captured.

Utilise digitalisation tools for HSEQ improvements (pg 78)

We understand that reporting and monitoring of data indicators is a Group-wide effort, with various departments across our various assets and offices playing their part to diligently ensure accurate data inputs are provided. Thus, we realise the importance of raising awareness amongst employees on the importance of energy management towards achieving Yinson's sustainability goals. We have planned and initiated several awareness initiatives through our corporate intranet and town hall sessions throughout the year.

Data captured within this section pertains to the FPSOs that were in operation for the entirety of the financial year – FPSO JAK and FPSO Adoon. As FPSO Helang began operations in December 2019, we will be disclosing data for this asset in the next review cycle.

At present, our focus is on setting our baselines before committing to reduction strategies.

CARBON EMISSIONS

4

Our Offshore Production Division is the highest contributor to the Group's carbon emissions, being our primary revenue stream presently. The by-product of our energy consumption for hydrocarbon production is emitted into the environment and represents our most material impact towards the natural ecosystem.

We aim to consolidate and strengthen our baseline for carbon emissions reporting. Having this in place will enable us to establish quantitative reduction targets, which in turn will enable us to eventually participate in global best practices in emissions reporting, such as the Carbon Disclosure Project.

In FYE 2020 we formalised plans for a phasic approach towards better, more holistic monitoring of our carbon footprint. The plan, which includes the monitoring of greenhouse gases and other relevant carbon-equivalents, was guided by recommendations in the Kyoto Protocol. We plan to gradually roll out the plan in the coming years.

FYE 2020 Carbon emissions management indicators for FPSO JAK and FPSO Adoon

Carbon emissions management indicators[1]	FPSO JAK	FPSO Adoon
Total Scope 1 Carbon Emissions – Direct, owned	310,579 tonnes	35,588 tonnes
Total amount of flared gas under Yinson	24,098 tonnes	7,873 tonnes

[1] *Carbon emissions were calculated based on the UK Government GHG Conversion Factors for Company Reporting.*

FYE 2020 Carbon emissions management indicators for onshore offices

Carbon emissions management indicators[2,3]	Malaysia	Singapore	Ghana	Nigeria	Norway
Total Scope 2 Carbon Emissions – Direct, not-owned (tonnes)	141.0	Not available	48.5	13.3	1.2
Total Scope 3 Carbon Emissions – Indirect, not-owned (Business travels, based on originating offices) (tonnes)	827.0	2,045.0	Not available	1.9	2,548.0

[2] *Scope 2 GHG emissions were obtained using latest available conversion factor estimates for all operational countries, for example, for Malaysia we used the latest 2017 grid emission combined margin factor of 0.585 tCO_2e/MWh.*

[3] *Scope 3 GHG emissions were obtained from our respective travel agencies.*

ENERGY

8

Given that energy consumption directly impacts carbon emissions, we aim to better utilise energy within our sphere of influence.

To cater for our growing workforce, our Global Headquarters in Kuala Lumpur will be moving to a larger space, with an estimated move-in date of Q3 FYE 2021. An important consideration in deciding the venue was sustainability, including the building's energy management credentials. The GBI is Malaysia's industry-recognised green rating tool, designed specifically for the tropical climate and Malaysia's current social, infrastructure and economic development. Yinson's new office space is GBI silver-rated, which infers an 'excellent practise' when it comes to the efficiency of resource use while reducing the buildings impact on human health and the environment. The space is also LEED-Gold standard rated. LEED (Leadership in Energy and Environmental Design) is a global green certification program used worldwide, with the 'gold' standard inferring a high-level of sustainability in terms of aspects such as energy consumption, natural lighting and heating efficiencies.

Another initiative planned for the financial year is to install solar panels at our operations base at Takoradi, Ghana, as part of our effort to embrace renewable sources of energy.

FYE 2020 Energy management indicators for FPSO JAK and FPSO Adoon

Energy management indicators	FPSO JAK	FPSO Adoon
Total energy consumption onboard vessels (kWh)[4]	308,528,256	16,140,456

[4] *Different operational activities such as gas compression contribute to the difference in figures between the two assets.*

FYE 2020 Energy management indicators for onshore offices

Energy management indicators	Malaysia	Singapore	Ghana	Nigeria	Norway
Total energy consumption (kWh)	256,616.0	Not available	158,888.1	23,652.8	65,097.0

POLLUTION

2

Yinson's goals with regards to HSEQ includes causing zero harm to the environment. We aim to minimise any negative effects we may have on the environments in which we operate.

We align our procedures to best practices such as those highlighted within the MARPOL 1973 as modified by the Protocol of 1973 (MARPOL 73/78). The vessels within our Offshore Marine Division are all certified to the International Management Code for the Safe Operation of Ships and for Pollution Prevention.

As part of our environmental procedures and efforts, we have detailed response and contingency remediation plans in place to be implemented in case of oil spills and slop effluents in our offshore operations. All records are kept within our oil record book for three years.

Thus far, Yinson has not encountered any issues relating to effluent management. Should any such issues arise, corresponding investigation exercises will be initiated to identify corrective actions to be set.

FYE 2020 Pollution management indicators for FPSO JAK and FPSO Adoon

Pollution management indicators	FPSO JAK	FPSO Adoon
Spills to sea (tonnes)	0	0

WATER

15 20

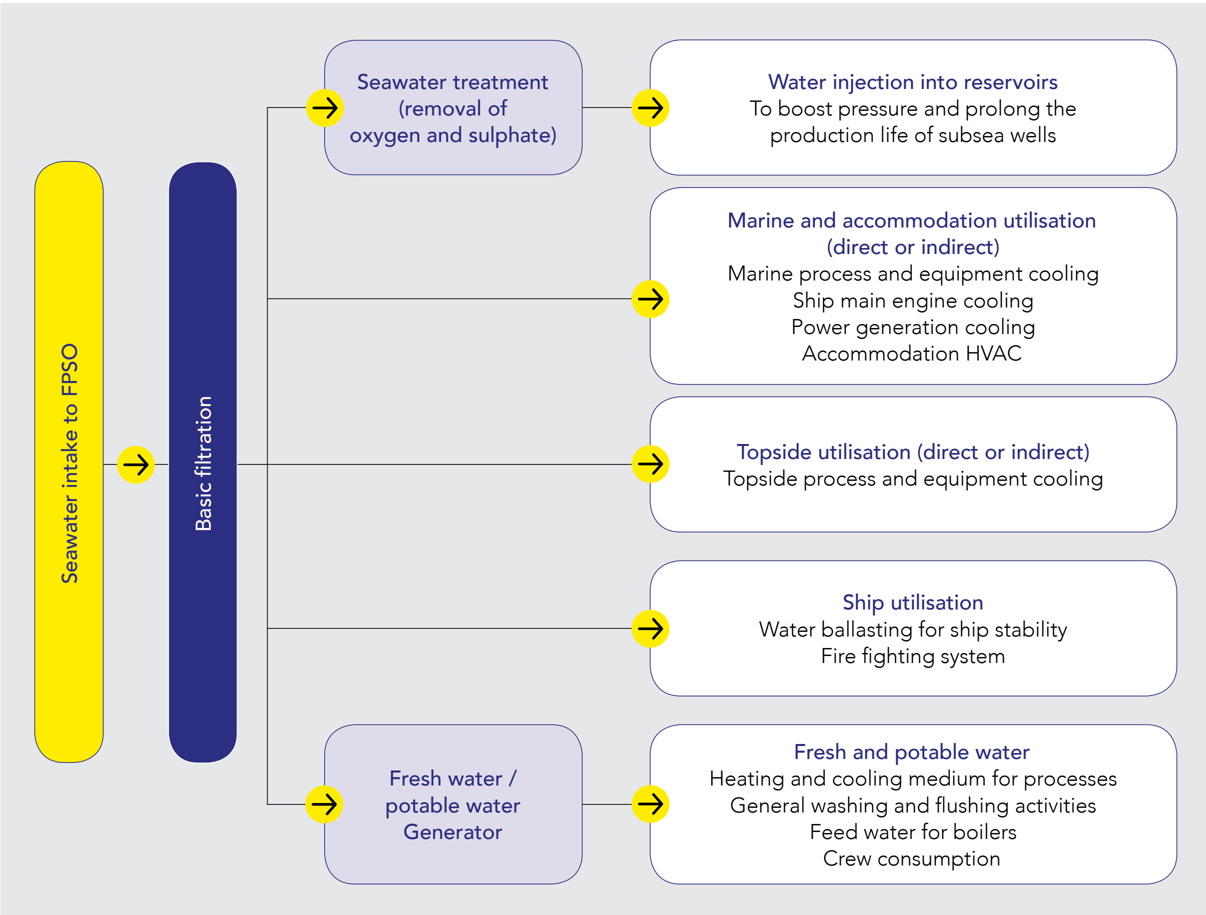
An FPSO utilises seawater for many purposes in its day to day operations. Depending on its means of usage and location on the FPSO, seawater is brought in either through sea chests at the bottom of the FPSO hull or at dedicated sea water pipes and hoses on the side of the vessel.

Sea water in its pure state is utilised for many functions, such as cooling and fire water, but also as water that is injected into the oil reservoirs to maintain well pressure. The latter is typically treated sea water, meaning oxygen, sulphates and some types of bacteria are removed in order to prevent corrosion issues, upsets in the piping and to avoid introducing 'food' to the bacteria which lives in the reservoir, which can cause reservoir souring.

Seawater is also utilised for keeping the FPSO self-supplied with fresh water. This is done through different processes depending on its usage – either through an evaporator process or a reverse osmosis process. This water is used for all essential services on board such as cooking, showering and cleaning, and also as a cooling water medium.

Any water that is discharged overboard after serving its purpose is closely monitored so that we do not introduce any contaminations to the sea. If the water for some reason does not meet the quality requirements, it is automatically routed to a temporary storage tank for treatment prior to being re-routed for discharge.

Drinking water is supplemented as needed by bottled water.



FYE 2020 Water management indicators for FPSO JAK and FPSO Adoon

Water management indicators	FPSO JAK	FPSO Adoon
Weight of drinking water consumed on board (tonnes)	60.0	97.6

At our onshore offices, water is mainly drawn from public utilities for usage of daily amenities.

FYE 2020 Water management indicators for onshore offices

Water management indicators	Malaysia	Singapore	Ghana	Nigeria	Norway
Water consumed for drinking and amenities (tonnes)	678.0	Not available	508.2	4.3	Not available

WASTE

5 20

Every employee at Yinson is tasked to help sustain our environment, which relates to reducing waste to a minimum.

The proper handling of all waste, both onshore and offshore, is managed across the Group through various overarching policies, management systems, and procedures.

For our Offshore Production Division, waste is managed through Waste Management Plans. The plans are rigorously implemented to ensure each vessel operates in an environmentally safe manner as well as in compliance with international and local regulations, minimising HSE-related risks and liabilities.

We also keep receipts of waste disposal as proof of correct disposal and maintain a garbage logbook that records each incineration or disposal/discharge.

MATERIAL

19

Yinson seeks to monitor how we manage materials that are used in our business activities, towards establishing plans for managing them effectively.

In this Annual Report, we disclose statistics surrounding the management of chemicals, paper and bottles on our FPSOs, whereas in our onshore offices we disclose paper usage. We are working to strengthen our baseline reporting with regards to our materials impact and aim to improve on this in future reporting cycles.

FYE 2020 Material management indicators for FPSO JAK and FPSO Adoon

Material management indicators	FPSO JAK	FPSO Adoon
Chemicals used (tonnes)	3,575,688	86,081
Print paper purchased (tonnes)	0.5	0.3
Empty bottles (tonnes)	1.8	1.7

FYE 2020 Material management indicators for onshore offices

Material management indicators	Malaysia	Singapore	Ghana	Nigeria	Norway
Total print paper purchased (tonnes)	1.3	1.9	0.9	0.1	0.6

5

STRATEGIC REVIEW

128 Management Discussion & Analysis

Lim Chern Yuan
Group Chief Executive Officer

MANAGEMENT DISCUSSION & ANALYSIS

FYE 2020 started with great promise, as new opportunities emerged in the FPSO industry and the oil and gas market performed steadily. The theme of this Annual Report, 'Geared for Growth', is a reflection of the investments and efforts Yinson put into building our project execution, financial and operational capacity in line with this growth. However, the global economy suffered an unprecedented setback in the Q1 2020, with the Covid-19 pandemic causing distress and disruption to world markets and the collapse of oil prices. Nevertheless, we are confident that Yinson remains resilient – attributed in part to our recent project wins, ongoing contracts with robust contractual terms and the investment that we have put into building the sustainability of our business. We will continue to stay true to our Core Values – R.O.A.D.S which strengthened our foundation throughout the period of stability post 2014, and we believe this will see us through the present period of uncertainty and into the future.

Market outlook

2019 was a positive year for the floating production systems market. Oil prices were relatively stable and the industry saw a ramp up in project bids and awards as the industry grew in confidence and made more capital expenditure budgets available for offshore projects, particularly deep water projects which our FPSOs are well placed to serve. There were 13 FPSO contract awards in 2019, an increase from the 12 units awarded in 2013, when Brent oil prices were hovering above USD100 per barrel. This was a positive signal of the years to come for the oil and gas industry, along with the expected increase in global energy consumption.

The start of 2020 saw an unprecedented turn of events that crippled the global economy. Mobility restrictions were imposed in many countries, and economic growth projections were revised downwards worldwide. The prolonged pandemic is expected to cause liquidity and growth concerns globally at a record scale with governments introducing economic stimulus programmes to mitigate their economies from sinking into recession.

Challenges to the oil and gas industry were made worse in March 2020 when Brent oil prices plunged from the USD50s to low USD20s per barrel level – the lowest since 2002. The market was facing a subdued demand for oil due to the Covid-19 pandemic, which contributed further to the price reduction. Just a few weeks later in April 2020, the oil price recovered mildly to the USD30s per barrel level, after oil producers finally agreed on their biggest output cut to date.

Despite the successful outcome of oil production output cuts, it is expected that oil prices will remain unpredictable for the time being as countries are still heavily invested in containing the Covid-19 situation, which may cause a further disruption to the global supply chain. This may dampen the demand for oil, which would further suppress prices in the shorter term.

Given the situation, oil companies have started to revaluate their capital expenditure in view of the oil price uncertainty, with most of the capital expenditure cuts directed at the exploration side of upstream activities. Nonetheless, it is expected that many of the 2020 FPSO project awards will be delayed into 2021 as operators seek to conserve capital. That said, projects will move forward as long as production remains cash generative or viable for the oil company, as evident from the recent project tender launched by Petrobras for Project Mero 4.

The reduction in capital expenditure by oil companies will naturally result in less tightness in the supply chain. This typically means the cost of operating and building assets will see a down trend. To capitalise on this, Yinson will be looking at both operations and construction cost optimisation.

Coming out of the last oil downturn, we have already seen less economical oil projects shuttered, with those remaining being either economical in the new oil price environment, or strategic to a country's economic activity. Fortunately, the long-term nature and robust contractual terms of our existing FPSO contracts provides us a solid foundation in such uncertain times and visibility on our cash flow up to 2048. Despite the expected decline in global demand in the short term, global energy consumption is still projected to grow exponentially in the long term and will continue to rely on the production of oil and gas and also the expanding platforms of renewable energy solutions to meet these demands. Gearing for growth and supporting our vision to be a sustainable global energy solutions provider, Yinson set up a renewable energy division to complement our existing FPSO and offshore marine businesses.

As we navigate and wait out the current storm, the Company will continue to remain vigilant and maintain a disciplined approach to market opportunities, and only bid for contracts that create value for our shareholders. We will adhere to our promise to be a reliable partner to our clients, and to provide consistent quality work on all our projects.

MANAGEMENT DISCUSSION & ANALYSIS

Financial performance

	FYE 2020 RM'000	FYE 2019 RM'000	Change RM'000	Change %
Extract from Income Statements				
Revenue	2,519,340	1,034,899	1,484,441	143.44%
Cost of sales	1,929,736	440,454	1,489,282	338.12%
Gross profit	589,604	594,445	(4,841)	-0.81%
EBITDA *	770,195	801,160	(30,965)	-3.87%
Profit before tax	331,118	343,861	(12,743)	-3.71%
Profit after tax	261,297	264,379	(3,082)	-1.17%
Core profit after tax	292,850	295,811	(2,961)	-1.00%
Gross profit margin	23.40%	57.44%	-34.04%	-59.26%
Net profit margin	10.37%	25.55%	-15.18%	-59.41%
Core profit margin	11.62%	28.58%	-16.96%	-59.34%
Extract from Statements of Financial Position				
Total assets	9,515,405	8,083,300	1,432,105	17.72%
Current assets	2,194,419	1,848,842	345,577	18.69%
Liquid investments	188,762	72,226	116,536	161.35%
Cash and bank balances	1,276,190	1,217,279	58,911	4.84%
Total liabilities	5,741,536	4,459,323	1,282,213	28.75%
Current liabilities	1,514,321	1,318,707	195,614	14.83%
Loans and borrowings	3,830,403	3,149,730	680,673	21.61%
Total equity	3,773,869	3,623,977	149,892	4.14%
Extract from Statements of Cash Flow				
Net cash flows generated from operating activities	917,426	647,233	270,193	41.75%
Net cash flows used in investing activities	(1,234,675)	(730,874)	(503,801)	68.93%
Net cash flows generated from financing activities	477,189	507,168	(29,979)	-5.91%

Financial Indicators	FYE 2020	FYE 2019	Change	Change %
Return on equity	6.92%	7.30%	-0.38%	-5.21%
Current ratio (times)	1.45	1.40	0.05	3.57%
Gearing ratio (times)	1.01	0.87	0.14	16.09%
Net gearing ratio (times)	0.63	0.51	0.12	23.53%
Net debt/EBITDA ratio (times)	3.07	2.32	0.75	32.33%

* Earnings Before Interest, Tax, Depreciation & Amortisation

	FYE 2020 RM'000	FYE 2019 RM'000	Change RM'000	%
Operating results by segment				
Offshore & Marine	519,426	520,553	(1,127)	-0.22%
Other operations	(331)	(3,942)	3,611	-91.60%
Share of results of joint ventures & associates	10,392	12,809	(2,417)	-18.87%

Yinson's success in achieving lease commencement of FPSO Helang on 6 December 2019 under a Finance Lease classification has resulted in a surge in revenue by 143.44% to RM2,519.34 million. The associated one-off revenue recognition effect included herein amounted to RM1,551.48 million. Whereas, Profit After Tax ("PAT") of RM261.30 million reported is marginally lower by 1.17%, mainly attributed to the loss in contribution due to the charter cessation of FPSO Allan in January 2019 and unfavourable foreign exchange movement. The deficit has been mainly alleviated by fresh contribution from FPSO Helang, continued stable contribution from other assets, lower impairment loss to assets and investment in joint venture.

Snapshot of announced quarterly results for FYE 2020	Q1 RM'000	Q2 RM'000	Q3 RM'000	Q4 RM'000
Revenue	208,996	213,439	240,966	1,855,939
Cost of sales	88,529	81,278	104,696	1,655,233
Gross profit	120,467	132,161	136,270	200,706
EBITDA *	174,569	172,973	198,082	224,571
Profit before tax	79,677	71,547	83,682	96,212
Profit after tax	61,686	54,943	67,793	76,875
Core profit after tax	62,814	63,852	64,202	101,982

* Earnings Before Interest, Tax, Depreciation & Amortisation

Core profit after tax (RM'000)

MANAGEMENT DISCUSSION & ANALYSIS

The key performance indicator of Core Profit After Tax ("Core PAT") for 12 months remained stable at RM292.85 million compared to the previous financial year. Notably, Q4 FYE 2020 Reported Core PAT of RM101.98 million has been very encouraging with a significant increase of 58.85% compared to Q3 after FPSO Helang started contributing to the Group's results. Please refer to the table on the previous page for a snapshot of announced quarterly results for FYE 2020.

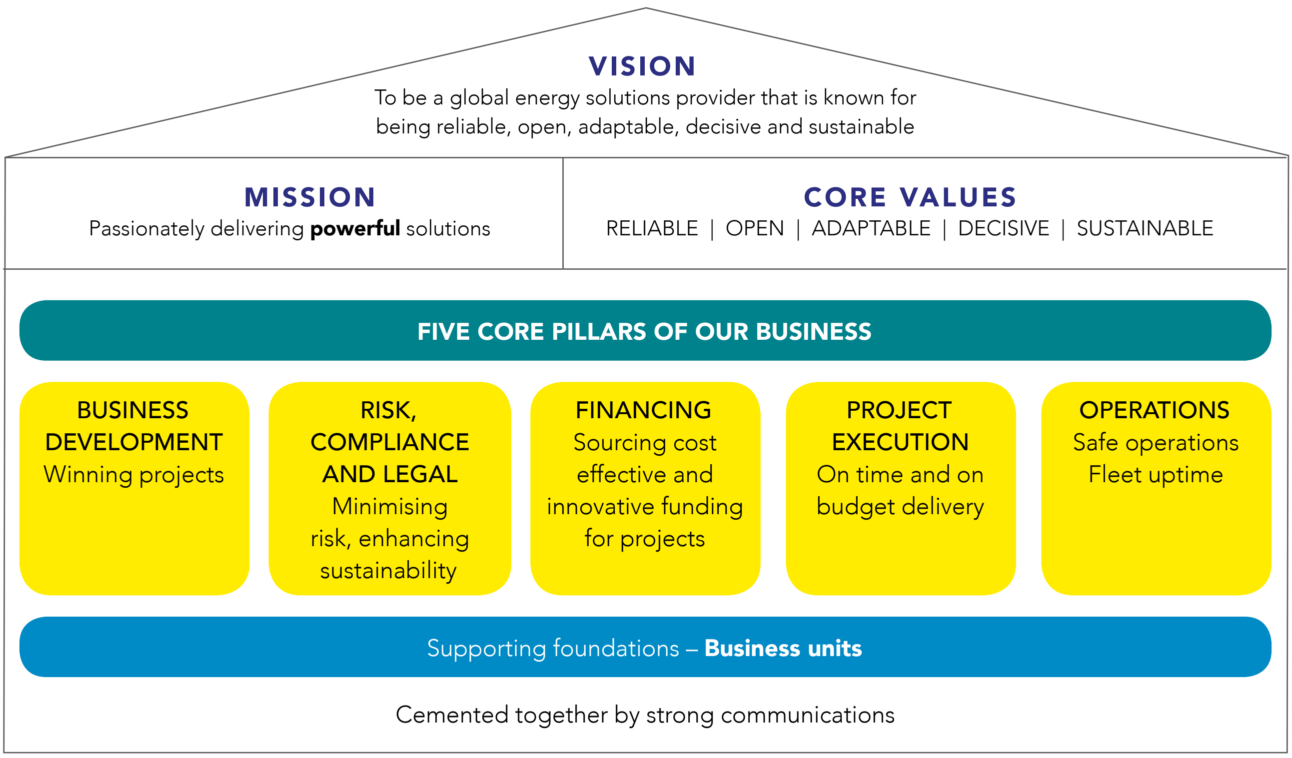
Financial position for FYE 2020 is a reflection of the Group's undertaking of two FPSO projects, FPSO Helang and FPSO Abigail-Joseph, and preparation for its maiden Brazil FPSO project, FPSO Anna Nery. These developments increased the Group's total liabilities by 28.75% to RM5,741.54 million, mainly attributed to a higher loans and borrowings position of RM680.67 million or 21.61% against the previous financial year through various financing facilities drawn-down. It is, however, important to take note that included there-in total liabilities is RM765.74 million of deferred income (in Note 36 to the Financial Statements) which represent non-refundable upfront receipts relating to projects. Concurrently, we see total assets of the Group increasing by 17.72% to RM9,515.41 million due to projects' activities undertaken.

From the liquidity perspective, the Group's liquidity indicator of Current Ratio has strengthened to 1.45 times from 1.40 times, primarily due to the recognition of finance lease receivables related to FPSO Helang after lease commencement. The other key liquidity indicator of Net Gearing Ratio weakened to 0.63 times from 0.51 times mainly attributed to the earlier mentioned higher loans and borrowings position.

Yinson's five core pillars

The illustration below outlines Yinson's business framework and strategy through the five core pillars of our business, namely business development, risk, compliance and legal, financing, project execution and operations. The constant communication and collaboration amongst the pillars is key to the success of the Group.

The pillars sit on a foundation that consists of all the business structures and teams that support them. Above the structure are our Vision, Mission and Core Values, which serve as a guidance for decisions made at every level.



Business development

Since the oil and gas sector's downturn in 2014, Yinson has fared well by focussing on the business fundamentals, building up our project execution, operational and financial strengths. We took on good FPSO projects and delivered them with excellence. We continued to be a reliable partner to our clients, which brought about greater shared successes. Furthermore, with the growing confidence and increased stability in the oil and gas industry over the last few years, Yinson grew exponentially in the FPSO industry and became one of the largest FPSO providers globally.

Entering FYE 2020, we were optimistic the worst was over and that there would be increased capital expenditure into the FPSO market. Indeed, the financial year saw capital expenditure for FPSO orders worldwide increasing by 30% to USD16 billion. The discovery of deepwater assets in offshore Africa and Brazil and relatively stable crude prices at that time added to the positive sentiment.

In preparation for this uptake, Yinson remained steadfast on our plans laid in 2018 to focus on bids in Brazil and Ghana for FYE 2019. We focused our efforts on projects that best matched our ability to deliver them, considering factors such as project specifications, client profile and overall risks and rewards.

We were successful in our bid and entered into two LOIs in October 2019 and subsequently firm contracts on 23 March 2020 with Petrobras for the charter, operations and maintenance of an FPSO for the Marlim revitalisation project, in the north-eastern part of the Campos Basin. The FPSO for this project, FPSO Anna Nery (previously referred to as FPSO Marlim 2), cements Yinson's first step into Brazil and is our largest project to date. The estimated aggregate value of the contracts is USD5.4 billion, with a contract period of 25 years from the date of final acceptance, which is expected to occur in Q2 2023.

The Marlim project award boosted the Group's orderbook over firm and option periods to sit above USD10 billion as at the end of FYE 2020. This is a major milestone for Yinson, and a testament to the confidence our clients have in Yinson as a reliable and preferred FPSO provider to perform and deliver on these projects with good quality. We managed to not only qualify, but win a project in our first attempt in Brazil – the world's largest FPSO market.

The award of the LOI by Aker Energy for Project Pecan in Q1 FYE 2020 was another feather in our cap for Yinson. Regrettably, the LOI was terminated due to the client's plan to postpone the project amid the Covid-19 pandemic. We are currently in process of settling the termination in accordance with our contractual rights.

MANAGEMENT DISCUSSION & ANALYSIS

We are currently awaiting the outcome of our bid for the Parque das Baleias FPSO project, by Petrobras, as the sole remaining bidder of the project. We remain confident that we will be successful in obtaining the project award in Q2 2020.

Bidding is a Group-wide effort, with all five core pillars and supporting business infrastructure playing crucial roles in formulating a winning bid. To qualify and be awarded, the Group needs to demonstrate a strong track record in both project delivery and operations, plus provide a comprehensive plan for delivering the awarded project. The multifaceted collaboration also involves close partnership with our local partners in respective countries, which allows Yinson to tap on their expertise and networks to achieve greater heights of successes together.

Risk, compliance and legal

The world's risk landscape is rapidly evolving. According to the World Economic Forum's Global Risk Report, three of today's top 5 global risks are environment-related: extreme weather events, natural disasters, and failure of climate-change mitigation and adaptation. In 2013, only two of the top 5 risks were related to the environment, and five years earlier in 2008, environment-related risks were not in the top 5 at all.

Risks in the supply chain that are typically driven by ESG factors include the depletion of raw materials and natural resources; workforce health and safety incidents; abuse of human and labour rights; and corruption and bribery – leading directly to reputational, operational and financial risks. These risks directly affect how effectively all five core pillars of our business perform.

Yinson's commitment to building a culture of compliance and transparency across the Group comes from the top, with our Board and Key Management championing compliance extensively and sustainably throughout the Group.

Governance (pg 69)

We have made significant strides in terms of strengthening our compliance culture at Yinson in FYE 2020, particularly in managing our ESG risks:

- We've increased our disclosures on raw materials and natural resources. This sets a firmer reporting baseline upon which we can identify improvement measures in the coming years.

Natural Capital (pg 120)

- Workforce health and safety continues to be one of the most important focuses for Yinson, both for onshore employees and offshore crew. We continue to invest significant resources on mitigating safety and health-related risks, resulting in very strong safety record across our offices, projects and operations.
- We continued to prioritise the personal and professional development of our people and improve employee engagement through the rolling out of Yinson's Training and Development Policy, staff engagement surveys, and enhancement of staff benefits.

Human Capital (pg 84)

- Our HLR Policy was approved by the Board in March 2020, further strengthening how Yinson maintains and promotes fundamental human rights. We also implemented stronger personal data protection measures across the Group, including the appointment of DPOs in all our offices to drive personal data protection effectively at a local level.
- To further mitigate the risk of corruption and bribery, we extended our awareness and training initiatives to include vendors and other third parties. Additionally, we brought our ABAC employee awareness training online.

Review and strengthen Group-level governance (pg 69)

- Project concentration risk has also been amongst Yinson's top 5 risks, and one that we are seeking to mitigate by identifying additional sources of income and diversification.

Looking to the future (pg 139)

Financing

Yinson's business is capital-intensive in nature. With the recent award of the FPSO Anna Nery project in Brazil, and a few potential new projects and acquisitions in the coming financial year, securing funding to finance these projects is crucial.

The Group's capital strategy hinges on securing long term capital partners in both debt and equity markets, with partnerships being built on trust and cooperation.
In 2017 we began an exercise to divest a 26% stake in FPSO JAK to a

consortium led by Sumitomo. When selecting a partner for the project, which was our largest project at that time, we considered both the quantitative and qualitative aspects of the offers we received for the stake. In Sumitomo, we saw a partner that, like us, was seeking long-term strategic partnership, and not just financial returns on a single project. That transaction was the first step toward a deeper partnership which was cemented with a 10-year MoU for collaboration on FPSO and FSO projects in 2018.

As a result of the partnership, we now have a capital partner to embark on future, larger projects. Jointly, Yinson and Sumitomo with a 25% stake, won the bid for FPSO Anna Nery project in Brazil.

Partners (pg 119)

Yinson also aims to enlarge our banking network to broaden our financial resources for future growth. In November 2019, Yinson sealed a USD800 million refinancing project finance loan agreement with 13 local and global banks to refinance FPSO JAK, allowing us to enjoy lower interest rates while freeing up capital to be invested in future projects. The deal was oversubscribed by over 45%, an indication of the strong support Yinson receives from the financial community. Additionally, as part of our financing strategy for our Brazil project, we are in discussion with several Export Credit Agencies to provide guarantees in support of the project finance loan which would allow greater liquidity for participating commercial lenders.

Refinancing existing project financing, Engaging with Export Credit Agencies (pg 53)

As part of our capital strategy to enhance equity and maximise leverage potential without the need for further cash calls on our equity holders, we continue to utilise Perpetual Securities and other Hybrid Equity Instruments to raise capital for the Group, with the most recent being a USD120 million Perpetual Security issued in 2019. Our deals have earned us several accolades throughout the years, including awards from IFN, IFR, Alpha Southeast Asia and Asset Asia. While some may be concerned about such instruments, we are constantly stress testing our future cash flows to ensure serviceability of all outstanding instruments. The Perpetual Securities are raised for equity injection into projects and have minimum non-call period of 5 years on launching. The use of these financial instruments keeps to Yinson's strategy to provide liquidity during project execution and to be velocitised at a later stage to achieve the optimal returns for each project.

Perpetual securities holders (pg 52)

In the global shift to a low carbon economy, we continue to adapt and develop our energy business to be more sustainable with due consideration to all our stakeholders. We continue to devote significant resources to improving our sustainability performance.

Sustainability Statement (pg 42)

MANAGEMENT DISCUSSION & ANALYSIS

Related to this, Yinson was selected by HSBC Amanah in November 2019 to be an early adopter of Malaysia's first sustainability-linked financing ("SLF"), with a RM200 million revolving credit facility. The financing allows us to benefit from preferential pricing upon achieving agreed sustainability performance targets. In the global shift to a low carbon economy, we believe that SLF will play a major part in encouraging businesses to strengthen their ESG practices. We are proud to be able to embrace our values further in developing these aspects of our business.

Sustainability-linked financing (pg 53)

Project execution

Project execution went smoothly for the three assets we had under construction during the financial year – FPSO Helang, FPSO Abigail-Joseph and FPSO Anna Nery.

Projects (pg 65)

FPSO Helang achieved on-time delivery of first gas production 19 months after signing the contract with client JX Nippon with charter period commencing on 6 December 2019. This was achieved with zero LTIs throughout the 6.025 million man hours clocked throughout the conversion and commissioning of the vessel.

The naming ceremony for FPSO Helang, held in Jiangsu, China on 25 July 2019, was a grand and joyful occasion - an opportunity for us to celebrate the success of the project together with our client and subcontractors. This project is particularly momentous for Yinson, as it marks our entry into the Malaysian oil and gas market. We are honoured to be contributing back to the energy infrastructure of the country where Yinson was founded, and is currently headquartered.

Conversion works for FPSO Abigail-Joseph was completed safely within seven months – making it one of the world's fastest deliveries of a brownfield FPSO modification and upgrading project. The conversion clocked 1.239 million man hours, with zero LTIs.

FPSO Abigail-Joseph, chartered by First Exploration and Petroleum Development Company, is a redeployment of one of Yinson's existing vessels, FPSO Allan, which had previously operated for nearly 10 years in the Olowi Field in Gabon. This strategy has enabled us to bring forward the project schedule, and at the same time deliver a more cost-effective solution for our client.

At the time of writing, FPSO Abigail-Joseph is enroute to offshore Nigeria, where she will undergo final commissioning works. Start-up of production is scheduled for end of Q2 FYE 2021.

