IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES

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NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS DEFINED IN REGULATIONS S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS TO NON-U.S. PERSONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT.

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You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Offering Circular to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in the attached Offering Circular.

The materials relating to the offering of securities to which this Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licenced broker or dealer and the underwriters or any affiliate of the underwriters is a licenced broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer (as defined in this Offering Circular) in such jurisdiction.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Standard Chartered Bank (the "**Arranger**"), the Dealer(s) (as defined in this Offering Circular), any person who controls the Arranger or any Dealer, or any director, officer, employee or agent of the Arranger or any of the Dealers, or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between this Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Arranger and the Dealers.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature. You should not reply by e-mail to this notice, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

OFFERING CIRCULAR **CONFIDENTIAL**

YINSON JUNIPER LTD

(incorporated in the British Virgin Islands with limited liability)

U.S.$500,000,000
Multi-currency Perpetual Securities Programme
Unconditionally and irrevocably guaranteed by

Yinson Holdings Berhad

(*incorporated with limited liability under the laws of Malaysia*)

Under the U.S.$500,000,000 multi-currency perpetual securities Programme described in this Offering Circular (the "**Programme**"), Yinson Juniper Ltd (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue senior perpetual securities ("**Senior Securities**") and subordinated perpetual securities ("**Subordinated Securities**" and together with the Senior Securities, the "**Securities**") unconditionally and irrevocably guaranteed (the "**Guarantee of the Securities**") by Yinson Holdings Berhad (the "**Guarantor**") under the Programme.

Approval-in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in, and the quotation of, any Securities that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the Official List of the SGX-ST. In addition, at the relevant time of issue of the Securities which are agreed at or prior to the time of issue to be listed on the Official List of the SGX-ST, a separate application will be made to the SGX-ST for the permission to deal in, and quotation of, such Securities on the Official List of the SGX-ST. Such permission will be granted when the Securities have been admitted to the Official List of the SGX-ST. There is no assurance that the application to the SGX-ST for permission to deal in, and quotation of, the Securities of any Series (as defined herein) will be approved. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Offering Circular. The approval in-principle from, and admission to the Official List of, the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Group (as defined herein), the Programme and/or the Securities.

The Programme provides that Securities may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or market(s) as may be agreed between the Issuer, the Guarantor and the relevant Dealer. The Issuer may also issue unlisted Securities and/or Securities not admitted to trading on any market. The relevant Pricing Supplement in respect of the issue of any Securities will specify whether or not such Securities will be listed on the SGX-ST or any other stock exchange.

The Securities and the Guarantee of the Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state of the United States. Subject to certain exceptions, the Securities may not be offered or sold within the United States. The Securities are subject to certain restrictions on transfer, see "*Subscription and Sale*".

The Securities will be in registered form and be represented by a global certificate in registered form (each a "**Global Certificate**", one Global Certificate being issued in respect of each Securityholder's entire holding of Securities in registered form of one Series. Global Certificates may be deposited on the relevant issue date with a common depositary on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream**"). The provisions governing the exchange of interests in Registered Securities for other Registered Securities are described in "*Summary of Provisions Relating to the Securities while in Global Form*".

The aggregate nominal amount of Securities outstanding will not at any time exceed U.S.$500,000,000 (or its equivalent in other currencies), subject to increase as described herein. The Securities may be issued to any Dealer appointed under the Programme from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "**Relevant Dealer**" shall, in the case of an issue of Securities being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Securities.

The documents and information in relation to the Programme have been lodged with the Securities Commission Malaysia ("**SC Lodgement**") pursuant to the Guidelines on Unlisted Capital Markets Products under the Lodge and Launch Framework first issued on 9 March 2015 and revised on 16 January 2017. The SC Lodgement shall not be taken to indicate that the Securities Commission Malaysia (the "**SC**") recommends the subscription or purchase of the Securities under the Programme.

The Securities issued under the Programme may be rated or unrated. Where an issue of Securities is rated, such rating will be specified in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Investing in Securities issued under the Programme involves certain risks and may not be suitable for all investors. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the information contained in this Offering Circular and in the applicable Pricing Supplement and the merits and risks of investing in a particular issue of Securities in the context of their financial position and particular circumstances. Investors also should have the financial capacity to bear the risks associated with an investment in Securities. Investors should not purchase Securities unless they understand and are able to bear risks associated with Securities. Prospective investors should have regard to the factors described under the section headed "*Risk Factors*" in this Offering Circular.

Sole Arranger and Dealer

Standard Chartered Bank

The date of this Offering Circular is 12 July 2017

IMPORTANT NOTICE

Each of the Issuer and the Guarantor, having made all reasonable enquiries, confirms that, as at the date of this Offering Circular, (i) this Offering Circular contains all information with respect to the Issuer, the Guarantor and the Guarantor's subsidiaries taken as a whole (the "**Group**", "**we**", "**Yinson**" or "**us**") and the Securities which is material in the context of the Programme, (ii) the statements contained in it relating to the Issuer, the Guarantor and the Group in light of the circumstances in which they were made are in every material particular true and accurate and not misleading, (iii) the opinions and intentions expressed in this Offering Circular with regard to the Issuer, the Guarantor and the Group are honestly and reasonably made or held and have been reached after considering all relevant circumstances and are based on reasonable assumptions and are not misleading in any material respect, (iv) there are no other facts in relation to the Issuer, the Guarantor, the Group or the Securities, the omission of which would, in the context of the issue and offering of the Securities, make any statement in this Offering Circular misleading in any material respect and (v) all reasonable enquiries have been made by the Issuer and the Guarantor to ascertain such facts and to verify the accuracy of all such information and statements. The Issuer and the Guarantor accept full responsibility for the information contained in this Offering Circular.

Each Tranche of Securities will be issued on the terms set out herein under "*Terms and Conditions of the Securities*" (the "**Conditions**") as amended and/or supplemented by a document specific to such Tranche by a Pricing Supplement. This Offering Circular and any Pricing Supplement must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Securities, must be read and construed together with the relevant Pricing Supplement. This Offering Circular and any Pricing Supplement shall be read and construed on the basis that such documents are incorporated in and form part of this Offering Circular.

The distribution of this Offering Circular and any Pricing Supplement and the offering of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular and any Pricing Supplement comes are required by the Issuer, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Securities or the distribution of this Offering Circular and any Pricing Supplement in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Securities and the circulation of documents relating thereto, in certain jurisdictions, and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Securities and distribution of this Offering Circular and any Pricing Supplement, see "*Subscription and Sale*".

No person has been or is authorised by the Issuer, the Guarantor, the Arranger, the Dealers, the Trustee (as defined herein) or the Agents (as defined herein) to give any information or to make any representation other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Arranger, the Dealers, the Trustee or the Agents. Neither the delivery of this Offering Circular and any Pricing Supplement nor any offering, sale or delivery made in connection with the issue of the Securities shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer, the Guarantor, the Group or any of them since the date hereof or create any implication that the information contained herein is correct as at any date subsequent to the date hereof. This Offering Circular and any Pricing Supplement does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, the Arranger, the Dealers, the Trustee or the Agents to subscribe for or purchase any of the Securities and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

No representation or warranty, express or implied, is made or given by the Arranger, the Dealers, the Trustee or the Agents (or any of their respective affiliates, directors, officers, employees, representatives, agents and each person who controls any of them) as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Arranger, the Dealers, the Trustee or the Agents. None of the Arranger, the Dealers, the Trustee and the Agents has independently verified any of the information contained in this Offering Circular and can give assurance that this information is accurate, truthful or complete. This Offering Circular is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by any of the Issuer, the Guarantor, the Arranger, the Dealers, the Trustee or the Agents that any recipient of this Offering Circular should purchase the Securities. Each potential purchaser of the Securities should determine for itself the relevance of the information contained in this Offering Circular and its purchase of the Securities should be based upon such investigations with its own tax, legal and business advisers as it deems necessary.

To the fullest extent permitted by law, none of the Arranger, the Dealers, the Trustee or the Agents or any of their respective affiliates, directors or advisers accepts any responsibility for the contents of this Offering Circular. Each of the Arranger, the Dealers, the Trustee and the Agents and their respective affiliates, directors or advisers accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Offering Circular or any such statement. None of the Arranger, the Dealers, the Trustee or the Agents or any of their respective affiliates, directors or advisers undertakes to review the results of operations, financial condition or affairs of the Issuer, the Guarantor, or the Group during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Securities of any information coming to the attention of the Arranger, the Dealers, the Trustee or the Agents.

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF SECURITIES, THE DEALER OR DEALERS (IF ANY) (OR ANY PERSON(S) ACTING ON BEHALF OF THE DEALER OR DEALERS (IF ANY)) (THE "STABILISING MANAGERS") MAY OVER-ALLOT SECURITIES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE PRICE OF THE SECURITIES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL FOR A LIMITED PERIOD AFTER THE ISSUE DATE. HOWEVER, THERE IS NO OBLIGATION ON SUCH STABILISING MANAGER(S) TO DO THIS. SUCH STABILISING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME AND MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD. SUCH STABILISING SHALL BE IN COMPLIANCE WITH ALL APPLICABLE LAWS, REGULATIONS AND RULES.

In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the offering, including the merits and risks involved. See "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Securities.

Each person receiving this Offering Circular and any Pricing Supplement acknowledges that such person has not relied on the Arranger, the Dealers, the Trustee or the Agents or any person affiliated with the Arranger, the Dealers, the Trustee or the Agents in connection with its investigation of the accuracy of such information or its investment decision.

Unless otherwise indicated, all references in this Offering Circular to the "**Government**" are to the Government of Malaysia, all references to "**Singapore**" are to the Republic of Singapore, all references to the "**US**", "**U.S.**" or the "**United States**" are to the United States of America, its territories and possessions, any state of the United States and the District of Columbia, and all references to the "**Group**" are to the Guarantor and its subsidiaries.

Unless otherwise specified or the context requires, references herein to "**RM**", "**Malaysian Ringgit**" or "**Ringgit**" are to the lawful currency of Malaysia, references herein to "**Singapore dollars**" or "**S$**" are to the lawful currency of Singapore and references herein to "**U.S. dollars**", "**U.S.$**" or "**USD**" are to the lawful currency of the United States.

Market data and certain industry forecasts and statistics in this Offering Circular have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although this information is believed to be reliable, it has not been independently verified by the Issuer, the Guarantor, the Arranger, the Dealers, the Trustee, the Agents or their respective directors and advisers, and none of the Issuer, the Guarantor, the Arranger, the Dealers, the Trustee, the Agents and their respective directors and advisers makes any representation as to the accuracy or completeness of that information. Such information has been accurately reproduced herein and, as far as the Group is aware and is able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and none of the Issuer, the Guarantor, the Arranger, the Dealers, the Trustee, the Agents and their respective directors and advisers makes any representation as to the accuracy or completeness of this information. The industry in which we operate is subject to a high degree of uncertainty and risks due to a variety of factors, including those described under "*Risk Factors*." These and other factors could cause results to differ materially from the information contained in such publications, surveys, forecasts and market research. In addition, third party information providers may have obtained information from market participants and such information may not have been independently verified.

In this Offering Circular, where information has been presented in thousands or millions of units, amounts may have been rounded. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and the actual numbers may differ from those contained herein due to rounding. References to information in billions of units are to the equivalent of a thousand million units.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER FINANCIAL DATA

Presentation of Financial Information

The Guarantor's consolidated financial statements as of and for Financial Year 2015 and as of and for Financial Year 2016, which are included elsewhere in this Offering Circular, have been audited by Ernst & Young in accordance with the Malaysian Financial Reporting Standards ("**MFRS**"), the International Financial Reporting Standards ("**IFRS**") and the Malaysian Companies Act 1965.

The Guarantor's consolidated financial statements as of and for Financial Year 2017, which are included elsewhere in this Offering Circular, have been audited by PricewaterhouseCoopers in accordance with the MFRS, the IFRS and the Malaysian Companies Act 2016.

The summary unaudited condensed consolidated financial information presented below as of and for First Quarter 2018 are extracted from the Guarantor's unaudited interim condensed consolidated financial information as at and for First Quarter 2018, have not been audited by Ernst & Young or PricewaterhouseCoopers, and should be read in conjunction with such unaudited condensed consolidated financial information, including the notes thereto, which are included elsewhere in this Offering Circular.

The summary unaudited condensed consolidated financial information as of and for First Quarter 2018 set forth below should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit. Neither the Arranger nor the Dealers make any representation or warranty, express or implied, regarding the sufficiency of such summary unaudited condensed consolidated financial information for an assessment of, and potential investors must exercise caution when using such data to evaluate the financial condition, operations and results of the Group. Such summary unaudited condensed consolidated financial information should not be taken as an indication of the expected financial condition, results of operations and results of Group for Financial Year 2018. See "*Risk Factors – Interim financial information of the Group contained in this Offering Circular have not been audited and reviewed".*

In addition, there may be different publicly available information about Malaysian public companies, such as the Guarantor, than is regularly made available by public companies in other jurisdictions. See "*Risk Factors – The audited and unaudited consolidated financial statements of the Group are prepared in accordance with MFRS, IFRS and the requirements of the Malaysian Companies Act 2016 (for Financial Year 2017) or the Malaysian Companies Act 1965 (for Financial Year 2015 and Financial Year 2016), which may differ in certain respects from generally accepted accounting principles ("GAAP") in other jurisdictions."*

Note on non-comparability

On 26 July 2016, the Group completed the sale of certain of its non-oil and gas businesses, namely its 100 per cent equity interest in Yinson Corporation Sdn Bhd, Yinson Transport (M) Sdn Bhd, Yinson Shipping Sdn Bhd, Yinson Power Marine Sdn Bhd and Yinson Overseas Limited, as part of the Group's plan to focus on its core offshore production and support business. See "*Description of the Guarantor and the Group – Overview and Background – Divestment of Non-O&G Business*". As a result, the Group's consolidated financial statements for Financial Year 2017 may not be directly comparable with its consolidated financial statements for the preceding financial years. See "*Risk Factors – The Group's consolidated financial statements for the financial year ended 31 January 2017 may not be directly comparable with its consolidated financial statements for the preceding financial years"* and Note 47 of the Group's audited consolidated financial statements for Financial Year 2017.

Presentation of continuing and discontinued operations in the Income Statements and Statements of Financial Position

In relation to the divestment of the Group's non-O&G businesses (the "**Divestment**") which was completed on 26 July 2016, MFRS 5 requires the Divestment to be disclosed as a separate component in the Group's consolidated financial information for Financial Year 2015, Financial

Year 2016 and Financial Year 2017. Assets and liabilities under the Divestment were included in the Group's statements of financial position as "assets of disposal group classified as held for sale" and "liabilities directly associated with the disposal group classified as held for sale" respectively. The results of the Divestment were included in the Group's income statements as "profit/(loss) for the year from discontinued operations".

Non-MFRS and non-IFRS Financial Measures

As used in this Offering Circular, a non-MFRS or non-IFRS financial measure is one that purports to measure historical or future financial performance, financial position or cash flows, but excludes or includes amounts that would not be so excluded or included in the most comparable MFRS or IFRS measures. References are made in this Offering Circular to such "non-MFRS or non-IFRS financial measures", primarily "adjusted core EBITDA," or "adjusted core earnings before interest, taxes and depreciation and amortisation", and has been computed by the Group to provide certain information on adjusted core EBITDA and adjusted net leverage which take into account core EBITDA or, as the case may be, debt, cash and bank balances from joint ventures of the Group, namely PTSC SEA, PTSC AP and ARO.

