





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	Company
	RM'000	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 31.1.2020
	Outstanding as at 1.2.2019	Exercised	Lapsed	
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 31.1.2020
	Outstanding as at 1.2.2019	Exercised	Lapsed	
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 31.1.2020
	Outstanding as at 1.2.2019	Granted	Lapsed	
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 31.1.2020
	Outstanding as at 1.2.2019	Granted	Lapsed	
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 Joeeh	
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			31.1.2020
	1.2.2019	Acquired	Sold	
Shares in the Company				
<i>Direct interest:</i>				
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
<i>Indirect interest:</i>				
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				
<i>Direct interest:</i>				
Lim Han Weng	1,020,000	2,450,000	-	3,470,000
Lim Chern Yuan	880,000	1,000,000	-	1,880,000
<i>Indirect interest:</i>				
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

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 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

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 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

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 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	Attributable to owners of the Company										Total equity	
	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
RM'000	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 31)	(Note 45)	(Note 45)	(Note 45)	(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	Attributable to owners of the Company										Total equity	
	Share capital	Treasury shares	Foreign currency translation reserve	Cash flows hedge reserve	Share-based option reserve	Capital reserve	Put option reserve	Retained earnings	Total subsidiaries	Perpetual securities of subsidiaries		Non-controlling interests
RM'000	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)				
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		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	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		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	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

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 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
<u>Cash inflows/(outflows)</u>				
Finance costs paid		(120,813)	-	(120,813)
Drawdown		788,399	-	788,399
Repayment		(864,476)	-	(864,476)
<u>Other changes</u>				
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
<u>Cash inflows/(outflows)</u>				
Finance costs paid		(181,243)	(1,925)	(183,168)
Drawdown		1,248,691	-	1,248,691
Repayment		(556,011)	(9,490)	(565,501)
<u>Other changes</u>				
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
<u>Cash inflows/(outflows)</u>					
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
<u>Other changes</u>					
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
<u>Cash inflows/(outflows)</u>					
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
<u>Other changes</u>					
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
<u>Consolidated Statement of Financial Position</u>			
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
<u>Company Statement of Financial Position</u>			
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 Group RM'000	Depreciation expense Group 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
<u>Revenue from contracts with customers</u>				
FPSO support services fees	140,806	239,105	-	-
Management fee income	15,531	2,614	40,825	45,792
<u>Revenue from other sources</u>				
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
<u>Additional disclosures</u>				
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 EXPENSEMajor 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 RM'000	2019 RM'000
<i>Basic earnings per share</i>		
Profit attributable to owners of the Company used in the computation of basic earnings per share	209,909	234,896
<i>Diluted earnings per share</i>		
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 Sen	Amount of dividend RM'000	Dividend per ordinary share Sen	Amount of dividend RM'000
Interim single tier dividend in respect of the financial year ended:				
- 31 January 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 barges, and tugboats, 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	Offshore Marine - OSVs	Offshore barges, and tugboats, 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
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:

	<u>Valuation technique</u>	<u>Significant unobservable input</u>	
		<u>Price per square foot</u>	
		<u>RM/psf</u>	
		<u>2020</u>	<u>2019</u>
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

<u>Group</u>	<u>Computer software</u>	<u>Contract rights*</u>	<u>Trademark</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
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)

	Computer software	Contract rights*	Trademark	Total
Accumulated amortisation	RM'000	RM'000	RM'000	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	Trademark	Total
	RM'000	RM'000	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		Principal activities
		2020	2019	
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		Principal activities
		2020	2019	
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 ^(vi)	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		Principal activities
		2020	2019	
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		Principal activities
		2020	2019	
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		Principal activities
		2020	2019	
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		Principal activities
		2020	2019	
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. ⁽ⁱⁱ⁾⁽ⁱ⁾	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		Principal activities
		2020	2019	
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		Principal activities
		2020	2019	
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:

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	2019
	RM'000	RM'000
<i>Unquoted shares at cost</i>		
- 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	2019
	RM'000	RM'000
<i>Unquoted shares at cost:</i>		
- Outside Malaysia	119,526	119,526

Details of joint ventures are as follows:

Name of joint ventures	Countries of incorporation	Proportion (%) of ownership interest		Principal activities
		2020	2019	
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		Principal activities
		2020	2019	
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	2019
	RM'000	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	2019
	RM'000	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	2019
	RM'000	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	2019	2020	2019
	RM'000	RM'000	RM'000	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		Principal activities
		2020	2019	
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
	RM'000	RM'000	RM'000	RM'000
Current:				
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):				
- 1 st tranche (RM)	0.65	0.45	0.72	0.90
- 2 nd tranche (RM)	0.71	0.70	0.88	1.13
- 3 rd 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	At start of the financial year	Granted	Exercised	Lapsed	At end of the financial year
RM	'000	'000	'000	'000	'000	'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 occurrence 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:				
<u>Secured</u>				
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
<u>Unsecured</u>				
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:				
<u>Secured</u>				
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	On demand or within one year	More than		
					1 year and less than 2 years	2 years and less than 5 years	5 years or more
			RM'000	RM'000	RM'000	RM'000	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	On demand or within one year	More than			RM'000
					1 year 2 years	and less than 5 years	2 years 5 years or more	
			RM'000	RM'000	RM'000	RM'000	RM'000	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	Dominated currency	Total carrying amount	On demand or within one year	More than 1 year and less than 2 years	More than 2 years and less than 5 years	More than 5 years or more
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	2019	2020	2019
	RM'000	RM'000	RM'000	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	2019
	RM'000	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			Total
	Quoted prices in active market Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	
	RM'000	RM'000	RM'000	RM'000
At 31 January 2020				
<i>Non-financial asset:</i>				
Investment properties	-	-	17,708	17,708
<i>Financial asset:</i>				
Other investments	-	202,332	-	202,332
<i>Financial liability:</i>				
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			Total RM'000
	Quoted prices in active market Level 1 RM'000	Significant observable inputs Level 2 RM'000	Significant unobservable inputs Level 3 RM'000	
At 31 January 2019				
<i>Non-financial asset:</i>				
Investment properties	-	-	20,108	20,108
<i>Financial assets:</i>				
Interest rate swaps	-	893	-	893
Other investments	-	72,226	-	72,226
<i>Financial liability:</i>				
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
<u>Financial assets</u>				
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
<u>Financial liabilities</u>				
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	2019
		RM'000	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 $PD \times LGD \times EAD$ 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
<u>Other receivables</u>				
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
<u>Tax recoverable</u>				
Gross carrying amount	66	-	2,069	2,135
Accumulated impairment loss	-	-	(2,069)	(2,069)
Net carrying amount	66	-	-	66
<u>Cash and bank balances</u>				
Gross/net carrying amount	1,276,190	-	-	1,276,190
<u>Finance lease receivables</u>				
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
<u>Other receivables</u>				
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
<u>Tax recoverable</u>				
Gross carrying amount	3,703	-	3,686	7,389
Accumulated impairment loss	-	-	(3,686)	(3,686)
Net carrying amount	3,703	-	-	3,703
<u>Cash and bank balances</u>				
Gross/net carrying amount	1,217,279	-	-	1,217,279
<u>Finance lease receivables</u>				
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
<u>Other receivables (excluding amounts due from subsidiaries)</u>				
Gross/net carrying amount	3,005	-	-	3,005
<u>Amounts due from subsidiaries</u>				
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
<u>Cash and bank balances</u>				
Gross/net carrying amount	69,153	-	-	69,153

2019

<u>Other receivables (excluding amounts due from subsidiaries)</u>				
Gross/net carrying amount	1,736	-	-	1,736
<u>Amounts due from subsidiaries</u>				
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
<u>Cash and bank balances</u>				
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)
	<u>1,020,721</u>	<u>14,178</u>	<u>1,034,899</u>
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			<u>264,379</u>
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

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.