Works on FPSO Anna Nery is well underway following the project award in October 2019. Critical path long lead items have been placed, and early works engineering contracts commenced as per project schedule. We also established the project's operations offices in Rio de Janeiro, Brazil; and The Hague, Netherlands.

Building up competent in-house project management teams and systems has always been Yinson's strength, and forms part of our Group business strategy. We pair

this with a co-sourcing strategy – focussing on long-term, one-to-one business collaborations where both parties have a mutual interest in the outcomes.

We believe that keeping our team leaner and specialised allows us to be flexible and reactive, enabling us to sustain and position ourselves through industry downturns and upcycles. Through this strategy, we also endeavor to provide job stability for our employees while building long-term partnerships that complement our business.

Human Capital (pg 84)

Operations

Offshore Production Division

Upon the achievement of the first hydrocarbon, the FPSO is then handed over to Yinson's Operations team, who will manage the production of hydrocarbons and maintenance of the vessel for the contract duration.

Yinson's FPSO operations are headquartered in Oslo, with base offices in the country where the vessel is in operation. The contract durations for Yinson's FPSOs are typically long – our current average remaining duration is 13 years, with the longest being 25 years.

Key assets (pg 16)

Maintaining excellent fleet uptime and safety performance while controlling and limiting our environmental footprint are key priorities during the Operations phase and where Yinson aims to achieve a competitive edge in the industry. A good operations performance track record not only fulfils our contractual obligations but also inspires confidence in Yinson for potential clients and investors.

During the period under review, we are pleased to report an average fleet uptime of 99.9% for the four vessels that were in operation throughout FYE 2020.

Fleet uptimes for FYE 2020

FPSO Adoon	100%
FPSO JAK	99.9%
FSO PTSC Bien Dong 01	100%
FPSO PTSC Lam Son	99.7%
Average fleet uptime for FYE 2020	**99.9%**

We are also pleased to report that Yinson's fleet uptime since 2014 for the assets that we operate is 99.8%. This includes FPSO Marc Lorenceau (until Q1 2017), FPSO Allan (until Q4 2018), FPSO Adoon and FPSO JAK (from Q2 2017). These statistics are recorded by calendar year.

MANAGEMENT DISCUSSION & ANALYSIS

Average fleet uptime since 2014 for vessels that Yinson operates

FPSO Adoon
100%

FPSO Allan
99.6%

FPSO JAK
99.8%

FPSO Marc Lorenceau
100%

Average fleet uptime since 2014
99.8%

Operations (pg 67)

In terms of safety, Yinson's Offshore Production Division maintained a solid performance this financial year, with an LTI frequency of 0.71 and TRI frequency of 1.42.

Whenever a safety incident occurs on our vessels, thorough investigations are carried out to define the root cause and develop and implement lessons learnt to reduce the risk of similar incidents happening again.

Health and safety (pg 95)

A significant portion of Yinson's environmental impact in terms of energy, pollution, water, waste and materials are attributed to our offshore operations, due in part to the nature of our operations as well as the long-term nature of our contracts. As a responsible global citizen, we aim to manage our environmental impacts well. This is

further explained in our expanded disclosure on environmental impacts from both our offices and our offshore operating units.

Natural Capital (pg 120)

Offshore Marine Division

FYE 2020 went smoothly for our Offshore Marine Division, with a fleet utilisation rate of 92.69% over the financial year. We continued a strong safety performance with zero LTIs and TRIs in FYE 2020, earning acknowledgement from our client, Repsol through the receipt of the 'Best HSE Performance 2019' and 'Marine Vessel Safety and Operation Excellence Award'.

Operations (pg 67)
Health and safety (pg 95)

Group-wide improvement strategies

In recent years, Yinson has focused on digitalisation as a strategy to improve business performance and form new, differentiating business capabilities.

As an example, our ERP system was upgraded during the financial year, allowing synchronised, real-time accounting data across all our offices. Our projects and operations teams have also harnessed digitalisation tools to enhance the quality, integrity and efficiency of their workflows – for example through the digitalisation of our supply chain management process, enhancing offshore communication system and strengthening of our document control system. In FYE 2020, we

In recent years, Yinson has focused on digitalisation as a strategy to improve business performance and form new, differentiating business capabilities.

established a new Asset Lifecycle Management ("ALM") team, which is tasked to identify potential inefficient processes in each stage of our assets' lifecycles. Data is drawn from several of our key systems into our ALM platform, which via computer-based analysis and modelling, provides objective data-based recommendations for performance, learning and development through all phases of an asset.

Business systems and processes (pg 74)

Building up our people is another key focus of ours as having an engaged and experienced workforce – and retaining them – is essential to us achieving our goals. We frame the investment that we put into our people by six priority areas – recruitment and retention, adding value through work life balance, localisation, leveraging on digital technologies, and health and safety.

Human Capital (pg 84)

The efforts that we put into creating a happy workforce goes hand in hand with our emphasis on our corporate culture. FYE 2020 has seen a structured and deliberate integration of our corporate culture into daily lives at Yinson, including the measures such as brand awareness campaigns, the launch of our corporate intranet, a restructuring of our appraisal and hiring process to be aligned with our Core Values and the establishment of various communication channels, tools and platforms to encourage openness and transparency.

Company culture and communication (pg 82)

Looking to the future

It is our vision to be a global energy solution provider that meets the world's growing demand for energy in a safe, and a socially and environmentally responsible way.

Energy is linked to well-being and prosperity around the globe - it supports economic and social progress and builds better quality of life, particularly in developing countries. In Ghana, where FPSO JAK operates, all of the gas produced is channeled back for the country's energy needs, contributing towards a reliable power supply that supports the country's industries, agriculture, trade and transportation. We believe that these are the building blocks that help people escape poverty and create better lives. With sufficient energy, industries can develop and jobs can be created.

In addition to providing the energy that powers the nations, we want to go a step further by getting directly involved in helping the local communities where we operate. We hope that our CSR efforts will be able to build local capacity, encouraging social mobility and empowerment.

Corporate Social Responsibility (pg 110)

Renewables – a new focus area

Yinson's commitment to sustainable growth is also demonstrated through our decision to establish a Renewables Division. Our long-term objective is to establish a global business operating renewable energy generation assets, which can also pursue related opportunities in a rapidly growing, and technologically advanced segment of the energy industry.

The renewables business is expected to contribute to Yinson's financial performance, while also enabling diversification of both risk and revenue. It will support achievement of our social and environmental goals with a minimal carbon footprint and ability to provide cheaper energy to remote communities or developing countries.

Renewables is now in a period of rapid growth worldwide as the all-in cost of new renewable generation

MANAGEMENT DISCUSSION & ANALYSIS

has fallen below the cost of energy produced by fossil-based resources, with India as a good example. With increasing power demand in many developing economies, renewable energy has become the option of choice for new expansion. Yinson intends to participate in this growth and to facilitate the energy transition globally.

In the near term, the renewables team is focused on establishing a portfolio of operating assets together with new greenfield development opportunities in selected regions. This portfolio will provide a core platform for further growth and development of a strong project and operating culture. In addition, Yinson will deploy its expertise in debt financing and partnering with equity investors to efficiently recycle capital, thereby delivering increased value to our stakeholders.

Yinson closed a transaction at the end of March 2020 to acquire a 37.5% in Rising Sun Energy Private Limited ("RSE"), an India-incorporated company with two operational solar plants in the Bhadla Solar Park, Rajasthan, India.

This acquisition marks the start of Yinson's move into renewables and is the first renewable asset in Yinson's portfolio. We have successfully built a global FPSO business leveraging the platform we acquired through the acquisition of Fred. Olsen Production in 2014. We aim to repeat the same success for our renewables business.

Renewables assets (pg 21),
Renewables (pg 68)

Closing remarks

Looking back, the oil price plunge from 2014 to 2016 was a trying situation for the entire industry, and no less for Yinson – a relative newcomer to the FPSO industry at that time.

We weathered through the volatility by adhering closely to our business principles. We focused on delivering our project at hand, FPSO JAK, and did so three months ahead of schedule. We built a lean, but very experienced project management team, while co-sourcing where it made the most sense. We strengthened our operations team, delivering industry-leading uptime and safety records. We practised disciplined business and financial management.

We emerged stronger after that volatile period, determined to learn from our experiences and improve.

In the years following the downturn, we continued aligning everything we did towards bringing greater value to all our stakeholders, because we believe that taking these steps puts us on the surest path to ensuring the long-term sustainability of our business.

We invested in our people and in becoming an employer of choice. We saw the importance of being a values-based organisation, making our Vision, Mission and Core Values an integral part of our employees' daily decision-making process. We continued to operate prudently, improving our financial strength and bolstering our balance sheet. We invested in our systems, processes and building a capable support team and infrastructure to our five core pillars. All of these measures were taken with a single aim in mind – to ensure the sustainability of the business so we can continue to bring

value to all our stakeholders for many years to come.

Indeed, we hope and believe that everything we have invested into creating a sustainable business will see us through these current trying times.

Last financial year, we took our first step towards producing an Integrated Annual Report by introducing a more robust Sustainability Statement. With this year's report, we progress further on our Integrated Reporting

journey by increasing disclosure on our Material Matters, summarised largely within the 'Our Capitals' section of this report. We are committed to improving the quality of our disclosures every year. We also encourage open communication to all stakeholders to give us feedback on their views through our various engagement methods.

Social & Relationships Capital (pg 102)

On behalf of our Board, Management and employees, 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 least, a sincere thank you to our employees and crew, as well as your families. Truly, your commitment, ownership and dedication has enabled us to 'Passionately deliver **powerful** solutions'.

LIM CHERN YUAN
Group Chief Executive Officer


VINSON
LEVEL UP
GEAR UP
VINSON UP
Passionately delivering power

6

GOVERNANCE & LEADERSHIP

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BOARD OF DIRECTORS

Mr Lim Han Weng

Age 68 | Male | Malaysian
Group Executive Chairman
Non-Independent Executive Director

Board Committee positions held
Member of Employees' Share Scheme Committee

Date of appointment
Founder/First Director/Executive 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. Mr Lim 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 36 | Male | Malaysian
Group Chief Executive Officer
Non-Independent Executive Director

Board Committee positions held
Member of Board Risk Management Committee
Member of Employees' Share Scheme Committee

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 and more recently, the Group's diversification into renewables. 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, Australia. He is the 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' Wee Hoe Soon @ Gooi Hoe Soon

Age 60 | Male | Malaysian
Senior Independent Non-Executive Director

Board Committee positions held
Chairman of Audit Committee
Chairman of Employees' Share Scheme Committee
Member of Board Risk Management Committee
Member of Nominating & Remuneration Committee

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

Dato' Wee Hoe Soon @ Gooi Hoe Soon has over 36 years of experience in the fields of accounting and corporate finance. Dato' Gooi 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. Dato' Gooi was previously a Non-Executive Director, Group Managing Director and Deputy Chairman of Avenue Capital Resources Berhad. During his tenure with Avenue Capital Resources Berhad, he was also the CEO/Executive Director-Dealing of Avenue Securities Sdn Bhd. Dato' Gooi was also previously a board member and also Chairman of the Board of EON Bank Berhad and Amity Bond Sdn Bhd as well as an Independent Non-Executive Director of AIA Berhad and Bank Negara Malaysia and an Independent Non-Executive Director, Chairman of the Board and Alternate Director of Hup Seng Industries Berhad. 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 (Perstima) Berhad

Mdm Bah Kim Lian

Age 68 | 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, the Group Executive Chairman, in the general administration of the Group's operations and maintains a close relationship with Yinson's clients and affiliates. Upon Yinson's move into the offshore production industry, she took on the role of supporting the Group Executive Chairman in overseeing Yinson's direction and overall performance. Mdm Bah 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

BOARD OF DIRECTORS

Dato' Mohamad Nasir bin AB Latif

Age 62 | Male | Malaysian
Independent Non-Executive Director

Board Committee positions held
Chairman of Board Risk Management Committee

Date of appointment
Non-Independent Non-Executive Director – 11 August 2016
Independent Non-Executive Director – 1 January 2020

Dato' Mohamad Nasir bin AB Latif started his career with the EPF in 1982 and held several positions before being promoted to Deputy Chief Executive Officer (Investment), the position he held till his retirement on 31 December 2019. The positions he has held in EPF 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, United Kingdom.

Directorships of other public companies
- PLUS Malaysia Berhad
- Malaysian Resources Corporation Berhad
- United Plantations Berhad
- RHB Bank Berhad

Puan Rohaya binti Mohammad Yusof

Age 55 | Female | Malaysian
Non-Independent Non-Executive Director

Date of appointment
Non-Independent Non-Executive Director – 1 January 2020

Puan Rohaya binti Mohammad Yusof began her career with Arthur Andersen & Co as a Financial Consultant in 1988 before joining Maybank Investment Bank in 1990. She was subsequently promoted to Executive Vice President, Corporate Investment Banking in 2005. With 18 years of banking experience, she joined the EPF Investment Division in 2008 as Head of Corporate Finance and in 2010 as Head of Capital Markets Department overseeing fixed income. In 2017, she was appointed as Head of Private Markets. On 1 January 2020, she was promoted to Chief Investment Officer of EPF. Puan Rohaya holds a Bachelor of Commerce from Australian National University, Canberra, Australia and is an Associate Member of Certified Practising Accountant (CPA) Australia.

Directorships of other public companies
- Malaysian Resources Corporation Berhad
- Projek Lebuhraya Usahasama Berhad
- United Plantations Berhad

Datuk Abdullah bin Karim

Age 68 | Male | Malaysian
Independent Non-Executive Director

Board Committee positions held
Member of Nominating & Remuneration Committee
Member of Audit Committee
Member of Board Risk Management Committee
Member of Employees' Share Scheme Committee

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

Datuk Abdullah bin Karim has over 40 years of experience in the oil and gas industry. Starting as a Project Engineer with Petronas Carigali Sdn Bhd in 1981, Datuk Abdullah 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, Australia.

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

Raja Datuk Zaharaton binti Raja Zainal Abidin

Age 72 | Female | Malaysian
Independent Non-Executive Director

Board Committee positions held
Chairman of Nominating & Remuneration Committee
Member of Audit Committee
Member of Board Risk Management Committee
Member of Employees' Share Scheme Committee

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

Raja Datuk Zaharaton binti Raja Zainal Abidin 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. Raja Datuk Zaharaton's 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 in Economics from University of Malaya, Malaysia, and a Master in Economics from University of Leuven, Belgium.

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

BOARD OF DIRECTORS

Puan Sharifah Munira bt. Syed Zaid Albar

Age 41 | Female | Malaysian
Independent Non-Executive Director

Date of appointment
Independent Non-Executive Director – 1 January 2020

Puan Sharifah Munira bt. Syed Zaid Albar began her career with Astro Radio Sdn Bhd as an executive in the Legal and Compliance Department in 2005 until she was promoted to the role of Manager for the same department in 2008. Puan Munira later took up the position of Senior Legal Counsel in Usaha Tegas Sdn Bhd in 2011. She was appointed General Manager, Corporate Finance & Strategy of Malaysian Resources Corporation Berhad in 2017. Puan Munira is an alumnus of Presbyterian Ladies' College in Melbourne, Australia, where she completed her International Baccalaureate in 1997. She holds a Bachelor of Laws degree from Deakin University, Melbourne, Australia. She is also an Affiliate member of the Institute of Corporate Directors Malaysia.

Directorships of other public companies
- nil

Mr Lim Han Joeh

Age 61 | 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 in Civil Engineering from Monash University, Melbourne, Australia. He is the brother of Mr Lim Han Weng, and brother-in-law of Mdm Bah Kim Lian.

Directorships of other public companies
- nil

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 36 | 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, and more recently, the Group's diversification into renewables. 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, Australia. 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 39 | 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, and more recently, the Group's diversification into renewables. 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.

KEY MANAGEMENT

Mr Eirik Arne Wold Barclay

Age 48 | Male | Norwegian
Group Executive Vice President, New Ventures and Technology

Mr Eirik Arne Wold 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. With effect from 1 May 2020, he was redesignated as Group Executive Vice President, New Ventures and Technology. He holds a Master of Engineering from Norwegian University of Science & Technology, Norway, and a Master in Energy Management ESCP/IFP Paris and BI (Oslo).

Mr Andrew Choy Wei Nung

Age 56 | Male | Singaporean
General Counsel, Group Legal

Mr Andrew Choy Wei Nung 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, General Counsel on 1 January 2018. He is primarily responsible for providing advice and support to Yinson on all legal issues and documentation. Andrew 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. Andrew'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); and Certified Auditor for Quality Management System (ISO 9001:2008), International Safety Management ("ISM"), and International Ship and Port Facility Security ("ISPS"), and is a certified Practitioner in Personal Data Protection (Singapore).

Mr Ho Guan Ming

Age 49 | 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 of Commerce (Accounting) from University of Canberra, Australia, and is a Chartered Accountant with the Malaysian Institute of Accountants.

Mr Flemming Grønnegaard

Age 50 | Male | Danish

Chief Executive 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. With effect from 1 May 2020, he was redesignated as Chief Executive Officer, Offshore Production in place of Mr Eirik Arne Wold Barclay. He holds a Master of Engineering from Danish Technical University, Denmark.

Mr Rolf Marthin Normann

Age 53 | Male | Norwegian

Chief Operations Officer,
Offshore Production

Mr Rolf Marthin Normann brings with him vast experience from offshore energy projects including FPSOs, offshore drilling and offshore wind. He has over 28 years of experience and has held several key project management positions including 10 years as Senior Project Manager in BW Offshore. He also took on the roles as Project Director in Fred. Olsen Energy, Project Director in Golar LNG and Chief Executive Officer in Fred. Olsen Ocean. From 1 May 2020 he was appointed as Chief Operations Officer in Yinson's Offshore Production Division. Rolf holds two master's degrees; a Master of Science in Mechanical Engineering from Norwegian University of Science and Technology, Norway; and an Executive Master of Business Administration from BI Norwegian Business School, Norway, and Nanyang Technological University, Singapore.

KEY MANAGEMENT

Mr David Charles Brunt

Age 57 | Male | British
Chief Executive Officer,
Renewables

Mr David Brunt has over 35 years of experience within the oil and gas and renewables industries. He has worked in the offshore oil industry from 1985 until 2013, starting his career with ConocoPhilips in a variety of international positions in operations, technology and major projects before moving on to work with Petroleum Geo-Services as Manager Development Projects in 1997. From November 2001 until April 2013, he has held leading positions at Deepwater Composites, Aker Kvaerner Subsea and Fred. Olsen Production ASA. David moved into the renewable energy industry in 2013 as Chief Executive Officer at Fred. Olsen Renewables AS. He was subsequently appointed as Chief Executive Officer of Yinson's Renewables Division on 1 October 2019. He holds a Master of Chemical Engineering and Master of Arts (Engineering) from University of Cambridge, United Kingdom.

Dato' Mohamed Sabri bin Mohamed Zain

Age 64 | 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 Sdn Bhd. Dato' Sabri holds a Bachelor of Science in Petroleum Engineering from University of Wyoming, United States of America.

Mr Lim Chern Wooi

Age 34 | Male | Malaysian
Chief Executive Officer,
Offshore 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 Offshore Marine Division on 3 January 2014. He oversees the operation and business of Yinson's Offshore Marine Division including Offshore Support Vessels, tugs and barges. He holds a Bachelor of Applied Science and Master in Business Administration, both from RMIT University, Melbourne, Australia. 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 the son of Mr Lim Han Weng and Mdm Bah Kim Lian, and brother of Mr Lim Chern Yuan.

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

This statement provides the view of Yinson's Board on corporate governance ("CG") as set out in the Malaysian Code on Corporate Governance 2017 ("MCCG"). This statement should be read together with the Company's CG Report. The CG Report provides details on how the Company has applied each Practice as set out in the MCCG during FYE 2020.

The Board acknowledges the importance of sound CG practises and believes that this improves long-term success and performance. We are committed to setting the appropriate tone at Board-level and achieving high standards of CG practises, values and business conduct across Yinson.

The Board is satisfied that Yinson has complied with the provisions and applications of the main MCCG principles for FYE 2020 with the following exceptions:

- 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)

Explanations on the application and departure of the Practise, including the related measures and timeframes to apply the departure Practices are provided in the CG Report.

RESOURCES ON YINSON'S CORPORATE WEBSITE

The following documents referred to within this statement are found on our Company's website at www.yinson.com.

- CG Report
- Board Charter
- Terms of References for Board Committees
- Code of Conduct and Business Ethics ("COBE")
- Anti-Bribery and Anti-Corruption Policy ("ABAC")
- Whistleblowing Policy and Procedure
- Diversity Policy
- External Auditors Policy and Procedure
- Stakeholder Communication Policy and Procedure
- Corporate Disclosure Policy
- Summary of the minutes of Annual General Meetings including the Question and Answer session

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Part I - Board Responsibilities

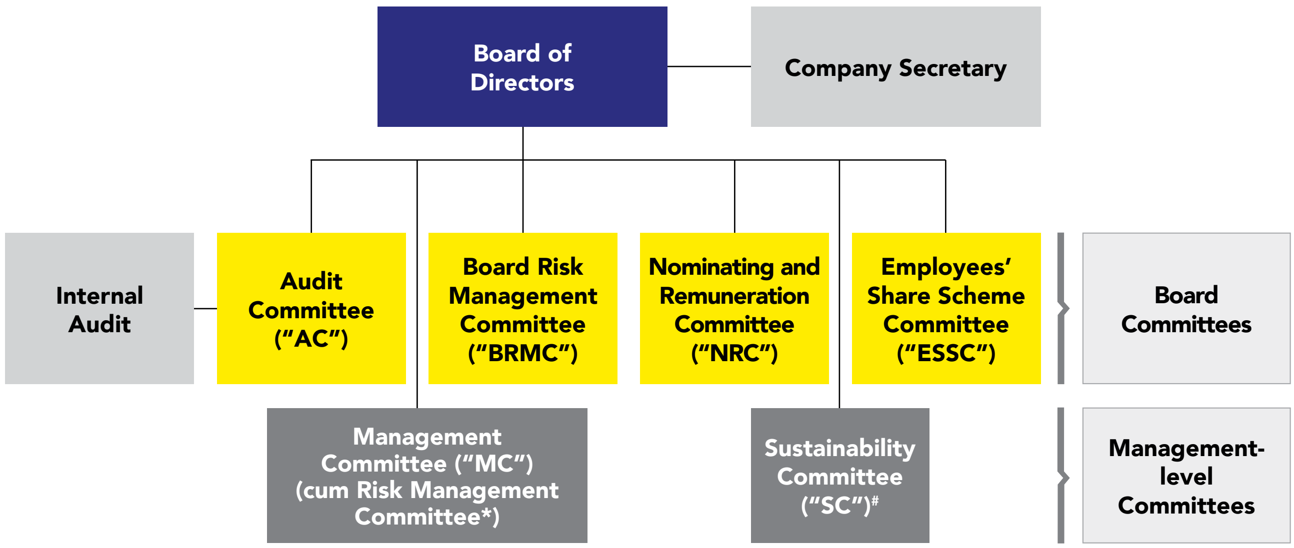
Intended Outcome 1.0

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 responsible for good governance within the Group's business and the creation of long-term stakeholders' value. To ensure effective discharge of the Board's functions and responsibilities, the Board delegates specific responsibilities and functions to various Board Committees and Management-level Committees with reporting structure depicted on the next page. The function, roles and responsibilities of the Board Committees and Management-level Committees are clearly defined in their respective terms of reference, which are reviewed periodically as and when necessary.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



* Risk Management Committee reports risk matters to Board members via BRMC.
# SC reports sustainability matters to Board members via BRMC with effect from 25 March 2020.

Board's Main Responsibilities

1. Review and adopt strategic plans developed by Management, ensuring business sustainability, including environmental, economic, social and governance aspects, is safeguarded
2. Ensure the Group's businesses are managed properly, including monitoring of Management's performance
3. Identify the Group's key risk factors and ensure appropriate internal controls and mitigating measures are implemented to manage such risks
4. Ensure strong Board and Senior Management appointments and that a robust succession plan is in place
5. Oversee the development and implementation of an Investor Relations Programme or Stakeholder Communication Policy
6. Ensure the adequacy and integrity of the Group's management information and internal control systems
7. Ensure the integrity of the Group's financial and non-financial reporting

The role of Chairman and Group CEO are held by different individuals. The roles and responsibilities of Board members and Company Secretary are clearly defined in the Board Charter, summarised as follows:

Board-level roles and responsibilities

Chairman	• Provide leadership and direction to the Board to achieve Board effectiveness • Liaise between Board and Management as well as Shareholders
Group CEO	• Formulate and implement Group business strategies • Oversee implementation of policies and decisions adopted by the Board • Supervise day-to-day management, operations and business development of the Group
Non-Independent Non-Executive Directors	• Monitor Company's performance by overseeing Management's performance • Constructively challenge and contribute to the development of the Company's strategies. Their vast experience allows them to bring valuable external perspectives that contribute significantly to the Board's deliberations and decisions
Independent Non-Executive Directors	• Provide objective and independent views and advice to safeguard the interests of the Company and Minority Shareholders • Provide a broader view, independent assessments and opinions on Management proposals and strategies
Senior Independent Non-Executive Director	• Highlight concerns of the Board that are sensitive to the Chairman • Act as an alternate contact person for Shareholders or other stakeholders for matters that cannot be resolved via normal channels of contact with the Chairman or Group CEO
Company Secretary	• Advise the Board on corporate disclosures and compliance with relevant regulatory requirements, guidance and legislations • Assist in the monitoring and application of CG developments and practises • Provides updates and advice on statutory and regulatory requirements that may affect the Company and Directors' duties and responsibilities

Board meetings and access to information

Directors are supplied with relevant information and reports to enable informed decisions to be made and responsibilities to be effectively discharged.

Board and Board Committee meetings are scheduled and communicated in advance prior to each calendar year to encourage maximum attendance rates. Meeting notices and papers are uploaded to a digital meeting software and disseminated to Board and Board Committees' members at least seven (7) days before meetings, allowing convenient direct access and sufficient time to review, consider and prepare for meetings. The deliberations and decisions of the Board and Board Committees are recorded in minutes and circulated for confirmation/notation. The Board has direct access to the Senior Management and Company Secretaries and may obtain independent professional advice, if necessary, in accordance with procedures in the Board Charter.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The attendance of the Directors at the Board and Board Committee meetings as well as the Annual General Meeting ("AGM") during FYE 2020 are as below:

	Type of Meeting					
Name	Board	AC	BRMC	NRC	ESSC	AGM
Lim Han Weng	8/8				1/1	1/1
Lim Chern Yuan	8/8		4/4		1/1	1/1
Bah Kim Lian	8/8					1/1
Lim Han Joeh	8/8					1/1
Dato' Mohamad Nasir bin AB Latif [1]	8/8		4/4			1/1
Dato' Wee Hoe Soon @ Gooi Hoe Soon	8/8	5/5	4/4	3/3	1/1	1/1
Raja Datuk Zaharaton binti Raja Zainal Abidin	7/8	5/5	4/4	3/3	1/1	1/1
Datuk Abdullah bin Karim	8/8	5/5	4/4	3/3	1/1	1/1
Rohaya binti Mohammad Yusof [2]	1/1*					
Sharifah Munira bt. Syed Zaid Albar [3]	1/1*					

* *Number of meetings attended/Number of meetings held during her tenure as Director.*

1 *Redesignated from Non-Independent Non-Executive Director to Independent Non-Executive Director on 1 January 2020.*

2 *Appointed as Non-Independent Non-Executive Director on 1 January 2020.*

3 *Appointed as Independent Non-Executive Director on 1 January 2020.*

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-level Committees are defined in the Board Charter. The Board Charter, which was last reviewed by the Board on 18 December 2019, outlines the governance structure, authority and reserved matters for the Board.

Board Committees' roles and responsibilities

AC	• Oversee integrity of financial reporting and internal control and risk management processes • Review and monitor internal audit functions and external auditors
BRMC	• Identify key risks factors and ensure implementation of effective risk management system • Review adequacy and integrity of internal control and management information system
NRC	• Build an effective Board through selection, nomination and evaluation of the Board, Board Committees and individual Directors' performance • Ensure strong and balanced Board composition by reviewing diversity of skills, knowledge, experience, background and gender • Review remuneration packages of Directors and Senior Management
ESSC	• Implement and administer the Employees' Share Scheme ("ESS") with regards to allocation, granting and share maintenance to the Executive Directors, Senior Management and employees of the Group

During the financial year under review, key activities performed by the Board, Board Committees and Management-level Committees are as follows:

Key activities of the Board, Board Committees and Management-level Committees

Board	• Approved Budget and strategic business plans • Reviewed, approved and received updates on business projects • Approved and reviewed various Charters, Terms of References, Policies and Procedures, and Limit of Authority • Approved Annual Report contents and CG Report • Approved declaration of interim dividends • Approved and reviewed Sustainability Policy and Strategies • Approved Board Evaluation and recommended re-election of Directors at AGM • Approved quarterly financial results • Approved Audited Financial Statements • Approved Enterprise Risk Management ("ERM") plan and Risk Register • Approved Internal Audit Plan • Received Internal Audit Reports • Approved Key Risk Indicators and Action Plans of the top five (5) risks 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
AC	• 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 the Internal Audit Budget • Reviewed Audited Financial Statements • Reviewed Register on Recurrent Related Party Transactions • Conducted private sessions with external auditors and internal auditors without presence of the Executive Directors and Management • Evaluated performance of external auditors • Reviewed performance of Internal Audit Function • Reviewed the proposed revisions to the Internal Audit Charter • Reviewed risk profile • Verified criteria for allocation of share options to eligible employees for the FYE 2019 under the ESS
BRMC	• Reviewed status of the Risk Action Plan for top five (5) risks of the Group • Reviewed the Key Risk Indicators and Action Plans of the top five (5) risks of the Group • Reviewed Corporate Risk Profile of the Group • Reviewed Whistleblowing Policy and Procedure
NRC	• 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 new candidates of director
ESSC	• Reviewed and approved third and fourth Offer of Share Options

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MC	• Overseen the Group's day-to-day operations and business affairs towards achieving corporate objectives and goals • Reviewed the Group's business strategies, plans, policies and frameworks • Identified the principal business risks faced by the Group and ensured appropriate internal controls and mitigating measures were implemented to manage such risks • Reviewed the Terms of Reference of the MC
SC	• Provided support and advice regarding embedding sustainability principles and practices throughout the Group's overall business strategies, policies, processes and practices • Overseen sustainability-related management processes, standards and strategies towards achieving compliance with social and environmental responsibilities and commitments • Supported the Board in meeting stakeholders' sustainability expectations • Steered the Company towards qualifying for Sustainability Index in Malaysia and globally

Our sustainability-related achievements, direction and goals are captured within the 'Our Capitals' section of the Annual Report 2020, from pages 48 to 125.

Intended Outcome 3.0

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that cultivates that engenders 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 achieves its Vision and Mission through the implementation of a strong corporate culture that revolves around five Core Values: Reliable, Open, Adaptable, Decisive and Sustainable.

Code of Conduct and Business Ethics ("COBE")

The Group's COBE outlines the foundation and expectations in relation to ethical standards and personal conduct. The COBE, which includes other references such as the Group's ABAC Policy, AML Policy and Whistleblowing Policy and Procedure, aims to guide employees and the Board on good corporate behaviour and how to 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 employees are given guidance to understand the ABAC Policy and other applicable policies
- Creating a positive and transparent environment where questions and concerns may be raised comfortably
- Ensuring those who raise genuine concerns do not suffer retaliation

The Board recognises the importance of adhering to the COBE and has taken measures 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
- Company resources

The Board and employees constantly observe the COBE and uphold integrity to exercise good judgement when carrying out their duties.

Anti-Bribery and Anti-Corruption Policy

The ABAC Policy guides employees towards eliminating acts of bribery and corruption within the Group, while encouraging business partners and other relevant parties commit to the same high standards. The ABAC Policy clearly states that the Company has zero-tolerance towards fraud, particularly in bribery and corruption, whether passive or active.

Whistleblowing Policy and Procedure

The Whistleblowing Policy and Procedure was enhanced in December 2019 to allow anonymous reporting, in line with the ISO 37001 Anti-Bribery Management System standards. This Policy and Procedure facilitates the disclosure of improper conduct (wrongdoings or criminal offences) within the Group and provides guidance on how disclosures shall be made. Whistleblowers are encouraged to use official whistleblowing channels to express these concerns without fear of unfair treatment or reprisal. The Company provides assurance of protection for genuine whistleblowers.

Part II – Board Composition

Intended Outcome 4.0

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

The Board currently comprises of ten (10) members, of whom three (3) are Executive Directors, two (2) are Non-Independent Non-Executive Directors, and five (5) are Independent Non-Executive Directors. The independence composition of the Board is 50%. Four (4) out of ten (10) directors (40%) are women. The Board believes an appropriate balance and mix of skills, knowledge, experience, background and gender contributes to the effectiveness of the Board. In January 2020, Puan Rohaya binti Mohammad Yusof and Puan Sharifah Munira bt. Syed Zaid Albar were appointed to the Board. At the same time, Dato' Mohamad Nasir bin AB Latif was re-designated as Independent Non-Executive Director of the Company. The tenure of the other three (3) Independent Directors is less than four years. The profiles of the Directors are provided on pages 146 to 150, and Board Diversity charts can be found on page 72 of the Annual Report 2020.