As there is no generally accepted method of calculating adjusted core EBITDA, this term, as used in this Offering Circular, is not necessarily comparable to similarly titled measures of other companies. Adjusted core EBITDA should not be considered in isolation from, or as an alternative to, profit before tax, cash flow from operations or other data prepared in accordance with MFRS or IFRS. Some of adjusted core EBITDA's limitations are:

- it does not reflect cash outlays for capital expenditures or contractual commitments;
- it does not reflect changes in, or cash requirements for, working capital;
- it does not reflect the interest expense, or the cash requirements necessary to service interest or principal payments on indebtedness;
- it does not reflect income tax expense or the cash necessary to pay income taxes;
- although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised will often have to be replaced in the future and EBITDA does not reflect cash requirements for such replacements; and
- other companies, including companies in the same industry as the Group, may calculate this measure differently than as presented in this Offering Circular, limiting the usefulness of this measure for comparative purposes.

Because of these limitations, adjusted core EBITDA and the related ratios should not be considered as measures of discretionary cash available to invest in business growth or to reduce indebtedness. For more information, see the financial statements and related note included elsewhere in this Offering Circular. For presentation of profit before tax as calculated under MFRS and IFRS and a reconciliation of our EBITDA, See "*Selected Financial Information of the Group – Other Financial Information*."

Further, such non-MFRS and non-IFRS financial measures have been derived from the audited consolidated financial statements for Financial Year 2017. However, it has been computed by the Group and has not been separately reviewed or audited by the Group's auditors. Consequently, the financial information set out below should not be relied upon by potential investors to provide the same quality of information associated with financial statements that has been subject to an audit or review. Potential investors must exercise caution when using such data to evaluate the Group's financial condition and results of operations. Potential investors should consider all the information in this Offering Circular, including the audited financials set out elsewhere in this Offering Circular, before making an investment decision relating to the Securities.

SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS

This Offering Circular contains forward-looking statements regarding the intent, belief or current expectations of the Issuer with respect to its financial condition and future results of operations. In many cases, but not all, words such as "anticipate", "believe", "estimate", "expect", "intend", "may", "plan", "probability", "project", "risk", "seek", "should", "target", "aims", "continue", "would", "will" and similar expressions are used in relation to the Issuer, the Guarantor or Group to identify forward-looking statements. Forward-looking statements may also be identified in discussions of strategy, plans or intentions. These statements reflect the current views of the Issuer, the Guarantor or the Group with respect to future events and are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, the Issuer's, the Guarantor's or the Group's actual results may vary materially from those it currently anticipates. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this Offering Circular. Any obligation to update, or to announce publicly any revision to, any of the forward-looking statements contained in this Offering Circular to reflect future actual events or developments is disclaimed. The information contained in this Offering Circular, including without limitation the information under "*Risk Factors*", and "*Description of the Group*", identifies important factors that might cause the forward-looking statements not to be realised.

SECURITIES COMMISSION MALAYSIA

In accordance with the Capital Markets and Services Act 2007 of Malaysia ("**CMSA**"), a copy of this Offering Circular will be deposited with the SC, which takes no responsibility for its contents. The issue, offer and invitation to subscribe and purchase the Securities in this Offering Circular or otherwise are subject to the fulfilment of various conditions precedent including, without limitation, the lodgement of documents and information in relation to the Programme with the SC. The SC Lodgement has been made pursuant to the Guidelines on Unlisted Capital Markets Products under the Lodge and Launch Framework first issued on 9 March 2015 and revised on 16 January 2017. The recipient of this Offering Circular acknowledges and agrees that the SC Lodgement shall not be taken to indicate that the SC recommends the subscription or purchase of the Securities. The SC shall not be liable for any non-disclosure on the part of the Issuer and/or the Guarantor and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Offering Circular.

INFORMATION INCORPORATED BY REFERENCE AND FINANCIAL INFORMATION

This Offering Circular should be read and construed in conjunction with:

(i) each relevant Pricing Supplement;

(ii) all amendments and supplements from time to time to this Offering Circular; and

(iii) any annual or interim financial statements (whether audited or unaudited) of the Issuer and the Guarantor that are published subsequent to the date of this Offering Circular as amended and supplemented from time to time,

which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular.

Any statement contained in this Offering Circular or in a document incorporated by reference into this Offering Circular will be deemed to be modified or superseded for the purposes of this Offering Circular to the extent that a statement contained in any such subsequent document modifies or supersedes that statement. Any statement that is modified or superseded in this manner will no longer be a part of this Offering Circular, except as modified or superseded.

Any unaudited and/or unreviewed interim financial statements should not be relied upon to provide the same quality of information associated with information that has been subject to an audit or, if unreviewed, review nor taken as an indication of the expected financial condition and results of operations of the Group for the relevant full financial year. Potential investors must exercise caution when using such data to evaluate the Issuer, the Guarantor or the Group's financial condition, results of operations and results. See *"Presentation of Financial Information and other Financial Data" and "Risk Factors – Interim financial information of the Group contained in this Offering Circular has not been audited and reviewed".*

IMPORTANT – EEA RETAIL INVESTORS

If the Pricing Supplement in respect of any Securities includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Securities are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC (the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

CONTENTS

SUMMARY OF THE GROUP

The following summary is qualified in its entirety by the remainder of this Offering Circular. This summary must be read as an introduction to this Offering Circular and any decision to invest in the Securities should be based on a consideration of the Offering Circular as a whole, including any information incorporated by reference.

The Group began in 1983 as a transport and logistics company and has since transformed into a major competitor in the offshore O&G production and support services industry pursuant to a joint venture with PTSC in 2011 and the acquisition of Fred. Olsen Production ASA in 2014. As part of its strategy to focus on its O&G business, the Group completed the divestment of all of its non-O&G business segments in July 2016 and is now a dedicated FPSO and FSO company.

Registered Office

The registered office of YHB as at the date of this Offering Circular is at No. 25, Jalan Firma 2, Kawasan Perindustrian Tebrau IV, 81100, Johor Bahru, Johor Darul Takzim, Malaysia.

Overview and Background

The Group is an international integrated offshore O&G production and support services provider, headquartered in Kuala Lumpur, Malaysia with offices in Singapore, Norway, Nigeria, Gabon, Vietnam and Ghana. The Group specialises in FEED, EPCI, conversion and leasing of offshore O&G production and storage units, including FPSO and FSO vessels. These offshore production units may either be newbuild units or be converted from existing vessels such as tankers, depending on the needs and requirements of the Group's customers. Upon the completion of a construction or conversion phase, or upon the availability for deployment of the custom-built floating production systems, the Group leases such FPSOs or FSOs to its customers for a contractually agreed period. In addition to building and leasing offshore production units, the Group's services also include the operation and maintenance of such offshore production units. Additionally, the Group owns, operates and charters OSVs to provide support services to the O&G industry.

The Group is the sixth largest FPSO independent leasing company in the world by fleet size and current orders according to EMA's report entitled "*EMA Floating Production Report Data – Q2 2017, 21 Apr 2017*". As at the date of the Offering Circular, the Group's fleet consists of five FPSOs, one FSO and four OSVs. As at the date of this Offering Circular, three of the Group's FPSO units are operating in West Africa and one FPSO unit is operating in Vietnam. Its sole FSO is deployed in Vietnam, whereas its OSVs operate mainly in Malaysia and Gabon. The Group has one FPSO under cold lay-up, currently berthed in Labuan, Malaysia. The Group's OSV fleet comprises of four vessels, consisting of three AHTSs and one PSV.

The Group started its operations as a transportation and logistics provider in Johor Bahru, Malaysia in 1983. After acquiring the entire share capital of Sama Setuju Sdn. Bhd. in 1988, the name of the company was changed to YCSB. On 9 March 1993, YHSB was incorporated as an investment holding company with its subsidiaries principally involved in the provision of transport, logistics and trading services. YHSB converted into a public limited company on 4 February 1995 and changed its name to YHB. YCSB was then acquired by YHB on 5 March 1996. Pursuant to an initial public offering on 11 July 1996, YHB listed on the Second Board of the Kuala Lumpur Stock Exchange (now known as the Bursa Malaysia) and was then transferred to the Main Board of Bursa Malaysia (which, together with the Second Board, was later mergered into a single unified board and renamed The Main Market of Bursa Malaysia) on 30 July 2008.

On 24 May 2011, YHB secured its first bareboat charter contract in the offshore production industry, with a contract value worth approximately U.S.$331.15 million, via a joint venture with PTSC for the supply of a FSO facility, the FSO PTSC Bien Dong 01. In the following year, on 28 December 2012, YHB secured its second bareboat charter contract, with a contract value worth approximately U.S.$737.3 million, via a joint venture with PTSC for the supply of an FPSO, the FPSO PTSC Lam Son. Both FSO PTSC Bien Dong 01 and FPSO PTSC Lam Son were contracted for deployment in Vietnam.

Acquisition of FOP

On 10 January 2014, the Group completed the acquisition of 100 per cent. of the ordinary shares of FOP for NOK9.40 per ordinary share (the "**Acquisition**"), amounting to a total consideration of NOK995.7 million.

FOP has many years of experience in the offshore O&G production business, having been active since 1994.

The project execution team from FOP also joined the Group as part of the Acquisition and most of the team, including key personnel, are still with the Group as at the date of this Offering Circular.

Following the Acquisition, the Group inherited three FPSOs, namely FPSO Allan, FPSO Adoon and FPSO Nautipa, as well as a contract with Addax Petroleum Development (Nigeria) Ltd for the provision of ship management services to the mobile offshore production unit, Marc Lorenceau (the "**MOPU Contract**"). The Group sold its interest in FPSO Nautipa to BW Offshore on 8 October 2014 for cash consideration of U.S.$57.1 million. The MOPU Contract was renewed monthly until 31 May 2017.

Divestment of Non-O&G Business

On 26 July 2016, the Group completed the divestment of its non-O&G subsidiaries to LAP, for a total consideration of RM220.6 million, comprising of a disposal consideration of RM159.1 million and a settlement of inter-company loans owed by such non-O&G subsidiaries to YHB amounting to RM61.5 million. The non-O&G subsidiaries comprise of YCSB, YTSB, YSSB, YOL and YPMSB. The divestment was part of the Group's strategic move to focus on growing its O&G businesses.

The divestment also provided an opportunity for the Group to unlock its investments in these non-O&G subsidiaries. Divestment proceeds were distributed as dividends to the Group's shareholders.

Financial Overview

For Financial Year 2015, Financial Year 2016 and Financial Year 2017, the Group achieved profit for the year (including profit/(loss) for the year from discontinued operations) of RM251.4 million, RM215.8 million and RM196.8 million respectively. For the three months ended 30 April 2016 and 30 April 2017, the Group achieved profit after taxation of RM22.0 million[(1)] and RM60.3 million respectively.

The Group recorded an EBITDA from continuing operations of RM311.9 million, RM345.5 million and RM273.2 million for Financial Year 2015, Financial Year 2016 and Financial Year 2017 respectively, and EBITDA from continuing operations of RM42.6 million and RM85.0 million for the three months ended 30 April 2016 and 30 April 2017 respectively.

(1) The Group's profit for the three months ended 30 April 2016 includes profit/(loss) for the year from discontinued operations.

Depreciation charges are a major cost component to the Group's capital intensive business model. At a consolidated level, the Group recorded depreciation of property, plant and equipment of RM108.4 million for Financial Year 2017. The results of joint ventures accounted for using equity method are included in the Group's profit after taxation (including profit/(loss) for the financial year from discontinued operations), where the results include gross depreciation of property, plant and equipment shared by the Group, as follows:

	Financial Year 2017
PTSC South East Asia Pte. Ltd.	RM12.6 million
PTSC Asia Pacific Pte. Ltd.	RM77.1 million
Anteros Rainbow Offshore Pte. Ltd.	Nil

Besides depreciation charges, the Group's property, plant and equipment are subject to an impairment assessment at the relevant reporting date. The recorded impairment loss on property, plant and equipment for the Group at a consolidated level for Financial Year 2017 was RM11.6 million, and the Group's share of the gross impairment loss on property, plant and equipment recorded in a joint venture company was RM35.5 million.

The Group's revenue from continuing operations for Financial Year 2015, Financial Year 2016 and Financial Year 2017 were recorded at RM395.4 million, RM424.4 million and RM543.3 million respectively. The Group's revenue from continuing operations for the three months ended 30 April 2016 and 30 April 2017 was RM115.4 million and RM172.4 million respectively.

As at 31 January 2015, 2016 and 2017, the Group had total assets of RM2,488.2 million, RM4,839.8 million(1) and RM6,290.3 million respectively. As at 30 April 2017, the Group had total assets of RM6,487.8 million.

As at 31 January 2015, 2016 and 2017, the Group had cash and bank balances of RM364.4 million, RM416.2 million(2) and RM633.9 million respectively. As at 30 April 2017, the Group had cash and bank balances of RM632.8 million.

Included within investment in joint ventures, the Group shared the following gross cash and bank balances of each joint venture as below:

	31 January 2017 Unaudited		**30 April 2017 Unaudited**	
	(RM'000)	**(USD'000)(3)**	**(RM'000)**	**(USD'000)(4)**
PTSC South East Asia Pte. Ltd	149,497	33,757	134,080	30,887
PTSC Asia Pacific Pte. Ltd	211,753	47,814	209,804	48,331
Yinson Production West Africa Limited	493	111	439	101
	(RM'000)	**(EUR'000)(3)**	**(RM'000)**	**(EUR'000)(4)**
Anteros Rainbow Offshore Pte. Ltd	83	18	248	52

(1) The total assets as at 31 January 2016 include assets of disposal group classified as held for sale.

(2) This amount does not include cash and bank balances of disposal group classified as held for sale. The amount of cash and bank balances of disposal group classified as held for sale was disclosed in Note 46 to the Audited Consolidated Financial Statements of Financial Year 2016.

(3) USD1.00:RM4.4287 and EUR1.00:RM4.7393 for 31 January 2017.

(4) USD1.00:RM4.3410 and EUR1.00:RM4.7480 for 30 April 2017.

The Group measures its ability to service its debts by monitoring Adjusted Net Leverage Ratio(ANLR) and Interest Service Ratio (ISR). The Group has recorded an ANLR of 5.9 times and an ISR of 9.9 times for Financial Year 2017.

Key highlights of the Group's strengths

The Group believes that its leading position as an integrated offshore production and support services provider in the O&G industry is due to the Group's following strengths:

Established relationships with strong charter counterparties as well as with key industry players throughout the offshore O&G value chain

The Group has established good relationships with oil majors such as Eni SPA, subsidiaries of NOCs such as PTSC and Addax Petroleum N.V and independent contractors such as Canadian Natural Resources. The Group does this by working closely with such charter counterparties from the beginning of each project at the development and design stages through to the EPCI stages. The Group also continues to maintain close relationships with its charter counterparties after deployment of the vessels. The reputation, credit strength and relative size of the Group's FPSO and/or FSO charter counterparties minimises its counterparty risks and provides a higher degree of certainty to the Group's future cash flows in terms of the recoverability of any amounts due to the Group.

The strength and quality of the Group's FPSO and FSO charter counterparties has also helped the Group to secure project debt financing for its various FPSO and FSO projects from banks, thereby enabling the Group to successfully execute the projects for its customers.

Strong working relationships with key suppliers allow the Group to deliver projects within budget and on time

The Group believes that it has strong working relationships with key suppliers of equipment and services. The Group benefits from its strategic locations across the globe, particularly in Asia, Europe and West Africa, which are in close proximity to the shipyards and fabrication yards where the majority of the conversion and construction of offshore vessels, including FPSOs and the fabrication of topsides and process equipment, currently takes place, which makes it easier for the Group to develop and cultivate closer relationships with its suppliers. The Group believes that its established relationships with such suppliers and yards allow for favourable pricing and access to labour and yard space even during periods of high demand, which allows the Group to deliver projects within budget and on time.

Established market position capable of supporting strong growth

The Group is the sixth largest FPSO independent leasing company in the world by fleet size and current orders according to EMA's Q2 2017 report and has a proven track record of consistent execution in the FPSO and FSO business.