Key audit matters	How our audit addressed the key audit matters
<p>Significant judgements used to evaluate for impairment indicators and assessing the carrying value of vessels</p> <p><i>Refer to Note 5(d) and Note 16(g) to the financial statements.</i></p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>Audit procedures performed over this key audit matter were as follows:</p> <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> o Checked that the valuation methodologies have been consistently applied from prior years and across the Group; o 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; o 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; o 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; o Tested the mathematical accuracy of the VIU calculations prepared by management; and o Evaluated the adequacy of the Group's disclosures included in Note 16(g) of the consolidated financial statements. <p>As a result of our work, no material exceptions were noted.</p>

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
<p>Lease Commencement of FPSO Helang</p> <p><i>Refer to Note 5(b), Note 6, Note 7 and Note 33(a) to the financial statements.</i></p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>Audit procedures performed over this key audit matter were as follows:</p> <ul style="list-style-type: none"> • 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. <p>As a result of our work, no material exceptions were noted.</p>

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
<p>Assessing the impact of expected credit loss ("ECL") on the trade receivables of the Group</p> <p><i>Refer to Note 5(c), Note 24 and Note 42(b) to the financial statements.</i></p> <p>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.</p> <p>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).</p> <p>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.</p> <p>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.</p>	<p>In assessing the recoverable amount of trade receivables, we performed the following audit procedures:</p> <ul style="list-style-type: none"> • 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. <p>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.</p>

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
<p>Assessing the carrying value of equity investments in subsidiaries and amounts receivable from subsidiaries</p> <p><i>Refer to Note 19 and Note 24 to the financial statements.</i></p> <p>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.</p> <p>(a) Equity investment in subsidiaries</p> <p>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.</p> <p>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.</p> <p>(b) Amounts receivable from subsidiaries</p> <p>During the current financial year, the amounts receivable from subsidiaries were impaired by RM4.2 million as a result of applying ECL.</p> <p>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.</p>	<p>(a) Equity investments in subsidiaries</p> <p>In assessing the recoverable amounts of equity investments in subsidiaries, we performed the following audit procedures:</p> <ul style="list-style-type: none"> • 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. <p>(b) Amounts receivable from subsidiaries</p> <p>In assessing the ECL model on the amounts receivable from subsidiaries, we performed the following audit procedures:</p> <ul style="list-style-type: none"> • 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. <p>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.</p>

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 EXEMPT AN FOR BANK OF SINGAPORE LIMITED (LOCAL)	21,018,000	1.97
9	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YINSON LEGACY SDN BHD	20,500,000	1.92
10	PERMODALAN NASIONAL BERHAD INVESTMENT PROCESSING DEPT	19,807,700	1.86
11	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM HAN JOEH (MY2811)	19,757,800	1.86
12	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR YINSON LEGACY SDN BHD (PBCL-0G0763)	18,500,000	1.74
13	LIM HAN WENG	18,325,230	1.72
14	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	16,815,600	1.58
15	DB (MALAYSIA) NOMINEE (ASING) SDN BHD DEUTSCHE BANK AG SINGAPORE FOR LIANNEX CORPORATION (S) PTE LTD (MAYBANK SG)	13,680,000	1.28
16	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YINSON LEGACY SDN BHD	13,000,000	1.22
17	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM HAN WENG	12,727,272	1.20
18	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD UOB KAY HIAN CREDIT (M) SDN BHD FOR YINSON LEGACY SDN BHD	12,500,000	1.17
19	MAYBANK INVESTMENT BANK BERHAD IVT (10)	12,464,600	1.17
20	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LSF)	12,444,700	1.17
21	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR AFFIN HWANG MULTI-ASSET FUND 3	12,400,000	1.16
22	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YINSON LEGACY SDN BHD	12,000,000	1.13
23	YINSON LEGACY SDN BHD	10,462,759	0.98
24	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	10,193,700	0.96
25	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TRINITY VIEW SDN BHD	10,050,000	0.94

ANALYSIS OF SHAREHOLDINGS (CONT'D)

As at 6 May 2020

	NAME	NO. OF SHARES	%[^]
26	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	9,809,980	0.92
27	LIANNEX CORPORATION (S) PTE LTD	9,424,800	0.88
28	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM HAN JOEH (8085254)	8,705,600	0.82
29	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND	8,572,100	0.80
30	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ABERDEEN)	7,254,100	0.68
		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