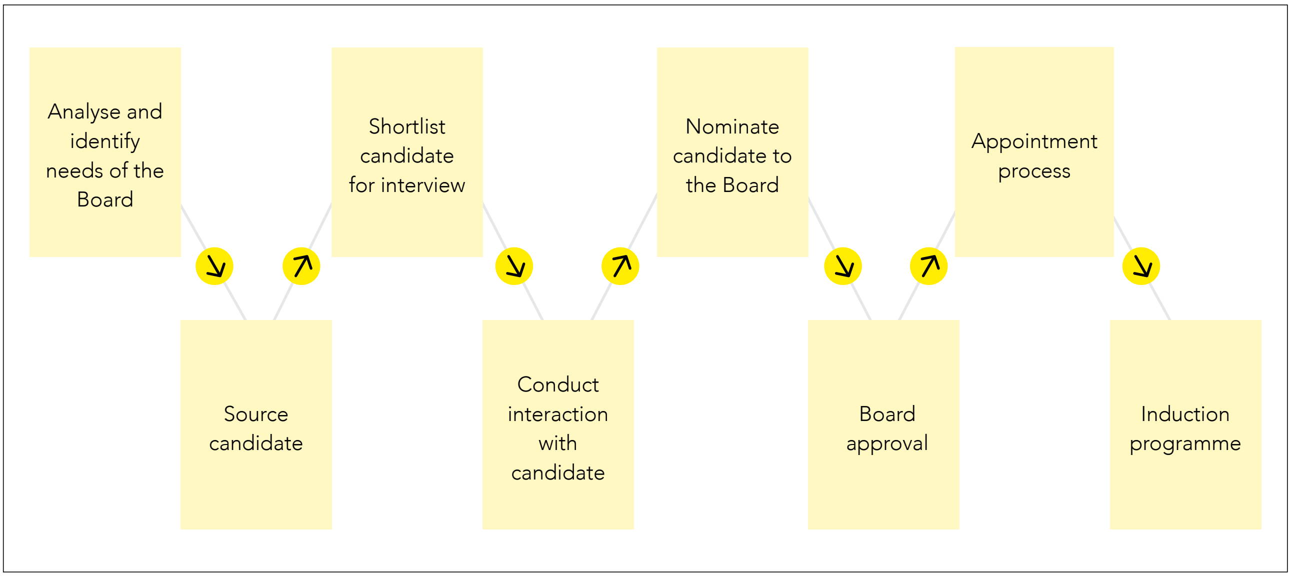
Diversity Policy

The Diversity Policy outlines the approach to achieve diversity in Board composition and Senior Management positions. In designing the Board's composition, diversity is considered from several aspects including gender, age, ethnicity, cultural, educational background, professional experience, skills and knowledge. The Board delegates the responsibility of promoting a corporate culture that embraces diversity to the Human Resource Department.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Selection and appointment process

The NRC oversees the screening and selection of new directors as follows:



In FYE 2020, the NRC has, via a special meeting, carried out a selection process to ensure the candidate is fit and proper and complies with the necessary requirements set out in the Act, the Main Market Listing Requirements ("MMLR") of 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 NRC 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 were reviewed and considered.

The Board has approved the engagement of an independent consultant, Boardroom Corporate Services Sdn Bhd, to provide Board Evaluation Services for the financial year under review. The objective is to form an objective and candid evaluation of the Board and Board Committees, which is facilitated through evaluation forms and one-to-one interviews. Results are tabled to the NRC which subsequently reports findings to the Board.

None of the Directors exceed five (5) listed companies' directorships. With the exception of a Director who did not attend one ad hoc Board meeting, all other Directors registered full attendance in the Board Meetings held in FYE 2020.

The Board is satisfied with the overall performance of individual Directors, Board and Board Committees for the financial year under review, with improvement seen for the performance of the Board and Board Committees.

Overview of Directors' evaluation

Positive highlights	• **Board configuration and rigour of Board deliberation** Board deliberations are conducted with a high level of rigour, professionalism and candour. Board is made up of highly skilled and experienced individuals from the respective areas of finance, accountancy, legal, risk management and oil and gas in turn, bring hard-edged skills and vast experiences to the Board. The Chairman of the Board is highly experienced and able to direct discussions on relevant matters while drawing constructive queries from members.
	• **Strategic planning and direction** Board is cognisant that unanimous focus on strategy planning forms the bedrock of the long-term success of the Company and places strong emphasis to ensure that strategic deliberations are thorough, effective and fruitful. Board is highly experienced in developing, reviewing and re-charting corporate strategies for the growth and business sustainability of Yinson. The Chairman of the Board and the Group CEO play a pivotal role in setting the right tone from the top.
	• **Corporate governance, ethics and integrity** Board has set the right "tone from the top" in striving to maintain the highest standards of governance and integrity in the overall culture of Yinson. Management habitually embrace high transparency when it comes to reporting to the Board. Board is cognisant of the over arching impact of the evolving corporate liability topography and strive to enhance its whistleblowing mechanism.
	• **Financial administration and vigilance** Board's ability to prudently manage the financial affairs of Yinson is a focal strength of the Board. Board's continuous success in providing financial oversight to the Company is attributed to the Board's composition consisting of high-calibre and experienced individuals who are luminaries in the ambit of accounting, investment, risk management and oil and gas.
Areas for improvement	• **Succession planning and boardroom diversity** Lack of focus on formulating a clear succession plan for the orderly succession for appointments to Senior Management. There is a need to enhance boardroom diversity in light of current technological advancements and the expansion of the Group's businesses overseas. Furthermore, Board noted the departure from the recommendation of MCCG which recommend Board to comprise of a majority Independent Directors for Large Companies.
	• **Risk oversight** Board shall reassess the current risks management oversight of the Company. Whilst much focus has been given to projects/commercial and financial risks, other critical risks such as technological, litigation and environmental risks are not given emphasis.
	• **Information flow and Board administration** Board and Board Committee papers appear to be overly voluminous even though they are generally circulated at least five business days before Board and Board Committee meetings. Board meetings are too protracted and strategic discussions ought to take center-stage in Board meeting agenda. Further, the buffer period or "window" between Board Committee meetings and Board meetings is too short.
	• **Information system, technological adeptness and resilience** Board still lacks certain skill sets particularly those pertinent to the areas of information technology (i.e. potential threats to cyber security, system integrity and data breach). There could be more weightage placed on keeping Directors well-informed, particularly in technological advancements and breakthroughs within the marine, offshore and oil and gas industry.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Directors	Training programme
Lim Han Weng	• Synergy 2019 – Geared for Growth by Yinson • In-house directors' training - Lessons Learnt from Project Failures by EY • In-house leadership programme - Yinson Up
Lim Chern Yuan	• Maybank Invest Malaysia 2019 • Maybank Invest Asia 2019 • Synergy 2019 – Geared for Growth by Yinson • In-house directors' training - Lessons Learnt from Project Failures by EY • CIMB Corporate Day • Credit Suisse ASEAN Conference • In-house leadership programme - Yinson Up
Bah Kim Lian	• Synergy 2019 – Geared for Growth by Yinson • In-house directors' training - Lessons Learnt from Project Failures by EY • In-house leadership programme - Yinson Up
Lim Han Joeh	• Synergy 2019 – Geared for Growth by Yinson
Dato' Mohamad Nasir bin AB Latif	• Maybank Invest Malaysia 2019 • Persidangan Pengurusan KWSP 2019 • Sime Darby – Cyber Security Awareness • Investment Offsite • Synergy 2019 – Geared for Growth by Yinson • IIC - SIDC Corporate Governance Convention 2019 • In-house directors' training - Lessons Learnt from Project Failures by EY
Dato' Wee Hoe Soon @ Gooi Hoe Soon	• 6th SCxSC Fintech Conference 2019 • Synergy 2019 – Geared for Growth by Yinson • In-house directors' training - Lessons Learnt from Project Failures by EY
Raja Datuk Zaharaton binti Raja Zainal Abidin	• Training sessions on Directors' duties and responsibilities • Board of Directors' Workshop – (i) Embracing Disruption by Puan Surina Shukri, CEO, Malaysia Digital Economy Corporation (ii) Current Challenges in the CG Landscape by Mr Devanesan Evanson, CEO, Minority Shareholders Watch Group • Malaysia's Diversity Experience • In-house directors' training - Lessons Learnt from Project Failures by EY • Malaysia Anti-Corruption Commission – Introduction to Section 17A: offence by commercial organization
Datuk Abdullah bin Karim	• How does Malaysia Bank Rank? • Oil & Gas Asia 2019 • Asia Oil & Gas Conference • Directors Dialogue – (Integral Reporting) • Synergy 2019 – Geared for Growth by Yinson • In-house Directors' training - Lessons Learnt from Project Failures by EY
Rohaya binti Mohammad Yusof *	• PERE Asia Summit • Asia Institutional Roundtable Forum • Khazanah Megatrend Forum • Hamilton Lane Summit • Governance Convention • International Social Well-Being Conference • Yinson Director Induction

Directors	Training programme
Sharifah Munira bt. Syed Zaid Albar *	• Introduction to Corporate Directorship • International Directors Summit 2019 - The Trust Compass: Resetting the Course • Why Governance Matters for Startups • Yinson Director Induction

* *Appointed on 1 January 2020.*

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 NRC for Board's consideration and consensus to be tabled for shareholders' approval at the AGM of the Company held on 11 July 2019. The structure of the fees/allowances payable to the Directors of the Company for the FYE 2020 is as follows:

Types of fees / allowances	RM
Board fees	
Non-Executive Director/Independent Director	200,000/annum
Executive Director	50,000/annum
Chairman of the Board	60,000/annum
AC/BRMC 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 FYE 2020 are as follows:

Company and Group Level	Fees RM'000	Salary RM'000	Benefits in Kind RM'000	Others Emoluments^ RM'000	Total RM'000
Executive Directors					
Lim Han Weng	70.00	3,429.00	-	1,695.21	5,194.21
Lim Chern Yuan	90.00	3,048.00	-	1,513.36	4,651.36
Bah Kim Lian	50.00	444.50	-	235.80	730.30
Non-Executive Directors					
Lim Han Joeh	200.00	-	-	18.00	218.00
Dato' Mohamad Nasir bin AB Latif #	230.00	-	-	22.00	252.00
Dato' Wee Hoe Soon @ Gooi Hoe Soon	270.00	-	-	31.00	301.00
Raja Datuk Zaharaton binti Raja Zainal Abidin	270.00	-	-	29.00	299.00
Datuk Abdullah bin Karim	260.00	-	-	31.00	291.00
Rohaya binti Mohammad Yusof #*	16.67	-	-	2.00	18.67
Sharifah Munira bt. Syed Zaid Albar *	16.67	-	-	2.00	18.67
Total	**1,473.34**	**6,921.50**	**-**	**3,579.37**	**11,974.21**

^ *Comprises bonus, meeting allowance, employer's provident fund contribution, social security welfare contribution and Employees' Insurance Scheme.*
\# *50% of the Director's fee for nominee of EPF on the Board of the Company is paid directly to EPF.*
* *Appointed on 1 January 2020.*

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-sixth (26th) AGM and will abstain from voting at the forthcoming twenty-seventh (27th) AGM on resolutions pertaining to their Directors' fees, benefits and re-election of directors.

The remuneration of the Senior Management (Group basis) for FYE 2020 are as follows:

	Salary RM'000	Benefits in Kind RM'000	Other Emoluments^^ RM'000	Total RM'000
Group Level				
Senior Management **	12,274.00	4,383.50	4,086.10	20,743.60

^^ *Comprises bonus, employer's provident fund contribution, social security welfare contribution and Employees' Insurance Scheme.*
** *Inclusive of Group CEO 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 AC's composition, summary of terms of reference and summary of work performed during the financial year under review is contained on pages 175 to 177 of the Annual Report 2020.

The terms of reference of the AC requires a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as an AC member. Currently, no AC members are former key audit partners of the Company.

The AC is responsible for reviewing, assessing and monitoring the performance, suitability and independence of external auditors annually in accordance with the requirements set out in the External Auditor Policy and Procedure, to ensure continued independence and objectivity of the external auditors.

During the financial year under review, the AC conducted two (2) private sessions in March and December 2019 with external auditors, PwC without the presence of Executive Directors and Management. The AC has obtained assurance from the external auditor confirming its independence. The Board has, on 28 April 2020, recommended the re-appointment of PwC for Shareholders' approval at the forthcoming 27th 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 ERM framework and risk identification process to be in line with the IS0 31000 Risk Management guidelines. A detailed report of the risk management and internal control framework is as per the Statement on Risk Management and Internal Control found on pages 169 to 174 of the Annual Report 2020.

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 IA function of the Group is carried out through a co-sourcing engagement by both the in-house IA Department and EY, who report directly to the AC.

The scope of work for the IA function is as set out in the Report on AC as found on page 177 to 178 of the Annual Report 2020.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The AC conducted a review on the performance of the IA function for FYE 2020 and noted the benefits for continuity of co-source engagement to enhance competencies and resources of IA Function.

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 stakeholders and prospective investors. The communication channels between stakeholders 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
- Company's website at www.yinson.com which provides access to corporate information, annual reports, press releases, financial information, company announcements and share prices of the Company

Stakeholder Communication Policy and Procedure

The Stakeholder Communication Policy and Procedure promotes effective communication and provides stakeholders with complete and timely information which fairly and accurately represent the Group. This enables investors and potential investors to make proper informed investment decisions and for other parties to have a balanced understanding of the Group and its objectives.

Corporate Disclosure Policy

The Corporate Disclosure Policy sets out how sensitive and material information is determined and disseminated to investors, stakeholders, local media, investing public and other relevant persons in line with the applicable statutory and regulatory requirements.

The Company via its Investor Relations team, conducts periodic analyst briefings and issues press releases as and when necessary, including its quarterly financial results and major contracts. The press releases, announcements issued to Bursa Securities and corporate presentations are available on the Company's website.

To maintain transparency and effectively address 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 the board and senior management effectively and make informed voting decisions at General Meetings.

Annual General Meeting

The AGM is the principal communication forum for Shareholders. The Board, Senior Management team, external auditors and internal auditors were present at the 26th AGM held on 11 July 2019 to respond to queries from Shareholders during the Question and Answer session.

The notice of the 26th AGM dated 31 May 2019 was published in the 2019 Annual Report, advertised in The Star, released to Bursa Securities and uploaded onto the Company's website. Shareholders are given sufficient time to make the necessary arrangements for appointing proxy(ies) for attending the 26th AGM.

The Company implemented poll voting for resolutions set out in the notice of the 26th AGM and appointed Coopers Professional Scrutineers Sdn Bhd as the independent scrutineers to observe the polling procedures and verify the poll results.

A summary of the minutes of the 26th AGM including the Question and Answer session, is available on the Company's website.

This CG Overview Statement was made in accordance with a resolution of the Board on 28 April 2020.

Other Compliance Information

1. Utilisation of Proceeds

   Save as disclosed below, there were no proceeds raised from other corporate proposals during FYE 2020.

   (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	208,775	Within 24 months
Working Capital	Up to 177,459	177,459	Within 24 months
Estimated Expenses	2,088	2,088	Within 6 months
Total	**Up to 488,534**	**488,534**	

2. Audit and Non-Audit Fees

   The amount of audit and non-audit fees paid to the Company's external auditors, PwC and its affiliates for the services rendered to the Group and the Company for FYE 2020 are as follows:

Particulars	Group RM'000	Company RM'000
Audit fees	1,791	296
Non-Audit fees	2,283	390
Percentage of Non-Audit fees over Audit fees	127.5%	131.8%

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

Group Level

No.	Description	RM
1.	Professional services rendered in connection with income tax compliance	162,562
2.	Professional services rendered in connection with income tax advisory matters	57,710
3.	Due diligence works rendered on business acquisitions and specific projects in certain countries	1,925,922
4.	Professional services rendered for assisting the application for stamp duty refund	52,351
5.	Accounting advice on application of new accounting standards	84,885

Company Level

No.	Description	RM
1.	Due diligence works rendered on business acquisitions and specific projects in certain countries	226,648
2.	Accounting advice on application of new accounting standards	84,885
3.	Professional services rendered in connection with income tax compliance	49,730
4.	Professional services rendered in connection with income tax advisory matters	28,755

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

   During FYE 2020, none of the Company and/or its subsidiaries have entered into material contracts (not being contracts entered into in the ordinary course of business) involving interests of Directors and Major Shareholders of Yinson.

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 MMLR and a summary of RRPT Register is tabled for AC's review and monitoring on a quarterly basis.

   All relevant processes and procedures are for ensuring that all related party transactions are monitored and conducted in a manner that is fair and at arms' length. The Directors and Major Shareholders who have interests in a transaction will abstain from deliberation and voting on said transaction at Board meetings and general meetings if required.

   The details of the RRPTs conducted during FYE 2020 between the Company and/or its subsidiaries with related parties are disclosed on pages 295 to 297 of the Audited Financial Statements contained in the Annual Report 2020.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This statement outlines the nature and scope of the Group's risk management and internal controls for FYE 2020. This includes strategic, operational and compliance controls, as well as internal financial controls for safeguarding shareholder investments and Group assets. It ensures that we can continue to identify, evaluate, monitor and manage key risks that may affect achievement of our business objectives.

BOARD RESPONSIBILITY

Yinson's Board of Directors ("Board") considers risk management as an integral part of business operations and acknowledges its responsibility towards maintaining a sound and effective system of risk management and internal control. 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.*

The Board also acknowledges that although the system cannot eliminate all risks, including material misstatement, loss and fraud, it is expected to safeguard the Group from risks identified in our overall risk profile.

Although the Board does not have formal oversight over the risk management and control systems of Yinson's joint ventures and associate companies, our interests are safeguarded through Board representations and/or monitoring controls we imposed within these companies.

Key developments in FYE 2020

Action plans for the Top 5 risks identified in FYE 2019 were implemented by risk owners and co-owners during FYE 2020

Progress on the action plans were reported to the Board via the Board Risk Management Committee ("BRMC") during quarterly BRMC meetings

Yinson's Risk Management and Compliance Department ("Risk Department") reviewed risk profiles and registers for Yinson's Kuala Lumpur, Singapore, Oslo and Ghana offices

Risk Department discussed functional risk areas with key risk owners and co-owners, focussing on controls and action plans for mitigation

It was identified that action plans for bribery risk were successfully implemented in FYE 2019, thus successfully lowering bribery risk for the Group

Bribery risk was removed from Top 5 risks, and replaced with Cybersecurity risks, which the BRMC has highlighted as an emerging risk area

Significant progress was made towards the completion of action plans for the remaining top 5 risks in FYE 2019. BRMC will continue to monitor these risks in FYE 2020 alongside other identified risks that may impact the Group

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

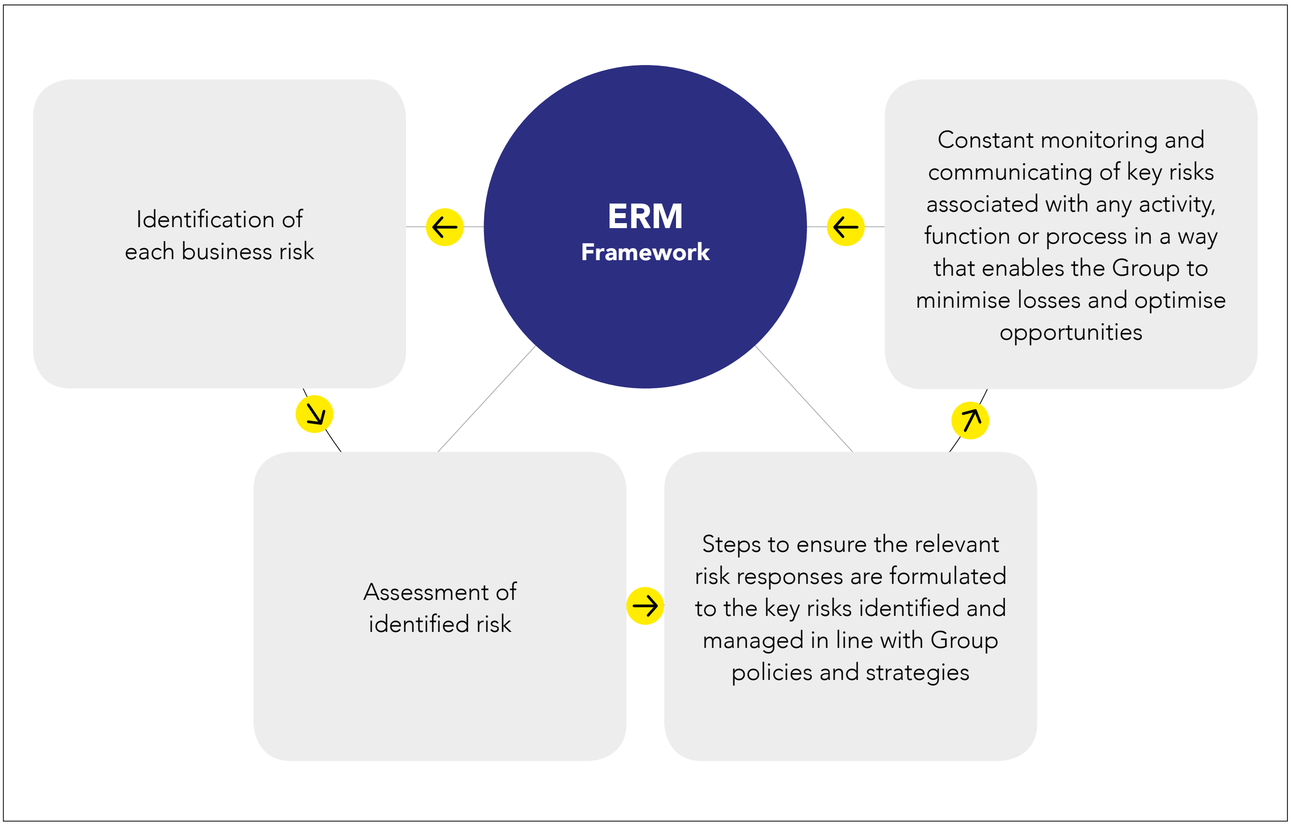
RISK MANAGEMENT STRUCTURE

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 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.

Yinson's ERM Policy and Framework identifies, evaluates, monitors and manages risks encountered by the Group. The ERM Policy and Framework are ISO 31000 compliant.

Main processes of ERM Framework involve:



RISK MANAGEMENT AND INTERNAL CONTROL STRUCTURE

BOARD OF DIRECTORS

- Determine risk management policy
- Approve risk management framework
- Oversee overall risk management
- Communicate with shareholders and other stakeholders
- Review risk profile of the Group

BOARD RISK MANAGEMENT COMMITTEE ("BRMC")

AUDIT COMMITTEE ("AC")

INTERNAL AUDIT FUNCTION co-sourced with **EXTERNAL SERVICE PROVIDER, ERNST & YOUNG ("EY")**

- Report on the adequacy and effectiveness of the Group's system of risk management and internal controls
- Follows up on status of Management action plans

Review adequacy, integrity and implementation of appropriate systems for risk management

MANAGEMENT COMMITTEE ("MC")

- Authorised by Board to make day-to-day risk management decisions
- Lead and manage business of the Group on an overall basis

GROUP CHIEF STRATEGY OFFICER

RISK DEPARTMENT

- Coordinate and implement Group's ERM Policy and Framework
- Monitor and report key risk issues to MC and BRMC

BUSINESS UNITS AND GROUP SUPPORT FUNCTIONS

Execute systems for risk management and Management action plans

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Three lines of defence model

The Group adopts a 'Three Lines of Defence' approach for its risk management. It provides an overview of the Group's operations from a risk management perspective while assuring the ongoing success of risk management initiatives.

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 OF FYE 2020

Risk	Description	Mitigation achieved in FYE 2020
Project concentration risk	Some of the Group's contracts are coming to an end, potentially creating reliance on a small number of projects	Identified additional sources of income to avoid over-reliance on any single project: • Successfully established presence in Brazil region through a Contract Award for FPSO Anna Nery (Marlim 2) project in Brazil • Established Renewables Division as a long-term strategy of diversification
Project cost overrun risk	As FPSO projects are typically long-term in nature, project cost overruns could have a negative impact on the project profit margins and affect the cash flows of the Group	• Continuous review and improvement of project cost management • Ongoing building of project team for FPSO Anna Nery (Marlim 2) project • Ongoing digitalisation of business processes and systems
Investment evaluation risk	Ineffective evaluation on potential investments could lead to poor investment decisions which may in turn negatively affect investment returns	The Group's investment evaluation process is guided by the Group Investment Policy, which is reviewed periodically to ensure that the processes are kept up to date with industry best practices

Risk	Description	Mitigation achieved in FYE 2020
Corporate funding risk	Corporate funding covers working capital costs, equity injection and debt servicing of the Group. Inability to secure funding may lead defaults on debt obligations or failure to meet repayment schedules	Successful fundraising through issuance of perpetual securities, refinancing of existing projects and monetising our investment in long-term FPSO projects through divestment to strategic partners
Cybersecurity risk	Cybersecurity risk is the probability of exposure to leakage of confidential data or financial loss resulting from a cyberattack or data breach	• Built a cybersecurity team comprising highly qualified personnel • Conducted Group-wide cybersecurity assessment • Implemented cybersecurity awareness training

INTERNAL CONTROL STRUCTURE

Key elements of the Group's risk management and internal control structure are as follows:

Board, Board Committees, and MC	• The summarised roles and responsibilities of the Board, Board Committees and MC are found in the diagram above • These are further defined in within their Terms of Reference, available on Yinson's website at www.yinson.com
Internal Audit, Risk Department, external service provider	• The summarised roles and responsibilities of the Internal Audit function, Risk Department and external service provider and are found in the diagram above
Defined structure, reporting line, authority and responsibility	The following aspects are clearly defined within our organisation structure: • Reporting lines • Delegation of authority (including limits of authority) • Responsibility • Accountability to Board Committees, including the AC, and business units
Group Code of Conduct and Business Ethics	• Defines the foundation and expectations relating to the Group's ethical standards and personal conduct • Includes other references such as the Anti-Bribery and Anti-Corruption Policy, Anti-Money Laundering Policy and Whistleblowing Policy and Procedure
Management Systems Standard	• Group-wide operations are certified to ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007, International Safety Management (ISM) Code and International Ship and Port Security (ISPS) Code • Adherence to these certifications enables the Group to manage the safety and quality of our operations • Complements internal audits by management and annual surveillance audits by independent certification bodies
Policies and procedures	• Internal policies and procedures established and documented in manuals, then periodically reviewed and revised in line with business, operational and mandatory requirements • New policies are tabled to MC for initial review, subsequently tabled to the AC and Board for final approval

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Review and monitoring process	The following meetings take place to monitor and review the Group's operations and performance, including financial results and forecasts for all business operations: • Regular management meetings between respective MC members and mid-level management teams • Monthly management accounts reporting by the Finance Department • Periodical MC meetings • Quarterly Board and AC meetings with MC
Recurrent Related Party Transactions ("RRPTs")	• RRPTs are dealt with in accordance with Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad • A summary of the RRPT Register is tabled for AC's review on a quarterly basis

Internal Audit Function

The Group has an independent internal audit department which updates the Board, through the AC, on the adequacy and effectiveness of the Group's system of internal control and management information system. An external service provider, EY has been appointed to co-source internal audit engagements to attain additional business insights and gain access to competencies and resources to match the Group's expanding operations.

The internal audit function adopts a risk-based approach when executing the internal audit plan, focussing on the Group's business units and functions. The internal audit function reports the outcome of its appraisal directly to the AC via internal audit reports. The internal audit function also conducts follow-up reviews on the status of Management's action plans.

BOARD'S COMMENTARY

For the financial year under review and up to the date of this statement for inclusion in the Annual Report, the Board considers the system of risk management and internal controls described in this statement to be satisfactory and has not resulted in any material loss, contingency or uncertainty, and risks are reasonably managed within the context of the Group's business environment. 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 has received assurance from the Group CEO 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 and MC will continue 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 MMLR of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. 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 Company.

This Statement on Risk Management and Internal Control was made in accordance with a resolution of the Board on 28 April 2020.

REPORT ON AUDIT COMMITTEE

The Board is pleased to present the Report on Audit Committee for FYE 2020 in accordance with Paragraph 15.15 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

TERMS OF REFERENCE

The Audit Committee ("AC") is formally constituted within the AC Terms of Reference, available on the Company's website at www.yinson.com.

COMPOSITION AND MEETINGS

The AC comprises Independent Non-Executive Directors, with all members having a working familiarity with basic finance and accounting practices. The Chairman of AC, Dato' Wee Hoe Soon @ Gooi Hoe Soon, is a member of the Malaysian Institute of Accountants.

AC meetings are scheduled at least four (4) times a year with additional meetings scheduled as necessary. The AC met five (5) times in FYE 2020 as follows:

Composition of Audit Committee

Designation	Date of appointment	No. of meetings attended	%
Dato' Wee Hoe Soon @ Gooi Hoe Soon Chairman, Senior Independent Non-Executive Director	11 August 2016	5/5	100
Raja Datuk Zaharaton binti Raja Zainal Abidin Member, Independent Non-Executive Director	11 August 2016	5/5	100
Datuk Abdullah bin Karim Member, Independent Non-Executive Director	16 October 2018	5/5	100

The meeting agenda, relevant reports and AC papers, which are prepared by Management, provide the AC with relevant facts and analyses to facilitate effective discussion and decision-making processes. These are furnished at least seven (7) days before meetings.

At the meetings, the AC reviews the risk management and internal control, financial reporting, internal and external audit functions within the Group. Minutes of meetings are duly recorded by the Company Secretary.

To avoid conflicts of interest, AC 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 AC meetings/Board meetings/general meetings of the Company.

REPORT ON AUDIT COMMITTEE

SUMMARY OF WORK PERFORMED

During the financial year under review, the AC 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' report, 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
- Reviewed and approved the proposed revisions to the Internal Audit Charter;
- Re-appointed Ernst & Young Advisory Services Sdn Bhd ("EY") to co-source with the in-house 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 December 2019 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 auditors the annual audit plan, nature and scope of audit as well as audit procedures, prior to the commencement of audit;
- Conducted two (2) private sessions with external auditors in March, and December 2019 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 AC for the Board which includes the composition of the AC, 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;
- Verified criteria for allocation of share options to eligible employees for FYE 2019 under ESS;
- Reviewed and monitored the Recurrent Related Party Transactions; and
- Reviewed and recommended the dividend pay out.

INTERNAL AUDIT FUNCTION

The internal audit function of Yinson Group ("IA Function") is carried out via a co-sourcing engagement between the in-house Internal Audit Department ("IAD") of Yinson Group and EY. The IA Function assists the AC in 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 AC on the adequacy and effectiveness of the Group's internal controls. The AC is aware that an independent and adequately resourced IA Function is essential to obtaining assurance on the effectiveness of the system of internal control.

The in-house IAD of Yinson Group is led by Head of IAD, Mr Liew Ching Hin, who joined Yinson Group in 2006 and was 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 17 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 comprises 2 to 3 persons for each visit conducted with IAD. IAD staff have been provided with relevant training to keep them abreast of developments in the profession, relevant industry and regulations. The training courses attended by IAD staff during the financial year in review included training provided by IIAM, CPA and in-house workshops.

The IA Function performs 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.

In FYE 2020, the Internal Audit Charter was revised and subsequently approved by the AC. The IA Function carried out audits according to the internal audit plan which had been approved by the AC. 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.

The IA Function had conducted independent reviews and risk exposure evaluations relating to the operations 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 AC meetings during the financial year under review while the internal audit reports, incorporating audit recommendations and Management's responses, were issued to the AC and Management of the respective operations. 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 AC accordingly.

REPORT ON AUDIT COMMITTEE

The internal audit activities carried out in accordance with the approved internal audit plan for FYE 2020 were in the following areas:

1. Post-implementation of IFS
2. Vendor Management
3. Investment, Strategic Finance and Treasury
4. Contract Management

During the financial year under review, the Chairman of the AC highlighted the key audit issues, and recommended the decisions and resolutions made at the AC meetings for the approval of the Board.

The total cost incurred for maintaining the IA Function for the year under review was approximately RM800,000.

This Report on Audit Committee was made in accordance with a resolution of the Board on 28 April 2020.

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 2020, 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

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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 2020.

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	261,297	222,222
Attributable to:		
Owners of the Company	209,909	222,222
Non-controlling interests	51,388	-
	261,297	222,222

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 2020:	
- Interim single tier dividend of 4.0 sen per share, paid on 20 December 2019	43,152
In respect of the financial year ended 31 January 2019:	
- Final single tier dividend of 2.0 sen per share, paid on 28 August 2019	21,607
	64,759

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 payment date for the dividend would be 6 August 2020 and 28 August 2020 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 1,093,245,873 to 1,094,745,473 by way of issuance of 1,499,600 new ordinary shares arising from the exercise of options under Employees' Share Scheme at the exercise price of RM2.80 and RM3.65 per ordinary share respectively as shown in Note 29.

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

There were no new debentures issued during the financial year.

Treasury shares

During the financial year ended 31 January 2020, the Company repurchased 13,059,700 of its issued share from open market on Bursa Malaysia Securities Berhad ("Bursa Malaysia") for total consideration paid of RM81,514,106, including transaction costs. The average price paid for the shares repurchased was approximately RM6.24 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 four offers of options with total of 4,000,000, 6,048,000, 9,000,000 and 3,740,000 options on 23 December 2016, 30 March 2018, 27 February 2019 and 22 January 2020 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, RM3.65 per share, RM4.00 per share and RM6.00 per share respectively in 3 tranches upon fulfilling the vesting condition and shall expire on 2 November 2020, 30 March 2022, 27 February 2023 and 22 January 2024 respectively.

During the financial year ended 31 January 2020, 3,950,000 new options were granted to Directors and Group Chief Executive Officer (including options allocated to persons connected to them). Details of options held by Directors and Group Chief Executive Officer are disclosed in page 187 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 Scheme Shares available under the ESS. During the financial year ended 31 January 2020, 70.00% and 29.41% of the options offered under the third and fourth offers respectively were allotted to the Directors and Senior Management of the Company. Since commencement of the ESS to financial year ended 31 January 2020, 53.49% of the total options offered were allotted to the Directors and Senior Management of the Company.