As at the date of this Offering Circular, the Group's operating FPSOs and FSO have all met their contractual uptime performance requirements since the commencement of their respective operations (and since the Acquisition with regard to FPSO Allan and FPSO Adoon). The Group also marked 18.2 million working hours with zero LTI as at production date on 5 June 2017 for the FPSO John Agyekum Kufour and zero LTI for five consecutive years for the running of the FPSO Adoon in Nigeria.

Given its proven track record and established relationships with its FPSO and FSO customers, the Group believes that it can leverage its reputation with existing and new clients services as it expands its geographic presence. The Group views NOCs', IOCs' and the independent contractors' familiarity with its brand, as well as the close working relationships that it has established, as an advantage. The developing regions in West Africa and Asia continue to grow and NOCs and independent contractors continue to emerge as significant competitors to the major oil companies in these regions. As such, these companies require experienced and capable FPSO and/or FSO owners and operators in the deployment of these assets in these regions. The Group believes that there are distinct advantages for companies, including the Group, which can provide a broader range of relevant offshore services across different geographies.

The Group believes that its reputation in operational reliability and technical excellence, supported by its engineering and project execution capabilities, has resulted in the successful expansion of its FPSO and FSO business, as evidenced by the Group's achievement of two FPSO contracts in the past three years despite a challenging business environment. The aforementioned contracts relate to the chartering, operation and maintenance of the FPSO John Agyekum Kufour awarded by Eni Ghana in 2015 and the recently awarded contract for the supply, operation and maintenance of an FPSO facility from Talisman Vietnam 07/03 B.V., the operator of the Ca Rong Do field development. The latter contract was secured through the Group's wholly owned subsidiary YCL's partnership with PTSC.

Previously, the Group has:

(i) secured a contract for its first FSO, PTSC Bien Dong 01 which has been operating in Vietnam Nam Con Son Basin with BDPOC together with PTSC;

(ii) secured a contract for its first FPSO, PTSC Lam Son which has been operating in Vietnam Thang Long-Dong Do field with LSJOC; and

(iii) the acquisition of FOP expanded the Group's geographical coverage through the integration of FPSO Allan with operations in Gabon and FPSO Adoon operating in Nigeria.

The Group believes that given its current established market position and stable cash flows from existing contracts, it is in a strong position to sustain strong growth in the future.

Long tenor charter contracts with robust terms

The Group's FPSO and FSO charter contracts are typically long-term in duration with a contract length of five years or more. The longest charter contract term that the Group is party to at the date of the Offering Circular is with Eni Ghana for the FPSO John Agyekum Kufour. The charter contract has a firm period of 15 years and five yearly extension options. The shortest charter contract at the point of award for the other FPSOs and FSO that the Group currently owns is for FPSO Lam Son, with a firm period of seven years and an option period of three yearly extensions. The bareboat charter contracts that the Group is party to typically tend to be of a medium to large scale and provide sizeable, steady streams of predictable and recurring revenue from fixed hire rates with minimal associated bareboat operating costs. This in turn allows the Group to plan and budget its financing and expenditure plans accurately given the predictability of the cash flow profile.

The Group's charter contracts customarily contain terms and conditions that govern, *inter alia*, the consequences arising from events such as optional termination by the charterer, termination events, force majeure, compensation in the event of termination, purchase options and a liability cap. The Group believes that the typical terms and conditions of its FPSO and FSO charter contracts strike a favourable balance between the Group's risk appetite and commercial acceptability to potential charterers.

The terms and conditions of the Group's charter contracts are generally not linked to external variables as the price of oil and/or the performance of the reservoir or reservoir reserves on which its FPSOs and FSO operate on. The Group's charter contracts are typically negotiated to ensure that the risks of termination by charterers are minimised and can occur only in certain circumstances prescribed within the charter contracts. In the event that the Group's FPSO/FSO charter contracts are terminated at the option of the charterer, the charter contracts negotiated by the Group typically contain provisions requiring the payment of ETP by the charterer. The ETP is typically derived from, *inter alia*, the present value of lost future revenue and contractually structured as lump sum payments payable within a stipulated period post termination. See the section "*The Business*" above.

Certain charter contracts may penalise the Group if its FPSO or FSO fails to meet delivery schedules, contracted uptime or other performance requirements. However, the terms and conditions typically include, cure periods and/or reduced hire rates if production is below a certain agreed floor. As at the date of this Offering Circular, the Group's operating FPSOs and FSO have largely met their contractual uptime performance requirements since the commencement of their respective operations (and since the date of the Acquisition with regard to FPSO Allan and FPSO Adoon).

The Group believes that the risk of no ETP as a result of the Group's default is mitigated by diligent drafting of the contractual terms and limiting these defaults to those widely seen as fundamental breaches within the industry.

All of the Group's FPSO and FSO charter contracts benefit from parent company guarantees provided by credit-worthy entities within the charterers' group of companies. The guarantees oblige the guarantors to honour any obligations incurred by the charterers under their respective charter contracts. The contractual provisions relating to such guarantees provide protection for the Group against unforeseen early terminations and ensure a certain amount of stability in future revenue.

The Group believes that the robustness of its charter contract terms and conditions is one of the key reasons that it has been able to successfully raise the required project funding from its banks.

Highly experienced senior management team with in-depth industry experience

The Group has an experienced and multinational senior management team with in-depth knowledge of the offshore production and marine services industry. The Group is led by Group CEO, Mr. Lim Chern Yuan who is the son of Mr. Lim Han Weng, Executive Chairman of the Group. The Group is spearheaded by the Board of Directors comprising professionals who carry a wealth of experience from various fields. The business is supported by Mr Eirik Barclay, who's current role is CEO of the Group's Offshore Production division. Mr. Barclay was formerly part of the FOP management team prior to the Acquisition and brings with him over 18 years of experience in the offshore O&G production and storage industry.

The senior management of the Group is supported by a core team of experienced engineers that act as project managers. The Group's engineers from the pre-acquisition FOP team bring together approximately 23 years of experience in the offshore O&G production and storage industry to the Group and an extensive network of long-standing relationships with major energy companies and reputation for reliability, safety and excellence. Since the Acquisition, the Group has further increased its capabilities by hiring people with relevant experience. This expertise has allowed the Group to execute EPCI works and project manage all its major construction activities for the FPSOs and FSOs whilst retaining the ability to control all essential aspects of a project.

The Group has derived a number of other benefits from the Acquisition, including:

(i) comprehensive market intelligence, operational and technical sophistication gained from the FOP team's experience in providing FPSO and FSO solutions to offshore energy customers. The Group believes this expertise has assisted it in successfully operating existing FPSO and FSO units and will benefit the Group in its future expansion ambitions in the offshore sector;

(ii) general commercial and financial core competencies, practices and systems, which the Group believes have enhanced the efficiency and quality of operations;

(iii) enhanced growth opportunities and greater competitiveness in bidding for offshore projects (and attracting and retaining long-term contracts); and

(iv) improved leverage with leading shipyards during periods of vessel production constraints due to existing relationships between the FOP team and these shipyards.

The Group's core project management and engineering teams are primarily located in the Group's Singapore and Oslo offices to be close to the Group's primary areas of operations, namely in Vietnam and West Africa. The proximity of the core team of project managers to the Group's primary operations enables the Group to quickly react to and address any operational issues that may arise at the FPSOs or FSOs.

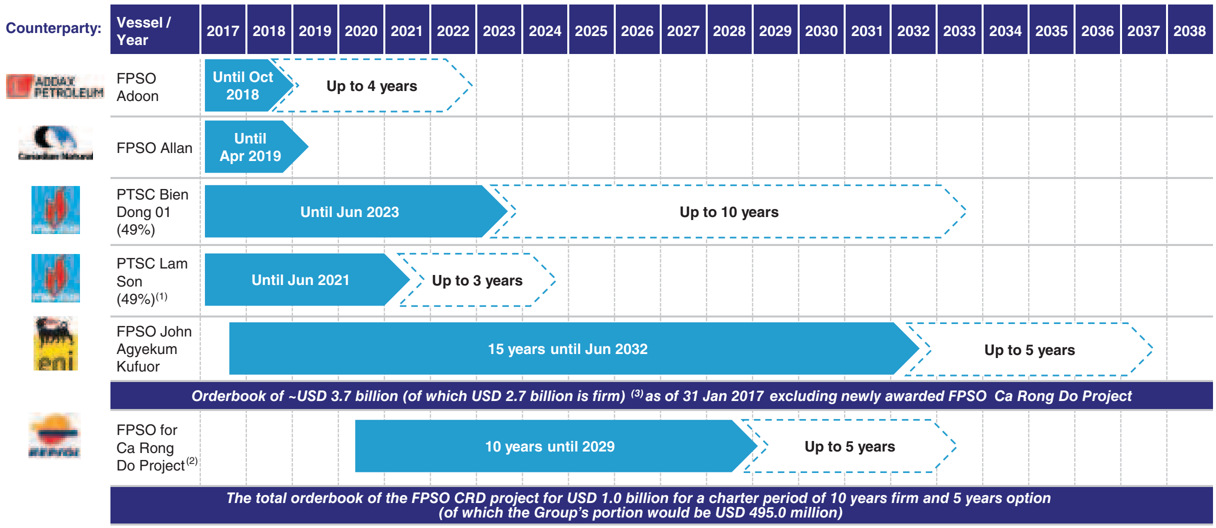
Scalable and flexible business model

The Group adopts a business model whereby the Group's ability to oversee, manage and execute projects is easily scalable. Its business model entails the retention of a core group of established engineers and project managers which supervises the suppliers to which the Group outsources the EPCI portion of a contract. When the Group needs to execute a contract and deliver a new FPSO or FSO, the Group's workforce can easily be scaled up by outsourcing the EPCI and FEED portion of the contract while maintaining proper oversight of the execution phase by the Group's project managers. Adopting such a business model accords the Group the flexibility to respond to market demand quickly and efficiently.

The Group believes that this model better sustains and positions it through industry downturns (such as the current low oil price environment) while at the same time not compromising on its ability to win and deliver on new projects, for instance, the concurrent delivery of FPSO John Agyekum Kufuor and the contract win for the provision of an FPSO to the Ca Rong Dong field development in Vietnam. The Group sees such flexibility to scale up or down its operations relatively quickly as a competitive advantage compared to its industry peers.

Consistently strong financial performance supported by strong orderbook

The Group focuses on securing long term FPSO and FSO contracts which customarily provide sizeable, stable and recurring cash flows for its offshore production and storage business. The following table sets out the firm and option periods for each of the Group's FPSO and FSO charter contracts:



1. Notice of termination for PTSC Lam Son contract announced on 3 April 2017. On 30 June 2017, PTSC AP received a Letter of Intent from PTSC expressing its intention to continue to deploy the FPSO Lam Son at the Lam Son field with effective date from 1 July 2017. The petroleum operations within the Lam Son Field were taken over by PetroVietnam Exploration Production Corporation Ltd.(a wholly owned subsidiary of PETROVIETNAM) from 1 July 2017.

2. Yinson has signed a contract award for the supply, operation and maintenance of a FPSO facility for Ca Rong Do Field Development - Block 07/03 Offshore Vietnam on 26 April 2017. The Group's portion of the project's orderbook is USD 495.0 million (49%).

3. Consisting of orderbook for bareboat charter and O&M revenues. Not adjusted for PTSC Lam Son contract termination and excludes the FPSO CRD Project bareboat revenues.

As at 31 January 2017, the Group had firm charter contracts for four of the Group's five existing FPSO units. The Group's sole FSO, held under a joint venture entity in which the Group holds a 49 per cent. equity interest stake as at the date of this Offering Circular, is leased under a firm charter contract until June 2023. The Group believes that its reputation for operational reliability and technical excellence, supported by its engineering and project execution capabilities, has resulted in the successful expansion of its FPSO business. The Group reported revenue from continuing operations of RM424.4 million and RM543.3 million in Financial Year 2016 and Financial Year 2017 respectively.

The remaining contracted firm charter periods of the Group's vessels range from two to 15 years, with a total orderbook of approximately U.S.$3.7 billion including firm and option periods as at 31 January 2017 (U.S.$2.7 billion for the firm period and U.S.$979.1 million for the option periods). This is excluding the newly-awarded FPSO to be deployed at the Ca Rong Do field development which has a contract value of approximately U.S.$1.0 billion, in which the Group has a 49 per cent. stake. The exercise of option periods by FPSO and FSO customers has the potential to provide additional revenue to the Group in addition to the revenue attributable to the firm charter periods. The Group expects to be able to grow its firm orderbook further when it secures new FPSO and FSO contracts.

Prudent management of financing requirements leading to a healthy financial profile

The Group funds the purchase, construction and conversion of its FPSOs and FSO through a combination of equity injected by the Group (or where relevant, with its joint venture partner) and project finance debt sourced from banks. The Group's project finance debt facilities are typically shorter in duration than the underlying vessels' firm charter period. This ensures that the associated project finance debt will be fully repaid over the course of the firm charter period, thereby mitigating against the risk of over-leveraging and gap risk exposure resulting from a mismatch of assets and liabilities. The Group does not rely on revenues from the option periods of charter contracts for the purposes of structuring its project finance debt repayment maturity profile.

The Group's project finance debt facilities are typically structured on a limited-recourse or non-recourse basis, which is designed to insulate the wider Group from cross default risk. The Group typically avoids incurring project costs unless the relevant contract has been secured.

The Group has managed to raise financing for all its FPSO and FSO projects in the past. The Group believes it has adequate access to liquidity from lending banks and/or capital markets to fund its future FPSO and FSO projects, notwithstanding the downturn in the O&G industry and sizeable debt requirements at the project company level. The Group typically factors in comfortable project contingency buffers in all the projects it undertakes to ensure sufficient funding is available for smooth project executions.

The Group actively monitors and manages its funding composition and has a healthy net gearing ratio. As at 30 April 2017, the Group's net gearing was 1.14 compared to 1.15 as at 31 January 2017.

Strong and supportive shareholders

The Group receives strong support from its major shareholders who have historically assisted with YHB's funding requirements through equity raising and direct and indirect investments in the Group. Mr. Lim Han Weng and his family retain the largest shareholding in YHB (on aggregate), with a 31.18 per cent. stake in YHB as at 30 June 2017, and they have subscribed to every rights issue made by YHB up to the date of this Offering Circular. The second to fifth largest shareholders in YHB are institutional investors, namely Employees Provident Fund Board, AIA Group Limited, Kumpulan Wang Persaraan (Diperbadankan) and Lembaga Tabung Haji who hold shareholdings (directly and indirectly) of 11.91 per cent, 7.87 per cent, 7.01 per cent and 5.37 respectively as at 30 June 2017.

Strategies and future plans

An overview of the Group's strategies and future plans are as set out below:

Prioritising strong counterparties to reduce counterparty risk

The Group's strategy involves continuing to prioritise charter contracts with counterparties with strong financial standing and underlying credit. By adopting a prudent approach in respect of its clients or potential clients, the Group expects to be able to mitigate the risk of counterparty default.

The Group screens potential suppliers thoroughly to ensure that they operate in accordance with the Group's business objectives and core values. This level of scrutiny ensures that the services and products delivered by such suppliers are of high quality and meet the required specifications, thereby ensuring that the Group is able to deliver products and services which meet its customers' specifications and expectations. The business relationships maintained with long-time suppliers result in favourable quality and pricing of products and services being delivered, which translates into greater profit margins for the Group and helps to ensure that projects are delivered on time and within budget.

Disciplined contract negotiations to maintain robustness of contract terms

The Group places significant emphasis on maintaining charter contracts that are reasonable, allocate risk within its levels of tolerance, and are comprehensive and clear. To the extent possible, the Group aims to continue to negotiate and enter into future charter contracts on terms which are not materially inferior to those which it currently enjoys. This ensures that the Group avoids taking on risks associated with external variables (such as oil price movements or reservoir risks) that its infrastructure and business model cannot mitigate against. Robust charter contract terms are also prioritised by the Group in order to facilitate project debt financing on acceptable terms in order to finance future projects.

Optimise capital and funding structures

The Group intends to continue to exercise prudence in its financial management and select appropriate funding instruments depending on its prevailing financial requirements. Its funding strategy for future projects is expected to remain focused on establishing non-recourse or limited recourse project finance facilities.

With regard to corporate funding, the Group plans to focus on broadening its domestic and international investor base and expanding its banking group in order to reduce reliance on any single market or instrument. The Group believes that a broad source of funding will also enhance its ability to select the most efficient form of funding. It will also continue to monitor, manage and optimise its balance sheet with the appropriate funding mix to reduce liquidity risk. The Group predominantly funds its equity investments into its Project Companies through shareholders' funds, equity instruments, hybrid bonds, sukuk and corporate term loans. The Group's corporate funding is usually medium-to-long term in order to reduce asymmetry between its assets and liabilities and the associated refinancing risk. The Group believes that its prudence and discipline in financial management will enable it to be in a competitive position to win and execute contracts in the future.

To the extent possible, the Group strives to create a natural hedge against foreign exchange risk by matching the functional currencies of its revenue and its financial obligations. To supplement this, the Group also intends to hedge against interest rate risk and foreign exchange currency risk wherever appropriate to ensure that the expected cash flows from the Group's charter contracts will be relatively stable and predictable.

The Group's strategy involves optimising its capital structure and increasing its funding options. To this end, the Group may consider accelerating its project returns profile by monetising some of its investments in existing FPSOs or FSOs prior to the completion of the relevant charter contract periods. Such transactions enable the Group to preserve its existing capital as an alternative to raising new debt or new equity externally. The Group considers this to be a common practice within the FPSO and FSO industry. Such monetisation may be achieved by, amongst others, the sale of some or all of the Group's equity interests in its FPSOs or FSOs to other strategic investors or industry players, enabling it to recoup its investments and future returns earlier. The Group can then redeploy the proceeds from such disposals by undertaking new FPSO or FSO projects with expected returns that are in line with the Group's requirements. This strategy also enables the Group to regularly renew its order book, reduce revenue concentration exposure or expand its fleet as and when required or when the opportunity arises.

Sales of such stakes also has the added benefit of bringing on board shareholders who could contribute to the further growth of the company, whether in the form of expertise, financial strength, strategic relationships or synergies while at the same time helping to keep these strategic investors from working with competitors. As an example, on 30 June 2017, YHB entered into a Heads of Agreement with a consortium of Japan-incorporated companies consisting of Sumitomo Corporation, Kawasaki Kisen Kaisha Ltd, JGC Corporation and Development Bank of Japan, Inc in relation to a proposed disposal of a 26 per cent. equity interest in YPWAPL via YTL and YPPL to the consortium. Please see "*Recent Developments*".

Please see "*Risk Factors – The Group may from time to time consider disposals of its investments in existing projects to recycle capital for future projects and investments which may not provide a comparable or adequate return on investment*".

Further develop and increase local talent in the geographical areas the Group operates in

The Group is committed to continuing to train and develop its frontline employees, as well as securing a strong "pipeline" of new talent to support its future business. The Group seeks to employ local talent in respect of operations in overseas markets such as Gabon, Ghana, Nigeria and Vietnam, led by a multinational senior management team that is experienced in those markets.

Local partners are important to the Group as they help to ensure the charter contracts' local content requirements are met. In addition, local partners help in sourcing local materials, manpower, facilitating business discussions with local contractors and assisting in obtaining local licences and permits. Such relationships have also increased the Group's expertise and knowledge of local operating practices, business practices and customs, thereby enabling the Group to operate more efficiently and strategically in those regions.

The Group has also invested intensively in building up local talent by contributing to the education sector of the local communities in Ghana and Vietnam through its corporate social responsibility activities and will continue to do so. The Group believes that by equipping the local community with education and technical training, it will in turn have a wider pool of quality candidates to recruit from in the future to further expand its business presence.

The enhanced visibility of the Group in the countries in which it operates directly promotes its reputation as a reliable business partner with strong local knowledge and understanding of the domestic business environment to its clients. This puts the Group in a better position when bidding for future business opportunities, particularly in the countries in which it has a presence.

The Group believes the development of local content and capability is a key competitive edge in driving sustainable growth. The Group will continue to invest with a long-term view by, among other things, establishing shore bases in strategic markets that it enters. The Group currently focuses on the West Africa and Asia regions but continues to consider business opportunities in other regions around the world.

Winning contracts with innovative solutions

Each FPSO or FSO vessel is specifically designed and built according to the specifications required by the charterers. The FPSO or FSO EPCI periods also tend to be lengthy. The bespoke construction of FPSO and FSO vessels makes the replacement of each particular vessel extremely difficult and time consuming.

Charterers of FPSOs and FSOs typically have finite concession periods to operate on the designated oil and gas fields. Any delays in the delivery and commissioning of an FPSO or FSO will result in opportunity costs to the charterers from loss of production and revenue. As such, the

Group is cognisant that its charterers are acutely sensitive to, amongst other things, timely delivery and commissioning and adherence to the FPSO's or FSO's design and specifications, in addition to competitive pricing solutions in the execution of FPSO and FSO projects.

As such, the Group's philosophy of winning contracts is premised on providing innovative, comprehensive and holistic solutions to its charterers. The financial buffer afforded by realistic and manageable EPCI budgets and deployment schedules reduces project execution risk and cost overruns, thereby enhancing the likelihood of a mutually successful outcome for both the charterer and the Group.

This principle forms part of the Group's business development strategy and has yielded positive results, such as in the case of the FPSO John Agyekum Kufour where the Group delivered the FPSO on budget and ahead of schedule.

SUMMARY OF THE PROGRAMME

The following summary is a brief summary of the programme. For a more detailed description of the terms of the Securities, see "Terms and Conditions of the Securities". Capitalised terms used herein and not defined have the meanings given to them in "Terms and Conditions of the Securities".

Issuer:	Yinson Juniper Ltd.
Guarantor:	Yinson Holdings Berhad.
Description:	Multi-currency Perpetual Securities Programme.
Size:	Up to U.S.$500,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Securities outstanding at any one time. The Issuer and the Guarantor may increase the aggregate nominal amount of the Programme in accordance with the terms of the Dealer Agreement and subject to the consents of the relevant regulatory authorities and the relevant parties being obtained.
Arranger:	Standard Chartered Bank.
Dealers:	Standard Chartered Bank and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Securities. References in this Offering Circular to "**Dealers**" are to all persons appointed as a dealer in respect of one or more Tranches or the Programme.
Certain Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Securities and the distribution of offering material relating to the Securities, see the section on "*Subscription and Sale*" below. Further restrictions may apply in connection with any particular Series or Tranche of Securities.
Trustee:	The Bank of New York Mellon, London Branch.
Principal Paying Agent and Paying Agent:	The Bank of New York Mellon, London Branch.
Transfer Agent and Registrar:	The Bank of New York Mellon SA/NV, Luxembourg Branch.
Method of Issue:	The Securities may be issued on a syndicated or non-syndicated basis. The Securities will be issued in series (each a "**Series**") and each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche will be completed in the Pricing Supplement.

Issue Price:	Securities may be issued at their nominal amount or at a discount or premium to their nominal amount.
Clearing Systems:	Clearstream, Euroclear and in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Guarantor, the Principal Paying Agent, the Trustee and the Relevant Dealer.
Currencies:	Subject to compliance with all relevant laws, regulations and directives, Securities may be issued in any currency agreed between the Issuer and the Relevant Dealer.
Specified Denomination:	Securities will be issued in such denominations as may be agreed between the Issuer, the Guarantor and the Relevant Dealer save that the minimum denomination of each of the Securities will be such as may be allowed or required from time to time by the central banks (or equivalent body) or any laws or regulations applicable to the relevant currency (see "*Certain Restrictions*" above).
Withholding Tax:	All payments in respect of any Securities will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the British Virgin Islands, Malaysia or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In the event that any such withholding or deduction is made, the Issuer or, as the case may be, the Guarantor will, save in certain circumstances provided in Condition 10, be required to pay such additional amounts as will result in receipt by the Securityholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required.
Governing Law:	The Securities, the Guarantee of the Securities, the Trust Deed, the Agency Agreement and any non-contractual obligations arising out of or in connection with them, will be governed by, and shall be construed in accordance with, English law. The subordination provisions in respect of the Guarantee of the Subordinated Securities will be governed by Malaysian law.

Listing and Admission to Trading:	Approval-in-principle has been received from the SGX-ST for permission to deal in, and the quotation for, any Securities that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the Official List of the SGX-ST. In addition, at the relevant time of issue of the Securities which are agreed at or prior to the time of issue to be listed on the Official List of the SGX-ST, a separate application will be made to the SGX-ST for the permission to deal in and quotation of such Securities on the Official List of the SGX-ST. Such permission will be granted when such Securities have been admitted to the Official List of the SGX-ST. There is no assurance that the application to the Official List of the SGX-ST will be approved. The approval in-principle from, and admission to the Official List of the SGX-ST and quotation of any Securities on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Group, the Programme and/or such Securities. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. If the application to the SGX-ST to list a particular series of Securities is approved, such Securities listed on the SGX-ST will be traded on the SGX-ST in a board lot size of at least S$200,000 (or its equivalent in other currencies). The Securities may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the Relevant Dealers in relation to each Series of Securities. The Pricing Supplement relating to each Series of Securities will state whether or not the Securities of such Series will be initially listed on any stock exchange(s) and, if so, on which stock exchange(s) the Securities are to be initially listed. Unlisted Series of Securities may also be issued pursuant to the Programme.
THE SECURITIES	
Status of the Senior Securities:	The Senior Securities constitute direct, unsecured, unconditional and unsubordinated obligations of the Issuer which shall at all times rank at least *pari passu* and without any preference or priority among themselves and at least *pari passu* with all other present and future unconditional, unsubordinated and unsecured obligations of the Issuer (including Parity Obligations), save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

Status of the Guarantee of the Senior Securities:	The Guarantee of the Senior Securities constitutes a direct, unsecured, unconditional and unsubordinated obligation of the Guarantor which shall at all times rank at least *pari passu* with all other present and future unsecured, unconditional and unsubordinated obligations of the Guarantor (including Parity Obligations), save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Status of the Subordinated Securities:	The Subordinated Securities constitute direct, unsecured, unconditional and subordinated obligations of the Issuer which shall at all times rank at least *pari passu* and without any preference among themselves and with any Parity Obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. The rights and claims of the Securityholders in respect of the Securities are subordinated as provided in Condition 5.
Status of the Guarantee of the Subordinated Securities:	The Guarantee of the Subordinated Securities constitutes a direct, unsecured, unconditional and subordinated obligation of the Guarantor which shall at all times rank *pari passu* with any Parity Obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Maturity Date:	The Securities are perpetual securities in respect of which there is no maturity date.
Form of Securities:	The Securities will be issued in registered form only.
Distribution Basis:	Subject to Condition 7(d), the Securities confer a right to receive distributions (each a "**Distribution**") from the Distribution Commencement Date at the Rate of Distribution (as specified in the relevant Pricing Supplement) in accordance with Condition 9. Subject to Condition 7(d), Distribution shall be payable in arrear on each Distribution Payment Date.
Compulsory Distribution Payment Event:	A Compulsory Distribution Payment Event occurs if either or both of the following criteria are met: (A) a discretionary dividend or distribution is paid or declared by the Issuer or the Guarantor on any Junior Obligations or Parity Obligations (other than a dividend or distribution (i) in respect of an employee benefit plan or similar arrangement with or for the benefit of employees, officers, directors and consultants or (ii) in relation to Parity Obligations of the Issuer or the Guarantor, on a *pro-rata* basis with the Securities); or

(B) the Issuer or the Guarantor has at its discretion repurchased, redeemed or otherwise acquired any of its Junior Obligations or Parity Obligations (other than a repurchase, redemption or acquisition (i) in respect of an employee benefit plan or similar arrangement with or for the benefit of employees, officers, directors and consultants; (ii) as a result of the exchange or conversion of its Parity Obligations for its Junior Obligations or (iii) in relation to the Parity Obligations of the Issuer or the Guarantor, on a *pro-rata* basis with the Securities).

No Obligation to Pay: The Issuer shall have no obligation to pay any Distribution (including any Arrears of Distribution and any Additional Distribution Amount) on any Distribution Payment Date if it validly elects not to do so in accordance with Condition 7(d).

Cumulative Deferral: Any distribution deferred pursuant to Condition 7(d) shall constitute "**Arrears of Distribution**". The Issuer may, at its sole discretion, elect to further defer any Arrears of Distribution by complying with the relevant notice requirements applicable to any deferral of an accrued Distribution. The Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distribution may be deferred pursuant to Condition 7(d) except that Condition 7(d)(iv) shall be complied with until all outstanding Arrears of Distribution have been paid in full.

Each amount of Arrears of Distribution shall accrue additional distribution at the Distribution Rate as if it constituted the principal of the Securities and the amount of such additional distributions accrued (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be due and payable pursuant to Condition 7 and shall be calculated by applying the Distribution Rate to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of Condition 7. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

Negative Pledge:	So long as any Senior Security remains outstanding, neither the Issuer nor the Guarantor shall, and the Issuer and the Guarantor shall procure that none of their respective Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or any Guarantee of Relevant Indebtedness unless approved by an Extraordinary Resolution of Senior Securityholders, save for any Security Interest created by a Subsidiary of the Guarantor in connection with the purchase, financing or development of a specific project, asset or other business undertaking in the ordinary course of the relevant Subsidiary's or the Guarantor's business where the Security Interest and recourse in relation thereto is consistent with general project financing principles and strictly limited to that specific project or asset (including, without limitation, the shares of such Subsidiary).
Satisfaction of Arrears of Distribution by payment:	The Issuer or Guarantor: (A) may satisfy any Arrears of Distribution and Additional Distribution Amount (in whole or in part) at any time by giving notice of such election to the Securityholders (in accordance with Condition 19), the Trustee and the Principal Paying Agent not more than 20 nor less than five business days prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Distribution and any Additional Distribution Amount on the payment date specified in such notice); and (B) in any event shall satisfy any outstanding Arrears of Distribution deferred in accordance with the Conditions (in whole but not in part, and including any Additional Distribution Amount) on the earliest to occur of: (i) the next Distribution Payment Date falling immediately after a breach of Condition 7(d)(vi); (ii) the date on which the Securities are redeemed at the option of the Issuer pursuant to Condition 8(c); (iii) the date on which the Securities are redeemed at the option of the Issuer pursuant to Condition 8(f); (iv) a Special Event Redemption Date; and (v) the Winding-Up of the Issuer.

Restrictions in the case of an Optional Deferral:	If the Dividend Stopper is specified in the Pricing Supplement as applicable, then if on any Distribution Payment Date, payment of all Distribution payments scheduled to be made on such date is not made in full by reason of Condition 7(d)(i), neither the Issuer nor the Guarantor shall: (A) voluntarily declare or pay any discretionary dividends or distributions or make any other discretionary payment on, and will procure that no discretionary dividend or distribution or any other discretionary payment is made on any of its Junior Obligations or Parity Obligations (except on a *pro-rata* basis with the Securities); or (B) voluntarily redeem, reduce, cancel, buy-back or acquire for any consideration any of its Junior Obligations or Parity Obligations (except on a *pro-rata* basis with the Securities), in each case, other than (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants or (ii) as a result of the exchange or conversion of Parity Obligations of the Issuer for Junior Obligations of the Issuer or Parity Obligations of the Guarantor for Junior Obligations of the Guarantor), unless and until (1) the Issuer has satisfied in full all outstanding Arrears of Distribution and Additional Distribution Amount, or (2) the Issuer or, as the case may be, the Guarantor, is permitted to do so by an Extraordinary Resolution of Securityholders.
Limited Rights to Institute Proceedings:	The right of the Trustee or any Securityholder to institute Winding-Up proceedings in respect of the Issuer or the Guarantor is limited to circumstances where payment has become due. In the case of any Distribution, such Distribution will not be due if the Issuer has elected to defer that Distribution in accordance with Condition 7(d).
Redemption at the Option of the Issuer:	The Securities may be redeemed at the option of the Issuer (either in whole or in part to the extent specified in the relevant Pricing Supplement on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Securityholders, or such other period(s) as may be specified in the relevant Pricing Supplement (which notice shall be irrevocable and shall oblige the Issuer to redeem the Securities or, as the case may be, the Securities specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount).