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 1.2.2019	**Exercised**	**Lapsed**	**Outstanding as at 31.1.2020**
Date of offer				
23 December 2016				
- first tranche	917,532	(405,700)	-	511,832
- second tranche	1,095,032	(526,000)	-	569,032
- third tranche	1,183,336	(115,300)	(111,800)	956,236
	3,195,900	(1,047,000)	(111,800)	2,037,100

	Number of options over unissued ordinary shares			
	Outstanding as at 1.2.2019	**Exercised**	**Lapsed**	**Outstanding as at 31.1.2020**
Date of offer				
30 March 2018				
- first tranche	1,927,667	(452,600)	-	1,475,067
- second tranche	1,927,667	-	(50,000)	1,877,667
- third tranche	1,927,666	-	(50,000)	1,877,666
	5,783,000	(452,600)	(100,000)	5,230,400

	Number of options over unissued ordinary shares			
	Outstanding as at 1.2.2019	**Granted**	**Lapsed**	**Outstanding as at 31.1.2020**
Date of offer				
27 February 2019				
- first tranche	-	2,999,988	(54,999)	2,944,989
- second tranche	-	2,999,999	(55,000)	2,944,999
- third tranche	-	3,000,013	(55,001)	2,945,012
	-	9,000,000	(165,000)	8,835,000

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: (continued)

	Number of options over unissued ordinary shares			
	Outstanding as at 1.2.2019	Granted	Lapsed	Outstanding as at 31.1.2020
Date of offer				
22 January 2020				
- first tranche	-	1,246,666	-	1,246,666
- second tranche	-	1,246,667	-	1,246,667
- third tranche	-	1,246,667	-	1,246,667
	-	3,740,000	-	3,740,000

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
Lim Chern Yuan
Bah Kim Lian
Lim Han Joeh
Dato' Wee Hoe Soon @ Gooi Hoe Soon
Dato' Mohamad Nasir bin AB Latif
Raja Datuk Zaharaton binti Raja Zainal Abidin
Datuk Abdullah bin Karim
Rohaya binti Mohammad Yusof (Appointed on 1 January 2020)
Sharifah Munira bt. Syed Zaid Albar (Appointed on 1 January 2020)

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' REPORT (CONT'D)

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			
	1.2.2019	**Acquired**	**Sold**	**31.1.2020**
Shares in the Company				
Direct interest:				
Lim Han Weng	174,407,415	-	(136,991,277) *	37,416,138
Bah Kim Lian	72,711,985	-	(69,215,482) **	3,496,503
Lim Han Joeh	36,661,376	912,400	-	37,573,776
Lim Chern Yuan	61,200	-	-	61,200
Indirect interest:				
Lim Han Weng (1)	98,105,985	107,407,277	-	205,513,262
Bah Kim Lian (2)	176,696,615	69,275,482	(29,644,000)	216,328,097

(1) Deemed interested by virtue of his spouse's and children's direct shareholdings in the Company pursuant to Section 59(11)(c) of the Companies Act 2016 ("CA 2016") and Liannex Corporation (S) Pte Ltd's and Yinson Legacy Sdn Bhd's direct shareholding in the Company pursuant to Section 8(4) of the CA 2016.

(2) Deemed interested by virtue of her spouse's and children's direct shareholdings in the Company pursuant to Section 59(11)(c) of the CA 2016 and Yinson Legacy Sdn Bhd's direct shareholding in the Company pursuant to Section 8 of the CA 2016.

* 107,347,277 shares was transferred to Yinson Legacy Sdn Bhd, a company where he is deemed interested pursuant to Section 8 of the CA 2016.

** 69,215,482 shares was transferred to Yinson Legacy Sdn Bhd, a company where she is deemed interested pursuant to Section 8 of the CA 2016.

Directors' interests (continued)

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: (continued)

	Number of options over unissued ordinary shares			
	1.2.2019	**Granted**	**Exercised**	**31.1.2020**
Share options in the Company				
Direct interest:				
Lim Han Weng	1,020,000	2,450,000	-	3,470,000
Lim Chern Yuan	880,000	1,000,000	-	1,880,000
Indirect interest:				
Lim Han Weng [(1)]	1,280,000	1,500,000	(60,000)	2,720,000
Bah Kim Lian [(2)]	2,300,000	3,950,000	(60,000)	6,190,000

(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.

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.

DIRECTORS' REPORT (CONT'D)

Other statutory information (continued)

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 15 May 2020. 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 191 to 325 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 2020 and financial performance of the Group and of the Company for the financial year ended 31 January 2020 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 15 May 2020.

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 191 to 325 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 15 May 2020) Ho Guan Ming

Before me,

Commissioner for Oaths

INCOME STATEMENTS

For the financial year ended 31 January 2020

		Group		Company	
		2020	2019	2020	2019
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	6 & 43	2,519,340	1,034,899	400,813	400,494
Cost of sales	7	(1,929,736)	(440,454)	-	-
Gross profit		589,604	594,445	400,813	400,494
Other items of income					
Interest income		21,107	17,817	33,891	47,500
Other income	8	15,725	32,776	8,833	496
Other items of expenses					
Administrative expenses	9	(107,341)	(128,427)	(183,754)	(153,200)
Finance costs	12	(198,369)	(185,559)	(36,645)	(49,526)
Share of profit of joint ventures		10,392	12,659	-	-
Share of profit of associates		-	150	-	-
Profit before tax		331,118	343,861	223,138	245,764
Income tax expense	13	(69,821)	(79,482)	(916)	(335)
Profit for the financial year		261,297	264,379	222,222	245,429
Attributable to:					
Owners of the Company	14(a)	209,909	234,896	222,222	245,429
Non-controlling interests		51,388	29,483	-	-
		261,297	264,379	222,222	245,429
Earnings per share (EPS) attributable to owners of the Company (sen per share)					
Basic EPS	14(a)	19.2	21.4		
Diluted EPS	14(b)	19.1	21.3		

The notes on pages 203 to 325 are an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 January 2020

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Profit for the financial year	261,297	264,379	222,222	245,429
Other comprehensive (loss)/income:				
Items that will be reclassified subsequently to profit or loss:				
- Cash flows hedge reserve	(129,298)	(10,260)	-	-
- Exchange differences on translation of foreign operations	(11,069)	134,300	-	-
- Put option reserve	288	-	-	-
- Reclassification of changes in fair value of cash flow hedges	12,570	16,982	-	-
Other comprehensive (loss)/income for the financial year	(127,509)	141,022	-	-
Total comprehensive income for the financial year	133,788	405,401	222,222	245,429
Attributable to:				
Owners of the Company	103,192	371,660	222,222	245,429
Non-controlling interests	30,596	33,741	-	-
	133,788	405,401	222,222	245,429

The notes on pages 203 to 325 are an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 January 2020

		Group		Company	
		2020	**2019**	**2020**	**2019**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Assets					
Non-current assets					
Property, plant and equipment	16	4,843,583	5,298,201	2,493	2,906
Investment properties	17	17,708	20,108	-	-
Intangible assets	18	394,848	401,468	8,340	5,967
Investment in subsidiaries	19	-	-	806,962	790,481
Investment in joint ventures	20	478,558	483,040	119,526	119,526
Investment in associates	21	1,714	1,718	-	-
Other receivables	24	-	-	609,387	895,745
Other assets	25	68,819	14,754	-	-
Other investments	22	13,570	-	-	-
Finance lease receivables	33(a)	1,501,015	15,169	-	-
Deferred tax assets	35	1,171	-	-	-
		7,320,986	6,234,458	1,546,708	1,814,625
Current assets					
Inventories	23	22,080	9,926	-	-
Trade and other receivables	24	499,836	429,196	1,002,528	185,720
Other assets	25	159,271	115,151	2,778	382
Finance lease receivables	33(a)	48,214	468	-	-
Tax recoverable		66	3,703	-	257
Derivatives	37	-	893	-	-
Other investments	22	188,762	72,226	3,482	-
Cash and bank balances	26	1,276,190	1,217,279	69,153	9,480
		2,194,419	1,848,842	1,077,941	195,839
Total assets		9,515,405	8,083,300	2,624,649	2,010,464

STATEMENTS OF FINANCIAL POSITION (CONT'D)

As at 31 January 2020

		Group		Company	
		2020	2019	2020	2019
	Note	RM'000	RM'000	RM'000	RM'000
Equity and liabilities					
Equity					
Share capital	27	1,106,639	1,101,090	1,106,639	1,101,090
Treasury shares	28	(125,343)	(43,829)	(125,343)	(43,829)
Reserves	30	(395,758)	(328,632)	6,916	2,140
Retained earnings	31	1,050,419	1,016,783	478,305	314,710
Equity attributable to owners of the Company		1,635,957	1,745,412	1,466,517	1,374,111
Perpetual securities issued by subsidiaries	45	1,847,675	1,575,885	-	-
Non-controlling interests		290,237	302,680	-	-
Total equity		3,773,869	3,623,977	1,466,517	1,374,111
Non-current liabilities					
Loans and borrowings	32	3,354,359	2,748,368	-	-
Lease liabilities	33(b)	18,646	-	-	-
Other payables	36	714,070	355,344	486,832	584,382
Derivatives	37	138,700	36,358	-	-
Deferred tax liabilities	35	1,440	546	-	-
		4,227,215	3,140,616	486,832	584,382
Current liabilities					
Loans and borrowings	32	476,044	401,362	57,392	45,867
Lease liabilities	33(b)	12,747	-	308	-
Unfavourable contracts	34	-	4,906	-	-
Trade and other payables	36	496,372	379,826	613,312	6,104
Derivatives	37	17,454	3,082	-	-
Put option liability	30(e)	412,398	455,725	-	-
Tax payables		99,306	73,806	288	-
		1,514,321	1,318,707	671,300	51,971
Total liabilities		5,741,536	4,459,323	1,158,132	636,353
Total equity and liabilities		9,515,405	8,083,300	2,624,649	2,010,464

The notes on pages 203 to 325 are an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 January 2020

Group	Share capital	Treasury shares	Foreign currency translation reserve	Cash flows hedge reserve	Share-based option reserve	Capital reserve	Put option reserve	Retained earnings	Total	Perpetual securities of subsidiaries	Non-controlling interests	Total equity
	Attributable to owners of the Company											
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	(Note 27)	(Note 28)	(Note 30 (a))	(Note 30 (b))	(Note 30(c))	(Note 30 (d))	(Note 30 (e))	(Note 31)		(Note 45)		
2020												
At 1 February 2019	1,101,090	(43,829)	160,617	(35,664)	2,140	-	(455,725)	1,016,783	1,745,412	1,575,885	302,680	3,623,977
Profit for the financial year	-	-	-	-	-	-	-	209,909	209,909	-	51,388	261,297
Other comprehensive (loss)/income	-	-	(10,442)	(96,563)	-	-	288	-	(106,717)	-	(20,792)	(127,509)
Total comprehensive income	-	-	(10,442)	(96,563)	-	-	288	209,909	103,192	-	30,596	133,788
Transactions with owners												
Paid and accrued perpetual securities distribution by subsidiaries	-	-	-	-	-	-	-	(133,229)	(133,229)	-	-	(133,229)
Cash dividends to owners of the Company (Note 15)	-	-	-	-	-	-	-	(64,759)	(64,759)	-	-	(64,759)
Cash dividends to non-controlling interests	-	-	-	-	-	-	43,039	-	43,039	-	(43,039)	-
Exercise of ESS	5,549	-	-	-	(993)	-	-	-	4,556	-	-	4,556
Issuance of ESS	-	-	-	-	6,075	-	-	-	6,075	-	-	6,075
ESS lapsed	-	-	-	-	(306)	-	-	-	(306)	-	-	(306)
Issue of perpetual securities by a subsidiary	-	-	-	-	-	-	-	-	-	490,050	-	490,050
Redemption of perpetual securities by a subsidiary	-	-	-	-	-	-	-	13,491	13,491	(218,260)	-	(204,769)
Purchase of treasury shares	-	(81,514)	-	-	-	-	-	-	(81,514)	-	-	(81,514)
Reclassification	-	-	(8,224)	-	-	-	-	8,224	-	-	-	-
Total transactions with owners	5,549	(81,514)	(8,224)	-	4,776	-	43,039	(176,273)	(212,647)	271,790	(43,039)	16,104
At 31 January 2020	1,106,639	(125,343)	141,951	(132,227)	6,916	-	(412,398)	1,050,419	1,635,957	1,847,675	290,237	3,773,869

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

For the financial year ended 31 January 2020

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	-	-	-	-	-	-	-	(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	-	-	-	(341)	-	-	-	1,259	-	-	1,259
Issuance of ESS	-	-	-	-	812	-	-	-	812	-	-	812
ESS lapsed	-	-	-	-	(293)	-	-	-	(293)	-	-	(293)
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)	(18,066)	(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

The notes on pages 203 to 325 are an integral part of these 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
2020					
At 1 February 2019	1,101,090	(43,829)	2,140	314,710	1,374,111
Total comprehensive income	-	-	-	222,222	222,222
Transactions with owners					
Cash dividends (Note 15)	-	-	-	(64,759)	(64,759)
Exercise of ESS	5,549	-	(993)	-	4,556
Issuance of ESS	-	-	6,075	-	6,075
ESS lapsed	-	-	(306)	-	(306)
Purchase of treasury shares	-	(81,514)	-	-	(81,514)
Effect of changes in shareholding in a subsidiary	-	-	-	6,132	6,132
Total transactions with owners	5,549	(81,514)	4,776	(58,627)	(129,816)
At 31 January 2020	1,106,639	(125,343)	6,916	478,305	1,466,517
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	-	(341)	-	1,259
Issuance of ESS	-	-	812	-	812
ESS lapsed	-	-	(293)	-	(293)
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

The notes on pages 203 to 325 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the financial year ended 31 January 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Cash flow from operating activities					
Profit before tax		331,118	343,861	223,138	245,764
Adjustment for:					
Depreciation of property, plant and equipment	16 & 16(a)	238,085	279,047	2,421	1,328
Amortisation of intangible assets	18	13,016	5,502	2,739	2,874
Amortisation of unfavourable contracts	34	(4,958)	(19,436)	-	-
(Reversal of impairment loss)/impairment loss on:					
- trade receivables	24(a)	(670)	1,070	-	-
- other receivables	24(b)	(1,916)	5,364	-	-
- amounts due from subsidiaries	24(b)	-	-	(7,199)	102,587
- other assets	25	4,084	-	-	-
- investment in a joint venture	20(ii)	-	12,892	-	-
- tax recoverable	9	2,069	3,686	-	-
- investment in subsidiaries	19	-	-	7,602	3,457
- plant and equipment	16	4,883	33,030	-	-
Waiver of debts					
- other receivables	9	382	-	-	-
- amounts due from associates	9	42	-	42	-
- amounts due from subsidiaries	9	-	-	122,440	-
Unrealised (gain)/loss on foreign exchange		(5,730)	(23,020)	(2,000)	3,985
Finance costs		197,476	184,812	36,645	49,526
Fair value loss/(gain) on:					
- investment properties	17	2,400	4,200	-	-
- other investments		(496)	1,158	(17)	(3)
- derivatives	12	893	747	-	-
Property, plant and equipment written off	16	28	-	-	-
Loss/(gain) on disposal of:					
- property, plant and equipment		889	5	-	257
- other investments		848	(125)	-	-
- associates		-	(21)	-	-
Share of profit of joint ventures		(10,392)	(12,659)	-	-
Share of profit of associates		-	(150)	-	-
Dividend income	6	-	-	(359,988)	(354,702)
Finance lease income		(28,220)	(2,392)	-	-
Interest income		(21,107)	(17,817)	(33,891)	(47,500)
Operating cash flow before working capital changes - carried forward		722,724	799,754	(8,068)	7,573

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Operating cash flows before working capital changes - brought forward		722,724	799,754	(8,068)	7,573
Inventories		(12,154)	(5,548)	-	-
Receivables		(89,852)	125,158	(51,122)	(149,207)
Other current assets		(33,474)	(106,361)	-	-
Payables		368,462	(108,051)	8,182	421
Cash flows generated from/(used in) operations		955,706	704,952	(51,008)	(141,213)
Interest received		21,107	17,817	33,891	47,500
Finance costs paid		(19,484)	(21,573)	(35,916)	(46,203)
Taxes paid		(39,903)	(53,963)	(794)	(436)
Net cash flows generated from/(used in) operating activities		917,426	647,233	(53,827)	(140,352)
Cash flows from investing activities					
Dividends received from joint ventures	20(i) & 20(ii)	14,210	59,631	14,210	59,631
Dividends received from subsidiaries [(i)]		-	-	223,138	295,071
Proceeds from capital reduction of a joint venture	20(ii)	-	80,919	-	80,919
Advances to subsidiaries		-	-	-	(374,000)
Repayment of advances from subsidiaries		-	-	46,772	-
Investment in subsidiaries		-	834	-	-
Advances to joint ventures		(56,414)	(12,138)	-	-
Repayment of advances from joint ventures		53,144	14,333	-	-
Proceeds from disposal of property, plant and equipment		1,563	649	-	220
Proceeds from disposal of other investments		70,577	30,492	-	-
Proceeds from disposal of shareholdings in a subsidiary	47	-	415,786	-	-
Purchase of other investments		(198,165)	(20,000)	(3,400)	-
Purchase of intangible assets	18	(7,004)	(382,587)	(5,112)	(151)
Purchase of property, plant and equipment	16(a)	(1,215,647)	(787,736)	(659)	(180)
Withdrawal/(placement) of fixed deposits pledged as security		102,700	(131,047)	(31)	(131)
Withdrawal/(placement) of short term investment		361	(10)	293	(10)
Net cash flows (used in)/generated from investing activities		(1,234,675)	(730,874)	275,211	61,369

STATEMENTS OF CASH FLOWS (CONT'D)

For the financial year ended 31 January 2020

		Group		Company	
		2020	2019	2020	2019
	Note	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities					
Dividends paid to owners of the Company	15	(64,759)	(108,468)	(64,759)	(108,468)
Dividends paid to non-controlling interests	19(b)	(43,039)	(23,161)	-	-
Advances from subsidiaries		-	-	295,011	870,423
Repayment of advances to subsidiaries		-	-	(324,980)	(669,005)
Finance costs paid		(183,168)	(120,813)	(1,015)	(2,986)
Drawdown of loans and borrowings		1,248,691	788,399	138,260	182,724
Repayment of loans and borrowings		(556,011)	(864,020)	(126,468)	(161,628)
Repayment of lease liabilities/finance leases obligations		(9,490)	(456)	(1,063)	(256)
Proceeds from issuance of perpetual securities		490,050	943,723	-	-
Repayment of perpetual securities		(203,750)	-	-	-
Perpetual securities distribution paid		(124,405)	(78,064)	-	-
Purchase of treasury shares	28	(81,514)	(31,196)	(81,514)	(31,196)
Proceeds from equity-settled share-based options		4,584	1,224	4,584	1,224
Net cash flows generated from/(used in) financing activities		477,189	507,168	(161,944)	80,832
Net increase in cash and cash equivalents		159,940	423,527	59,440	1,849
Effects of foreign exchange rate changes		2,909	8,687	563	420
Cash and cash equivalents at beginning of financial year		723,509	291,295	7,016	4,747
Cash and cash equivalents at end of financial year	26	886,358	723,509	67,019	7,016

Non-cash transaction

(i) Dividend received from subsidiaries of RM223,138,000 excludes dividends received by way of contra of amount owing from a subsidiary of RM122,640,000.

Reconciliation of liabilities arising from financing activities

Group	Note	Loans and borrowings RM'000	Lease liabilities RM'000	Total RM'000
At 1 February 2018		3,010,158	-	3,010,158
Cash inflows/(outflows)				
Finance costs paid		(120,813)	-	(120,813)
Drawdown		788,399	-	788,399
Repayment		(864,476)	-	(864,476)
Other changes				
Finance costs		189,976	-	189,976
Foreign exchange movement		146,486	-	146,486
At 31 January 2019 and 1 February 2019	32	3,149,730	-	3,149,730
Cash inflows/(outflows)				
Finance costs paid		(181,243)	(1,925)	(183,168)
Drawdown		1,248,691	-	1,248,691
Repayment		(556,011)	(9,490)	(565,501)
Other changes				
Effect of adoption of MFRS 16		(1,375)	28,056	26,681
Finance costs		220,778	1,842	222,620
Additions during the financial year		-	13,366	13,366
Foreign exchange movement		(50,167)	(456)	(50,623)
At 31 January 2020	32 & 33(b)	3,830,403	31,393	3,861,796

STATEMENTS OF CASH FLOWS (CONT'D)

For the financial year ended 31 January 2020

Reconciliation of liabilities arising from financing activities (continued)

Company	Note	Amounts due to subsidiaries RM'000	Loans and borrowings RM'000	Lease liabilities RM'000	Total RM'000
At 1 February 2018		383,593	22,497	-	406,090
Cash inflows/(outflows)					
Finance costs paid		-	(2,986)	-	(2,986)
Drawdown		-	182,724	-	182,724
Repayment		-	(161,884)	-	(161,884)
Advances		870,423	-	-	870,423
Repayment of advances		(669,005)	-	-	(669,005)
Changes in working capital within operating activities		1,447	-	-	1,447
Other changes					
Finance costs		-	3,323	-	3,323
Foreign exchange movement		(656)	2,193	-	1,537
At 31 January 2019 and 1 February 2019	32 & 36	585,802	45,867	-	631,669
Cash inflows/(outflows)					
Finance costs paid		-	(947)	(68)	(1,015)
Drawdown		-	138,260	-	138,260
Repayment		-	(126,468)	(1,063)	(127,531)
Advances		295,011	-	-	295,011
Repayment of advances		(324,980)	-	-	(324,980)
Changes in working capital within operating activities		1,028	-	-	1,028
Other changes					
Effect of adoption of MFRS 16		-	(22)	1,371	1,349
Finance costs		-	2,329	68	2,397
Novation of advances [ii]		655,954	-	-	655,954
Dividend received by way of contra of amount owing from a subsidiary		(122,640)	-	-	(122,640)
Foreign exchange movement		(818)	(1,627)	-	(2,445)
At 31 January 2020	32, 33(b) & 36	1,089,357	57,392	308	1,147,057

[ii] Novation of advance from/to subsidiaries arose from an internal re-organisation exercise of the Group carried out during the current financial year. Advances due from subsidiaries of the same amount were also novated to the Company as part of this exercise.

The notes on pages 203 to 325 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 January 2020

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 January 2020. 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.

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 or until the date the Group ceases to control the subsidiary respectively.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the owners of the Company 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 Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Consolidation (continued)

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 predecessor accounting. 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 consolidated statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. The comparative information is restated to reflect the combined results of combining entities.

For other 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Business combinations and goodwill (continued)

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, 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 accumulated impairment losses. On disposal of such investments, the difference between the net disposal proceeds and their carrying amount is included in profit or loss.

The amounts 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.

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 associates and joint ventures 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 associates and joint ventures 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. Dividends received or receivable from an associate or a joint venture are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an associate or a joint venture equals or exceeds its interests in the associate or joint venture, including any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(b) Associates and joint ventures (continued)

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.

In the Company's separate financial statements, investments in associates or joint ventures are stated at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of an investment, the difference between the net disposal proceeds and its carrying amount is charged or credited to profit or loss.

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 be sold or consumed in its 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 equivalents 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 its 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 recurring fair value measurement, such as investment properties.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Fair value measurement (continued)

External valuers are involved for valuation of significant assets. Involvement of external valuers is decided 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

The Group provides separate services to FPSO charterers including vessel management, repair and maintenance, crewing and operators, provisions, insurance, logistic support during the on-hire period. Revenue from offshore maintenance support and rendering of services are identified as a 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.

The credit terms to customers is generally for a period of 30 days.

(ii) Human resource services

Revenue from provision of human resource services is recognised upon delivery of services to customers. The credit terms to customers is 30 days from the date of invoice.

(iii) Management fees

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

(iv) Transportation services

Transportation revenue from the provision of chauffeur services are recognised in the period in which the services are rendered. 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) Chartering of FPSOs, OSVs and tankers

Revenue from FPSO, OSV and tanker 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.

Dividend income from financial assets at FVTPL is recognised as part of net gains or net losses on these financial instruments when the right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Revenue from other sources (continued)

(ii) Dividend income (continued)

Dividend income from financial assets at FVOCI 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.

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.

(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 calculated using the effective interest method is recognised in profit or loss.

(iv) Rental income

Revenue from rental of investment properties are recognised as and 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Taxes (continued)

(b) Deferred tax (continued)

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 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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Goodwill and fair value adjustments arising on the acquisition 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Foreign currencies (continued)

(c) Group companies (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Property, plant and equipment (continued)

FPSO construction-in-progress 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, office equipment, furniture and fittings	3 - 10 years
Offshore Marine - OSVs	20 years
Offshore Marine - tugboats, barges and boat equipment	10 years
Offshore Production - FPSOs	Lease term of 17 to 20 years
Tankers available for conversion	8 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

(a) Accounting by lessee

Accounting policies applied from 1 February 2019

Leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use by the Group (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group is a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Leases (continued)

(a) Accounting by lessee (continued)

Accounting policies applied from 1 February 2019 (continued)

Lease term

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group reassesses the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. See accounting policy below on reassessment of lease liabilities.

ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

ROU assets are presented as part of property, plant and equipment in the statements of financial position of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
For the financial year ended 31 January 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Leases (continued)

(a) Accounting by lessee (continued)

Accounting policies applied from 1 February 2019 (continued)

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase and extension options if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that are not based on an index or rate are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Lease liabilities are presented as a separate line item in the statements of financial position of the Group and the Company. Interest expense on the lease liability is presented within finance cost in profit or loss.

Reassessment of lease liabilities

The Group is also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

Short-term leases and leases of low-value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office furniture. Payments associated with short-term leases of vehicles and properties and all leases of low-value assets are recognised on a straight-line basis over the lease term as an expense in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Leases (continued)

(a) Accounting by lessee (continued)

Accounting policies applied until 31 January 2019

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.

(b) Accounting by lessor

As a lessor, the Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset, the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset at the inception of the lease and the lessee has the option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Leases (continued)

(b) Accounting by lessor (continued)

Finance lease

The Group classifies a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group derecognises the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment. The net investment is subject to MFRS 9 impairment (refer to Note 2.17(ii) on impairment of financial assets). In addition, the Group reviews regularly the estimated unguaranteed residual value.

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. The Group revises the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

Where a lease is determined to be a finance lease at lease inception and the Group is a manufacturer-lessor, the Group recognises selling profit or loss on a finance lease at the lease commencement date in profit or loss as follows:

- Revenue is the fair value of the underlying leased asset or, if lower, the present value of the lease payments accruing to the lessor, discounted using a market rate of interest;
- Cost of sale is the cost, or carrying amount (if different), of the underlying leased asset, less the present value of the unguaranteed residual value; and
- Selling profit or loss is the difference between revenue and the cost of sale, and is recognised in accordance with the principles in MFRS 15.

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.

Separating lease and non-lease components

If an arrangement contains lease and non-lease components, the Group allocates the consideration in the contract to the lease and non-lease components based on the stand-alone selling prices in accordance with the principles in MFRS 15.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying 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, until such time all the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group 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

Costs incurred to acquire computer software that are not an 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Intangible assets (continued)

Contract rights

Contractual rights and obligations for a customer contract are recognised at its fair value at the date of acquisition and subsequently amortised over the contract period of 8 years upon commencement of charter.

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.

Trademark

Trademark is carried at cost less accumulated amortisation and accumulated losses. Amortisation is calculated using the straight-line method to allocate the cost of trademark over their estimated useful life of 10 years.

2.17 Financial instruments

(i) Financial assets

(a) Classification, initial recognition and measurement

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 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").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Financial instruments (continued)

(i) Financial assets (continued)

(b) Subsequent measurement

Debt instruments

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) Financial assets at amortised cost

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) Financial assets at fair value through other comprehensive income ("FVOCI")

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, at which time 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Financial instruments (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

The Group and the Company assesses 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Financial instruments (continued)

(ii) Impairment of financial assets (continued)

ECL represent a probability-weighted estimate of the difference between the present value of cash flows according to contracts and the 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.

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 measures 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.

The general 3-stage approach is applied for debt instruments at amortised cost other than trade receivables.

The Group and the Company considers the probability of default upon initial recognition of the 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 compares 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 and changes in the operating results of the debtor

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Financial instruments (continued)

(ii) Impairment of financial assets (continued)

(a) General 3-stage approach for other receivables (continued)

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.

(b) Simplified approach for trade receivables

The Group and the Company applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables.

The Group and the Company defines a financial instrument as being in 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 defines a financial instrument as being in 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 considers 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.

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, lease liabilities, 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 and 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 are classified as 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Financial instruments (continued)

(iii) Financial liabilities (continued)

(b) Subsequent measurement (continued)

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.

(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 statements 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.

Derivatives 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 derivatives 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Derivative financial instruments (continued)

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.

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.

2.20 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Impairment of non-financial assets (continued)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Employee benefits (continued)

(c) Share-based payment

The Group operates a number of equity-settled, share-based compensation plans 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 the 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

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

A 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.

Distributions to holders of an equity instrument is recognised directly in equity.

(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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 allowance for impairment losses (if any).

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.

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 and 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.32 Deferred income

Deferred income relating to charter income received in advance are deferred and amortised on a straight line basis over 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 standards and amendments for the first time for the financial year beginning on 1 February 2019:

(i) Amendments to MFRS 9 "Prepayment Features with Negative Compensation"

(ii) Amendments to MFRS 128 "Long-term Interests in Associates and Joint Ventures"

(iii) MFRS 16 "Leases"

(iv) IC Interpretation 23 "Uncertainty over Income Tax Treatments"

(v) Annual Improvements to MFRSs 2015 - 2017 Cycle

- Amendments to MFRS 3 "Business Combinations"
- Amendments to MFRS 11 "Joint Arrangements"
- Amendments to MFRS 112 "Income Taxes"
- Amendments to MFRS 123 "Borrowing Costs"

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

Adoption of MFRS 16

On 1 February 2019, the Group and the Company changed its accounting policies on leases upon adoption of MFRS 16. The Group and the Company has elected to use the simplified retrospective transition method and to apply a number of practical expedients as provided in MFRS 16.

Under the simplified retrospective transition method, the 2019 comparative information was not restated. The right-of-use assets were measured on transition at an amount equal to the lease liability. The comparative information continued to be reported under the previous accounting policies governed under MFRS 117 "Leases" and IC Int. 4 "Determining whether an Arrangement Contains a Lease".

As a lessor, the Group is not required to make any adjustment on transition.

In addition, the Group and the Company have elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group and the Company relied on its assessment made applying MFRS 117 and IC Int. 4.

3. STANDARDS, AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS, WHICH ARE APPLICABLE AND ADOPTED BY THE GROUP AND THE COMPANY (CONTINUED)

Adoption of MFRS 16 (continued)

(a) The Group as a lessee

(i) Leases classified as operating leases under MFRS 117

On adoption of MFRS 16, the Group and the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of MFRS 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 February 2019.

The associated right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statements of financial position of the Group and the Company as at 1 February 2019.

In applying MFRS 16 for the first time, the Group and the Company have applied the following practical expedients permitted by the standard to leases previously classified as operating leases under MFRS 117:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 February 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

(ii) Leases classified as finance leases under MFRS 117

For leases previously classified as finance leases and presented as a part of 'Property, plant and equipment', the Group and the Company recognised the carrying amount of the lease asset and lease liability immediately before transition which were measured applying MFRS 117 as the carrying amount of the right-of-use asset and the lease liability at the date of initial application.

(b) The Group as a lessor

There are no material changes to accounting by the Group as a lessor upon adoption of MFRS 16.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

3. STANDARDS, AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS, WHICH ARE APPLICABLE AND ADOPTED BY THE GROUP AND THE COMPANY (CONTINUED)

Adoption of MFRS 16 (continued)

Impact of adoption

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

	Reported as at 31.1.2019 RM'000	Effect of adoption on MFRS 16 RM'000	Restated as at 1.2.2019 RM'000
Consolidated Statement of Financial Position			
Property, plant and equipment	5,298,201	26,681	5,324,882
Lease liabilities	-	28,056	28,056
Loans and borrowings	3,149,730	(1,375)	3,148,355
Company Statement of Financial Position			
Property, plant and equipment	2,906	1,349	4,255
Lease liabilities	-	1,371	1,371
Loans and borrowings	45,867	(22)	45,845

(b) Measurement of lease liabilities on 1 February 2019

The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 February 2019 was 5.62% per annum.

The reconciliation between the operating lease commitments disclosed applying MFRS 117 at 31 January 2019 to the lease liabilities recognised at 1 February 2019 is as follows:

	Group RM'000	Company RM'000
Operating lease commitments disclosed as at 31 January 2019	32,730	3,236
Discounted using the lessee's incremental borrowing rate at the date of initial application	28,882	3,028
Short-term leases recognised on a straight-line basis as expense	(2,146)	(1,653)
Low-value leases recognised on a straight-line basis as expense	(55)	(26)
Finance lease liabilities recognised as at 31 January 2019	1,375	22
Lease liabilities recognised as at 1 February 2019	28,056	1,371
Current lease liabilities	9,287	1,077
Non-current lease liabilities	18,769	294
	28,056	1,371

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 2020

(i) The Conceptual Framework for Financial Reporting (Revised 2018)

This revised Conceptual Framework comprises a comprehensive set of concepts for financial reporting. The changes to the chapters on the objective of financial reporting and qualitative characteristics of useful financial information are limited, but with improved wording to give more prominence to the importance of providing information needed to assess management's stewardship of the entity's economic resources. Other improvements of the revised Conceptual Framework include a new chapter on measurement, guidance on reporting financial performance, improved definitions and guidance, in particular the definition of a liability and clarifications in important areas, such as the role of prudence and measurement uncertainty in financial reporting.

(ii) Amendments to MFRS 101 "Presentation of Financial Statements" and Amendments to MFRS 108 "Accounting Policies, Changes in Accounting Estimates and Errors"

The amendments refine the definition by including 'obscuring information' in the definition of material to respond to concerns that the effect of including immaterial information should not reduce the understandability of a company's financial statements. The prior definition focuses only on information that cannot be omitted (material information) and does not also consider the effect of including immaterial information.