Tax Redemption:	The Securities may be redeemed at the option of the Issuer in whole, but not in part, for tax reasons as described in Condition 8(b).
Redemption upon an Accounting Event:	If the Accounting Event Redemption is specified in the relevant Pricing Supplement as being applicable, the Securities may be redeemed at the option of the Issuer in whole, but not in part, as described in Condition 8(d), if, immediately before giving such notice, the Issuer satisfies the Trustee that as a result of any changes or amendments to MFRS) or any other accounting standards that may replace MFRS or otherwise be adopted by the Guarantor for the purposes of the preparation of consolidated financial statements of the Guarantor, the Securities or the Guarantee of Securities must not or must no longer be recorded as "equity" of the Guarantor pursuant to the Relevant Accounting Standard, having previously been so recorded.
Redemption in the case of minimal outstanding amount:	Each Series may be redeemed at the option of the Issuer in whole, but not in part, at any time, on the Issuer giving not less than 30 nor more than 60 days' notice to the Securityholders of that Series (which notice shall be irrevocable) at the Early Redemption Amount (Minimal Outstanding Amount) (including any Arrears of Distribution and any Additional Distribution Amount), if, immediately before giving such notice, the aggregate principal amount of the Series outstanding is less than 20 per cent. of the aggregate principal amount originally issued (including any further securities issued in accordance with Condition 18).
Redemption on the occurrence of a Breach of Covenant Event	If the Breach of Covenant Event is specified in the relevant Pricing Supplement as being applicable, the Issuer may at its option, at any time, on giving not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 19, the Securityholders (which notice shall be irrevocable), redeem, in whole but not in part, the Securities at their principal amount, together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amounts), if a Breach of Covenant Event has occurred and is continuing. Upon the expiry of any such notice as is referred to in Condition 8(f), the Issuer shall be bound to redeem the Securities on such date in accordance with Condition 8(f).

Right of Securityholders:	No Securityholder shall be entitled to proceed directly against the Issuer or the Guarantor or to institute proceedings for the Winding-Up of the Issuer or the Guarantor or to prove or claim in such Winding-Up unless the Trustee, having become so bound to proceed or being able to prove or claim in such Winding-Up, fails to do so within a reasonable period and such failure shall be continuing, in which case the Securityholder shall have only such rights against the Issuer and the Guarantor as those which the Trustee is entitled to exercise as set out in Condition 11.
Proceedings for Winding-Up:	Upon (i) an order being made or an effective resolution being passed for the Winding-Up of the Issuer or the Guarantor or (ii) the Issuer or the Guarantor failing to make payment in respect of the Securities or the Guarantee of the Securities for a period of seven days or more after the date on which such payment is due, the Issuer and the Guarantor shall be deemed to be in default under the Trust Deed, the Securities and the Guarantee of the Securities and the Trustee may, subject to the provisions of Condition 11(d), institute proceedings for the Winding-Up of the Issuer or the Guarantor and/or prove and/or claim in the Winding-Up of the Issuer or the Guarantor for the principal amount of the Securities together with Distribution, Arrears of Distribution and any Additional Distribution Amount accrued to the day prior to the commencement of the Winding-Up.
Use of Proceeds:	The net proceeds from the issue of the Securities will be on-lent by the Issuer to other companies within the Group for their respective general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

SELECTED FINANCIAL INFORMATION OF THE GROUP

The following tables set forth the summary consolidated financial information of the Group as at and for the periods indicated.

The summary consolidated financial information as of and for Financial Year 2015 and as of and for Financial Year 2016 set forth below is derived from the audited consolidated financial statements of the Guarantor as of and for Financial Year 2015 and as of and for Financial Year 2016 which have been audited by Ernst & Young, Chartered Accountants, and should be read in conjunction with the audited consolidated financial statements of the Guarantor as of and for Financial Year 2015 and as of and for Financial Year 2016, including the notes thereto, which are included elsewhere in this Offering Circular.

The summary consolidated financial information as of and for Financial Year 2017 set forth below is derived from the audited consolidated financial statements of the Guarantor as of and for Financial Year 2017 which have been audited by PricewaterhouseCoopers Malaysia, Chartered Accountants, and should be read in conjunction with the audited consolidated financial statements of the Guarantor as of and for Financial Year 2017, including the notes thereto, which are included elsewhere in this Offering Circular.

The summary unaudited condensed consolidated financial information presented below as of and for First Quarter 2017 and First Quarter 2018 are derived from the Guarantor's unaudited interim condensed consolidated financial information as of and for First Quarter 2018, has not been audited by Ernst & Young or PricewaterhouseCoopers, and should be read in conjunction with the unaudited interim condensed consolidated financial information of the Guarantor as at and for First Quarter 2018, including the notes thereto, which are included elsewhere in this Offering Circular.

The Guarantor's audited consolidated financial statements as of and for Financial Year 2015 and as of and for Financial Year 2016 are prepared and presented in accordance with MFRS, IFRS and the requirements of the Malaysian Companies Act 1965.

The Guarantor's audited consolidated financial statements as of and for Financial Year 2017 are prepared and presented in accordance with MFRS, IFRS and the requirements of the Malaysian Companies Act 2016. The Guarantor's unaudited interim condensed consolidated financial information as of and for the First Quarter 2018 are prepared and presented in accordance with MFRS134: Interim Financial Reporting, paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The summary unaudited condensed consolidated financial information as of and for First Quarter 2018 and for First Quarter 2017 set forth below should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit. Neither the Arranger nor the Dealers make any representation or warranty, express or implied, regarding the sufficiency of such summary unaudited consolidated financial information for an assessment of, and potential investors must exercise caution when using such data to evaluate the financial condition, operations and results of the Group. Such summary unaudited interim condensed consolidated financial information should not be taken as an indication of the expected financial condition, results of operations and results of Group for Financial Year 2018 . See "*Risk Factors – Interim financial information of the Group contained in this Offering Circular has not been audited and reviewed*" and *"Presentation of Financial Information and other Data"*.

Statements of Financial Position

	As at 31 January			As at 30 April
	2015[2]	2016[2]	2017[1]	2017
	(audited)			(unaudited)
	(RM'000)			
Non-current assets				
Property, plant and equipment	1,158,000	2,997,573	4,609,661	4,729,218
Investment properties	29,598	–	29,931	27,007
Land use rights	4,228	–	–	–
Intangible assets	9,456	22,540	27,611	27,089
Investment in joint ventures	356,676	598,263	725,545	739,135
Investment in associates	29,389	2,039	2,599	3,035
Other investment	9,686	–	–	–
Other receivables	–	9,417	10,165	7,234
Deferred tax assets	6,114	–	–	10,464
	1,603,147	3,629,832	5,405,512	5,543,182
Current assets				
Inventories	27,595	3,585	5,309	10,304
Trade and other receivables	427,380	223,010	166,812	232,009
Other current assets	27,988	13,438	45,770	44,585
Land use rights	96	–	–	–
Tax recoverable	849	3,486	5,708	5,795
Favourable contracts	6,255	–	–	–
Derivatives	30,518	–	–	–
Other investment	10	76,916	27,296	19,156
Cash and bank balances	364,378	416,187	633,922	632,764
	885,069	736,622	884,817	944,613
Assets of disposal group classified as held for sale	–	473,356	–	–
	885,069	1,209,978	884,817	944,613
Total assets	**2,488,216**	**4,839,810**	**6,290,329**	**6,487,795**
Equity and liabilities				
Equity				
Share capital	516,399	546,399	1,099,462	1,099,462
Share premium	417,163	553,063	–	–
Treasury shares	–	–	(12,633)	(12,633)
Reserves	62,217	65,377	245,774	191,995
Retained Earnings	454,731	649,235	636,110	688,827
Equity attributable to owners of the parent	1,450,510	1,814,074	1,968,713	1,967,651
Perpetual securities of a subsidiary	–	437,460	437,460	437,460
Non-controlling interests	8,999	1,850	–	–
Total equity	1,459,509	2,253,384	2,406,173	2,405,111

Statements of Financial Position (continued)

	As at 31 January			As at 30 April
	2015(2)	2016(2)	2017(1)	2017
		(audited)		(unaudited)
			(RM'000)	
Non-current liabilities				
Loans and borrowings	474,593	1,446,630	3,170,819	3,181,350
Net employee defined benefit liabilities	3,233	–	–	–
Unfavourable contracts	56,596	44,860	26,563	20,828
Other payables	–	–	–	–
Derivatives	–	149,701	102,031	121,713
Deferred tax liabilities	6,724	26,773	5,450	5,343
	541,146	1,667,964	3,304,863	3,329,234
Current liabilities				
Loans and borrowings	348,584	207,521	222,354	185,215
Unfavourable contracts	17,416	19,942	21,258	20,837
Trade and other payables	109,150	422,153	299,767	518,465
Derivatives	214	6,177	425	260
Tax payables	12,197	34,170	35,489	28,673
	487,561	689,963	579,293	753,450
Liabilities directly associated with the disposal group classified as held for sale	–	228,499	–	–
	487,561	918,462	579,293	753,450
Total liabilities	1,028,707	2,586,426	3,884,156	4,082,684
Total equity and liabilities	**2,488,216**	**4,839,810**	**6,290,329**	**6,487,795**

(1) The Group's consolidated financial statements for Financial Year 2017 may not be directly comparable with its consolidated financial statements for the preceding financial years due to the sale of certain non-oil and gas businesses by the Group in 2016. Please see the risk factor "*The Group's consolidated financial statements for the financial year ended 31 January 2017 may not be directly comparable with its consolidated financial statements for the preceding financial years*" for further details.

(2) As at 31 January 2016, given the impending disposal of certain non-oil and gas subsidiaries of Yinson Holdings Berhad, the assets and liabilities of these subsidiaries had been classified as a disposal group held for sale. In accordance with the requirements of MFRS 5, the results of these subsidiaries were excluded from the results of continuing operations and were presented as a single amount as profit/(loss) for the year from discontinued operations in the consolidated income statement. Reclassifications of comparative amounts had been made in the 2016 audited consolidated financial statements to conform to classifications used in Financial Year 2016.

Income Statements

	For the financial year ended 31 January			For the three months ended 30 April
	2015(2)	2016(2)	2017(1)	2017
		(audited)		(unaudited)
			(RM'000)	
Continuing operations				
Revenue	395,440	424,398	543,255	172,413
Cost of sales	(260,968)	(261,519)	(271,355)	(89,632)
Gross profit	134,472	162,879	271,900	82,781
Other items of income				
Interest income	4,579	4,015	5,761	1,180
Dividend income	3,303	–	–	–
Other income	126,353	164,187	7,439	10,806
Other items of expenses				
Administrative expenses	(41,669)	(91,521)	(122,937)	(39,490)
Finance costs	(37,375)	(40,514)	(32,314)	(6,399)
Share of results of joint ventures	91,386	92,165	82,457	26,906
Share of results of associates	(325)	1,549	873	472
Profit before tax	280,724	292,760	213,179	76,256
Income tax expense	(27,457)	(77,710)	(18,706)	(15,970)
Profit for the year from continuing operations	253,267	215,050	194,473	60,286
Discontinued operations				
Profit/(Loss) for the year from discontinued operations	(1,855)	771	2,282	–
Profit for the year	251,412	215,821	196,755	60,286
Attributable to:				
Owners of the parent	247,677	224,663	197,048	60,286
Non-controlling interests	3,735	(8,842)	(293)	–
	251,412	**215,821**	**196,755**	**60,286**

(1) The Group's consolidated financial statements for Financial Year 2017 may not be directly comparable with its consolidated financial statements for the preceding financial years due to the sale of certain non-oil and gas businesses by the Group in 2016. Please see the risk factor "*The Group's consolidated financial statements for the financial year ended 31 January 2017 may not be directly comparable with its consolidated financial statements for the preceding financial years*" for further details.

(2) As at 31 January 2016, given the impending disposal of certain non-oil and gas subsidiaries of Yinson Holdings Berhad, the assets and liabilities of these subsidiaries had been classified as a disposal group held for sale. In accordance with the requirements of MFRS 5, the results of these subsidiaries were excluded from the results of continuing operations and were presented as a single amount as profit/(loss) for the year from discontinued operations in the consolidated income statement. Reclassifications of comparative amounts had been made in the 2016 audited consolidated financial statements to conform to classifications used in Financial Year 2016.

Statements of Comprehensive Income

	For the financial year ended 31 January			For the three months ended 30 April
	2015	2016	2017	2017
		(audited)		(unaudited)
			(RM'000)	
Profit for the year	251,412	215,821	196,755	60,286
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
– Cash flows hedge reserve	–	(149,701)	47,670	(19,682)
– Exchange differences on translation of foreign operations	52,745	143,111	141,940	(34,512)
– Transfer from held for sale reserve following the disposal of subsidiaries and associate	–	–	(9,575)	–
– Net loss on available-for-sale financial assets	(7,872)	(7,272)	–	–
– Reclassification of cumulative loss of AFS reserve recognised as impairment loss to profit or loss	–	18,622	–	–
Other comprehensive income for the year	44,873	4,760	180,035	(54,194)
Total comprehensive income for the year	296,285	220,581	376,790	6,092
Attributable to:				
Owners of the parent	292,550	227,823	377,141	6,092
Non-controlling interests	3,735	(7,242)	(351)	–
	296,285	220,581	376,790	6,092

Other Financial Information

The financial information set out below has been computed by the Group to provide certain information on adjusted core EBITDA, adjusted net leverage and interest service cover which take into account core EBITDA or, as the case may be, debt from joint ventures of the Group, namely PTSC SEA, PTSC AP and ARO.

The financial information set out below is derived from the audited consolidated financial statements for Financial Year 2017. However, it has been computed by the Group and has not been separately reviewed or audited by the Group's auditors. Consequently, the financial information set out below should not be relied upon by potential investors to provide the same quality of information associated with financial statements that has been subject to an audit or review. Potential investors must exercise caution when using such data to evaluate the Group's financial condition and results of operations. Potential investors should consider all the information in this Offering Circular, including the audited financials set out elsewhere in this Offering Circular, before making an investment decision relating to the Securities.

Other Financial Data of the Group

	For the financial year ended 31 January 2017 *(RM'000, except otherwise specified)*
Revenue	543,255
EBITDA	273,163
EBITDA margin	50.3%
Core EBITDA	319,878
Core EBITDA margin	58.9%
Adjusted Revenue	765,339
Adjusted Core EBITDA	534,970
Adjusted Core EBITDA margin	69.9%
Net Debt	2,759,251
Net Leverage Ratio = Net Debt/Core EBITDA	8.6 times
Adjusted Net Debt	3,136,686
Adjusted Net Leverage Ratio = Adjusted Net Debt/Adjusted Core EBITDA	5.9 times
Finance Costs	32,314
Interest Service Cover Ratio = Core EBITDA/Finance Costs	9.9 times
Total Equity	2,406,173
Net Gearing Ratio = Net Debt/Total Equity	1.15 times

Notes:

(1) Core EBITDA is defined as earnings before finance cost, share of results in joint ventures, share of results in associates, tax, depreciation and amortisation ("EBITDA") less the following Group's expenses which are non-cash flow in nature, such as unrealised foreign exchange differences, impairment loss on receivables and impairment loss on property, plant and equipment, fair value loss on marketable securities, loss of disposal on subsidiaries &

associates, plant and equipment written off, unrealised gains on foreign exchange and reversal of accrued reimbursements on additional taxes. Set forth below is a reconciliation of the Group's profit before tax to EBITDA and a reconciliation of EBITDA to Core EBITDA:

	For the financial year ended 31 January (audited except for otherwise specified)			For the three months ended 30 April (unaudited)	
	2015	2016	2017	2016	2017
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
From Continuing Operations					
Profit before tax	280,724	292,760	213,179	31,800	76,256
Add: Finance costs	37,375	40,514	32,314	7,380	6,399
Less: Share of results of joint ventures	(91,386)	(92,165)	(82,457)	(23,871)	(26,906)
Add/(Less): Share of results of associates	325	(1,549)	(873)	39	(472)
Add: Depreciation of property, plant and equipment	84,909	104,778	108,389	26,836	28,690
Add: Amortisation of intangible assets	1	1,114	2,611	453	999
EBITDA (Unaudited)	**311,948**	**345,452**	**273,163**	**42,637**	**84,966**

	Reference to Audited FY2017 Financial Statements	RM'000
EBITDA (unaudited)		**273,163**
Add: Fair value loss on marketable securities	Note10	984
Add: Impairment loss on trade receivables	Note10	7,454
Add: Impairment loss on other receivables	Note10	23,469
Add: Impairment loss on plant and equipment	Note10	11,630
Add: Loss of disposal on subsidiaries & associate	Note10	3,511
Add: Plant and equipment written off	Note10	2,338
Less: Gain on foreign exchange – Unrealised	Note 9	(27,162)
Add: Reversal of accrued reimbursements on additional taxes	Note 9	24,491
Core EBITDA (unaudited)		**319,878**

(2) Adjusted Core EBITDA is defined as Core EBITDA plus the Group's equity share of the Core EBITDA of its joint ventures. Set forth below is a reconciliation of Core EBITDA to Adjusted Core EBITDA.

	Unaudited RM'000
Core EBITDA	**319,878**
Add: Share of PTSC SEA's Core EBITDA	71,021
Add: Share of PTSC AP's Core EBITDA	147,031
Add: Share of ARO's Core EBITDA	(2,960)
Adjusted Core EBITDA	**534,970**

Set forth below is a reconciliation of the Group's share of its joint ventures' Core EBITDA:

	For the financial year ended 31 January 2017 (Unaudited)		
	PTSC SEA (RM'000)	**PTSC AP (RM'000)**	**ARO (RM'000)**
Profit/(Loss) before tax	111,037	104,314	(41,294)
Add: Finance costs	8,149	38,353	–
Add: Depreciation of property, plant and equipment	25,755	157,395	–
EBITDA (Unaudited)	144,941	300,062	(41,294)
Add: Impairment loss on property, plant and equipment	–	–	35,490
Core EBITDA (Unaudited)	144,941	300,062	(5,804)
Proportion of the Group's ownership	49%	49%	51%
Share of Core EBITDA (Unaudited)	**71,021**	**147,031**	**(2,960)**

(3) Adjusted Revenue is defined as audited revenue of the Group plus the Group's equity share of the revenue of its joint ventures as shown below:

	Reference to Audited FY2017 Financial Statements	**RM'000**
Revenue of the Group		543,255
Add: Share of PTSC SEA's revenue	Note 21	72,350
Add: Share of PTSC AP's revenue	Note 21	149,733
Add: Share of ARO's revenue	Note 21	–
Adjusted revenue (Unaudited)		**765,338**

(4) Net Debt is defined as the Group's total borrowings less the Group's cash and bank balances. Adjusted Net Debt is defined as Net Debt plus the Group's equity share of its joint ventures' total borrowings less the Group's equity share of its joint ventures' cash and bank balances. Set forth below are the components of the Group's Net Debt and a reconciliation of the Group's Net Debt to the Group's Adjusted Net Debt.

	Reference to Audited FY2017 Financial Statements	**RM'000**
Loans and borrowings (Current)	Note 33	222,354
Loans and borrowings (Non-current)	Note 33	3,170,819
Audited Loans and borrowings		**3,393,173**
Less: Cash and bank balances	Note 27	(633,922)
Net debt (Unaudited)		**2,759,251**
Add: Share of PTSC SEA's total borrowings	Note 21	58,151
Less: Share of PTSC SEA's cash and bank balances	Note 21	(73,254)
Add: Share of PTSC AP's total borrowings	Note 21	496,539
Less: Share of PTSC AP's cash and bank balances	Note 21	(103,759)
Add: Share of YPWAL's total borrowings	Note 21	–
Less: Share of YPWAL's cash and bank balances	Note 21	(242)
Adjusted Net debt (Unaudited)		**3,136,686**

(5) EBITDA margin is calculated by dividing the Group's consolidated EBITDA by the Group's consolidated revenue.

(6) Core EBITDA margin is calculated by dividing the Group's consolidated core EBITDA by the Group's consolidated revenue.

(7) Adjusted Core EBITDA margin is calculated by dividing the Group's consolidated adjusted core EBITDA by the Group's consolidated adjusted revenue.

(8) Net Leverage Ratio is the ratio calculated by dividing the Group's consolidated Net Debt by the Group's consolidated Core EBITDA.

(9) Adjusted Net Leverage Ratio is the ratio calculated by dividing the Group's consolidated Adjusted Net Debt by the Group's consolidated Adjusted Core EBITDA.

(10) Interest Service Cover Ratio is the ratio calculated by dividing the Group's consolidated Core EBITDA by the Group's consolidated Finance Costs. The Group's consolidated Finance Costs do not include interest expenses capitalised in property, plant and equipment.

(11) Net Gearing Ratio is the ratio calculated by dividing the Group's consolidated Net Debt by the Group's consolidated Total Equity. Set forth is the computation for Net Gearing Ratio:

	For the financial year ended 31 January Audited except for otherwise specified		
	2015	**2016**	**2017**
	(RM'000)	**(RM'000)**	**(RM'000)**
Loans and borrowings	823,177	1.654,151[(1)]	3,393,173
Less: Cash and bank balances	(364,378)	(416,187)[(2)]	(633,922)
Net Debt (Unaudited)	458,799	1,237,964	2,759,251
Total Equity	1,459,509	2,253,384	2,406,173
Net Gearing Ratio (Unaudited)	**0.31**	**0.55**	**1.15**

Notes:

(1) This amount does not include loans and borrowings directly associated with the disposal group classified as held for sale. The amount of loans and borrowings directly associated with the disposal group classified as held for sale was disclosed in Note 46 to the audited consolidated financial statements of Financial Year 2016.

(2) This amount does not include cash and bank balances of the disposal group classified as held for sale. The amount of cash and bank balances of the disposal group classified as held for sales was disclosed in Note 46 to the audited consolidated financial statements of Financial Year 2016.

(12) EBITDA, Core EBITDA, Adjusted Core EBITDA, Net Debt, Adjusted Net Debt, Adjusted Revenue and other ratios such as Net Leverage, Adjusted Net Leverage, Interest Service Cover and Net Gearing are supplemental measures of the Group's performance and liquidity that are not required by, or presented in accordance with MFRS and IFRS. Further, these supplemental measures are not measurement of the Group's financial performance or liquidity under MFRS and IFRS and should not be considered as alternatives to net income or any other performance measures derived in accordance with MFRS and IFRS or as alternatives to net income or any other measures of the Group's liquidity. The Group believes that EBITDA, Core EBITDA, Adjusted Core EBITDA, Net Debt, Adjusted Net Debt, Adjusted Revenue serve as useful indicators of its operating performance and that Net Leverage, Adjusted Net Leverage, Interest Service Cover and Net Gearing ratios are measures commonly communicated to analysts, investors and shareholders. Accordingly, the Group has disclosed these information to permit a more complete analysis of the Group's operating performance. EBITDA, Core EBITDA, Adjusted Core EBITDA, Net Debt, Adjusted Net Debt, Adjusted Revenue and other ratios as calculated, may not be comparable to similarly titled measures reported by other companies.

RISK FACTORS

Prior to making any investment decision, prospective investors should consider carefully all of the information in this Offering Circular, including the risks and uncertainties described below. The business, financial condition or results of operations of the Group could be materially adversely affected by any of these risks. The Issuer, the Guarantor and the Group believe that the following factors may affect their ability to fulfil their obligations under the Securities issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer, the Guarantor and the Group are not in a position to express a view on the likelihood of any such contingency occurring. Factors which the Issuer, the Guarantor and the Group believe may be material for the purpose of assessing the market risks associated with the Securities issued under the Programme are also described below.

The Issuer, the Guarantor and the Group believe that the factors described below represent the principal risks inherent in investing in the Securities issued under the Programme, but the inability of the Issuer or the Guarantor to pay principal, distribution (if any) or other amounts or fulfil other obligations on or in connection with any Securities may occur for other reasons and the Issuer, the Guarantor and the Group do not represent that the statements below regarding the risks of holding the Securities are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

An investment in the Securities involves a number of risks. Investors should carefully consider all the information contained in this Offering Circular, including the risk factors described below, before deciding to invest in the Securities. The occurrence of any of the following events could have a material adverse effect on the Group's business, financial condition and results of operations and cause the market price of the Securities to decline. All or part of an investment in the Securities could be lost.

Each of the Issuer and the Guarantor believes that the factors described below represent the principal risks inherent in investing in the Securities, but the inability of the Issuer to pay any amounts on or in connection with any Securities, or the ability of the Guarantor to pay any amounts on or in connection with the Guarantee of the Securities, may occur for other reasons and neither the Issuer nor the Guarantor represents that the statements below regarding the risks of holding any Securities are exhaustive. There may also be other considerations, including some which may not be presently known to the Issuer or the Guarantor or which the Issuer or the Guarantor currently deems immaterial, that may impact any investment in the Securities.

Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision. Words and expressions defined in "Terms and Conditions of the Securities" shall have the same meanings in this section.

RISKS RELATING TO THE ISSUER

The Issuer is a special purpose company with no business activities of its own and will be dependent on funds from the Group to make payments under the Securities

At the date of this Offering Circular, the Issuer is a company with limited liability incorporated in the British Virgin Islands on 29 May 2017 and has a limited operating history. The Issuer was established by the Group as a special purpose company to procure capital and funding for members of the Group and for investment holding and the provision of financial and treasury management services to members of the Group. The Issuer does not sell any products or provide any services and it has undertaken no business activities since the date of its incorporation, other than those incidental to its incorporation and establishment as a direct wholly-owned subsidiary of the Guarantor and those incidental to the issue of any Securities. Upon the issue of any Securities under the Programme, the Issuer is expected to on-lend the proceeds from the issue of the Securities to the Guarantor and/or other members of the Group. The Issuer does not and will not have any assets other than such loan receivables and its ability to make payments under the Securities will depend on its receipt of timely payments under such loan agreement or other financing arrangements with the Guarantor and/or other members of the Group.

RISKS RELATING TO THE GROUP'S BUSINESS AND OPERATIONS

A small number of vessels and customers contribute a significant proportion of the Group's revenue

The Group is dependent on a small number of high-value vessels to provide its FPSO and FSO services to the offshore O&G industry. These vessels operate in an environment which is subject to harsh weather conditions and natural hazards, often in jurisdictions with complex legal and regulatory requirements. In the event of a service disruption or damage to its vessels the Group may incur losses which in turn may materially and adversely affect its financial condition and results of its operations. Further, there can be no assurance that changes in the regulatory environment in the offshore O&G industry may not require the Group to undertake modifications to its existing vessels which could result in disruption to its services.

In addition, a limited number of FPSO/FSO charterers contribute a substantial portion of the Group's revenues. For Financial Year 2017, the Group's top three customers contributed approximately 95 per cent. of its revenue. The Group expects this customer concentration to continue for the foreseeable future. The loss of a key customer, if not replaced, or any contractual breaches or early terminations by a customer could materially and adversely affect the Group's financial condition and the results of its operations as could factors that could have the effect of slowing its customers' sales. Termination of charter contracts may result in early repayment or defaults on the Group's borrowing facilities. Please refer to the risk below "*The Group's charter contracts may be terminated prematurely upon the occurrence of certain events*".

The Group's charter contracts may be terminated prematurely upon the occurrence of certain events

The contracts that make up the Group's orderbook as at 31 January 2017 amounted to approximately U.S.$3.7 billion (including firm contracts and optional extensions), excluding the recently awarded FPSO for the Ca Rong Do project. Given the forward-looking nature of the Group's orderbook, the amount stated therein is not necessarily indicative of its future earnings. For example, the Group may not achieve its expected margin or it may suffer losses on one or more of these contracts, causing its income to be reduced. Additionally, there is no assurance that charterers will exercise their options to extend the charters for the Group's vessels, and if extended, that such extension will be for the full optional term. Any operational issues, cancellations or delays in relation to the performance of the Group's contracts could materially and adversely affect its business, financial condition and results of operation.

The Group's charter contracts are entered into for varying terms. In line with industry practice, the Group's customer contracts ordinarily contain clauses which could, amongst other things, give the customer a right of early termination. Some of the Group's charter contracts may be terminated for convenience under specified conditions with related compensation and, in certain cases, upon the occurrence of certain events such as non-performance, events of force majeure, loss or seizure of vessels or unavailability of the vessel due to various reasons such as confiscation or requisition by the government of the jurisdiction under which the vessels are registered and/or operate. While the Group will typically be entitled to an ETP under the terms of the charter contracts, in certain circumstances, the Group may not be able to recover the entirety of such payment or such payment at all.

As such, there can be no assurance that the contracts in the Group's orderbook will be performed, or be performed to their full specifications, or that they will generate the expected revenues. The Group's revenue and profitability will also be materially and adversely affected if it is not able to redeploy its vessels for a period of time upon the termination of existing contracts, if there are lengthy negotiations over the terms of any new charter contracts, or if the charter contracts are re-negotiated and/or renewed on less favourable terms.

Additionally, the breach of certain terms under certain charter contracts and financing facilities may lead to events of default which may consequently trigger certain cross default clauses contained in the Group's other financing documentation. Termination of charter contracts may result in early repayment or defaults in the Group's borrowing facilities. In the event of an early termination of an existing charter contract which triggers a default under the Group's financing, the Group may need to seek a waiver or extension for such default or make an early repayment under such financing in accordance with its terms.

For example, PTSC terminated the charter for FPSO PTSC Lam Son in March 2017. The early termination for the charter of FPSO PTSC Lam Son triggered a mandatory prepayment requirement under the project lending facility between PTSC AP and the relevant lenders of approximately U.S.$215 million. The lenders have granted PTSC AP an extension of time until 15 August 2017 for repayment of all amounts due under the loan. The extension letter confirms that no event of default will be considered as having occurred as a result of the termination up to and included 15 August 2017. The Group's management expects to have either completed the negotiations for the redeployment of FPSO PTSC Lam Son and to have re-signed a replacement charter contract or to have received the early termination payment on or before 15 August 2017. If a replacement charter contract is not signed by 15 August 2017 or if such deadline is not further extended by the lenders, there may be an event of default under the project lending facility and PTSC AP may be obliged to make a mandatory prepayment thereunder. Contract re-negotiations between PetroVietnam and the Group are ongoing for the redeployment of FPSO PTSC Lam Son and the terms of any replacement charter contract are not yet confirmed. There can be no assurance on how long negotiations will take or whether the Group will be able to charter out FPSO PTSC Lam Son on equal or more favourable commercial terms. It is possible that any replacement terms will be on less favourable terms to the Group or, alternatively, no final agreement may be reached. Failure to reach an agreement for the replacement charter contract or agreement of terms which are less favourable to the Group may have a material impact on the Group's operations and consequently, materially and adversely affect its financial condition and results.