Other refinements to the definition include incorporating some existing wording in MFRS 101 and the Conceptual Framework for Financial Reporting. Consequently, the amendments align the definition of material across MFRS Standards and other publications.

The amendments shall be applied prospectively.

(iii) Amendments to MFRS 3 "Business Combinations"

The amendments clarify the definition of a business with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The distinction is important because an acquirer does not recognise goodwill in an asset acquisition.

The amendments, amongst others, clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments also add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The amendments shall be applied prospectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

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 2020 (continued)

(iv) Amendments to MFRS 101 "Amendments on Classification of Liabilities as Current or Non-current"

The MFRS 101 classification principle requires an assessment of whether an entity has the substantive right to defer settlement of a liability at the end of the reporting period.

The amendments clarify that when the right to defer settlement is subject to complying with specified conditions, the right only exists at the end of the reporting period if the entity complies with those conditions at that date. The entity must comply with the conditions at the end of the reporting period even if the lender does not test compliance until a later date.

Also, classification is unaffected by the expectations of the entity or events after the reporting date (e.g. waiver obtained or breach of loan covenant).

In addition, the amendments clarify that when a liability could be settled by the transfer of an entity's own equity instruments (e.g. a conversion option in a convertible bond), the conversion option does not affect the classification of the convertible bond if the option meets the definition of an equity instrument in accordance with MFRS 132 "Financial Instruments: Presentation". A conversion option that is not an equity instrument should therefore be considered in the current or non-current classification of a convertible instrument.

The amendments shall be applied retrospectively.

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.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(a) Operating lease commitments – Group as lessor (continued)

Chartering of FPSOs, OSVs and tankers 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 16 "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 the purchase option is regarded to be 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.

(b) Finance lease commitments - Group as lessor

The Group has determined, based on the analysis of the terms and conditions of the contract on assessing whether the Group retains the significant risks and rewards of ownership of the FPSO subject of the lease contract. To identify whether risks and rewards are retained, the Group systematically considers, amongst others, the indicators listed by MFRS 16 on a contract-by-contract basis. The Group makes significant judgements to determine whether the arrangement results in a finance lease or an operating lease. This judgement can have a significant effect on the amounts recognised in the financial statements and its recognition of profits in the future.

The most important judgement areas assessed by the Group are as follows:

(i) Determination of fair value of the leased FPSOs

For the Group's awarded lease contracts that were systematically classified under MFRS 16 as finance leases for accounting purposes, the fair value of the leased FPSO is recorded as an outright sale at the commencement of the lease.

Significant judgments are used to estimate the charter rates and discount rates applied in computing the fair value of the leased FPSO. The discount rate used is based on the interest rate implicit to the lease. Where the interest rate implicit in the lease cannot be readily determined, the Group uses the lessee's borrowing rate to measure the net investment in the finance lease. The lessee's borrowing rate is the interest rate which matches the term of the lease agreement and credit profile of the lessee. Therefore, the borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

In the current financial year, the Group recognised revenue and net profit on outright sale of an FPSO upon commencement of the finance lease of RM1,551,481,000 (Note 6) and RM7,467,000 respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Finance lease commitments - Group as lessor (continued)

(ii) Determination of lease term

The Group determines the lease term based on the period for which the Group has contracted to lease the asset together with any further terms for which the lessee has the option to continue to lease the asset, when at lease inception it is reasonably certain that the lessee will exercise the option.

(iii) Probability of exercise of purchase option

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 a 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 the option becomes exercisable, the exercise of the option is regarded as reasonably certain. The evaluation of the term "reasonably certain" involves judgement.

(c) Measurement of ECL allowance for financial assets

The measurement of ECL allowance for financial assets measured at amortised cost 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

As at reporting date, these receivables were subject to considerable credit risk, because a slight deterioration in cash flows could result in customers missing a contractual payment on these receivables. 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 measures loss allowance at a 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 considers these forecasts to be appropriately representative of its best estimate of the possible outcomes and the range of possible scenarios.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(d) Impairment of FPSOs, OSVs and tankers

Each FPSO, OSV and tanker is deemed to be a single CGU as the Group manages each FPSO, OSV and tanker 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 FPSO, OSV and tanker will be ascertained 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 FPSO, OSV and tanker discounted by an appropriate discount rate.

The impairment testing for each 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 OSVs against their recoverable amounts and recorded an impairment charge to the carrying value of OSVs of RM4,883,000 (2019: RM33,030,000) as disclosed in Note 16(g). The key assumptions and basis used to determine the recoverable amounts of the OSVs are disclosed in Note 16(g).

(e) Useful life and residual value of FPSOs, OSVs and tankers

The Group reviews the residual value and useful life of FPSOs, OSVs and tankers 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 residual value and estimated useful life of FPSOs, OSVs and tankers would increase the recorded depreciation and decrease the carrying value of FPSOs, OSVs and tankers. The net book value of FPSOs, OSVs and tankers at 31 January 2020 is RM4,430,359,000 in Note 16.

For the financial year ended 31 January 2020, 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 FPSOs, OSVs and tankers 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	Depreciation expense
	Group	Group
	RM'000	RM'000
Useful life		
- Increase by 5 years	4,480,212	172,761
- Decrease by 5 years	4,332,239	320,734
Residual value		
- Increase by 10%	4,425,063	227,910
- Decrease by 10%	4,417,214	235,760

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(f) Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value determined using the market approach based on the market comparison method recognised in profit or loss. The key assumptions and basis used to determine the fair value are as disclosed in Note 17.

(g) 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	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers				
FPSO support services fees	140,806	239,105	-	-
Management fee income	15,531	2,614	40,825	45,792
Revenue from other sources				
Chartering of FPSOs, OSVs and tankers	774,697	789,044	-	-
Outright sale of FPSO at commencement of finance lease	1,551,481	-	-	-
Finance lease income	25,874	-	-	-
Rental income	551	650	-	-
Dividends from subsidiaries and joint ventures	-	-	359,988	354,702
Others	10,400	3,486	-	-
	2,519,340	1,034,899	400,813	400,494

The Group and the Company recognises revenue from contracts with customers over time.

7. COST OF SALES

	Group	
	2020	2019
	RM'000	RM'000
Included in cost of sales are:		
Amortisation of unfavourable contracts (Note 34)	(4,958)	(19,436)
Depreciation of property, plant and equipment	222,679	276,981
Employee benefits expenses (Note 10)	1,231	4,117
Costs relating to outright sales of FPSO at commencement of finance lease	1,544,014	-
Vessel operating expenses	78,607	141,340

8. OTHER INCOME

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Fair value gain on marketable securities	496	877	17	3
Investment income	3,872	70	68	10
Service fee income	-	-	867	483
Gain on disposal of associated companies	-	21	-	-
Net gain on foreign exchange	-	28,723	682	-
Gain on sale of other investments	-	155	-	-
Gain on disposal of property, plant and equipment	-	111	-	-
Net reversal of impairment loss on amounts due from subsidiaries	-	-	7,199	-
Finance lease income	2,346	2,392	-	-
Writeback of payables	8,491	-	-	-
Miscellaneous	520	427	-	-
	15,725	32,776	8,833	496

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

9. ADMINISTRATIVE EXPENSES

Included in administrative expenses are:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration:				
Fees for statutory audits				
- PricewaterhouseCoopers PLT	693	633	296	270
- Member firms of PricewaterhouseCoopers International Limited	1,098	935	-	-
Fee for non-audit services				
- PricewaterhouseCoopers PLT	2,162	325	390	233
- Member firms of PricewaterhouseCoopers International Limited	121	509	-	27
- Others	747	659	656	436
Amortisation of intangible assets (Note 18)	13,016	5,502	2,739	2,874
Depreciation of property, plant and equipment	15,406	2,066	2,421	1,328
Fair value loss on:				
- marketable securities	-	2,035	-	-
- investment properties (Note 17)	2,400	4,200	-	-
(Reversal of impairment loss)/impairment loss on:				
- trade receivables (Note 24(a))	(670)	1,070	-	-
- other receivables (Note 24(b))	(1,916)	5,364	-	-
- amounts due from subsidiaries (Note 24(b))	-	-	-	102,587
- other assets (Note 25)	4,084	-	-	-
- tax recoverable	2,069	3,686	-	-
- investment in a joint venture (Note 20)	-	12,892	-	-
- investment in subsidiaries (Note 19)	-	-	7,602	3,457
- property, plant and equipment (Note 16)	4,883	33,030	-	-
Loss on disposal of:				
- property, plant and equipment	889	116	-	257
- other investments	848	30	-	-
Operating leases - Payments for land and buildings	414	757	-	1,366
Property, plant and equipment written off (Note 16)	28	-	-	-

9. ADMINISTRATIVE EXPENSES (CONTINUED)

Included in administrative expenses are: (continued)

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Waiver of debts				
- other receivables	382	-	-	-
- amounts due from associates	42	-	42	-
- amounts due from subsidiaries	-	-	122,440	-
Net loss on foreign exchange	166	-	-	2,275
Employee benefits expenses (Note 10)	40,721	42,187	30,885	23,658

10. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Included in:				
Cost of sales (Note 7)	1,231	4,117	-	-
Administrative expenses (Note 9)	40,721	42,187	30,885	23,658
	41,952	46,304	30,885	23,658
Analysed as follows:				
Wages, salaries and bonuses	35,657	37,091	23,485	19,005
Social security contributions	32	10	52	48
Contributions to defined contribution plan	1,947	1,513	1,649	1,835
Share-based payments	1,839	384	2,923	381
Other benefits	2,477	7,306	2,776	2,389
	41,952	46,304	30,885	23,658

Included in employee benefits expenses of the Group and of the Company are executive and non-executive directors' remuneration as disclosed in Note 11.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

11. DIRECTORS' REMUNERATION

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Executive directors' remuneration:				
- Fees	210	210	210	210
- Share-based payments	1,593	104	1,593	104
- Other emoluments	10,366	9,060	10,366	9,060
	12,169	9,374	12,169	9,374
Non-executive directors' remuneration:				
- Fees	1,263	1,228	1,263	1,228
- Other emoluments	135	121	135	121
	1,398	1,349	1,398	1,349
Total directors' remuneration	13,567	10,723	13,567	10,723
Additional disclosures				
Indemnity given or insurance effected for the Directors and officers	896	804	896	804

12. FINANCE COSTS

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Bank charges	7,855	6,163	630	1,120
Interest expenses:				
- Loans and borrowings	220,778	178,852	35,947	48,406
- Lease liabilities	1,842	-	68	-
Cash flow hedge reclassified to profit or loss	12,570	16,982	-	-
Fair value loss on derivatives for interest rate swap	893	747	-	-
	243,938	202,744	36,645	49,526
Less: Interest expenses capitalised in property, plant and equipment (Note 16(c))	(45,569)	(17,185)	-	-
	198,369	185,559	36,645	49,526

Interest expenses on general financing amounting to RM5,585,000 (2019: RM6,809,000) were capitalised at weighted average borrowing rate of 3.98% (2019: 4.60%) per annum.

13. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the financial years ended 31 January 2020 and 2019 are:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Income statements				
Current income tax				
- Malaysian income tax	7,825	1,520	924	440
- Foreign tax	61,799	75,478	-	35
- Under/(over) provision in prior years	259	1,986	(8)	(140)
	69,883	78,984	916	335
Deferred tax (Note 35):				
- Relating to origination/reversal of temporary differences	(62)	498	-	-
	69,821	79,482	916	335

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 2020 and 2019 are as follows:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Profit before tax	331,118	343,861	223,138	245,764
Tax at Malaysian statutory tax rate of 24% (2019: 24%)	79,468	82,527	53,553	58,983
Income not subject to tax	(14,906)	(4,297)	(97,374)	(108,930)
Expenses not deductible for tax purposes	44,937	86,356	44,745	50,422
Different tax rates of subsidiaries in various national jurisdictions	(16,705)	(68,774)	-	-
Changes in deferred tax assets not recognised	-	(360)	-	-
Utilisation of previously unrecognised deferred tax assets	(4,853)	-	-	-
Share of profit of joint ventures and associates	(2,364)	(3,125)	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

13. INCOME TAX EXPENSE (CONTINUED)

Reconciliation between tax expense and accounting profit: (continued)

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rates for the financial years ended 31 January 2020 and 2019 are as follows: (continued)

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Perpetual securities distribution and expenses	(16,015)	(14,831)	-	-
Under/(over) provision of tax expense in prior years	259	1,986	(8)	(140)
Income tax expense recognised in profit or loss	69,821	79,482	916	335

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 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	
	2020	2019
Profit attributable to owners of the Company used in the computation of basic earnings per share (RM'000)	209,909	234,896
Weighted average number of ordinary shares for computation of basic earnings per share ('000)	1,091,160	1,095,957
Basic earnings per share (sen)	19.2	21.4

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	
	2020	**2019**
Profit attributable to owners of the Company used in the computation of diluted earnings per share (RM'000)	209,909	235,782
Weighted average number of ordinary shares in issue ('000)	1,091,160	1,095,957
Adjusted for ESS options ('000)	5,562	8,969
Adjusted weighted average number of ordinary shares in issue for diluted earnings per share ('000)	1,096,722	1,104,926
Diluted earnings per share (sen)	19.1	21.3

(c) Reconciliations of earnings used in calculating earnings per share

	Group	
	2020	**2019**
	RM'000	**RM'000**
Basic earnings per share		
Profit attributable to owners of the Company used in the computation of basic earnings per share	209,909	234,896
Diluted earnings per share		
Profit attributable to owners of the Company:		
Used in calculating basic earnings per share	209,909	234,896
Add: interest savings on ESS	-	886
Profit attributable to owners of the Company used in the computation of diluted earnings per share	209,909	235,782

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

15. DIVIDENDS

	Company			
	2020		2019	
	Dividend per ordinary share	Amount of dividend	Dividend per ordinary share	Amount of dividend
	Sen	RM'000	Sen	RM'000
Interim single tier dividend in respect of the financial year ended:				
- 31 January 2020	4.0	43,152	-	-
Final single tier dividend in respect of the financial year ended:				
- 31 January 2019	2.0	21,607	-	-
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
	6.0	64,759	10.0	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 payment date for the dividend would be 6 August 2020 and 28 August 2020 respectively.

16. PROPERTY, PLANT AND EQUIPMENT

Group	Motor vehicles	Offshore Marine - OSVs	Offshore Marine - tugboats, barges, and boat equipment	Offshore Production - FPSOs	Tankers available for conversion	**FPSO construction in progress	Right-of-use assets	*Other assets	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost									
At 1 February 2018	4,195	310,426	3,649	4,957,423	-	-	-	19,295	5,294,988
Acquisition of subsidiaries	-	-	-	-	-	-	-	786	786
Additions	1,979	81	-	26,378	131,609	689,634	-	1,471	851,152
Disposals	(1,133)	(41)	(332)	-	-	-	-	(77)	(1,583)
Written off	-	-	-	-	-	-	-	(60)	(60)
Reclassification	-	-	-	(174,957)	-	174,957	-	-	-
Exchange differences	71	15,700	-	282,850	-	-	-	729	299,350
At 31 January 2019 and 1 February 2019	5,112	326,166	3,317	5,091,694	131,609	864,591	-	22,144	6,444,633
Adoption of MFRS 16 (Note 3(b))	-	-	-	-	-	-	26,681	-	26,681
Additions	2,399	-	-	-	246,442	1,035,816	13,366	5,063	1,303,086
Disposals	-	-	(2,452)	-	-	-	-	-	(2,452)
Written off	-	-	-	-	-	-	-	(181)	(181)
Reclassification to finance lease receivables	-	-	-	-	-	(1,532,845)	-	-	(1,532,845)
Exchange differences	(2)	(363)	(24)	(10,227)	(235)	(1,503)	-	(397)	(12,751)
At 31 January 2020	7,509	325,803	841	5,081,467	377,816	366,059	40,047	26,629	6,226,171

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Motor vehicles RM'000	Offshore Marine - OSVs RM'000	Offshore Marine - tugboats, barges, and boat equipment RM'000	Offshore Production - FPSOs RM'000	Tankers available for conversion RM'000	**FPSO construction in progress RM'000	Right-of-use assets RM'000	*Other assets RM'000	Total RM'000
Accumulated depreciation									
At 1 February 2018	2,551	75,920	647	578,117	-	-	-	6,552	663,787
Acquisition of subsidiaries	-	-	-	-	-	-	-	192	192
Charge for the financial year	327	11,847	328	262,978	959	-	-	2,608	279,047
Disposals	(595)	(41)	(216)	-	-	-	-	(77)	(929)
Written off	-	-	-	-	-	-	-	(60)	(60)
Reclassification	-	-	-	6	-	-	-	(6)	-
Exchange differences	43	3,953	-	67,806	11	-	-	327	72,140
At 31 January 2019 and 1 February 2019	2,326	91,679	759	908,907	970	-	-	9,536	1,014,177
Charge for the financial year	483	9,953	65	198,601	13,996	-	10,841	4,275	238,214
Written off	-	-	-	-	-	-	-	(153)	(153)
Exchange differences	(113)	(162)	-	(5,368)	(172)	-	(128)	(47)	(5,990)
At 31 January 2020	2,696	101,470	824	1,102,140	14,794	-	10,713	13,611	1,246,248

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Motor vehicles RM'000	Offshore Marine - OSVs RM'000	Offshore Marine - tugboats, barges, and boat equipment RM'000	Offshore Production - FPSOs RM'000	Tankers available for conversion RM'000	**FPSO construction in progress RM'000	Right-of-use assets RM'000	*Other assets RM'000	Total RM'000
Accumulated impairment loss									
At 1 February 2018	-	58,548	-	37,412	-	-	-	-	95,960
Impairment (Note 9)	-	33,030	-	-	-	-	-	-	33,030
Exchange differences	-	3,265	-	-	-	-	-	-	3,265
At 31 January 2019 and 1 February 2019	-	94,843	-	37,412	-	-	-	-	132,255
Impairment (Note 9)	-	4,883	-	-	-	-	-	-	4,883
Exchange differences	-	(798)	-	-	-	-	-	-	(798)
At 31 January 2020	-	98,928	-	37,412	-	-	-	-	136,340
Net carrying amount									
At 31 January 2019	2,786	139,644	2,558	4,145,375	130,639	864,591	-	12,608	5,298,201
At 31 January 2020	4,813	125,405	17	3,941,915	363,022	366,059	29,334	13,018	4,843,583

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Motor vehicles RM'000	Right-of-use assets RM'000	*Other assets RM'000	Total RM'000
Cost				
At 1 February 2018	1,157	-	4,569	5,726
Additions	-	-	180	180
Disposals	(829)	-	-	(829)
At 31 January 2019 and 1 February 2019	328	-	4,749	5,077
Adoption of MFRS 16 (Note 3(b))	-	1,349	-	1,349
Additions	-	-	659	659
At 31 January 2020	328	1,349	5,408	7,085
Accumulated depreciation				
At 1 February 2018	440	-	755	1,195
Charge for the financial year (Note 9)	67	-	1,261	1,328
Disposals	(352)	-	-	(352)
At 31 January 2019 and 1 February 2019	155	-	2,016	2,171
Charge for the financial year (Note 9)	33	1,044	1,344	2,421
At 31 January 2020	188	1,044	3,360	4,592
Net carrying amount				
At 31 January 2019	173	-	2,733	2,906
At 31 January 2020	140	305	2,048	2,493

* Other assets comprise office equipment, renovation, electrical installation and furniture and fittings.

** FPSO construction in progress comprise of FPSO Abigail-Joseph and FPSO Anna Nery (2019: FPSO Helang)

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Additions to property, plant and equipment which were acquired during the financial year were as follows:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Cash payment	1,215,647	787,736	659	180
Movement in property, plant and equipment creditors	28,375	42,922	-	-
Interest capitalised	45,569	17,185	-	-
Depreciation capitalised	129	-	-	-
Lease liabilities	13,366	3,309	-	-
	1,303,086	851,152	659	180

(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 respectively were as follows:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
FPSOs and OSVs	3,516,999	4,450,255	-	-
Motor vehicles	1,868	2,786	-	-
	3,518,867	4,453,041	-	-

(c) The Group's plant and equipment include borrowing costs arising from bank loans borrowed for the purpose of the construction of FPSOs. During the financial year, the borrowing costs capitalised as cost of plant and equipment amounted to RM45,569,000 (2019: RM17,185,000).

(d) The FPSO contracts include options for the charterers to purchase the respective FPSOs 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 FPSOs as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(e) Additional information for right-of-use assets were as follows:

2020	Buildings RM'000	Office equipment RM'000	Total RM'000
Group			
Depreciation charge for the financial year	10,690	151	10,841
Carrying amounts at the end of financial year	28,792	542	29,334
Company			
Depreciation charge for the financial year	1,044	-	1,044
Carrying amounts at the end of financial year	305	-	305

(f) The carrying amount of property, plant and equipment subject to operating leases, primarily comprising FPSO John Agyekum Kufuor and FPSO Adoon, as disclosed in Note 39(b) at each reporting date were as follows:

	Group	
	2020 RM'000	2019 RM'000
FPSOs, OSVs and tankers	4,430,359	4,418,216

(g) 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 RM4,883,000 (2019: RM33,030,000) 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% (2019: 2.0% to 2.5%) 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 6.5% to 7.3% (2019: 6.7% to 7.3%); and
(v) The projected service lives of these OSVs.

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(g) Impairment of Offshore Support Vessels ("OSVs") (continued)

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 RM3,220,000 (2019: RM12,836,000) and RM2,580,000 (2019: RM13,335,000) respectively with all other inputs remaining constant. A decrease by 5% in utilisation rates and charter rates respectively will result in an additional impairment loss of approximately RM3,220,000 (2019: RM3,239,000) and RM2,580,000 (2019: RM4,242,000) respectively with all other inputs remaining constant.

17. INVESTMENT PROPERTIES

Investment properties are stated at fair value, which were determined based on valuations at the reporting date using the market comparison approach.

	Group	
	2020	**2019**
	RM'000	**RM'000**
At 1 February	20,108	24,308
Changes in fair value (Note 9)	(2,400)	(4,200)
At 31 January	17,708	20,108

The investment properties of the Group were 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	
	2020	**2019**
	RM'000	**RM'000**
Rental income (Note 6)	551	650
Direct operating expenses arising from:		
- Investment properties that generate rental income	529	655
- Investment properties that do not generate rental income	48	88

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

17. INVESTMENT PROPERTIES (CONTINUED)

The Group uses assumptions that are based on market conditions existing at the end of each reporting period. 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 (Note 40(a)). 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 are as follows:

	Valuation technique	Significant unobservable input Price per square foot RM/psf 2020	 2019
Residential properties	Market comparison approach	811 - 1,348	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 RM478,000 (2019: RM1,225,000).

18. INTANGIBLE ASSETS

Group	Computer software RM'000	Contract rights* RM'000	Trademark RM'000	Total RM'000
Cost				
At 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 and 1 February 2019	33,314	382,131	-	415,445
Additions	6,463	-	541	7,004
Disposals	(5)	-	-	(5)
Exchange differences	(62)	(681)	-	(743)
At 31 January 2020	39,710	381,450	541	421,701

18. INTANGIBLE ASSETS (CONTINUED)

Accumulated amortisation	Computer software RM'000	Contract rights* RM'000	Trademark RM'000	Total RM'000
At 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 and 1 February 2019	13,977	-	-	13,977
Amortisation (Note 9)	5,476	7,535	5	13,016
Disposals	(5)	-	-	(5)
Exchange differences	(43)	(92)	-	(135)
At 31 January 2020	19,405	7,443	5	26,853
Net carrying amount				
At 31 January 2019	19,337	382,131	-	401,468
At 31 January 2020	20,305	374,007	536	394,848

* 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.

Company	Computer software RM'000	Trademark RM'000	Total RM'000
Cost			
At 1 February 2018	12,997	-	12,997
Additions	151	-	151
At 31 January 2019 and 1 February 2019	13,148	-	13,148
Additions	4,571	541	5,112
At 31 January 2020	17,719	541	18,260
Accumulated amortisation			
At 1 February 2018	4,307	-	4,307
Amortisation (Note 9)	2,874	-	2,874
At 31 January 2019 and 1 February 2019	7,181	-	7,181
Amortisation (Note 9)	2,734	5	2,739
At 31 January 2020	9,915	5	9,920
Net carrying amount			
At 31 January 2019	5,967	-	5,967
At 31 January 2020	7,804	536	8,340

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

19. INVESTMENT IN SUBSIDIARIES

	Company	
	2020	**2019**
	RM'000	**RM'000**
Unquoted shares, at cost		
In Malaysia	818,021	793,938
Outside Malaysia	*	*
	818,021	793,938
Accumulated impairment loss	(11,059)	(3,457)
	806,962	790,481

* Cost of unquoted shares outside Malaysia is at its nominal value.

During the financial year, the Company capitalised amount owing from a subsidiary amounted to RM24,602,000.

In the current financial year, an impairment loss of RM7,602,000 (2019: RM3,457,000) was recognised for certain subsidiaries of the Group as a result of their recoverable amounts being estimated to be lower than their carrying amounts, which mainly arose from cumulative losses incurred by these subsidiaries.

(a) Details of subsidiaries are as follows:

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2020	2019	Principal activities
OY Labuan Limited	Labuan	100	100	Dormant
Yinson Energy Sdn. Bhd. (vi)	Malaysia	30	30	Provision of agency, consultancy, engineering and marine support services for oil and gas industry
Yinson Engineering Solutions Pte. Ltd. (i)	Singapore	100	100	Business and management consultancy services
Yinson Global Corporation (S) Pte. Ltd. (i)(ii)	Singapore	100	-	Investment holding
Yinson Indah Limited	Labuan	100	100	Dormant
Yinson Macacia Limited	Labuan	100	100	Investment holding
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

19. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2020	2019	Principal activities
Yinson Nereus Ltd [iii]	Republic of the Marshall Islands	100	100	Investment holding
Yinson Offshore Limited	Labuan	100	100	Dormant
Yinson Offshore Services Limited	Labuan	100	100	Investment holding
Yinson Offshore Services Sdn. Bhd. [ii][v]	Malaysia	100	-	Investment holding
Yinson Orchid Pte. Ltd. [i]	Singapore	100	100	Dormant
Yinson Production Limited	Labuan	100	100	Investment holding
Yinson TMC Sdn. Bhd.	Malaysia	100	100	Provision of treasury management services to companies within the Group
Yinson Trillium Limited	Labuan	100	100	Investment holding
Yinson Tulip Ltd.	Labuan	100	100	Chartering of offshore support vessels
Held through Yinson Global Corporation (S) Pte. Ltd.:				
Yinson Global Corporation (HK) Limited [i][ii]	Hong Kong	100	-	Investment holding
Held through Yinson Global Corporation (HK) Limited:				
Yinson Eden Pte. Ltd. [iv] (formerly known as Yinson Boronia Production (S) Pte. Ltd.)	Singapore	100	100	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Yinson Juniper Ltd. [iv]	British Virgin Islands	100	100	Provision of treasury management services to companies within the Group

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

19. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2020	2019	Principal activities
Held through Yinson Global Corporation (HK) Limited: (continued)				
Yinson Production Offshore Pte. Ltd. (i)(iv)	Singapore	100	100	Investment holding and provision of management services
Yinson Renewables (HK) Limited (i)(ii)	Hong Kong	100	-	Investment holding
Held through Yinson Production Offshore Pte. Ltd.:				
Yinson Acacia Ltd	Republic of the Marshall Islands	100	100	Investment holding
Yinson International Pte. Ltd. (i)(iv)	Singapore	100	100	Provision of treasury management services to companies within the Group
Yinson Production AS (i)	Norway	100	100	Investment holding and provision of management services
Held through Yinson Acacia Ltd:				
Yinson Boronia Consortium Pte. Ltd. (i)	Singapore	100	100	Investment holding
Yinson Clover Ltd (iii)	Republic of the Marshall Islands	100	100	Investment holding
Yinson Ghacacia Ltd (iii)	Republic of the Marshall Islands	100	100	Investment holding
Yinson Heather Ltd (iii)	Republic of the Marshall Islands	100	100	Investment holding

19. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2020	2019	Principal activities
Held through Yinson Acacia Ltd: (continued)				
Yinson Malva Production Pte. Ltd. (i)	Singapore	100	100	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Yinson Nepeta Holdings Ltd (iii)	Republic of the Marshall Islands	100	100	Investment holding
Yinson Nepeta Production Ltd	Republic of the Marshall Islands	100	100	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Held through Yinson Boronia Consortium Pte. Ltd.:				
Yinson Boronia Holdings (S) Pte. Ltd. (i)(iv)	Singapore	100	100	Investment holding
Held through Yinson Boronia Holdings (S) Pte. Ltd.:				
Yinson Boronia Production B.V. (i)(ii)	Netherlands	100	-	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Held through Yinson Boronia Holdings (S) Pte. Ltd. and Yinson Boronia Production B.V.:				
Yinson Boronia Servicos De Operacao LTDA (ii)(iii)	Brazil	100	-	Provision of operations and maintenance of floating marine assets to the offshore oil and gas industry

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

19. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2020	2019	Principal activities
Held through Yinson Ghacacia Ltd and Yinson Gazania Operations Limited:				
Yinson Gazania Production Ltd.	Republic of the Marshall Islands	94.9	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	Dormant
Held through Yinson Production AS:				
Adoon AS [i]	Norway	100	100	Investment holding
Allan AS [i]	Norway	100	100	Investment holding
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
Yinson Lavender Operations Sdn. Bhd.	Malaysia	100	100	Provision of operations and maintenance of floating marine assets to the offshore oil and gas industry
Yinson Operations & Production West Africa Limited [i][vii]	Nigeria	40	40	Provision of operations and maintenance of floating marine assets to the offshore oil and gas industry

19. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2020	2019	Principal activities
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 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 Yinson Production AS and Floating Operations and Production Pte. Ltd.:				
Yinson Malva Operations, S.A. DE C.V. (v)	Mexico	100	100	Dormant
Held through Yinson Renewables (HK) Limited:				
Yinson Renewables AS (ii)(v)	Norway	100	-	Investment holding and provision of management services
Yinson Renewables (S) Pte. Ltd. (i)(ii)	Singapore	100	-	Investment holding
Yinson Renewables (UK) Limited. (ii)(v)	United Kingdom	100	-	Activities of head office

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

19. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2020	2019	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 Nereus Ltd:				
Yinson Dynamic Ltd (iii)	Republic of the Marshall Islands	100	100	Dormant
Held through Yinson Offshore Services Limited:				
Yinson Offshore Marine Limited	Labuan	100	100	Investment holding
Held through Yinson Offshore Marine Limited:				
Yinson Camellia Limited	Labuan	100	100	Chartering of offshore support vessels
Held through Yinson Offshore Services Sdn. Bhd.:				
Regulus Offshore Sdn. Bhd. (iv)	Malaysia	70	70	Provision of leasing, operations and maintenance of vessels
Yinson Camellia Sdn. Bhd. (ii)	Malaysia	100	-	Chartering of offshore support vessels

19. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2020	2019	Principal activities
Held through Yinson Production Limited:				
Yinson Production Pte. Ltd. (i)	Singapore	100	100	Provision of engineering design and consultancy services relating to the offshore oil and gas industry
Held through Yinson Trillium Limited and Yinson Production Pte. Ltd.:				
Yinson Production (West Africa) Pte. Ltd. (i)	Singapore	74	74	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction

(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 reclassification of these companies in the Group are as disclosed in Note 46.

(v) Auditor not appointed yet.

(vi) The Group has concluded that it controls Yinson Energy Sdn. Bhd., even though it holds 30% equity interest in this subsidiary. Based on an agreement signed between the shareholders, the Company has majority representation on the Board of Directors, which is responsible for directing the relevant activities. All decisions of the Board of Directors only require a simple majority vote to be passed.

(vii) The Group has concluded that it controls Yinson Operations & Production West Africa Limited, even though it holds 40% equity interest in this subsidiary. Based on an agreement signed between the shareholders, the Company has majority representation on the Board of Directors, which is responsible for directing the relevant activities. All decisions of the Board of Directors only require a simple majority vote to be passed.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

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.	
	2020	2019
	RM'000	RM'000
Effective equity interest held by NCI	26%	26%
Carrying value of NCI	286,464	300,890
Profit for the financial year attributable to NCI	49,407	29,304
Dividend paid to NCI	43,039	23,161

The summarised financial information before intercompany eliminations are as follows:

	2020	2019
As at 31 January		
Non-current assets	3,454,772	3,604,569
Current assets	524,119	588,313
Non-current liabilities	(2,547,797)	(2,745,372)
Current liabilities	(329,308)	(290,240)
Net assets	1,101,786	1,157,270
Financial year ended 31 January		
Revenue	566,229	578,343
Profit for the financial year	190,026	181,892
Other comprehensive (loss)/income	(79,974)	67,694
Total comprehensive income	110,052	249,586
Cash flows generated from operating activities	304,058	569,110
Cash flows generated from/(used in) investing activities	60,956	(602)
Cash flows used in financing activities	(369,184)	(428,581)
Net (decrease)/increase in cash and cash equivalents	(4,170)	139,927

The other subsidiaries of the Group which have non-controlling interest are individually not material.

20. INVESTMENT IN JOINT VENTURES

	Group 2020 RM'000	Group 2019 RM'000
Unquoted shares at cost		
- Outside Malaysia	121,018	121,018
Share of post acquisition reserves	278,638	282,456
Share of foreign currency translation reserve	91,794	92,458
Accumulated impairment loss	(12,892)	(12,892)
Share of net assets of joint ventures	478,558	483,040

	Company 2020 RM'000	Company 2019 RM'000
Unquoted shares at cost:		
- Outside Malaysia	119,526	119,526

Details of joint ventures are as follows:

Name of joint ventures	Countries of incorporation	Proportion (%) of ownership interest 2020	Proportion (%) of ownership interest 2019	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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

20. INVESTMENT IN JOINT VENTURES (CONTINUED)

Details of joint ventures are as follows: (continued)

Name of joint ventures	Countries of incorporation	Proportion (%) of ownership interest 2020	2019	Principal activities
Held through Yinson Ghacacia Ltd:				
Yinson Gazania Operations Limited [(a)]	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.