For further details on the termination in relation to FPSO PTSC Lam Son see "*Description of the Guarantor and the Group – Recent Developments – Termination of the FPSO PTSC Lam Son charter and letter of intent on the continued deployment of FSPO PTSC Lam Son*" and "*Description of the Guarantor and the Group – The Group's Business Units – Vessels – FPSO PTSC Lam Son*" and the risk below "*In the event of an early termination of a charter contract, the Group may not be entitled to an ETP or such ETPs may be reduced in certain circumstances*".

In the event of an early termination of a charter contract, the Group may not be entitled to an ETP or such ETPs may be reduced in certain circumstances

In the event that the Group's FPSO/FSO charter contracts are terminated by the charterers at their convenience, the charter contracts typically contain provisions providing for the payment of an ETP. The ETP or reduced ETP payments are normally derived based on, *inter alia*, the present value of lost future revenue and are contractually structured as lump sum payments payable within a stipulated period post termination. A similar ETP or reduced ETP is also payable by the charterers under certain charter contracts, albeit in more limited circumstances, notwithstanding default by the Group. However, the ETPs are usually not payable by the Group's FPSO/FSO charterers in the case of more culpable defaults on the part of the Group such as, *inter alia*, the insolvency or bankruptcy of the asset owner company or the failure by the Group to provide or continue to provide the required parent company guarantees. The termination of existing charter contracts without any or with a discounted ETP as compensation will reduce the Group's revenue and may have a material adverse impact on the results of its operations.

The Group is affected by price escalations and its ability to obtain timely access to resources and yard space and, as such, may face delay in the completion and delivery of projects including the conversion of FPSOs

In many cases, the Group's projects involve significant procurement of equipment and supplies and extensive construction management and other activities conducted over extended time periods. Any procurement difficulties, equipment performance failures or other factors may result in actual revenues or costs being significantly different from the Group's original estimation. Some of these risks include:

- the Group may encounter difficulties related to the procurement of materials, or due to schedule disruptions, equipment performance failures or other factors that may result in additional costs to it, reductions in revenue, claims or disputes;

- the Group may not get access to the labour and human resources required to continue to successfully execute its business strategy and operations;

- the Group may not get access to yard space in order to implement its conversion or construction projects;

- the Group may face difficulties in engaging third-party subcontractors, equipment manufacturers or materials suppliers or failures by third-party subcontractors, equipment manufacturers or materials suppliers could result in project delays and cause the Group to incur additional costs; and

- the Group is exposed to increases in labour costs and escalations in the prices of key materials (such as steel and fabrication materials) from the time it executes these types of contracts to the time it places its order for the relevant materials.

As a result of the above factors, the Group may face delays in the completion and delivery of its projects, liquidated damages or increased costs in completion and delivery of its projects. A significant delay in the completion and delivery of projects or a significant performance deficiency could have a material adverse effect on the Group's business, results of operations and financial condition. Furthermore, the consequent damage to the Group's reputation resulting from significant delays in the delivery of projects or any significant performance deficiency may affect its ability to secure future contracts. These events and the losses associated with them, to the extent that they are not adequately covered by contractual remedies or insurance, could materially and adversely affect the Group's results of operations and financial condition.

In addition, in the event of any material delay in the conversion of FPSOs, the Group may seek to impose penalties on yards or suppliers. There can, however, be no assurance that the Group will recover amounts sufficient to cover any related losses, which in turn, could have a material adverse impact on its results of operations and financial condition.

The Group may be adversely affected by any change in the current taxation regulations in the jurisdictions in which it operates or enforcement of taxation regulations by the relevant tax authorities

Any changes in the current tax regime and/or laws, rules and regulations pertaining to the taxation of companies or the interpretation thereof, whether in Malaysia or in any other jurisdictions in which the Group operates, which have a retrospective, current and/or prospective effect, will affect the tax paid or payable by the Group arising from a tax reassessment on its financial results. In particular, the Group's primary income arises from the charter of FPSO vessels. Currently, the Group's entire fleet of vessels are flagged in Singapore and income derived from the operations of the Group's Singapore flagged vessels in international waters are exempt from income tax in Singapore under Section 13A of the Income Tax Act, Chapter 134 of Singapore. Any changes in the current tax law in Singapore (or any other relevant countries) applicable to the taxation of shipping income may adversely affect the amount of income tax payable by the Group and may have an adverse impact on its financial results.

For example, in Financial Year 2016, there was a change in the tax administration for a foreign operation pursuant to a directive issued in year 2015, whereby the corporate tax basis was changed from a deemed income approach to the actual profit basis for financial year 2014 onwards. As a result, the income tax computations for the financial years 2006 to 2014 for a subsidiary in the foreign operation were revised to the actual profit basis and refiled to the relevant tax authority. As these refiled submissions are subject to the tax authority's approval, the final tax position for a subsidiary in the foreign operation is uncertain. For further information please refer to Note 6(i) of the audited consolidated financial statements of the Guarantor as at and for Financial Year 2017.

In addition, recently the Inland Revenue Board of Malaysia (the "**IRB**") carried out an inspection visit to the premises of a former member of the Group (which was divested in 2016) and in that process collected documents of the Group and certain of its major shareholders. Subsequently, the Group was informed that the IRB had commenced an investigation into the tax returns of certain major shareholders of the Group. The Group has not received any formal notice from the IRB. The IRB has also since requested certain documents from these shareholders which shareholders are now in the process of compiling. The investigations are in a preliminary stage and there have been no findings or charges filed as at the date of this Offering Circular. The Group is not aware of when, or if, any further steps may be taken by the IRB in relation to the investigation. However, there can be no assurance that the investigations by the IRB will not lead to any additional tax assessments, fines, proceedings or other charges being filed against such shareholders in the future. While the Group itself is not under any investigation, there can be no assurance that, in the event that such shareholders are charged or found guilty of an offence, this will not adversely affect the Group's business, financial condition, reputation or prospects.

Certain observations and areas for improvement in the Group's accounting procedures and internal controls have been identified in relation to its historical financials

The Group's auditors have in the past highlighted some key observations and areas for improvement as part of its review of the Group's accounting procedures and internal controls, namely in relation to credit control and collection policy, safeguarding of inventories and limits of authority. While these observations relate mainly to the non-O&G entities that have since been sold by the Group and the Group has taken steps to address these issues (including instituting limits of authority), there can be no assurance that these issues will not reoccur in relation to the Group's existing businesses or that such steps will be sufficient to prevent such issues from arising in the future. In the event such issues do reoccur, this may have a material adverse impact on the Group's business, financial condition, results of operations and prospects. See "*Description of the Guarantor and the Group – Overview and Background – Divestment of non-O&G business*" on page 100 for further details on the sale of the non-O&G business by the Group.

The industry in which the Group operates is highly competitive with intense price competition

The market segments and regions in which the Group operates are highly competitive. The offshore O&G services industry comprises a diversified group of competitors ranging from large domestic and multinational companies to small-and medium-sized enterprises. As such, the Group faces competition from existing and new domestic and international offshore O&G service providers in the markets in which it operates. The Group also faces competition from domestic and foreign vessel suppliers which have joint venture arrangements with local licenced vessel suppliers that provide various maritime services to oil field operators.

The principal competitive factors in the markets that the Group serves include price, quality of service, ability to deliver projects on time, safety track record, reputation of vessel operators and crews and the quality and availability of the type of vessels required by the customers. Pricing is often the primary factor in determining which contractor is awarded a contract. Some of its competitors are larger than the Group, have more diverse fleets or fleets with generally higher specifications, have greater resources than the Group, and/or have greater brand recognition and greater geographical reach and/or lower capital costs than the Group. This allows them to withstand industry downturns better, compete on the basis of price, and relocate, build, and/or acquire additional assets, all of which may affect the Group's revenues and profitability. The Group expects to face increased competition and it cannot give assurance that it will be able to continue competing successfully with existing competitors and/or new entrants into the market.

If other competitors in the industry relocate or acquire rigs or vessels for operations in the region where the Group operates, levels of competition in such region may increase and the financial condition and results of operations of the Group could be materially and adversely affected. The Group's ability to compete in international markets may also be adversely affected by regulations in countries where it operates which require, among other things, the awarding of contracts to local contractors, the employment of local citizens and/or the purchase of supplies from local vendors that favour or require local ownership.

Should the Group's existing or new competitors offer services at a lower cost or engage in aggressive pricing in order to increase their market share, the Group's turnover may decline if it is not able to match their costs or aggressive pricing. The Group may, therefore, have to provide more competitive pricing in order to attract new customers and retain its existing customers. A reduction in the Group's pricing without any corresponding cost reduction could materially and adversely affect its profitability, results of operation and financial condition. As a result, there can be no assurance that the Group will be able to compete successfully against its competitors as well as new market entrants in the future. The Group's failure to remain competitive may adversely affect its business and growth and could have a material adverse impact on its results of operations and financial condition.

The Group is subject to a number of contractual and project execution risks

The Group is engaged in a highly competitive industry and has contracted, and continues to contract, for a number of projects on a fixed-price basis, subject to specific terms and conditions. In addition, some of the Group's contracts specify minimum performance requirements. The following risks are generally inherent in the industry in which the Group operates and may result in reduced profitability or losses on projects, which in turn may materially and adversely affect its financial condition and the results of its operations.

Some of these risks include:

- construction and project management associated with the execution of the Group's projects and maintenance of the Group's operations;

- cost overruns associated with the Group's fixed-price contracts that have limited price escalation provisions and where it bears all, or at least a portion of, any increased costs;

- inability to meet the delivery performance requirements or specifications of the Group's contracts which may result in potential penalties, liquidated damages or in extreme scenarios, cancellation of such contracts. For example, if the Group is unable to achieve its contractual availability and/or uptime, the related contracts generally provide for a reduction or suspension in payment of the daily charter rate; and

- inability to obtain compensation for additional work the Group performs or expenses it incurs as a result of customer change orders or faulty equipment or materials.

The Group's FPSO business is subject to significant operating risks

The Group's FPSO vessels are designed and equipped according to specifications from its customers. The Group's contracts are usually structured to secure an acceptable return on the investment within the fixed period of contract. There can be no assurance that the Group's vessels will achieve the returns expected from them due to technical risks, unforeseen operational problems, unexpectedly high operating costs, additional capital expenditure, penalty payments, accidents (including those caused by human error), weather conditions, faulty construction and other risks.

The Group is required to maintain its vessels (particularly the OSVs) and/or its equipment to certain standards and to maintain the certification of such vessels and/or certain equipment. Such maintenance may involve substantial costs which may materially and adversely affect the Group's results of operations.

The Group's operations are dependent on the operating efficiency and reliability of its vessels and/or its equipment in terms of operational worthiness and the safety environment. Any unexpected breakdown or non-performance of vessels and/or equipment is difficult to predict and in the event of downtime, additional costs and losses may be incurred by the Group's customers arising from the disruption of their workflow and scheduled activities and some of these costs may be passed down to the Group. Rectification of the breakdown or non-performance, depending on its severity, may also require replacement or repair of key components and there may be long lead times required in the procurement of these components. Such rectification on the affected vessels and/or equipment may require the Group to incur significant costs and may result in such vessels and/or equipment being out of service, unable to generate revenue over extended periods of time and potentially lead to a termination event. In such an event the Group may be unable to meet its contractual obligations with its customers which in turn may materially and adversely affect its reputation, results of operations and financial condition.

In the event that the Group suffers such operational risks, it may not achieve adequate financial returns during its contract periods and its operations, results of operations and financial condition may be materially and adversely affected.

The Group may from time to time consider disposals of its investments in existing projects to recycle capital for future projects and investments which may not provide a comparable or adequate return on investment

As part of its strategy to recycle capital for the funding of other projects, the Group may from time to time monetise its existing investments by seeking a sale of a part or all of its equity interest in certain FPSO or FSO projects prior to the completion of such vessel's corresponding charter contract period. If any such sale were to occur as part of the Group's strategy to recycle its capital for other projects, there is no assurance that the new projects which the proceeds may fund will provide the anticipated benefits or provide a comparable or an adequate return on investment. If the proceeds from such sales are not utilised in a manner that provides a comparable or adequate return on investment, this may have an adverse impact on the Group's business, financial condition, results of operation and prospects.

The Group's business is subject to compliance with and changes in regulations and local and international laws

The Group's operations are subject to local and international regulations in jurisdictions where its vessels operate, as well as in the countries in which its vessels are registered. The Group's vessels require certain licences, permits and certifications to operate. If the Group fails to comply with the requirements of any such laws, rules or regulations it could be subject to substantial administrative, civil and criminal penalties, the imposition of remedial obligations, the issuance of injunctive relief or the non-renewal or revocation of the Group's business and operational licences, permits, registrations and certifications. Further, a certain number of the Group's licences, permits and certifications are subject to annual renewal. There can be no assurance that the Group's existing licences, permits and certifications will be renewed in the future, despite the submission of relevant documentation.

In addition, the Group is required by its customers as well as by governments and regulatory agencies, to maintain health and safety standards in the course of providing its services. These regulations govern, among other things, workers' health and safety, manning, construction and the operations of the Group's vessels. In the event of any change in these standards, the Group may have to incur additional expenses to comply with such changes. Any failure to maintain standards may result in the cancellation of the Group's present contracts, failure to win new contracts or regulatory authorities imposing fines, penalties or sanctions on the Group, revocation of its licences and permits or prohibition from continuing its operations, each of which could have a material and adverse effect on the Group's business. Failure to maintain health and safety standards could also result in injuries, death, damage to property and the environment and potential liability arising from such events, as well as damage to the Group's reputation.

Changes to current laws and regulations, the introduction of new laws or regulations by local or international bodies or the imposition of additional conditions with respect to the Group's licences, permits, registrations and certifications could cause the Guarantor to incur significant additional compliance costs. Furthermore, if the Group is unable to comply with the new laws and regulations or additional conditions imposed on its licences, permits, registrations and certifications or should any of its licences, permits, registrations or certifications be suspended, revoked or not renewed, the Group's vessels may not be allowed to operate and consequently its results of operations and financial position may be materially and adversely affected.

The Group may be subject to environmental risks and liabilities

The Group is subject to environmental regulations pursuant to a variety of international conventions and state and municipal laws and regulations. Compliance with such regulations may require significant expenditure and a breach may result in the imposition of fines and penalties, which may be material to the Group. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. Compliance with environmental laws may result in a material increase in the Group's operating costs or otherwise materially and adversely affect its financial condition, results of operations and/or prospects.

The discharge of pollutants into the air or water may give rise to liabilities to governmental authorities and third parties. This may require the Group to incur costs to remedy such discharge and to obtain additional insurance coverage. Changes in environmental laws may also expose the Group to liability for the conduct of, or conditions caused by, others or for acts which were in compliance with all applicable laws at the time such actions were taken. Furthermore, some environmental laws provide for joint and several strict liabilities for the environmental remediation of releases of hazardous substances which could result in liability for environmental damage without regard to negligence or fault.

The Group is subject to weather and natural hazards

The Group's vessels and its equipment are subject to weather and natural hazards. Adverse changes in weather and natural hazards such as the occurrence of typhoons, tsunamis and earthquakes in the areas where the Group operates may cause damage to the Group's vessels, delays or suspensions in its operations or result in a force majeure event. Prolonged occurrence of a force majeure event may lead to the termination of the contract. Whilst the Group may be entitled to an early termination payment in respect of such termination, there is no assurance that the Group would be able to cover the whole of such amount.

The Group's operations may also experience disruption if any of its vessels and/or its equipment suffer significant downtime as a result of such damages, delays or suspensions. This may have a material adverse impact on the Group's revenue, profits, results of operations and financial position.