Summarised financial information of the material joint ventures, based on its MFRS/IFRS financial statements are set out below:

(i) PTSC South East Asia Pte. Ltd.

	2020 RM'000	2019 RM'000
Summarised statement of financial position:		
Current assets*	73,707	60,196
Non-current assets	393,362	438,457
Current liabilities	(1,024)	(1,006)
Non-current liabilities	(639)	(916)
Net assets	465,406	496,731
Proportion of the Group's ownership	49%	49%
Carrying amount of the investment	228,049	243,398

* Included in current assets is cash and bank balances of RM56,034,000 (2019: RM40,093,000).

20. INVESTMENT IN JOINT VENTURES (CONTINUED)

(i) PTSC South East Asia Pte. Ltd. (continued)

	2020 RM'000	2019 RM'000
Summarised statement of comprehensive income:		
Revenue	44,923	60,473
Cost of sales*	(45,097)	(44,211)
Interest income	793	654
Administrative expenses	(155)	(215)
Finance costs	-	(637)
Profit before tax	464	16,064
Income tax expense	(2,312)	(3,077)
Loss/(profit) for the financial year	(1,848)	12,987
Other comprehensive (loss)/income	(478)	26,339
Total comprehensive (loss)/income	(2,326)	39,326
Group's share of (loss)/profit for the financial year	(906)	6,364
Group's share of other comprehensive (loss)/income	(234)	12,906
Group's share of total comprehensive (loss)/income	(1,140)	19,270
Dividend received from joint venture	14,210	30,101

* Included in cost of sales is depreciation of RM44,860,000 (2019: RM43,892,000).

(ii) PTSC Asia Pacific Pte. Ltd.

	2020 RM'000	2019 RM'000
Summarised statement of financial position:		
Current assets*	177,684	146,290
Non-current assets	329,605	374,720
Current liabilities	(8,568)	(1,783)
Net assets	498,721	519,227
Proportion of the Group's ownership	49%	49%
Group's share of net assets	244,373	254,421
Accumulated impairment loss	(12,892)	(12,892)
Carrying amount of the investment	231,481	241,529

* Included in current assets is cash and bank balances of RM95,504,000 (2019: RM76,297,000).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

20. INVESTMENT IN JOINT VENTURES (CONTINUED)

(ii) PTSC Asia Pacific Pte. Ltd. (continued)

Summarised statement of comprehensive income:

	2020 RM'000	2019 RM'000
Revenue	75,224	70,265
Cost of sales*	(73,119)	(50,498)
Other income**	6,228	1,951
Administrative expenses	(1,357)	(1,352)
Profit before tax	6,976	20,366
Income tax expense	(186)	(224)
Profit for the financial year	6,790	20,142
Other comprehensive (loss)/income	(684)	35,731
Total comprehensive income	6,106	55,873
Group's share of profit for the financial year	3,327	9,870
Group's share of other comprehensive (loss)/income	(335)	17,508
Group's share of total comprehensive income	2,992	27,378
Dividend received from joint venture	-	29,530
Capital repayment from joint venture	-	80,919

* Included in cost of sales is depreciation of RM44,995,000 (2019: RM44,024,000).
** Included in other income is interest income of RM1,416,000 (2019: RM1,951,000).

(iii) Yinson Production West Africa Limited

Summarised statement of financial position:

	2020 RM'000	2019 RM'000
Current assets*	115,849	84,280
Non-current assets	15,531	14,951
Current liabilities	(103,734)	(87,298)
Non-current liabilities	(15,752)	(15,020)
Net assets/(liabilities)	11,894	(3,087)
Proportion of the Group's ownership	49%	49%
Carrying amount of the investment	5,828	-

* Included in current assets is cash and bank balances of RM15,280,000 (2019: RM14,218,000).

20. INVESTMENT IN JOINT VENTURES (CONTINUED)

(iii) Yinson Production West Africa Limited (continued)

Summarised statement of comprehensive income:

	2020 RM'000	2019 RM'000
Revenue	191,903	193,541
Cost of sales*	(144,915)	(184,149)
Other income	9,567	18
Administrative expenses	(28,224)	(4,113)
Finance costs	(4,560)	(5,526)
Profit/(loss) before tax	23,771	(229)
Income tax expense	(8,609)	(6,580)
Profit/(loss) for the financial year	15,162	(6,809)
Other comprehensive (loss)/income	(179)	105
Total comprehensive income/(loss)	14,983	(6,704)
Group's share of profit/(loss) for the financial year	7,429	(3,336)
Group's share of other comprehensive (loss)/income	(88)	51
Group's share of total comprehensive income/(loss)	7,341	(3,285)

* Included in cost of sales is depreciation of RM1,344,000 (2019: RM406,000).

(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.

21. INVESTMENT IN ASSOCIATES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Unquoted shares, at cost:				
- Outside Malaysia	157	157	-	-
Share of post-acquisition reserves	2,500	2,500	-	-
Share of foreign currency translation reserve	(943)	(939)	-	-
	1,714	1,718	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

21. INVESTMENT IN ASSOCIATES (CONTINUED)

Details of associates are as follows:

Name of associates	Countries of incorporation	Proportion (%) of ownership interest 2020	2019	Principal activities
Held through Yinson Production AS:				
Floating Operations & Production West Africa Ltd [(a)] (in liquidation)	Nigeria	40	40	Dormant

(a) Audited by a firm other than member firm of PricewaterhouseCoopers International Limited and PricewaterhouseCoopers PLT.

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 2019 were used in applying the equity method of accounting as allowed by Paragraph 34 of MFRS 128 Investments in Associates and Joint Ventures. There were no significant transactions or events that occurred between 31 December 2019 and the reporting date and hence no adjustment was made for the current and previous financial years.

22. OTHER INVESTMENTS

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Financial assets at fair value through profit or loss				
Investment funds:				
- In Malaysia	7,824	20,262	3,482	-
- Outside Malaysia	180,938	51,964	-	-
	188,762	72,226	3,482	-
Compulsorily Convertible Debentures:				
- Outside Malaysia	13,570	-	-	-
	13,570	-	-	-
Total:				
- In Malaysia	7,824	20,262	3,482	-
- Outside Malaysia	194,508	51,964	-	-
	202,332	72,226	3,482	-

22. OTHER INVESTMENTS (CONTINUED)

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Non-current	13,570	-	-	-
Current	188,762	72,226	3,482	-
	202,332	72,226	3,482	-

23. INVENTORIES

	Group	
	2020	2019
	RM'000	RM'000
Consumables	22,080	9,926

24. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020	2019	2020	2019
Current:	RM'000	RM'000	RM'000	RM'000
Trade receivables				
Third parties	237,158	142,789	-	-
Joint ventures	52,628	38,037	-	-
Directors' related companies	-	1,665	-	-
	289,786	182,491	-	-
Accumulated impairment loss	(9,382)	(10,047)	-	-
	280,404	172,444	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

24. TRADE AND OTHER RECEIVABLES (CONTINUED)

	Group		Company	
	2020	2019	2020	2019
Other receivables	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Refundable deposits	54,160	26,174	1,638	340
Sundry receivables	80,110	163,150	269	334
Due from subsidiaries:				
- interest bearing	-	-	31,123	142,329
- non-interest bearing	-	-	1,032,108	112,534
Due from joint ventures	129,098	112,576	1,098	1,062
	263,368	301,900	1,066,236	256,599
Accumulated impairment loss	(43,936)	(45,148)	(63,708)	(70,879)
	219,432	256,752	1,002,528	185,720
	499,836	429,196	1,002,528	185,720
Non-current:				
Other receivables				
Loans to subsidiaries				
- interest bearing	-	-	401,171	552,727
- non-interest bearing	-	-	239,198	374,000
	-	-	640,369	926,727
Accumulated impairment loss	-	-	(30,982)	(30,982)
	-	-	609,387	895,745
Total trade and other receivables	499,836	429,196	1,611,915	1,081,465

Trade receivables are non-interest bearing and are generally on 30 (2019: 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

Movement for trade receivables allowance for impairment accounts:

	Group	
	2020	2019
	RM'000	RM'000
At 1 February	10,047	7,272
Impact arising from application of MFRS 9	-	1,611
At 1 February (restated)	10,047	8,883
Charge for the financial year	995	1,070
Reversal of impairment loss	(1,665)	-
Exchange differences	5	94
At 31 January	9,382	10,047

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 RM7,263,000 (2019: RM7,276,000) 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 COF + 0.50% (2019: KLIBOR + 3.00%) per annum are denominated in USD and RM. The amounts are unsecured and revolving on daily basis, except for amounts of RM401,171,000 (2019: RM552,727,000) which are not expected to be recovered 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 revolving on daily basis, except for amounts of RM239,198,000 (2019: RM374,000,000) which are not expected to be recovered within next 12 months. Included in the amounts due from subsidiaries are advances novated from subsidiaries of RM655,954,000 and consideration receivable on disposal of RM6,650,000, which arose from an internal re-organisation exercise carried out during the current financial year.

Amounts due from joint ventures are unsecured and bear interest of 6.73% to 8.97% (2019: 5.00% to 8.52%) per annum. These amounts are denominated in USD.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

24. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Other receivables (continued)

Movement for other receivables allowance for impairment accounts:

Group

	Performing RM'000	Under-performing RM'000	Not performing RM'000	Total RM'000
At 1 February 2019	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 2019 and 1 February 2019	7,491	-	37,657	45,148
Reversal of impairment loss	(1,916)	-	-	(1,916)
Exchange differences	729	-	(25)	704
At 31 January 2020	6,304	-	37,632	43,936

Company

	Performing RM'000	Under-performing RM'000	Not performing RM'000	Total RM'000
At 1 February 2019	-	-	-	-
Charge for the financial year	-	18,616	83,971	102,587
Exchange differences	-	-	(726)	(726)
At 31 January 2019 and 1 February 2019	-	18,616	83,245	101,861
Charge for the financial year	-	2,989	1,198	4,187
Reversal of impairment loss	-	(7,602)	(3,784)	(11,386)
Exchange differences	-	-	28	28
At 31 January 2020	-	14,003	80,687	94,690

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.

25. OTHER ASSETS

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Current:				
Prepayments	159,271	115,151	2,778	382
Non-current:				
Prepayments	68,819	14,754	-	-
	228,090	129,905	2,778	382

Prepayments mainly comprise of project development costs.

Included in prepayments is accumulated impairment losses of RM4,084,000 (2019: Nil).

26. CASH AND BANK BALANCES

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Cash on hand and at banks	828,042	507,160	67,019	7,017
Short term investment	-	361	-	361
Deposits with licensed banks	448,148	709,758	2,134	2,102
Cash and bank balances	1,276,190	1,217,279	69,153	9,480

For the purpose of the statements of cash flows, cash and cash equivalents at the reporting dates comprise of the following:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	1,276,190	1,217,279	69,153	9,480
Less:				
Deposits pledged with banks	(389,832)	(493,409)	(2,134)	(2,103)
Short term investment	-	(361)	-	(361)
Cash and cash equivalents	886,358	723,509	67,019	7,016

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

26. CASH AND BANK BALANCES (CONTINUED)

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 held by a subsidiary of the Group, denominated in USD, of approximately RM40,953,000 as at 31 January 2019 was pledged to the bank for a performance guarantee issued in favour of a subsidiary's customer for a period of six years. The deposit was made for a period of one month and earned interest at 2.40% per annum. The pledge was released during the financial year upon termination of a chartering contract.

Bank balances and deposits with licensed banks of the Group and the Company amounting to RM389,832,000 and RM2,134,000 respectively (2019: RM452,456,000 and RM2,103,000 respectively) were pledged to the banks for the banking facilities of the Company and the subsidiaries, as disclosed in Note 32.

27. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2020	2019	2020	2019
	'000	'000	RM'000	RM'000
Ordinary shares issued and fully paid:				
At 1 February	1,093,245	1,092,808	1,101,090	1,099,490
Issued during the financial year				
- Exercise of ESS (Note 29)	1,500	437	5,549	1,600
At 31 January	1,094,745	1,093,245	1,106,639	1,101,090

28. TREASURY SHARES

	Group and Company			
	2020		2019	
	Number of shares	Amount	Number of shares	Amount
	'000	RM'000	'000	RM'000
At 1 February	11,926	43,829	4,607	12,633
Treasury shares purchased	13,060	81,514	7,319	31,196
At 31 January	24,986	125,343	11,926	43,829

At the Annual General Meeting held on 11 July 2019, 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 third and fourth offer of options under ESS Scheme on 27 February 2019 and 22 January 2020 respectively.

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

29. EMPLOYEES' SHARE SCHEME (CONTINUED)

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**	**27.2.2019**	**22.1.2020**
Dividend yield (%)	0.70	1.58	0.63 - 0.72	1.05 - 1.29
Expected volatility (%)	24.78	19.86 - 25.72	22.25	22.79
Risk-free interest rate (%)	3.34 - 3.48	3.85	3.59 - 3.76	3.29 - 3.34
Expected life of option (years)	2.50 - 3.50	1.50 - 3.50	1.50 - 3.50	1.50 - 3.50
Share price at date of grant (RM)	3.03	4.00	4.50	6.23
Exercise price of option (RM)	2.80	3.65	4.00	6.00
Fair value of option at date of grant (RM):				
- 1st tranche (RM)	0.65	0.45	0.72	0.90
- 2nd tranche (RM)	0.71	0.70	0.88	1.13
- 3rd tranche (RM)	0.76	0.82	1.03	1.30

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.

Movements in the number of share options over ordinary shares outstanding and their related weighted average exercise prices are as follows:

2020

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	3,196	-	(1,047)	(112)	2,037
30.3.2018	3.65	5,783	-	(453)	(100)	5,230
27.2.2019	4.00	-	9,000	-	(165)	8,835
22.1.2020	6.00	-	3,740	-	-	3,740
		8,979	12,740	(1,500)	(377)	19,842

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: (continued)

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

For the financial year ended 31 January 2020, the weighted average share price at the time of exercise of 1,047,000 (2019: 437,000) share options under the first offer of options on 23 December 2016 and 453,000 (2019: Nil) share options under the second offer of options on 30 March 2018 was RM5.91 (2019: RM4.22) per share and RM6.48 (2019: Nil) per share respectively.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

30. RESERVES (CONTINUED)

(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.

31. RETAINED EARNINGS

The Company may distribute dividends out of its entire retained earnings as at 31 January 2020 under the single tier system.

32. LOANS AND BORROWINGS

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Current:				
Secured				
Term loans	368,288	228,971	-	-
Revolving credits	16,446	413	16,446	413
Obligations under finance leases (Note 33(c))	-	349	-	22
	384,734	229,733	16,446	435
Unsecured				
Revolving credits	91,310	171,629	40,946	45,432
	91,310	171,629	40,946	45,432
	476,044	401,362	57,392	45,867
Non-current:				
Secured				
Term loans	3,354,359	2,747,342	-	-
Obligations under finance leases (Note 33(c))	-	1,026	-	-
	3,354,359	2,748,368	-	-
	3,830,403	3,149,730	57,392	45,867

32. LOANS AND BORROWINGS (CONTINUED)

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Total borrowings				
Term loans	3,722,647	2,976,313	-	-
Revolving credits	107,756	172,042	57,392	45,845
	3,830,403	3,148,355	57,392	45,845
Obligations under finance leases (Note 33(c))	-	1,375	-	22
Total loans and borrowings	3,830,403	3,149,730	57,392	45,867

(a) The secured loans and borrowings of the Group and of the Company 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 rate at range of 3.30% to 5.17% (2019: 4.14% to 5.49%) per annum.

(d) The term loans bear floating interest rate at range of 4.57% to 6.46% (2019: 5.64% to 5.99%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

32. LOANS AND BORROWINGS (CONTINUED)

The remaining maturities of the loans and borrowings as at the reporting date are as follows:

Group	Interest rate terms	Denominated currency	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
At 31 January 2020							
Secured							
Term loans	Floating rates varies based on London Interbank Offered Rate ("LIBOR")*	USD	3,721,156	368,002	407,408	2,557,094	388,652
	Floating rates varies based on cost of funds ("COF")	USD	1,491	286	308	897	-
Revolving credits	Floating rates varies based on COF	USD	412	412	-	-	-
	Floating rates varies based on COF	RM	16,034	16,034	-	-	-
Unsecured							
Revolving credits	Floating rates varies based on Kuala Lumpur Interbank Offered Rate ("KLIBOR")	RM	50,364	50,364	-	-	-
	Floating rates varies based on COF	USD	40,946	40,946	-	-	-
			3,830,403	476,044	407,716	2,557,991	388,652

32. LOANS AND BORROWINGS (CONTINUED)

The remaining maturities of the loans and borrowings as at the reporting date are as follows: (continued)

Group	Interest rate terms	Denominated currency	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
At 31 January 2019							
Secured							
Term loans	Floating rates varies based on LIBOR*	USD	2,976,313	228,971	268,221	1,082,189	1,396,932
Revolving credits	Floating rates varies based on COF	USD	413	413	-	-	-
Unsecured							
Revolving credits	Floating rates varies based on 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

* Certain floating rate bank loans of the subsidiaries are hedged by a series of USD interest rate swap contracts with banks (Note 37(b)).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

32. LOANS AND BORROWINGS (CONTINUED)

The remaining maturities of the loans and borrowings as at the reporting date are as follows: (continued)

Company		Interest rate terms	Denominated currency	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
At 31 January 2020								
Secured								
Revolving credits		Floating rates varies based on COF	USD	412	412	-	-	-
		Floating rates varies based on COF	RM	16,034	16,034	-	-	-
Unsecured								
Revolving credits		Floating rates varies based on COF	USD	40,946	40,946	-	-	-
				57,392	57,392	-	-	-
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	-	-	-

33. LEASES

(a) Finance lease receivables - the Group as lessor

	Group	
	2020	2019
	RM'000	RM'000
Minimum lease receivables:		
Within 1 year	190,114	2,833
More than 1 year and less than 5 years	747,940	11,332
More than 5 years	2,212,628	22,145
Total undiscounted lease payments	3,150,682	36,310
Less: Future finance income	(1,601,453)	(20,673)
Net investment in finance lease	1,549,229	15,637
Current	48,214	468
Non-current	1,501,015	15,169
	1,549,229	15,637

(i) In the financial year ended 31 January 2018, the Group entered into a 14-years lease arrangement for a parcel of land and buildings. At the end of the lease term, the lessee has the exclusive rights to purchase the lease properties at a certain fixed purchase price. Finance income on the net investment in the lease during the financial year is RM2,346,000 (2019: RM2,392,000) (Note 8).

(ii) During the financial year, a subsidiary of the Company has commenced a finance lease for the chartering of an FPSO (FPSO Helang) to a third party for a lease term of 18 years comprising of a firm charter period of 8 years and annual extension option periods of up to 10 years. Finance income on the net investment in the lease during the financial year is RM25,874,000 (Note 6), of which RM3,764,000 relates to variable lease payments which is not included in the measurement of the net investment in the lease.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

33. LEASES (CONTINUED)

(b) Lease liabilities - the Group as lessee

	Group 2020 RM'000	Company 2020 RM'000
Minimum lease commitments:		
Within 1 year	14,574	323
More than 1 year and less than 2 years	13,115	-
More than 2 years and less than 5 years	7,196	-
Total minimum lease payments	34,885	323
Less: Amounts representing finance charges	(3,492)	(15)
Present value of minimum lease payments	31,393	308
Present value of payments:		
Within 1 year	12,747	308
More than 1 year and less than 2 years	11,982	-
More than 2 years and less than 5 years	6,664	-
Present value of minimum lease payments	31,393	308
Less: Amount due within 12 months	(12,747)	(308)
Amount due after 12 months	18,646	-

(c) Obligations under finance leases

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Minimum lease commitments:				
Within 1 year	-	413	-	22
More than 1 year and less than 2 years	-	542	-	-
More than 2 years and less than 5 years	-	588	-	-
Total minimum lease payments	-	1,543	-	22
Less: Amounts representing finance charges	-	(168)	-	-
Present value of minimum lease payments	-	1,375	-	22

33. LEASES (CONTINUED)

(c) Obligations under finance leases (continued)

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Present value of payments:				
Within 1 year	-	349	-	22
More than 1 year and less than 2 years	-	470	-	-
More than 2 years and less than 5 years	-	556	-	-
Present value of minimum lease payments	-	1,375	-	22
Less: Amount due within 12 months	-	(349)	-	(22)
Amount due after 12 months	-	1,026	-	-

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 ranged from 1.98% to 3.22% per annum.

34. UNFAVOURABLE CONTRACTS

	Group	
	2020 RM'000	2019 RM'000
Cost		
At 1 February	113,078	108,040
Exchange differences	(203)	5,038
At 31 January	112,875	113,078
Accumulated amortisation		
At 1 February	108,172	84,657
Amortisation (Note 7)	4,958	19,436
Exchange differences	(255)	4,079
At 31 January	112,875	108,172
Net carrying amount	-	4,906
Amount to be amortised:		
- Current	-	4,906
- Non-current	-	-
	-	4,906

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

34. UNFAVOURABLE CONTRACTS (CONTINUED)

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 TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	Group	
	2020	**2019**
	RM'000	**RM'000**
Deferred tax assets	1,171	-
Deferred tax liabilities	(1,440)	(546)
	(269)	(546)

	Group	
	2020	**2019**
	RM'000	**RM'000**
At 1 February	(546)	(42)
Recognised in profit or loss (Note 13)	62	(498)
Exchange differences	215	(6)
At 31 January	(269)	(546)

35. DEFERRED TAXATION (CONTINUED)

The components and movements of deferred taxes during the financial year are as follows:

Group	Tax losses RM'000	Accelerated capital allowances and others RM'000	Total RM'000
At 1 February 2018	-	(42)	(42)
Recognised in profit or loss	-	(498)	(498)
Exchange differences	-	(6)	(6)
At 31 January 2019 and 1 February 2019	-	(546)	(546)
Recognised in profit or loss	960	(898)	62
Exchange differences	211	4	215
At 31 January 2020	1,171	(1,440)	(269)

As at the reporting date, the Group had unabsorbed tax losses of approximately RM743,000 (2019: unabsorbed tax losses and unutilised capital allowance of approximately RM4,313,000 and RM17,667,000 respectively) that are available to offset against future taxable profits of the respective subsidiaries in which these unabsorbed tax losses and unabsorbed capital allowances arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability.

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. The tax losses have no expiry date.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

36. TRADE AND OTHER PAYABLES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current:				
Trade payables				
Third parties	147,581	112,800	-	-
Other payables				
Due to directors	1,475	1,456	1,475	1,456
Due to subsidiaries	-	-	602,525	1,420
Due to joint ventures	2,903	8,528	23	-
Directors' related companies	-	13	-	-
Sundry payables	22,181	46,121	1,878	495
Accruals	261,095	170,789	7,411	2,733
Deferred income	51,668	28,823	-	-
Deposit	9,469	11,296	-	-
	348,791	267,026	613,312	6,104
	496,372	379,826	613,312	6,104
Non-current:				
Other payables				
Due to subsidiaries	-	-	486,832	584,382
Deferred income	714,070	355,344	-	-
	714,070	355,344	486,832	584,382
Total trade and other payables	1,210,442	735,170	1,100,144	590,486

(a) Trade payables

Trade payables are non-interest bearing and the general credit terms granted to the Group is 30 (2019: 30) days.

(b) Other payables - current

All other payables are unsecured, non-interest bearing and are repayable on demand, except for amounts due to subsidiaries which are revolving on daily basis, and deferred income which relates to income received in advance and is non-refundable.

Included in the Group's sundry payables and accruals are amounts relating to capital expenditures incurred for the construction of an FPSO amounting to RM93,639,000 (2019: RM46,084,000).

Included in the amounts due to subsidiaries are advances novated from subsidiaries of RM655,954,000, which arose from an internal re-organisation exercise carried out during the current financial year.

(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 RM486,832,000 (2019: RM584,382,000), which bears interest of 6.53% to 7.09% (2019: 7.18% to 8.02%) per annum.

37. DERIVATIVES

	Group			
	2020		2019	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Non-current				
Hedging derivatives:				
- Interest rate swaps (Note (b))	-	(138,700)	-	(36,358)
Current				
Hedging derivatives:				
- Interest rate swaps (Note (b))	-	(17,454)	-	(3,082)
Non-hedging derivatives:				
- Interest rate swaps (Note (a))	-	-	893	-

(a) 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.

(b) Subsidiaries of the Group 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 subsidiaries.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

38. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(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	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Related companies controlled by certain Directors:				
- rental income	-	56	-	56
- service fee income	180	114	180	114
- sales of goods	101	-	-	-
- sales of barges	1,600	-	-	-
Associates:				
- consultancy fee charges	-	439	-	439
- rental income	-	11	-	11
- interest income	-	4	-	4
- management fee income	-	9	-	9
Joint ventures:				
- dividend income	14,210	59,631	14,210	59,631
- interest income	1,904	2,234	-	-
- management fee income	12,799	23,522	-	-
- finance lease income	2,433	2,778	-	-
- advances received	(56,414)	(12,138)	-	-
- repayment of advances	53,144	14,333	-	-
Subsidiaries:				
- advances	-	-	-	(374,000)
- repayment of advances	-	-	46,772	-
- advances received	-	-	295,011	870,423
- repayment of advances received	-	-	(324,980)	(669,005)
- management fee income	-	-	40,825	45,792

38. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(a) Significant related party transactions (continued)

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Subsidiaries: (continued)				
- interest income	-	-	33,714	47,466
- dividend income	-	-	345,778	295,071
- service income	-	-	604	364
- rental income	-	-	-	97

(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 directors of the Group and the Company. Information of compensation to directors is disclosed in Note 11.

39. COMMITMENTS

(a) Capital commitments

	Group	
	2020	2019
	RM'000	RM'000
Approved and contracted for:		
Property, plant and equipment	242,780	485,977

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

39. COMMITMENTS (CONTINUED)

(b) Operating lease commitments – Group as lessor

The Group has entered into leases for its FPSOs. These non-cancellable leases have remaining lease terms of between 2 years to 13 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	
	2020	2019
	RM'000	RM'000
Within 1 year	695,189	596,444
More than 1 year and less than 5 years	2,919,777	3,484,791
More than 5 years	3,342,980	4,641,334
	6,957,946	8,722,569

Chartering fees from leasing of FPSOs recognised in profit or loss during the financial year are disclosed in Note 6.

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 2020				
Non-financial asset:				
Investment properties	-	-	17,708	17,708
Financial asset:				
Other investments	-	202,332	-	202,332
Financial liability:				
Interest rate swaps	-	156,154	-	156,154

40. FAIR VALUE MEASUREMENT (CONTINUED)

(a) Fair value hierarchy (continued)

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities. (continued)

	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:				
Interest rate swaps	-	893	-	893
Other investments	-	72,226	-	72,226
Financial liability:				
Interest rate swaps	-	39,440	-	39,440

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 were no transfers between Levels 1 and 2 and between Levels 2 and 3 during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

40. FAIR VALUE MEASUREMENT (CONTINUED)

(a) Fair value hierarchy (continued)

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows, are used to determine the fair value for the remaining financial instruments.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. The fair value of investment funds is determined based on independent fund valuations. The fair value of Compulsorily Convertible Debentures ("CCDs") approximates the consideration paid as the CCDs were acquired close to year-end. These investments are classified as Level 2 and comprise other investments and derivative financial instruments. In infrequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

(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	32
Finance lease receivables	33(a)
Lease liabilities	33(b)
Obligations under finance leases	33(c)
Trade and other payables	36

The carrying amounts of financial liabilities are reasonable approximation of fair values, either due to short-term nature or those 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 are reasonable approximation of fair values due to the insignificant impact of discounting.

The fair values of non-current loans and borrowings are reasonable approximation of fair values due to those floating rate instruments that are re-priced to market interest rates on or near the reporting date. The fair values of non-current loans and borrowings 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.

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 (continued)

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.

41. FINANCIAL INSTRUMENTS BY CATEGORY

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets measured at fair value through profit or loss				
- Interest rate swaps (Note 37)	-	893	-	-
- Other investments (Note 22)	202,332	72,226	3,482	-
	202,332	73,119	3,482	-
Financial assets at amortised costs				
- Finance lease receivables (Note 33(a))	1,549,229	15,637	-	-
- Trade and other receivables (Note 24)	499,836	429,196	1,611,915	1,081,465
- Cash and bank balances (Note 26)	1,276,190	1,217,279	69,153	9,480
	3,325,255	1,662,112	1,681,068	1,090,945
Total	3,527,587	1,735,231	1,684,550	1,090,945

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

41. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Financial liabilities				
Financial liabilities designated as cash flow hedge				
- Interest rate swaps (Note 37)	156,154	39,440	-	-
Other financial liabilities at amortised cost:				
- Trade and other payables	444,704	351,003	1,100,144	590,486
- Loans and borrowings (Note 32)	3,830,403	3,149,730	57,392	45,867
- Put option liability	412,398	455,725	-	-
- Lease liabilities (Note 33(b))	31,393	-	308	-
	4,718,898	3,956,458	1,157,844	636,353
Total	4,875,052	3,995,898	1,157,844	636,353

The Group's and the Company's exposure to various risks associated with the financial instruments are discussed in Note 42.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, other than derivatives and put option liability, comprise loans and borrowings, lease liabilities, 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, finance lease receivables, 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 the 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 2020 and 2019.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(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.

Interest rate sensitivity

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 RM3,892,000 (2019: RM3,200,000) 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 SGD, Euro 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, finance lease receivables, trade and other receivables, trade and other payables, loans and borrowings and lease liabilities.

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, British Virgin Islands, Brazil and Netherlands. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Market risk (continued)

(ii) Foreign currency risk (continued)

		Increase/(Decrease) Group 2020 RM'000	Increase/(Decrease) Group 2019 RM'000
USD/RM	- Strengthened 5%	(49,345)	(28,815)
	- Weakened 5%	49,345	28,815
SGD/RM	- Strengthened 5%	(1,213)	(1,090)
	- Weakened 5%	1,213	1,090

(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 the 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 gross 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).

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 the 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
Non-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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

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

2020

	Performing RM'000	Under-performing RM'000	Not performing RM'000	Total RM'000
Other receivables				
Gross carrying amount	225,736	-	37,632	263,368
Accumulated impairment loss	(6,304)	-	(37,632)	(43,936)
Net carrying amount	219,432	-	-	219,432
Tax recoverable				
Gross carrying amount	66	-	2,069	2,135
Accumulated impairment loss	-	-	(2,069)	(2,069)
Net carrying amount	66	-	-	66
Cash and bank balances				
Gross/net carrying amount	1,276,190	-	-	1,276,190
Finance lease receivables				
Gross/net carrying amount	1,549,229	-	-	1,549,229

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: (continued)

Group (continued)

2019

	Performing RM'000	Under-performing RM'000	Not performing RM'000	Total RM'000
Other receivables				
Gross carrying amount	264,243	-	37,657	301,900
Accumulated impairment loss	(7,491)	-	(37,657)	(45,148)
Net carrying amount	256,752	-	-	256,752
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

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: (continued)

Company

2020

	Performing RM'000	Under-performing RM'000	Not performing RM'000	Total RM'000
Other receivables (excluding amounts due from subsidiaries)				
Gross/net carrying amount	3,005	-	-	3,005
Amounts due from subsidiaries				
Gross carrying amount	1,576,279	46,634	80,687	1,703,600
Accumulated impairment loss	-	(14,003)	(80,687)	(94,690)
Net carrying amount	1,576,279	32,631	-	1,608,910
Cash and bank balances				
Gross/net carrying amount	69,153	-	-	69,153

2019

	Performing RM'000	Under-performing RM'000	Not performing RM'000	Total RM'000
Other receivables (excluding amounts due from subsidiaries)				
Gross/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).

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Credit risk (continued)

(ii) Debt instruments at amortised costs other than trade receivables (continued)

As at 31 January 2020, the credit risk of the Group primarily relates to the Group's 3 (2019: 5) largest customers which accounted for 70% (2019: 75%) 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.

(iii) Financial guarantee contracts

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of MFRS 9. The amounts disclosed below represents the Company's maximum exposure to credit risk on financial guarantee contracts.

	Company	
	2020	2019
	RM'000	RM'000
Financial guarantee contracts	1,415,038	515,734

The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations and hence, does not expect significant credit losses arising from these guarantees.

(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 loans and perpetual securities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

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	Two to five years RM'000	Over five years RM'000	Total RM'000
31 January 2020				
Trade and other payables	444,704	-	-	444,704
Loans and borrowings	500,011	3,026,309	377,668	3,903,988
Lease liabilities	14,574	20,311	-	34,885
Derivatives	17,454	138,700	-	156,154
Put option liability	412,398	-	-	412,398
Total undiscounted financial liabilities	1,389,141	3,185,320	377,668	4,952,129
31 January 2019				
Trade and other payables	351,003	-	-	351,003
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	1,229,284	1,451,949	1,395,367	4,076,600

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted repayment obligations. (continued)

Company	On demand or within one year RM'000	Two to five years RM'000	Over five years RM'000	Total RM'000
31 January 2020				
Trade and other payables	613,312	486,832	-	1,100,144
Loans and borrowings	57,392	-	-	57,392
Lease liabilities	323	-	-	323
Financial guarantee ^	197,898	843,746	373,394	1,415,038
Total undiscounted financial liabilities	868,925	1,330,578	373,394	2,572,897
31 January 2019				
Trade and other payables	6,104	584,382	-	590,486
Loans and borrowings	45,867	-	-	45,867
Financial guarantee ^	125,406	390,328	-	515,734
Total undiscounted financial liabilities	177,377	974,710	-	1,152,087

^ 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

43. SEGMENT INFORMATION (CONTINUED)

	Offshore & Marine RM'000	Other operations RM'000	Consolidated RM'000
31 January 2020			
Revenue:			
Gross revenue	2,574,943	632,922	3,207,865
Inter-segment	(68,522)	(620,003)	(688,525)
	2,506,421	12,919	2,519,340
Revenue from contracts with customers by segments of the Group are analysed as follows:			
Revenue from contracts with customers	156,337	-	156,337
Results:			
Segment results	519,426	(331)	519,095
Finance costs			(198,369)
Share of profit of joint ventures			10,392
Income tax expense			(69,821)
Profit for the financial year			261,297
Amortisation and depreciation	(240,780)	(5,363)	(246,143)
Fair value gain/(loss):			
- marketable securities	-	496	496
- investment properties	-	(2,400)	(2,400)
- derivatives	-	(893)	(893)
Impairment loss on property, plant and equipment	(4,883)	-	(4,883)
Reversal of impairment loss/(impairment loss) on:			
- trade receivables	670	-	670
- other receivables	1,409	507	1,916
- other assets	(4,084)	-	(4,084)
- tax recoverable	(2,069)	-	(2,069)
Net unrealised gain on foreign exchange	625	5,105	5,730
Other non-cash expenses	(889)	(848)	(1,737)
Assets and liabilities			
Segment assets	8,937,611	577,794	9,515,405
Segment liabilities	5,190,552	550,984	5,741,536
Additions to property, plant and equipment	1,302,327	759	1,303,086

43. SEGMENT INFORMATION (CONTINUED)

	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)	(650,997)
	1,020,721	14,178	1,034,899
Revenue from contracts with customers by segments of the Group are analysed as follows:			
Revenue from contracts with customers	241,710	9	241,719
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 property, 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 2020

43. SEGMENT INFORMATION (CONTINUED)

Notes

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

Inter-segment revenues are eliminated on consolidation.

Geographical information

The Group operates in the following main geographical areas:

(i) Malaysia - mainly involved in leasing and sub-leasing of FPSOs and OSVs on bareboat or time charter basis

(ii) Ghana, Gabon, Nigeria, Norway and other countries - mainly involved in the charter of FPSOs and tankers and ship management services

Revenue by location of the Group's operations are analysed as follows:

	Group	
	2020	**2019**
	RM'000	**RM'000**
Malaysia	1,630,589	30,199
Ghana	566,229	578,343
Gabon	2,365	229,272
Nigeria	179,043	173,895
Norway	15,282	9,675
Other countries	125,832	13,515
	2,519,340	1,034,899

Non-current assets other than financial instruments and deferred tax assets managed by the Group in Ghana, Nigeria and Gabon amounted to RM3,395.99 million, RM873.41 million and Nil respectively as at 31 January 2020 (2019: RM3,574.65 million, RM117.52 million and RM372.06 million respectively).

The Group's largest customers (by revenue contribution) are from the Offshore & Marine segments. In the financial year ended 31 January 2020, 2 customers contributed revenue individually exceeding 10% of the Group's total revenue, amounting to RM566,229,000 and RM1,577,355,000 respectively. 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.

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 and current other investments.

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Loans and borrowings (Note 32)	3,830,403	3,149,730	57,392	45,867
Lease liabilities (Note 33(b))	31,393	-	308	-
Trade and other payables (Note 36)	1,210,442	735,170	1,100,144	590,486
Less: Cash and bank balances (Note 26)	(1,276,190)	(1,217,279)	(69,153)	(9,480)
Other investments, current (Note 22)	(188,762)	(72,226)	(3,482)	-
Net debt	3,607,286	2,595,395	1,085,209	626,873
Equity attributable to owners of the Company, total capital	1,635,957	1,745,412	1,466,517	1,374,111
Capital and net debt	5,243,243	4,340,807	2,551,726	2,000,984
Debt-to-capital ratio	69%	60%	43%	31%

The Group and Company are required to comply with financial covenants such as Debt Service Cover Ratio, Debt to Equity Ratio and Gearing Ratio, as defined in the respective facility 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 2020

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. Pursuant to the terms and conditions of the perpetual securities, YTMC has no obligation to pay any distribution and has the option to elect for distribution deferment at its sole discretion, which 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 in accordance with the terms and conditions of the perpetual securities.

On 25 March 2019, YTMC had fully repurchased and cancelled the outstanding perpetual securities.

(b) RM950 million

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. Pursuant to the terms and conditions of the program, YTMC has no obligation to pay any distribution and has the option to elect for distribution deferment at its sole discretion, which 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 in accordance with 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")

(a) USD100 million

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. Pursuant to the terms and conditions of the program, YJL has no obligation to pay any distribution and has the option to elect for distribution deferment at its sole discretion, which 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 in accordance with 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.

(b) USD120 million

YJL, a wholly owned subsidiary of the Company has completed two further issuances of Perpetual Securities valued USD90 million and USD30 million on bought deal basis under its USD500 million Multi-Currency Perpetual Securities Program on 29 March 2019 and 5 April 2019 respectively.

Both the Perpetual Securities are unrated, not listed on any stock exchange, and bear no fixed maturity date but are redeemable at YJL's option from First Reset Date fall 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. Pursuant to the terms and conditions of the program, YJL has no obligation to pay any distribution and has the option to elect for distribution deferment at its sole discretion, which 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 in accordance with 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

46. SUMMARY OF EFFECTS OF ACQUISITION AND RE-ORGANISATION OF COMPANIES

2020

Internal re-organisation of companies

During the financial year, the Group had completed the internal re-organisation for the following companies of which there were no consequential financial effects to the Group:

(a) On 18 February 2019, Yinson Boronia Consortium Pte. Ltd., an indirect wholly owned subsidiary of the Group, completed the acquisition of 100% equity interest in Yinson Boronia Holdings (S) Pte. Ltd. ("YBHPL") from Yinson Acacia Ltd, an indirect wholly owned subsidiary of the Group for a consideration of USD1. YBHPL remains as an indirect wholly owned subsidiary of the Group.

(b) On 17 June 2019, Yinson Global Corporation (HK) Limited, an indirect wholly owned subsidiary of the Group, completed the acquisition of 100% equity interest in Yinson Eden Pte. Ltd. (formerly known as Yinson Boronia Production (S) Pte. Ltd.) ("YEPL") from Yinson Boronia Holdings (S) Pte. Ltd., an indirect wholly owned subsidiary of the Group for a consideration of USD1. YEPL remains as an indirect wholly owned subsidiary of the Group.

(c) On 1 July 2019, Yinson Global Corporation (HK) Limited, an indirect wholly owned subsidiary of the Group, completed the acquisition of 100% equity interest in Yinson Production Offshore Pte. Ltd. ("YPOPL") from Yinson Production Limited, a direct wholly owned subsidiary of the Group for a consideration of USD1. YPOPL remains as an indirect wholly owned subsidiary of the Group.

(d) On 2 October 2019, Yinson Production Offshore Pte. Ltd., a direct wholly owned subsidiary of the Group, completed the acquisition of 100% equity interest in Yinson International Pte. Ltd. ("YIPL") from Yinson Production Limited, a direct wholly owned subsidiary of the Group for a consideration of USD1. YIPL remains as an indirect wholly owned subsidiary of the Group.

(e) On 31 December 2019, Yinson Global Corporation (HK) Limited, an indirect wholly owned subsidiary of the Group, completed the acquisition of 100% equity interest in Yinson Juniper Ltd. ("YJL") from the Company for a consideration of USD2. As a result, YJL became an indirect wholly owned subsidiary of the Group.

(f) On 30 January 2020, Yinson Offshore Services Sdn. Bhd., a direct wholly owned subsidiary of the Group, completed the acquisition of 70% equity interest in Regulus Offshore Sdn. Bhd. ("RO") from the Company for a consideration of RM6,650,062. As a result, RO became a 70% indirect owned subsidiary of the Group.

2019

(i) Reclassification of companies

(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.

46. SUMMARY OF EFFECTS OF ACQUISITION AND RE-ORGANISATION OF COMPANIES (CONTINUED)

2019 (continued)

(ii) Internal re-organisation of companies

During the financial year, the Group had completed the internal re-organisation for the following companies of which there were no consequential financial effects to the Group:

(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 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 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 consideration of USD1. YNPL remains as an indirect wholly owned subsidiary of the Group.

(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 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 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 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 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 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 consideration of RM1. As a result, YLOSB became an indirect wholly owned subsidiary of the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

47. SUMMARY OF EFFECTS OF DILUTION AND DISPOSAL OF COMPANIES

2019

(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

48. SUBSEQUENT EVENTS

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

(i) a bareboat charter party agreement ("Bareboat Charter") to YGPL for the provision of a FPSO at the Deepwater Tano/Cape Three Points ("DWT/CTP") contract area, offshore of Ghana ("Field"); and
(ii) an operation and maintenance agreement ("O&M Agreement") to YGOL.

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

48. SUBSEQUENT EVENTS (CONTINUED)

(a) (continued)

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

Subject to execution of the Contracts:

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

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

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

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

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

On 31 March 2020, Yinson West Africa, YGPL and YGOL received a notice from Aker Energy of its decision to terminate the LOI issued on 20 February 2020 for the proposed award of Contracts to charter, operate and maintain the FPSO for the project at DWT/CTP with immediate effect.

The termination is due to the decision made by Aker Energy to postpone the activities under the DWT/CTP Petroleum Agreement and the development of the project until further notice amidst the COVID-19 pandemic. However, YHB Group reserves its right under the LOI for compensation due arising from the termination.

The aforesaid termination will not leave any effect on the share capital and shareholding structure of the Company. The Company is in the midst of assessing the financial impact on its earnings and net asset per share for the financial year ending 31 January 2021.

(b) On 28 February 2020, Yinson Eden Pte Ltd (formerly known as Yinson Boronia Production (S) Pte Ltd) ("YEPL"), an indirect wholly owned subsidiary of the Group, entered into the following agreements to acquire a controlling equity interest in Ezion Holdings Limited ("EHL"):

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

48. SUBSEQUENT EVENTS (CONTINUED)

(b) (continued)

(i) separate debt assignment agreements with each of the following parties: (continued)

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

(ii) conditional subscription agreement with EHL in relation to YEPL and/or its nominated entities' subscription of EHL Shares for the SGD equivalent of USD529.3 million (based on the agreed exchange rate of USD1:SGD1.38) ("Exchange Rate") at the Issue Price ("Subscription Shares") in consideration for the capitalisation of the Relevant Debt of USD482.3 million ("Capitalisation") and the cash consideration of USD47.0 million ("Shares Subscription") ("Conditional Subscription Agreement") ("Proposed Subscription");

(iii) conditional options and convertible notes subscription agreement with EHL whereby EHL grants YEPL such number of unlisted and freely transferable options for Shares worth up to USD150.0 million ("Options") of which each Option carries the right to subscribe for 1 new EHL Share ("Grant of Options") and the subscription by YEPL of USD20.0 million in principal amount of 8.1% convertible notes to be issued by EHL ("Convertible Notes") ("Convertible Notes Subscription") ("Conditional Options and Convertible Notes Subscription Agreement") ("Proposed Options and Proposed Subscription of Convertible Notes");

(iv) option to purchase agreement with the Major Secured Lenders whereby YEPL is given the option to purchase vessels of the EHL Group ("Option Assets") in the event the Proposed Debt Assignment, the Proposed Subscription and the Scheme do not complete ("Option to Purchase Agreement") ("Proposed Option to Purchase"); and

(v) deposit agreement with EHL and the Major Secured Lenders with YEPL placing a deposit of USD20.0 million ("Deposit") as part of the purchase consideration for the Proposed Debt Assignment ("Deposit Agreement") whereby the Deposit will be refundable in certain circumstances.

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

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

* The USD20.0 million Deposit was paid on 6 March 2020.

48. SUBSEQUENT EVENTS (CONTINUED)

(b) (continued)

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

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

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

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

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

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

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

GMOS is claiming the following reliefs from the Defendants on a joint and several basis:

(i) RM 74,800,000.00 (20% of RM374 million of consideration from novation of Charter Contract);
(ii) A Declaration that the approval of the court obtained on 6 February 2018 to THHE's Scheme of Arrangement was by reason of fraud on the court allegedly committed by the Defendants or by THHE;
(iii) An order that THHE's Scheme of Arrangement be set aside in its entirety and that consequential orders be given;
(iv) An order that the Novation of the JX Nippon Contract from THHE to YESB be set aside;
(v) General damages to be assessed pursuant to the alleged Defendants' fraudulent conduct as pleaded in the Statement of Claim and for such tracing orders as may be necessary in aid thereof;
(vi) Punitive and/or exemplary damages against all the Defendants to be assessed pursuant to the respective Defendants' alleged fraudulent conduct as pleaded in the Statement of Claim;
(vii) Aggravated damages to be assessed;

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the financial year ended 31 January 2020

48. SUBSEQUENT EVENTS (CONTINUED)

(c) (continued)

GMOS is claiming the following reliefs from the Defendants on a joint and several basis: (continued)

(viii) Interest of 5% per annum on the sum of RM 74,800,000.00 from 18 February 2014 until the date of the judgement herein;
(ix) Interest of 5% per annum on the judgement sum from the date of judgement until the date of full realisation of the judgement sum;
(x) Costs;
(xi) Further and other relief as against either or all the Defendants which the Court deems fit and proper.

The Company has since engaged Counsel to defend GMOS's alleged claims. Counsel is of the view that the claims are devoid of merit and the Company will defend the alleged claims rigorously. In this regard, at this juncture, the Company is not able to ascertain the financial impact arising from the claims. The claims, however, are not expected to have any material operational impact on the Company.

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

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

(e) On 23 March 2020, Yinson Production Pte. Ltd., Yinson Boronia Production B.V. and Yinson Boronia Servicos de Operacao LTDA, each an indirect wholly owned subsidiary of the Group, have entered into the contracts with Petróleo Brasileiro S.A. for the provision of:

(i) a floating production storage and offloading facility ("Marlim 2 FPSO") to the Marlim Field located offshore Brazil in the north-eastern part of the Campos Basin; and
(ii) operation and maintenance services during the charter phase of Marlim 2 FPSO.

The definitive contracts signature is part of the previous binding agreement between the parties as consequence of the binding Letter of Intent signed on 11 October 2019.

(f) On 26 March 2020, the Company has entered into multiple agreements to acquire a 37.5% equity interest in Rising Sun Energy Private Limited ("RSE"), an India-incorporated company with two operational solar plants in the Bhadla Solar Park, Rajasthan, India.

The Company will pay INR554 million (RM32 million) for the stake, subject to closing conditions, while also providing funding of INR600 million (RM35 million) to repay certain outstanding liabilities of RSE.

The agreements were entered into through Yinson Renewables (S) Pte. Ltd., a wholly owned subsidiary of the Group.

The two adjoining solar plants have a combined generation capacity of 140MW (AC rated), and achieved their scheduled commissioning dates in 2017. 25-year Power Purchase Agreements, expiring in 2042, have been signed with NTPC Limited, India's largest power utility, majority owned by the Government of India.

48. SUBSEQUENT EVENTS (CONTINUED)

(f) (continued)

This transaction is in line with the Group's strategies for its renewables division, established in 2019. The acquisition supports the Company's vision of becoming a global energy solutions provider, specifically relating to its diversification into renewable energy generation assets.

(g) On 14 November 2019, a subsidiary of the Group entered into a USD800 million refinancing loan agreement with 13 local and global banks to refinance FPSO John Agyekum Kufuor, which is currently operating in the OCTP Block, offshore Ghana. The FPSO John Agyekum Kufuor is chartered to Eni Ghana Exploration & Production Ltd.. The loan was fully drawn down on 14 April 2020, with a tenure of 12 years.

(h) In late 2019, a novel strain of coronavirus (subsequently known as COVID-19), was initially reported in Wuhan, China. While the outbreak was initially largely concentrated in China, it spread to several other countries. On 11 March 2020, the World Health Organisation declared COVID-19 as a pandemic, and it has since continued to spread throughout the globe. Many countries, including Malaysia, had significant governmental measures being implemented to control the spread of the virus, including temporary closure of businesses, severe restrictions on travel and the movement of people, and other material limitations on the conduct of business. These measures have resulted in work stoppages and other disruptions.

In response to this, the Group activated its business continuity plan to minimise the disruption to its daily operations. The plan leveraged on information technology and digital infrastructure, allowing employees to communicate and collaborate remotely, both onshore and offshore. As a result, onshore based employees worked from home and were able to carry out their day-to-day tasks whilst offshore personnel underwent strict quarantine procedures before going offshore. In addition, the Group put in place additional health screenings, distributed personal protective equipment and conducted awareness initiatives to minimise disruptions.

COVID-19 poses a significant threat to the global oil and gas industry. The drastic actions taken to reduce the spread of the virus as well as the resultant global economic shutdown has seen a glut of oil supply and a sudden drop in oil demand. These have resulted in global oil prices declining to the current oil prices of around USD30 per barrel. Oil prices may further decline if the economic downturn is further exacerbated by the continuing spread of COVID-19. Whilst these are mitigated by the fact that the Group's revenue comes primarily from long term fixed priced contracts with reputable oil companies, the Group will nevertheless continue to monitor and assess macro developments in order to take pre-emptive and proactive measures to mitigate adverse impacts, as and when necessary.

The extent to which the COVID-19 impacts the Group's operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration and severity of the outbreak, and the actions that may be required to contain COVID-19 or treat its impact. In particular, the extent of time and resources required to safely contain COVID-19 globally, could adversely impact the Group's operations, work force, cash flows and financial position for the coming financial year. As a result, without a vaccine, the related impact arising from COVID-19 cannot be reasonably estimated at this time for the financial year ending 31 January 2021.

49. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 January 2020 were authorised for issue in accordance with a resolution of the Board of Directors on 15 May 2020.

INDEPENDENT AUDITORS' REPORT

to the members of Yinson Holdings Berhad (Incorporated in Malaysia)
Registration No. 199301004410 (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 2020, 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 2020 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 191 to 325.

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.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matters</th></tr>
<tr><td>
Significant judgements used to evaluate for impairment indicators and assessing the carrying value of vessels
Refer to Note 5(d) and Note 16(g) to the financial statements.
As at 31 January 2020, the Group has three Floating, Production, Storage and Offloading (“FPSO”), four Offshore Support Vessels (“OSV”), two newly acquired tankers, and two other vessels under conversion. The carrying value of these vessels amounted to RM4,796.4 million, representing 50% of the Group’s total assets.
The decline in vessel utilisation and charter rates for the OSVs were identified as impairment triggers. Accordingly, management had performed impairment assessments of these affected vessels.
In assessing the recoverable amounts of these vessels, value-in-use (“VIU”) method is used where management estimates the future cash flows expected to be earned by these vessels. The key assumptions subject to significant judgement are the charter rates, charter periods, vessels utilisation levels and discount rates.
The existence of significant estimation and judgement used for the VIU, is why we have given specific audit focus and attention to this area. As a result of the above, the Group recognised an impairment charge of RM4.9 million on one of its OSVs for the current financial year.
</td><td>
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 estimating future cash flows in the VIU calculations such as charter rates and vessel utilisation levels to market data in the oil & gas sector;
Assessed reliability of management’s prior years assumptions on utilisation levels, charter periods 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 basis for determining discount rates by checking the key inputs used such as risk free rate, market risk premium and industry’s debt and equity ratios to market data, with 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(g) of the consolidated financial statements.

As a result of our work, no material exceptions were noted.
</td></tr>
</table>

INDEPENDENT AUDITORS' REPORT (CONT'D)

to the members of Yinson Holdings Berhad (Incorporated in Malaysia)
Registration No. 199301004410 (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
Lease Commencement of FPSO Helang *Refer to Note 5(b), Note 6, Note 7 and Note 33(a) to the financial statements.* During the financial year, the Group commenced the finance lease of FPSO Helang upon obtaining its provisional certificate of completion after achieving first gas in 6 December 2019. Being a manufacturer lessor, the Group recognises revenue and its corresponding selling profit arising from the underlying asset. Thereafter, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. As a result, RM1,551.5 million was recorded as revenue with a selling profit of RM7.5 million. As at 31 January 2020, a finance lease receivable pertaining to FPSO Helang amounting to RM1,533.8 million was recognised in the consolidated statement of financial position. The determination of the fair value of the underlying asset requires significant estimation and judgment. The key assumptions and estimates made included the lease term, residual value, implicit interest rate of the lease, and the lease payments. Focus is placed on this area due to the magnitude of the revenue recognised and the significant estimates and judgements used in arriving at the above key assumptions.	Audit procedures performed over this key audit matter were as follows: • Discussed and reviewed management's basis and assumptions used for estimating the selling profit for the leased asset upon lease commencement in accordance with MFRS 16; • Assessed and evaluated the reasonableness of the discount rate applied by management by discussing with our internal experts on the appropriate financing and project risks; • Compared the lease payments to historical operational performance of other FPSOs of the Group to ascertain that these are reasonable; • Assessed the basis of management's residual value estimates; • Tested the mathematical accuracy of the finance lease receivables calculations prepared by management; and • Evaluated the adequacy of the Group's disclosures included in the consolidated financial statements. As a result of our work, no material exceptions were 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 impact of expected credit loss ("ECL") on the trade receivables of the Group *Refer to Note 5(c), Note 24 and Note 42(b) to the financial statements.* As at 31 January 2020, the Group's trade receivables balance prior to loss allowance was RM289.8 million where RM9.4 million was provided for as loss allowance. MFRS 9 requires the use of an expected credit loss ("ECL") model to measure impairment of financial assets. The model requires consideration of both historical and current information, as well as reasonable and supportable forecasts of future conditions (including macroeconomic information). Management adopted a simplified approach of using lifetime ECL in measuring the ECL for trade receivable balances, incorporating historical loss rate being adjusted to reflect current and forward-looking information on macroeconomic factors and probability weighted estimates. We considered this as a key audit matter due to the judgements and estimates involved in the application of the expected credit loss model, including the downside scenarios related to the spread of COVID-19.	In assessing the recoverable amount of trade receivables, we performed the following audit procedures: • Evaluate the valuation methodology and model used by management to ascertain that these have been consistently applied by management; • Tested the accuracy of the ageing against supporting documents on a sample basis; • Assessed and considered the reasonableness of the current and forward-looking information as well as discussed with management to understand the judgements and estimates involved in applying the simplified approach of using lifetime ECL on trade receivables including considering the COVID-19 impact; and • Evaluated the adequacy of the Group's disclosures included in the consolidated financial statements. We evaluated the adequacy of the impairment charge recognised and the appropriateness of the disclosures included in the notes to the financial statements. No material exceptions were noted.

INDEPENDENT AUDITORS' REPORT (CONT'D)

to the members of Yinson Holdings Berhad (Incorporated in Malaysia)
Registration No. 199301004410 (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 carrying value of equity investments in subsidiaries and amounts receivable from subsidiaries *Refer to Note 19 and Note 24 to the financial statements.* As at 31 January 2020, the net carrying value of equity investments in subsidiaries and amounts receivable from subsidiaries recorded in the Company's statement of financial position totalled RM807.0 million and RM1,608.9 million, respectively. **(a) Equity investment in subsidiaries** During the current financial year, the equity investments in a subsidiary was written down by RM7.6 million as the recoverable amounts were lower than the corresponding carrying values. We focused on the recoverable amounts of equity investments in subsidiaries as they 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) Amounts receivable from subsidiaries** During the current financial year, the amounts receivable from subsidiaries were impaired by RM4.2 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, including the downside scenarios related to the spread of COVID-19.	**(a) 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; • 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 • Using our internal valuation specialists to independently assess the reasonableness of the discount rate to comparable peers and industry benchmarks. **(b) 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 including considering the COVID-19 impact; • Reviewed the appropriateness of key assumptions used in the 3-stage impairment model and tested the 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. No material exceptions were noted.

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 and other sections in the 2020 Integrated Annual Report, 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

to the members of Yinson Holdings Berhad (Incorporated in Malaysia)
Registration No. 199301004410 (259147-A)

Auditors' responsibilities for the audit of the financial statements (continued)

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 19 to the financial statements.

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
15 May 2020

GRI CONTENT INDEX

This report has been prepared in accordance with the GRI Standards: Core option.
The items highlighted hereunder have not obtained external assurance.

GRI-Code	Description	Brief remarks on disclosures, page numbers and references
102 General Disclosures		
Organisational Profile		
102-1	Name of the organisation	Yinson Holdings Berhad
102-2	Activities, brands, products, and services	Page 12
102-3	Location of headquarters	Page 13
102-4	Location of operations	Page 14-15
102-5	Ownership and legal form	Page 13
102-6	Markets served	Page 14-15, 16-21
102-7	Scale of the organisation	Page 14-15 Human Capital, Page 94 Financial statements, Page 182-325
102-8	Information on employees and other workers	Human Capital
102-9	Supply chain	Social & Relationships Capital, Page 105-106, 116
102-10	Significant changes to the organisation and its supply chain	There were no significant changes to our operations and supply chain during the financial year.
102-11	Precautionary Principle or approach	The Group applies the Precautionary Principle in all areas of operations, which is to apply due care in all operations to safeguard both environment and social interests.
102-12	External initiatives	Social & Relationships Capital, Page 109-110
102-13	Membership of associations	We are not part of any associations.
Strategy		
102-14	Statement from senior decision-maker	Chairman's Statement, Page 6-9
102-15	Key impacts, risks, and opportunities	Chairman's Statement, Page 6-9 Management Discussion & Analysis, Page 126-141 External environment, Page 34-39 Statement on Risk Management and Internal Control, Page 169-174
Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	Page 10, Organisational Capital, Page 69, 82
102-17	Mechanisms for advice and concerns about ethics	Organisational Capital, Page 70-71 Corporate Governance Overview Statement, Page 158-159

GRI CONTENT INDEX (CONT'D)

This report has been prepared in accordance with the GRI Standards: Core option.
The items highlighted hereunder have not obtained external assurance.

GRI-Code	Description	Brief remarks on disclosures, page numbers and references
Governance		
102-18	Governance structure	Board of Directors, Page 144-148 Key Management, Page 149-152 Sustainability Governance, Page 71-72
102-19	Delegating authority	Organisational Capital - Sustainability Governance, Page 71-72
102-20	Executive-level responsibility for economic, environmental, and social topics	Organisational Capital - Sustainability Governance, Page 71-72
102-21	Consulting stakeholders on economic, environmental, and social topics	Sustainability Statement Page 42-45 Organisational Capital - Sustainability Governance, Page 71-72 Social & Relationships Capital, Page 102-103
102-22	Composition of the highest governance body and its committees	Board of Directors, Page 144-148 Corporate Governance Overview Statement, Page 153-168
102-23	Chair of the highest governance body	Board of Directors, Page 144-148
102-24	Nominating and selecting the highest governance body	Corporate Governance Overview Statement - Board Leadership & Effectiveness, Page 153-164
102-25	Conflicts of interest	Board of Directors, Page 144-148 Corporate Governance Overview Statement, Page 153-168
102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance Overview Statement, Page 153-168
102-27	Collective knowledge of highest governance body	Corporate Governance Overview Statement, Board Leadership and Effectiveness, Part II Board Composition, Page 159-163 Corporate Governance Overview Statement, Board Leadership and Effectiveness, Training Programmes, Page 159-163
102-29	Identifying and managing economic, environmental, and social impacts	Sustainability Governance, Page 71-72
102-30	Effectiveness of risk management processes	Corporate Governance Overview Statement, Page 158-159 Statement on Risk Management and Operational Control, Page 169-174
102-31	Review of economic, environmental, and social topics	Organisational Capital - Sustainability Governance, Page 71-72
102-32	Highest governance body's role in sustainability reporting	Organisational Capital - Sustainability Governance, Page 71-72

GRI-Code	Description	Brief remarks on disclosures, page numbers and references
102-33	Communicating critical concerns	Organisational Capital - Governance, Page 69-71
102-34	Nature and total number of critical concerns	Organisational Capital - Governance, Page 69-71
102-36	Process for determining remuneration	Corporate Governance Overview Statement, Board Leadership and Effectiveness, Part III Remuneration, Page 163-164
Stakeholder engagement		
102-40	List of stakeholder groups	Social & Relationships Capital, Page 102-119
102-41	Collective bargaining agreements	100% of employees are covered
102-42	Identifying and selecting stakeholders	Social & Relationships Capital, Page 102-119
102-43	Approach to stakeholder engagement	Social & Relationships Capital, Page 102-119
102-44	Key topics and concerns raised	Social & Relationships Capital, Page 102-119
Reporting Practice		
102-45	Entities included in the consolidated financial statements	About this report, Page 2-3
102-46	Defining report content and topic Boundaries	About This Report, Page 2-3 Sustainability Statement, Page 45
102-47	List of material topics	Sustainability Statement, Page 45
102-48	Restatements of information	There have been no restatements of information in this Annual Report 2020
102-49	Changes in reporting	We have changed the structure of reporting to fit the <IR> Integrated Reporting Framework. Further, the list of material topics had been updated for FYE20 from our materiality assessment.
102-50	Reporting period	February 1, 2019 to January 31, 2020
102-51	Date of most recent report	31 May 2019
102-52	Reporting cycle	February 1, 2019 to January 31, 2020
102-53	Contact point for questions regarding the report	benjamin.ang@yinson.com
102-54	Claims of reporting in accordance with the GRI Standards	On top of table.
102-55	GRI content index	Page 333-338
102-56	External assurance	N/A

GRI CONTENT INDEX (CONT'D)

This report has been prepared in accordance with the GRI Standards: Core option.
The items highlighted hereunder have not obtained external assurance.

GRI-Code	Description	Brief remarks on disclosures, page numbers and references
205 Anti-corruption 2016		
103-1	Explanation of the material topic and its Boundary	Organisational Capital - Governance - Yinson's Code of Conduct and Business Ethics, Page 70
103-2	The management approach and its components	Organisational Capital - Governance - Yinson's Code of Conduct and Business Ethics, Page 70 Corporate Governance Overview Statement, Code of Conduct and Business Ethics, Page 158
103-3	Evaluation of the management approach	Organisational Capital - Governance - Yinson's Code of Conduct and Business Ethics, Page 70 Corporate Governance Overview Statement, Code of Conduct and Business Ethics, Page 158
205-2	Communication and training about anti-corruption policies and procedures	Organisational Capital - Governance - Yinson's Code of Conduct and Business Ethics, Page 70
205-3	Confirmed incidents of corruption and actions taken	Organisational Capital - Governance - Yinson's Code of Conduct and Business Ethics, Page 70
206 Anti-competitive Behavior 2016		
103-1	Explanation of the material topic and its Boundary	Organisational Capital - Governance - Yinson's Code of Conduct and Business Ethics, Page 70
103-2	The management approach and its components	Organisational Capital - Governance - Yinson's Code of Conduct and Business Ethics, Page 70 Corporate Governance Overview Statement, Code of Conduct and Business Ethics, Page 158
301 Materials 2016		
103-1	Explanation of the material topic and its Boundary	Natural Capital - Material, Page 125
103-2	The management approach and its components	Natural Capital - Material, Page 125
103-3	Evaluation of the management approach	Natural Capital - Material, Page 125
301-1	Materials used by weight or volume	Natural Capital - Material, Page 125
302 Energy 2016		
103-1	Explanation of the material topic and its Boundary	Natural Capital - Energy, Page 123
103-2	The management approach and its components	Natural Capital - Energy, Page 123
103-3	Evaluation of the management approach	Natural Capital - Energy, Page 123
302-1	Energy consumption within the organisation	Natural Capital - Energy, Page 123
303 Water and Effluents 2018		
103-1	Explanation of the material topic and its Boundary	Natural Capital - Water, Page 124
103-2	The management approach and its components	Natural Capital - Water, Page 124
103-3	Evaluation of the management approach	Natural Capital - Water, Page 124

GRI-Code	Description	Brief remarks on disclosures, page numbers and references
303-1	Interactions with water as a shared resource	Natural Capital - Water, Page 124
303-2	Management of water discharge-related impacts	Natural Capital - Water, Page 124
305 Emissions 2016		
103-1	Explanation of the material topic and its Boundary	Natural Capital - Carbon emissions, Page 122
103-2	The management approach and its components	Natural Capital - Carbon emissions, Page 122
103-3	Evaluation of the management approach	Natural Capital - Carbon emissions, Page 122
307 Environmental Compliance 2016		
103-1	Explanation of the material topic and its Boundary	Natural Capital, Page 121
103-2	The management approach and its components	Natural Capital, Page 121
103-3	Evaluation of the management approach	Natural Capital, Page 121
307-1	Non-compliance with environmental laws and regulations	Natural Capital, Page 121
403 Occupational Health and Safety 2018		
103-1	Explanation of the material topic and its Boundary	Human Capital - Health and Safety, Page 95-101
103-2	The management approach and its components	Human Capital - Health and Safety, Page 95-101
103-3	Evaluation of the management approach	Human Capital - Health and Safety, Page 95-101
403-1	Occupational health and safety management system	Human Capital - Health and Safety, Page 96
403-2	Hazard identification, risk assessment, and incident investigation	Human Capital - Health and Safety, Page 96, 99, 100
403-4	Worker participation, consultation, and communication on occupational health and safety	Human Capital - Health and Safety, Page 96
403-5	Worker training on occupational health and safety	Human Capital - Health and Safety, Page 100
404 Training and Education 2016		
103-1	Explanation of the material topic and its Boundary	Human Capital - Recruitment and Retention, Page 84-88
103-2	The management approach and its components	Human Capital - Recruitment and Retention, Page 84-88
103-3	Evaluation of the management approach	Human Capital - Recruitment and Retention, Page 84-88
404-2	Programs for upgrading employee skills and transition assistance programs	Human Capital - Recruitment and Retention, Page 84-88
404-3	Percentage of employees receiving regular performance and career development reviews	Human Capital - Recruitment and Retention, Page 87

GRI CONTENT INDEX (CONT'D)

This report has been prepared in accordance with the GRI Standards: Core option.
The items highlighted hereunder have not obtained external assurance.

GRI-Code	Description	Brief remarks on disclosures, page numbers and references
405 Diversity and Equal Opportunity 2016		
103-1	Explanation of the material topic and its Boundary	Human Capital - Diversity and Inclusion, Page 93
103-2	The management approach and its components	Human Capital - Diversity and Inclusion, Page 93
103-3	Evaluation of the management approach	Human Capital - Diversity and Inclusion, Page 93
405-1	Diversity of governance bodies and employees	Organisational Capital, Page 72 Human Capital - Diversity and Inclusion, Page 93
413 Local Communities 2016		
103-1	Explanation of the material topic and its Boundary	Social & Relationships Capital, Page 110
103-2	The management approach and its components	Social & Relationships Capital, Page 110
103-3	Evaluation of the management approach	Social & Relationships Capital, Page 110
413-1	Operations with local community engagement, impact assessments, and development programs	Social & Relationships Capital, Page 110-115
413-2	Operations with significant actual and potential negative impacts on local communities	Social & Relationships Capital, Page 110-115

ANALYSIS OF SHAREHOLDINGS

As at 6 May 2020

Issued Share Capital	:	RM1,131,399,745.60 of 1,095,695,673 ordinary shares
No. of Treasury Shares held	:	30,698,100
Voting Rights	:	One vote per ordinary share

ANALYSIS OF SHAREHOLDINGS
(ACCORDING TO THE RECORD OF DEPOSITORS AS AT 6 MAY 2020)

RANGE	NO. OF HOLDERS	% OF HOLDERS	NO. OF SHARES	% OF SHARES
LESS THAN 100	308	9.44	4,695	0.00
100 to 1,000	875	26.82	578,040	0.05
1,001 to 10,000	1,100	33.71	4,958,085	0.47
10,001 to 100,000	609	18.66	22,410,254	2.10
100,001 to 53,249,877 *	369	11.31	807,441,999	75.82
53,249,878 AND ABOVE **	2	0.06	229,604,500	21.56
	3,263	100.00	1,064,997,573	100.00

Notes:

* Less than 5% of issued shares
** 5% and above of issued shares
Adjusted capital after excluding treasury shares

SUBSTANTIAL SHAREHOLDERS
(ACCORDING TO THE COMPANY'S REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 6 MAY 2020)

NAME	DIRECT INTEREST		INDIRECT INTEREST	
	NO. OF SHARES	%^	NO. OF SHARES	%^
LIM HAN WENG	37,416,138	3.51	205,513,262[1]	19.30
BAH KIM LIAN	3,496,503	0.33	216,328,097[2]	20.31
EMPLOYEES PROVIDENT FUND BOARD	186,164,800	17.48	-	-
YINSON LEGACY SDN BHD	176,562,579	16.58	-	-
KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	92,904,100	8.72	16,327,700[3]	1.53

Notes:

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 ("Act") and Liannex Corporation (S) Pte Ltd and Yinson Legacy Sdn Bhd direct shareholdings in the Company pursuant to Section 8(4) of the Act
2 Deemed interested by virtue of her spouse and children direct shareholdings in the Company pursuant to Section 59(11)(c) of the Act and Yinson Legacy Sdn Bhd direct shareholdings in the Company pursuant to Section 8(4) of the Act
3 Deemed interested in the shares held by Fund Manager of Kumpulan Wang Persaraan (Diperbadankan) pursuant to Section 8 of the Act
^ 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.

ANALYSIS OF SHAREHOLDINGS (CONT'D)

As at 6 May 2020

DIRECTORS SHAREHOLDINGS
(AS PER COMPANY'S REGISTER OF DIRECTOR'S SHAREHOLDINGS AS AT 6 MAY 2020)

NAME	DIRECT INTEREST				INDIRECT INTEREST			
	NO. OF SHARES	%^	NO. OF OPTIONS	%*	NO. OF SHARES	%^	NO. OF OPTIONS	%*
LIM HAN WENG	37,416,138	3.51	3,470,000	15.23	205,513,262[1]	19.30	2,720,000[1]	11.94
BAH KIM LIAN	3,496,503	0.33	-	-	216,328,097[2]	20.31	6,190,000[2]	27.16
LIM HAN JOEH	37,573,776	3.53	-	-	-	-	-	-
LIM CHERN YUAN	61,200	0.01	1,880,000	8.25	-	-	-	-

Notes:

1 Deemed interested by virtue of his spouse direct shareholdings and children direct shareholdings/options in the Company pursuant to Section 59(11)(c) of the Act and Liannex Corporation (S) Pte Ltd and Yinson Legacy Sdn Bhd direct shareholdings in the Company pursuant to Section 8(4) of the Act

2 Deemed interested by virtue of her spouse and children direct shareholdings/options in the Company pursuant to Section 59(11)(c) of the Act and Yinson Legacy Sdn Bhd direct shareholdings in the Company pursuant to Section 8(4) of the Act

^ Net of treasury shares

* The Company had offered total of 22,788,000 options under the Employees' Share Scheme as at 6 May 2020

30 LARGEST SHAREHOLDERS
(ACCORDING TO THE RECORD OF DEPOSITORS AS AT 6 MAY 2020)

	NAME	NO. OF SHARES	%^
1	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	137,020,400	12.87
2	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	92,584,100	8.69
3	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD	50,665,000	4.76
4	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR YINSON LEGACY SDN BHD	45,000,000	4.23
5	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YINSON LEGACY SDN BHD	40,000,000	3.76
6	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR TRINITY VIEW SDN BHD (PBCL-0G0556)	26,700,000	2.51
7	HSBC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR BNP PARIBAS SINGAPORE BRANCH (LOCAL)	21,310,000	2.00

	NAME	NO. OF SHARES	%^
8	CITIGROUP NOMINEES (TEMPATAN) SDN BHD	21,018,000	1.97
	EXEMPT AN FOR BANK OF SINGAPORE LIMITED (LOCAL)		
9	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD	20,500,000	1.92
	PLEDGED SECURITIES ACCOUNT FOR YINSON LEGACY SDN BHD		
10	PERMODALAN NASIONAL BERHAD	19,807,700	1.86
	INVESTMENT PROCESSING DEPT		
11	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD	19,757,800	1.86
	PLEDGED SECURITIES ACCOUNT FOR LIM HAN JOEH (MY2811)		
12	CIMSEC NOMINEES (TEMPATAN) SDN BHD	18,500,000	1.74
	CIMB BANK FOR YINSON LEGACY SDN BHD (PBCL-0G0763)		
13	LIM HAN WENG	18,325,230	1.72
14	CITIGROUP NOMINEES (TEMPATAN) SDN BHD	16,815,600	1.58
	EMPLOYEES PROVIDENT FUND BOARD (NOMURA)		
15	DB (MALAYSIA) NOMINEE (ASING) SDN BHD	13,680,000	1.28
	DEUTSCHE BANK AG SINGAPORE FOR LIANNEX CORPORATION (S) PTE LTD (MAYBANK SG)		
16	HLIB NOMINEES (TEMPATAN) SDN BHD	13,000,000	1.22
	PLEDGED SECURITIES ACCOUNT FOR YINSON LEGACY SDN BHD		
17	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD	12,727,272	1.20
	PLEDGED SECURITIES ACCOUNT FOR LIM HAN WENG		
18	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD	12,500,000	1.17
	UOB KAY HIAN CREDIT (M) SDN BHD FOR YINSON LEGACY SDN BHD		
19	MAYBANK INVESTMENT BANK BERHAD IVT (10)	12,464,600	1.17
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD	12,444,700	1.17
	GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LSF)		
21	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD	12,400,000	1.16
	CIMB COMMERCE TRUSTEE BERHAD FOR AFFIN HWANG MULTI-ASSET FUND 3		
22	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD	12,000,000	1.13
	PLEDGED SECURITIES ACCOUNT FOR YINSON LEGACY SDN BHD		
23	YINSON LEGACY SDN BHD	10,462,759	0.98
24	CITIGROUP NOMINEES (TEMPATAN) SDN BHD	10,193,700	0.96
	EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)		
25	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD	10,050,000	0.94
	PLEDGED SECURITIES ACCOUNT FOR TRINITY VIEW SDN BHD		

ANALYSIS OF SHAREHOLDINGS (CONT'D)

As at 6 May 2020

	NAME	NO. OF SHARES	%^
26	HSBC NOMINEES (ASING) SDN BHD	9,809,980	0.92
	JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND		
27	LIANNEX CORPORATION (S) PTE LTD	9,424,800	0.88
28	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD	8,705,600	0.82
	PLEDGED SECURITIES ACCOUNT FOR LIM HAN JOEH (8085254)		
29	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD	8,572,100	0.80
	CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND		
30	CITIGROUP NOMINEES (TEMPATAN) SDN BHD	7,254,100	0.68
	KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN)		
		723,693,441	**67.95**

Note:

^ Net of treasury shares

LIST OF PROPERTIES

As at 6 May 2020

Details of all the properties owned by the Group and the Company as at 31 January 2020 are set out as follows:-

Location	Description of Existing Use	Tenure (expiry date/year)	Age of Building (years)	Land Area (sq m)/ Gross 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	8	370	2,893	R: 31.1.2020	Yinson Mawar Sdn Bhd
Unit A1-27-3 Residensi St Mary No. 1, Jalan Tengah, 50250 Kuala Lumpur	Service residence	Freehold land	8	340	3,000	R: 31.1.2020	Yinson Mawar Sdn Bhd
Unit C1-27-1 Residensi St Mary No. 1, Jalan Tengah, 50250 Kuala Lumpur	Service residence	Freehold land	8	555	4,156	R: 31.1.2020	Yinson Mawar Sdn Bhd
Unit C1-27-2 Residensi St Mary No. 1, Jalan Tengah, 50250 Kuala Lumpur	Service residence	Freehold land	8	340	2,553	R: 31.1.2020	Yinson Mawar Sdn Bhd
Unit C2-27-1 Residensi St Mary No. 1, Jalan Tengah, 50250 Kuala Lumpur	Service residence	Freehold land	8	340	2,553	R: 31.1.2020	Yinson Mawar Sdn Bhd
Unit C2-27-2 Residensi St Mary No. 1, Jalan Tengah, 50250 Kuala Lumpur	Service residence	Freehold land	8	340	2,553	R: 31.1.2020	Yinson Mawar Sdn Bhd


ABIGAIL-JOSEPH
MAJURO

8

ANNUAL GENERAL MEETING

346 Notice of Annual General Meeting
353 Administrative details
Form of Proxy

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the TWENTY-SEVENTH ANNUAL GENERAL MEETING ("27th AGM") of YINSON HOLDINGS BERHAD will be held on a fully virtual basis at the broadcast venue: **Pullman Studio 3, Level 3, Pullman Kuala Lumpur Bangsar, No. 1, Jalan Pantai Jaya, Tower 3, 59200 Kuala Lumpur, Malaysia** on **Thursday, 16 July 2020 at 10.00 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 2020 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 2020.	**Ordinary Resolution 1**
3.	To approve the payment of Directors' fees of RM1,473,333.34 for the financial year ended 31 January 2020.	**Ordinary Resolution 2**
4.	To approve the payment of Directors' benefits of up to RM311,000.00 for the period from 17 July 2020 until the next Annual General Meeting of the Company to be held in 2021.	**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 Chern Yuan	**Ordinary Resolution 4**
	(ii) Raja Datuk Zaharaton binti Raja Zainal Abidin	**Ordinary Resolution 5**
	(iii) Dato' Wee Hoe Soon @ Gooi Hoe Soon	**Ordinary Resolution 6**
6.	To re-elect the following Directors who are retiring by rotation in accordance with Clause 101 of the Constitution of the Company and being eligible, have offered themselves for re-election.	
	(i) Puan Rohaya binti Mohammad Yusof	**Ordinary Resolution 7**
	(ii) Puan Sharifah Munira bt. Syed Zaid Albar	**Ordinary Resolution 8**
7.	To re-appoint PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 31 January 2021 and to authorise the Directors to fix their remuneration.	**Ordinary Resolution 9**
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 10**

"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 11**

"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.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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 DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of shareholders at the 27th AGM of the Company to be held on Thursday, 16 July 2020, a Final Single Tier Dividend of 2 sen per ordinary share in respect of the financial year ended 31 January 2020 will be paid on 28 August 2020 to the shareholders of the Company whose names appear in the Record of Depositors on 6 August 2020. The entitlement date for the dividend payment is on 6 August 2020.

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 6 August 2020 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 (202008001472) (MAICSA 7001358)
TAN BEE HWEE (202008001497) (MAICSA 7021024)
LEE POH YEAN (202008002980) (MAICSA 7015043)
Company Secretaries

Kuala Lumpur
29 May 2020

Notes:

1. As part of the initiatives to curb the spread of Covid-19, the 27th AGM of the Company will be conducted on a fully virtual basis by way of live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities available on **Securities Services e-Portal** of Securities Services (Holdings) Sdn. Bhd. at www.sshsb.net.my/login. Please follow the procedures provided in the 'Administrative details' section for the 27th AGM in order to register, participate and vote remotely via the RPV facilities.

2. The broadcast venue of the 27th AGM is strictly for the purpose of complying with Section 327(2) of the Act and Clause 49(E) of the Company's Constitution which stipulate that the Chairman shall be at the main venue. No Shareholders/proxy(ies) from the public shall be physically present at the broadcast venue.

3. 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/her stead. A proxy may, but need not, be a member of the Company.

4. 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.

5. 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 accounts it holds.

6. Where an authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

7. 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.

8. The appointment of proxy may be made in a hardcopy form or by electronic means as follows:

   (i) Via hardcopy form

   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, Malaysia not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

(ii) Via online system

The instrument appointing a proxy can be electronically submitted to the Share Registrar via **Securities Services e-Portal** at www.sshsb.net.my/login (Kindly refer to the 'Administrative details' section for the 27th AGM for further information).

9. 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.

10. Depositors who appear in the Record of Depositors as at 9 July 2020 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 RESOLUTIONS 2 & 3 – DIRECTORS' FEES AND BENEFITS

In March 2020, the Nominating and Remuneration Committee ("NRC") had reviewed the fees and benefits of the Board of Directors ("Board") and Board Committees taking into consideration the market trends for similar positions, time commitment and responsibilities of the respective Directors. No revision of Directors' fees and benefits have been recommended by the NRC and the structure of Directors' fees and benefits remained as follows:

Type of Fees	RM
Board 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 2020 are set out in the Corporate Governance Overview Statement as contained within the Annual Report 2020.

Payment of the Directors' fees for the financial year ended 31 January 2020 amounting to RM1,473,333.34 will be made by the Company if the proposed Ordinary Resolution 2 is passed at the 27th AGM.

Payment of the Directors' benefits will be made by the Company as and when incurred if the proposed Ordinary Resolution 3 is passed at the 27th AGM.

3. ORDINARY RESOLUTIONS 4, 5 & 6 – RE-ELECTION OF DIRECTORS WHO RETIRE IN ACCORDANCE WITH CLAUSE 96 OF THE CONSTITUTION OF THE COMPANY

Mr Lim Chern Yuan, Raja Datuk Zaharaton binti Raja Zainal Abidin and Dato' Wee Hoe Soon @ Gooi Hoe Soon are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 27th AGM.

The Board has, through the NRC, considered the assessment of the Directors and collectively agreed that they meet the criteria as prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors.

The Board has also through the NRC, conducted an assessment on Raja Datuk Zaharaton binti Raja Zainal Abidin and Dato' Wee Hoe Soon @ Gooi Hoe Soon's independence and are satisfied that they have complied with the criteria prescribed by the MMLR and Malaysian Code on Corporate Governance 2017.

4. ORDINARY RESOLUTIONS 7 & 8 – RE-ELECTION OF DIRECTORS WHO RETIRE IN ACCORDANCE WITH CLAUSE 101 OF THE CONSTITUTION OF THE COMPANY

Clause 101 of the Constitution provides that any Director so appointed shall hold office only until the conclusion of the next following Annual General Meeting and shall be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Puan Rohaya binti Mohammad Yusof and Puan Sharifah Munira bt. Syed Zaid Albar were appointed as Non-Independent Non-Executive Director and Independent Non-Executive Director of the Company respectively on 1 January 2020.

5. ORDINARY RESOLUTION 9 – RE-APPOINTMENT OF AUDITORS

The Board, with Audit Committee's recommendation, at its meeting held on 28 April 2020 endorsed for the re-appointment of PricewaterhouseCoopers PLT as External Auditors of the Company for the financial year ending 31 January 2021 be presented to the shareholders for approval.

EXPLANATORY NOTES ON SPECIAL BUSINESS:

6. ORDINARY RESOLUTION 10 – AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE ACT

The proposed Ordinary Resolution 10 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 27th AGM, 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.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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-Sixth Annual General Meeting of the Company held on 11 July 2019 and the mandate will lapse at the conclusion of the 27th AGM. A renewal of this authority is being sought at the 27th AGM.

7. ORDINARY RESOLUTION 11 – PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The proposed Ordinary Resolution 11, if passed will empower the Company to purchase its own ordinary shares up to ten percent (10%) of the total number of issued shares of the Company (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.

Please refer to the Statement to Shareholders in relation to the Proposed Renewal of Share Buy-Back Authority dated 29 May 2020 accompanying Annual Report 2020 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 27th AGM.

ADMINISTRATIVE DETAILS

For the 27th Annual General Meeting

In light of the Covid-19 pandemic, the 27th AGM of the Company shall be conducted on a fully virtual basis by way of live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities. The meeting will be conducted online (without a physical meeting venue) and shareholders will participate by audio and/or video capabilities. The only venue involved is the broadcast venue which will only admit individuals who are essential to organising the fully virtual general meeting. This is done out of concern for the health and wellbeing of the Shareholders of the Company.

Yinson shall conduct a fully virtual general meeting for its 27th AGM on the date, time and at the broadcast venue as set out below:

Date	:	**Thursday, 16 July 2020**
Time	:	**10.00 a.m. (Malaysia time)**
Broadcast venue	:	**Pullman Studio 3, Level 3, Pullman Kuala Lumpur Bangsar, No. 1, Jalan Pantai Jaya, Tower 3, 59200 Kuala Lumpur, Malaysia**

We have provided the broadcast venue address above to comply to Section 327 of the Companies Act 2016 and Clause 49 of the Company's Constitution. **Shareholders/proxies from the public should not be physically present, and will not be admitted, at the broadcast venue on the day of the 27th AGM.**

ADMINISTRATIVE GUIDE OF FULLY VIRTUAL GENERAL MEETING

Remote Participation and Voting at a fully virtual AGM

1. Shareholders shall attend the 27th AGM through the **Securities Services e-Portal** accessible at **www.sshsb.net.my/login.**

   Securities Services e-Portal is a secure online platform provided by **SS E Solutions Sdn. Bhd.**, whom Yinson has engaged to allow individual and body corporate shareholders, through their appointed representatives, to:

   - Submit proxy forms electronically – paperless submission
   - Register for remote participation and voting at meetings
   - Attend and participate in meetings via live streaming
   - Vote online on resolutions tabled at meetings
   (collectively referred to as "e-Services")

   All users are to read, agree and abide to all the Terms and Conditions of Use and Privacy Policy as required throughout the Securities Services e-Portal.

2. With the RPV facilities, you may exercise your right as a shareholder of the Company to participate and vote at the 27th AGM through the e-Services, from the comfort of your home. Shareholders may use the text box to submit questions real time during the meeting. Shareholders may also send questions relating to AGM agenda items before the meeting to corpcomms@yinson.com.

General Meeting Record of Depositors ("ROD")

3. The Company has requested Bursa Malaysia Depository Sdn Bhd to issue a General Meeting ROD as at **9 July 2020**. Only a depositor whose name appears on the aforesaid ROD shall be entitled to attend the 27th AGM or appoint proxies to attend and/or vote on his/her behalf.

ADMINISTRATIVE DETAILS (CONT'D)

For the 27th Annual General Meeting

Proxy

4. If a shareholder is not able to attend the AGM via RPV facilities on 16 July 2020, he/she can appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy. Please submit your Form of Proxy to the Share Registrar by fax to +603-2094 9940 or by email to **eservices@sshsb.com.my**. Alternatively, you may submit an e-Proxy Form via **Securities Services e-Portal**, no later than **10.00 a.m.** on **Tuesday, 14 July 2020**.

   A shareholder who has appointed a proxy may revoke his/her appointment should he/she decide to personally participate in the AGM subsequently. Please contact the Share Registrar no later than **10.00 a.m.** on **Tuesday, 14 July 2020** to request revocation.

Poll Voting

5. The voting at the 27th AGM will be conducted by poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements. Shareholders can submit votes on the resolutions upon commencement of the AGM at **10.00 a.m.** on **Thursday, 16 July 2020** until the end of the voting session which will be announced by the Chairman of the meeting. Upon completion of the voting session, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration on whether the resolutions are duly passed.

Remote Participation and Voting ("RPV")

6. Corporate Shareholder or its authorised representative who wish to participate and vote remotely at the AGM must contact the Share Registrar [refer to contact persons in Item 9] and will be required to provide the following documents to the Share Registrar no later than **10.00 a.m.** on **Tuesday, 14 July 2020**:

   (a) Original certificate of appointment of its Corporate Representative under the seal of the corporation;
   (b) Copy of the Corporate Representative's MyKad (front and back separately) or valid Passport; and
   (c) Corporate Representative's email address and mobile number.

   The Share Registrar will respond to your remote participation request upon receipt of these documents.

7. For the beneficiary who holds shares of the Company under a Nominee Company's Central Depository System ("CDS") account, and who wishes to use the RPV facilities to participate and vote at the AGM remotely, he/she can request his/her Nominee Company to appoint him/her as a proxy. In this respect, he/she must contact the Share Registrar and will be required to provide the following documents to the Share Registrar no later than **10.00 a.m.** on **Tuesday, 14 July 2020**:

   (a) Duly executed Form of Proxy by the Nominee Company;
   (b) Copy of the proxy holder's MyKad (front and back separately) or valid Passport; and
   (c) Proxy holder's email address and mobile number.

   The Share Registrar will respond to your remote participation request upon receipt of these documents.

8. The procedures for the RPV facilities are summarised below:

	Procedures	Action
	BEFORE AGM	
(i)	Register as a **USER** with **Securities Services e-Portal**	• Log on to **www.sshsb.net.my/login**. • Click on '**REGISTER NOW**' to register. You will be prompted to submit a copy of your MyKad (front and back separately) or valid Passport for verification purposes. • Users must register before **10.00 a.m.** on **Monday, 13 July 2020**. • You will receive a **notification email** within one (1) working day. Your email address is your user ID. • Verify your user account within seven (7) days from receiving the notification email. • **This is a ONE-TIME registration.** If you are already a registered user of **Securities Services e-Portal**, you are not required to register again.
(ii)	Submit your request for **RPV registration/ e-Proxy Form**	• Registration will be opened from **10.00 a.m.** on **Monday, 1 June 2020** until **10.00 a.m.** on **Tuesday, 14 July 2020.** • Registration options **(a) RPV registration** - Login with your user ID and password. - Select Company name: **Yinson Holdings Berhad – 27th AGM on Thursday, 16 July 2020 at 10.00 a.m. – Registration for Remote Participation.** - Click "**>**" to register for remote participation at the 27th AGM. **(b) Submission of e-Proxy Form** - Login in with your user ID and password. - Select Company name: **Yinson Holdings Berhad – 27th AGM on Thursday, 16 July 2020 at 10.00 a.m. – Submission of Proxy Form.** - Click "**>**" to submit your e-Proxy Form for the meeting. - Appointed proxies need not register for remote participation, but they will need to be registered users of the **Securities Services e-Portal** before **10.00 a.m.** on **Monday, 13 July 2020.** - The proxy will be given access to remote participation at the meeting to which he/she is appointed for. • **Upon registering with option (a) or (b):** - Select **individual shareholder/corporate/authorised representative of a body corporate.** - Insert **EVERY** CDS account number and indicate the number of shares accordingly. - Submit your remote participation/e-Proxy Form. - You will receive a **notification email** acknowledged receipt your remote participation/e-Proxy Form. - After the General Meeting ROD as at **9 July 2020**, you will receive an email that will advise if your registration for remote participation/e-Proxy Form has been **approved or rejected**. - A copy of your remote participation/e-Proxy Form can be accessed via **My Records** in the **Securities Services e-Portal**. - Read and agree to the Terms & Conditions and confirm the Declaration.

ADMINISTRATIVE DETAILS (CONT'D)

For the 27th Annual General Meeting

	Procedures	Action

(ii)	Submit your request for **RPV registration/ e-Proxy Form**	• **Evidence of authority:**
		- For body corporates, the appointed corporate/authorised representative must upload the evidence of authority, such as:
		  - Certificate of Appointment of Corporate Representative, Power of Attorney, letter of authority or other documents proving authority.
		  - Documents that are not in English or Bahasa Malaysia must be accompanied by a certified translation in English in one (1) file. For verification, the **original evidence** of authority and translation thereof, if required, must be submitted to:
		
		Share Registrar at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia.

	ON THE AGM DAY	
(iii)	Login to **Securities Services e-Portal**	• Login with your user ID and password for remote participation. • Login 20 minutes before the commencement of AGM at **10.00 a.m.** on **Thursday, 16 July 2020.**
(iv)	Submit questions through live streaming	• Select "**Event**". • Select Company name: **Yinson Holdings Berhad – 27th AGM on Thursday, 16 July 2020 at 10.00 a.m. – Live Stream Meeting.** • Click "**>**" to join the 27th AGM remotely. • Read and agree to the Terms & Conditions and confirm the Declaration. • Use the text box to submit a question for the Chairman/Board. Your questions will be responded to during the AGM. If there is time constraint, the responses will be emailed to you after the meeting. • NOTE: Quality of the live streaming is dependent on the bandwidth and stability of the internet connection of the remote participants' location.
(v)	Online remote voting	• Select "**Event**". • Select Company name: **Yinson Holdings Berhad – 27th AGM on Thursday, 16 July 2020 at 10.00 a.m. – Remote Voting.** • Click the radio button against each resolution to review and confirm your vote, then click "**>**" to submit your votes online for the resolutions tabled. • Voting commences at **10.00 a.m.** on **Thursday, 16 July 2020** and will end at the time announced by the Chairman. • Read and agree to the Terms & Conditions and confirm the Declaration prior to submitting your votes. • Your votes casted will apply throughout **ALL** the CDS accounts you represent as an individual shareholder, corporate/authorised representative and proxy. Where you are attending as a proxy, we will take the shareholder's indicated votes in the Form of Proxy. • A copy of your submitted remote voting record can be accessed via **My Records** in the **Securities Services e-Portal**.
(vi)	End of remote participation	• Upon the announcement by the Chairman on the closure of the 27th AGM, the live streaming will end.

Enquiry

9. For enquiries prior to the AGM, please contact Corporate Secretary Department of Yinson 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	:	**Securities Services (Holdings) Sdn. Bhd.**
Contact person	:	Mr Wong Piang Yoong +603 2084 9168 Mr Yeow Lip Lin +603 2084 9006 Mr Jerry Tan Hor Seng +603 2084 9165 Puan Nurhayati Ang +603 2084 9162 Encik Hisham bin Hashim +603 2084 9161
Email address	:	eservices@sshsb.com.my

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YINSON HOLDINGS BERHAD
199301004410 (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-Seventh Annual General Meeting ("27th AGM") of the Company to be held on a fully virtual basis at the broadcast venue: **Pullman Studio 3, Level 3, Pullman Kuala Lumpur Bangsar, No. 1, Jalan Pantai Jaya, Tower 3, 59200 Kuala Lumpur, Malaysia** at **10.00 a.m.** on **Thursday, 16 July 2020**. and at any adjournment thereof, and to vote as indicated below:

Item	**Agenda**			
1.	To receive the Audited Financial Statements for the financial year ended 31 January 2020 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 2020	2		
4.	Payment of Directors' benefits for the period from 17 July 2020 until the next Annual General Meeting to be held in 2021	3		
5.	Re-election of Mr Lim Chern Yuan as Director	4		
6.	Re-election of Raja Datuk Zaharaton binti Raja Zainal Abidin as Director	5		
7.	Re-election of Dato' Wee Hoe Soon @ Gooi Hoe Soon as Director	6		
8.	Re-election of Puan Rohaya binti Mohammad Yusof as Director	7		
9.	Re-election of Puan Sharifah Munira bt. Syed Zaid Albar as Director	8		
10.	Re-appointment of PricewaterhouseCoopers PLT as Auditors	9		
Special Business				
11.	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016	10		
12.	Proposed Renewal of Share Buy-Back Authority	11		

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 ______________ 2020

____
*Signature/Common Seal of Shareholder
** Delete if not applicable*

Notes:

1. As part of the initiatives to curb the spread of Covid-19, the 27th AGM of the Company will be conducted on a fully virtual basis by way of live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities available on **Securities Services e-Portal** of Securities Services (Holdings) Sdn. Bhd. at www.sshsb.net.my/login. Please follow the procedures provided in the 'Administrative details' section for the 27th AGM in order to register, participate and vote remotely via the RPV facilities.
2. The broadcast venue of the 27th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 49(E) of the Company's Constitution which stipulate that the Chairman shall be at the main venue. No Shareholders/ proxy(ies) from the public shall be physically present at the broadcast venue.
3. 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/her stead. A proxy may, but need not, be a member of the Company.
4. 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.
5. 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 accounts it holds.
6. Where an authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
7. 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.

Please fold here to seal

Affix Postage Stamp

The Share Registrar
YINSON HOLDINGS BERHAD
199301004410 (259147-A)
c/o **Securities Services (Holdings) Sdn. Bhd.**
Level 7, Menara Milenium, Jalan Damanlela
Pusat Bandar Damansara, Damansara Heights
50490 Kuala Lumpur, Malaysia

Please fold here to seal

8. The appointment of proxy may be made in a hardcopy form or by electronic means as follows:
   (i) Via hardcopy form

   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, Malaysia not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

   (ii) Via online system

   The instrument appointing a proxy can be electronically submitted to the Share Registrar of the Company via **Securities Services e-Portal** at www.sshsb.net.my/ login (Kindly refer to the 'Administrative details' section for the 27th AGM for further information).
9. 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.
10. Depositors who appear in the Record of Depositors as at 9 July 2020 shall be regarded as member of the Company entitled to attend the 27th AGM or appoint a proxy to attend, speak and vote on his/her behalf.

LIST OF ABBREVIATIONS

"AAPG"	Audit and Assurance Practice Guide
"ABAC"	Anti-Bribery and Anti-Corruption
"AGM"	Annual General Meeting
"AI"	Artificial Intelligence
"ALM"	Asset Lifecycle Management
"Board"	Board of Directors
"Bursa Securities" or "Bursa Malaysia"	Bursa Malaysia Securities Berhad
"CEO"	Chief Executive Officer
"CG"	Corporate governance
"CMMS"	Computerised Maintenance Management System
"COBE"	Code of Conduct and Business Ethics
"COPQ"	Cost of Poor Quality
"CSR"	Corporate Social Responsibility
"DPO"	Data Protection Officer
"EPS"	Earnings per share
"EBITDA"	Earnings before interest, tax, depreciation & amortisation
"ECA"	Export Credit Agency
"EGM"	Extraordinary General Meeting
"EHL"	Ezion Holdings Limited
"EPF"	Employees Provident Fund
"ERM"	Enterprise Risk Management
"ERP"	Enterprise Resource Planning
"ESG"	Environmental, Social and Governance
"ESS"	Employees' Share Scheme
"FAC"	First Aid Case
"FEED"	Front End Engineering Design
"FIRST E&P"	First Exploration & Petroleum Development Company Limited
"FPSO"	Floating production storage and offloading
"FPSO JAK"	FPSO John Agyekum Kufuor
"FSO"	Floating storage and offloading
"FYE"	Financial year ending/ended
"GDPR"	General Data Protection Regulation
"GRI"	Global Reporting Initiative
"HLR"	Human and Labour Rights
"HR"	Human Resource/Human Resources
"HSE"	Health, Safety and Environment
"HSEQ"	Health, Safety, Environment and Quality
"IMO"	International Maritime Organisation
"<IR> Framework"	International Integrated Reporting Framework 2013
"IT"	Information Technology
"JX Nippon"	JX Nippon Oil & Gas Exploration (Malaysia) Limited
"KL"	Kuala Lumpur
"L.E.A.P"	League of Extraordinary Apprentices Programme
"LOI"	Letter of Intent
"LOPC"	Loss of Primary Containment
"LTI"	Lost Time Injury
"MARPOL"	International Convention for the Prevention of Pollution from Ships
"MC"	Management Committee
"MCCG"	Malaysian Code on Corporate Governance 2017
"MMLR"	Main Market Listing Requirements
"MOPU"	Mobile Offshore Production Unit
"MTC"	Medical Treatment Case
"OPEC"	Organization of the Petroleum Exporting Countries
"OSV"	Offshore Support Vessel
"PAT"	Profit After Tax
"PATAMI"	Profit After Tax and Minority Interest
"PBT"	Profit Before Tax
"PDPA"	Personal Data Protection Act
"Petrobras"	Petróleo Brasileiro S.A.
"PTSC"	PetroVietnam Technical Services Corporation
"PPE"	Personal Protective Equipment
"PwC"	PricewaterhouseCoopers PLT
"RPA"	Robotics Process Automation
"RSE"	Rising Sun Energy Private Limited
"RWC"	Restricted Work Case
"SC"	Sustainability Committee
"SDG"	Sustainable Development Goal
"SLF"	Sustainability-linked financing
"STCW"	Standards of Training, Certification and Watchkeeping
"Sumitomo"	Sumitomo Corporation
"TFM"	Teach For Malaysia
"the Company"	Yinson Holdings Berhad
"the Fed"	The Federal Reserve
"TMS"	Treasury Management System
"TRI"	Total Recordable Incident
"UAUC"	Unsafe Act Unsafe Condition
"VRP"	Vendor Registration Platform
"Yinson" or "the Group"	Yinson and its subsidiaries

WWW.YINSON.COM

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