The Group has significant borrowings and expects to continue to require additional capital in the future, exposing it to the risks inherent in capital funding

The Group has and will continue to have a significant amount of borrowings. As at 30 April 2017, the Group's total borrowings stood at RM3.4 billion, of which RM3.3 billion is secured. The Group's ability to service its debts and other contractual obligations will depend on its future operations and cash flow generation, which in turn will be affected by various factors, many of which are beyond the Group's control.

As the Group operates in a capital-intensive industry, it has historically required capital to acquire or carry out improvement work on vessels (particularly, the OSVs) and may require additional capital in the future to fund the acquisition or construction of additional vessels. Generally, expenditures necessary for maintaining a vessel in good operating condition increase with the age of the vessel, but are difficult to predict with precision. In addition, unanticipated changes in governmental regulations and safety or other equipment standards may require unanticipated expenditures for alterations or the addition of new equipment to older vessels. As a consequence, the Group's vessels (particularly, the OSVs) may need to be taken out of service for longer periods of time or more often than planned in order to perform necessary repairs or modifications in order to meet such regulations. There can be no assurance that these vessels will not require extensive repairs which would result in significant expenses and extended periods of time during which these vessels would be out of service. Such an occurrence could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group's access to debt financing for new projects and acquisitions and to refinance maturing debt is subject to many factors, some of which are outside of its control. Failure to raise the required capital, whether in the form of equity or debt in the future on acceptable terms and/or pricing, or at all, may limit the Group's expansion and growth which in turn may affect the Group's ability to execute its growth strategies and compete in the oil and gas industry. In addition, if the Group has difficulty servicing its debt or providing for other contractual obligations in the future it may be forced to take actions such as reducing or delaying capital expenditures, reducing costs, selling off assets, refinancing or reorganising its debt or other obligations, seeking additional equity capital or any combination of the above. The Group may not be able to take or may be restricted from taking any of these actions on satisfactory terms or at all due to, among other things, restrictive covenants within its financing agreements which prohibit or hamper its ability to dispose of or invest in any assets, change its scope of business and/or change its ownership structure.

As a result of the Group's borrowings it is exposed to interest rate risk, primarily from borrowings bearing variable interest rates to the extent that its exposure to floating interest rates remains unhedged by interest rate swaps. As at 30 April 2017, RM3,117.5 million of the Group's total borrowings bore a variable rate of interest, out of which it had entered into interest rate swap and currency swap agreements in respect of RM2,783.7 million of borrowings. As a result, as at 30 April 2017, 9.9 per cent. of the Group's total borrowings was exposed to interest rate risk without the protection of interest rate swaps. The finance costs arising from the Group's total borrowings amounted to RM118.0 million for the year ended 31 January 2017. To the extent that the variable interest rates remain unhedged, changes in economic conditions could result in higher interest rates thereby increasing the Group's interest expense and reducing its profitability and funds available to meet capital and operational expenditure or other purposes.

The Group's ability to meet its payment obligations and to fund planned capital expenditure will depend on the success of its business strategy and its ability to generate sufficient revenues to satisfy the debt obligations which are subject to many uncertainties and contingencies beyond its control, including those set out in this Offering Circular.

The Group's results of operations, financial condition and access to funding have been and may further be materially affected by conditions in financial markets and the global economy

The Group's activities and results of operations are substantially affected by international, regional and domestic economic conditions. Continued uncertainty and contraction in the credit markets may negatively impact the Group's ability to access additional debt financing on reasonable terms and will affect the Group's cost of borrowing, its ability to refinance existing indebtedness and to expand its business. In addition to banking facilities, from time to time, the Group finances its activities and operations by accessing the capital markets. Therefore, the Group is partly dependent on having broad access to investors and changes in demand for securities in capital markets may limit the Group's ability to fund activities and operations. A prolonged downturn in the credit markets may potentially cause the Group to seek alternative sources of financing that are less attractive and may require it to adjust its business plan accordingly. A continued slowdown, worsening financial markets and economic conditions may in turn adversely affect the Group's financial performance, restrict its ability to refinance its borrowings, increase its exchange rate risk and negatively affect its profitability and cash flow.

The Group's cash flow may be adversely affected by delays in collection or non-recoverability of trade receivables

Cash flow constraints may arise due to delays in collection or non-recoverability of trade receivables. This may affect the Group's ability to pay its lenders, workforce and contractors, potentially delaying its project implementation and consequently materially and adversely affecting its financial condition.

The Group generally grants credit terms of between 20 and 45 days to its major customers and is therefore exposed to potential payment delays and default by such customers. There is no assurance that the Group will be able to collect its debts on time, or at all. If the Group's customers experience cash flow difficulties or a decline in their business performance they may default in their payments to the Group. Further, during economic downturns, the Group's customers may be materially and adversely affected financially and the possibility of defaults in payment to it may be greater. As a result, the Group may experience payment delays or, in more severe cases, non-recovery of debts from its customers. The Group would then have to make provisions for doubtful debts or incur debt write-offs, which may have a material adverse impact on its financial results.

The Group is subject to political risks inherent in conducting its business internationally

The Group is active in a number of regions that are subject to political instability. A substantial portion of the Group's vessels operate in international waters and it is therefore subject to a number of risks inherent in any business operating in foreign countries, especially in developing nations. These risks include, among others, political instability, expropriation, nationalisation or detention of vessels, import and export quotas and other forms of public and governmental regulation, foreign currency fluctuations, problems arising from collections from customers, repatriation of funds and terrorist attacks.

In addition, as the Group expands internationally, most of its operations will be subject to international regulations, including foreign laws. The Group may be required to procure a local partner or otherwise restructure its operations to comply with such regulations or may be required to cease operations in these areas. Furthermore, a government could seize one or more of the Group's vessels for title or for hire. Requisition for title occurs when a government takes control of a vessel and becomes her owner. Requisition for hire occurs when a government takes control of a vessel and effectively becomes her charterer at dictated charter rates. Generally, requisitions occur during a period of war or emergency.

Although the Group's business and operations have so far not been materially and adversely affected by any such events, the Guarantor is unable to predict whether the Group can remain unaffected by the consequences of any such events in the future. If any of these events or other similar events occur in the future, it may have a material impact on the Group's operations and consequently, materially and adversely affect its financial condition and results.

The Group's vessels could be arrested by maritime claimants

Generally, crew members, suppliers of goods and services to a vessel, shippers of cargo and other parties may be entitled to a maritime lien against that vessel (and, in some jurisdictions, any associated vessel owned or controlled by the same owner) for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lien-holder may enforce its lien by arresting a vessel through foreclosure proceedings. This would apply even if vessels in the Group's chartering fleet are chartered out (whether on a bareboat charter basis or otherwise). As the Group's customers are in possession of and have control over its vessels which have been chartered to them, any action taken against its customers may expose its vessels to arrest or other impounding actions. Unless the Group takes timely actions to intervene in these proceedings, any arrest or attachment of one or more of the Group's vessels could result in the Group paying large amounts of money to have the arrest lifted, which would adversely affect the business, financial condition, results of operations and prospects of the Group.

An adverse judgment or settlement in respect of any future claims against the Group could have an adverse effect on its financial condition and the results of its operations

The operation of the Group's vessels involves the risk of accidents and other incidents that may lead to claims against the Guarantor. An adverse judgment or settlement in respect of any future claims against the Guarantor may lead to negative publicity and may adversely affect the Group's reputation and customers' perception of its safety record as well as have a material and adverse effect on the Group's cash flow, financial condition and results of operations.

The Group may be exposed to acts of piracy

Acts of piracy have historically occurred in areas where the Group operates, such as the west coast of Africa and there is a risk that acts of piracy will continue to occur in these areas, as well as in other regions. Although the Group's risk could be mitigated through security arrangements (such as armed security escorts and naval support) and insurance, such arrangements may be unavailable, may only be available at increased costs or may prove to be insufficient. In addition, crew costs could also increase if piracy continues to be a risk. Detention hijacking as a result of an act of piracy against the Group's vessels or an increase in the cost or unavailability of insurance for its vessels could have a material adverse impact on the Group's business, financial condition and results of operations. Although the Group's business and operations have not been materially and adversely affected by acts of piracy, there can be no assurance that it will not be affected by such acts in the future.

The Group is exposed to technological risks

The offshore O&G industry is a highly technical and technology-based industry. As the Group's customers move their offshore operations into deeper waters, they may demand more powerful vessels equipped with greater technological capabilities and larger capacities to support their operations. In addition, the Group may also need to improve its technical know-how and technological understanding associated with large and complex projects. If the Group is unable to meet such requirements, this may affect customers' confidence in the Group and hence its future revenue and profitability could be materially and adversely affected.

The Group continually seeks to stay on top of new technologies and to implement new technologies into its major projects in a safe and cost-competitive way. There is a risk that such new technologies may not function as expected and thus result in modifications or delays, which could have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

There can be no assurance that the Group will be successful in managing any future technological change and innovation to avoid any material adverse effect on its operations.

The Group is dependent on its key management and key technical personnel as well as its ability to hire and retain skilled and specialised employees

The Group believes that its continued success and future performance depends to a large extent upon the skills, abilities, experience, competency and continuous efforts of its key management and on the Group's ability to hire and retain qualified and competent personnel. The experience, knowledge and expertise of key management are pivotal to the Group's success. While the Group has made efforts to nurture and maintain good relationships with its key management, there can be no assurance that the loss of any of its key management personnel can be avoided. The loss of the services of certain of its key management and operational personnel, without suitable and timely replacement, may affect the operating results and prospects of the Group.

The Group's business units are dependent on the application of highly advanced technology and knowledge. The number of people with the required expertise and experience is small whilst competition to acquire their services is usually intense in the offshore O&G industry.

As such, the Group could experience difficulties in attracting, recruiting and retaining the appropriate number of specialists for its business needs. The Group may be required to increase its remuneration package to attract and retain such personnel. As the Group's future performance will depend on the continued services of these specialists, a sudden loss of key personnel or the inability to manage the attrition rate in different employee categories could adversely affect the quality of its services, the growth of its business and result in increased costs and, consequently, materially and adversely affect the Group's business, operating results and financial condition.

The Group is exposed to risks relating to growth and expansion

The Group's future operating results will depend on its management's ability to manage its growth, which includes recruiting and retaining qualified employees, controlling costs and expanding its fleet of vessels. Any such expansion carries with it inherent risks and uncertainties and requires significant management attention and company resources and may not yield the results the Group expects.

The expansion of the Group's international operations and services will expose it to risks relating to investments in certain foreign countries. Any future international expansion may also fail due to other difficulties inherent in foreign operations, including:

- unexpected changes in international and foreign regulatory requirements and tariffs;
- political risks further described herein;
- difficulties in staffing and managing foreign operations;
- potential adverse tax consequences;
- cultural differences;
- new technology;
- price controls or other restrictions on foreign currency; and
- difficulties in obtaining export and import licences.

There is no assurance that the Group's business expansion will be successful or lead to an increase in its profits. The Group's expansion could also result in an increase in the fixed costs of its operations. In addition, the growth of the Group's operations will place additional demands on its management team, its in-house design and technical production teams and its procurement, financial reporting and information technology teams and systems. The expansion of the Group's operations will also require significant attention from its management and other personnel and may divert such resources from other aspects of its business. The Group may also not be able to find qualified high-level management to oversee its expansion into new markets or to find managers who will understand and be able to integrate into its corporate culture.

In addition, the Group will have to integrate all of its reporting, logistics, accounting, financial and fulfilment systems or functions across its locations. If the Group does not manage such integration effectively its business, financial condition and results of operations could be materially and adversely affected.

The Group may have inadequate insurance coverage

The operation of the Group's vessels involves inherent risks such as oil spills, damage to and loss of vessels and cargo sustained in collisions, property loss and interruptions to operations caused by adverse weather and environmental conditions, mechanical failures, crew negligence and navigation errors.

The occurrence of any of these events may result in damage to or loss of the Group's vessels and its vessels' cargo or other property and injury to passengers and personnel on board. Such occurrences may also result in a significant increase in operating costs or liabilities to third parties.

In addition, concerns about other factors (including hijacks or attacks) have caused significant increases in the cost of insurance coverage and may result in higher insurance charges and in turn higher operating costs in the future.

Currently, the Group believes that its vessels are sufficiently covered by, amongst others, hull and machinery insurance and protection, indemnity insurance and mortgage risk insurance, which is in line with industry practice and requirements under its financing arrangements. Further, the Group has not made any material insurance claims in the past. However, there can be no assurance that all risks can be adequately insured at all times against all potential liabilities and losses or that any insured sum will be paid. In the event of an accident such as a collision or an oil spill where the damage or losses are in excess of the insurance coverage taken up, the Group may be required to make material compensation payments. In such event, the Group's financial condition and results of operations may be materially and adversely affected. In certain situations, the Group's customers may become subject to penalties, fines or insurance claims and may attempt to pass on part or all of these costs to the Group which may not be covered by the Group's insurance or may exceed the Group's insurance coverage. Any such events may likewise materially and adversely affect the Group's financial condition and results of operations.

Furthermore, events such as wars, piracy or terrorist attacks may result in substantial increases in the Group's insurance premiums, thereby affecting its financial performance.

There may be conflicts of interest between the Group and its related parties

The Group has entered into various transactions with companies directly or indirectly controlled by or connected to its related parties. In addition, the Group expects that it will in the future enter into other transactions with related parties. These transactions may involve conflicts of interest which may be detrimental to the Group. Further, some of the Group's substantial shareholders, directors or key management have engaged and may in the future engage in businesses carrying on a similar trade as the Group or businesses which are the customers or suppliers of the Group, from which potential conflicts of interest may arise.

There can be no assurance that competition between the Group's businesses and the businesses of its substantial shareholders and companies associated with the Group's substantial shareholders or with its directors or key management will not arise or that there will not be any other direct or indirect competition and conflicts of interest between the Group and its substantial shareholders and companies associated with the Group's substantial shareholders, directors or key management. Also, there can be no assurance that direct or indirect competition will not arise in the future between the Group and its substantial shareholders and companies associated with the Group's substantial shareholders, directors and key management. Such competition and conflicts of interest may adversely affect the Group's business, operating results and financial condition.

The Group may be exposed to risks relating to debt financing and sale and lease-back arrangements

The Group may from time to time use its vessels as security for debt financing or enter into sale and lease-back arrangements. In the event that there is a default under such debt financing or sale and lease-back arrangements, the vessels mortgaged may be liable to forfeiture or the Group may not be able to renew its lease or repurchase its vessel and the Group's financial condition and results of operations could be materially and adversely affected. In addition, the Group may be subject to certain covenants in connection with any future debt financing that may, *inter alia*, limit or otherwise adversely affect its operations. In a sale and lease-back arrangement, the Group may also be subject to the risk of the counterparties going insolvent or being wound up, in which event, the Group may be unable to renew the lease or repurchase the vessel.

Interim financial information of the Group contained in this Offering Circular has not been audited

This Offering Circular contains the Group's unaudited condensed consolidated financial statements as at and for First Quarter 2018 (which include the comparative financial information as at and for First Quarter 2017) and incorporates by reference the most recently published annual or interim financial statements (whether audited or unaudited) of the Issuer and the Group that are published subsequent to the date of this Offering Circular. Such unaudited consolidated financial statements should not be relied upon to provide the same quality of information associated with information that has been subject to an audit or, if unreviewed, a review. Potential investors should exercise caution when using such data to evaluate the Group's financial condition, operations or results of operations, which should not be taken as an indication of the expected financial condition, operations or results of operations of the Group for the relevant full financial year. The Arranger and Dealers have not independently verified such information and can give no assurance that the information is truthful, accurate or complete.

The audited and unaudited consolidated financial statements of the Group are prepared in accordance with MFRS, IFRS and the requirements of the Malaysian Companies Act 2016 (for Financial Year 2017) or the Malaysian Companies Act 1965 (for Financial Year 2015 and Financial Year 2016), which may differ in certain respects from generally accepted accounting principles ("GAAP") in other jurisdictions.

The consolidated financial statements of the Group are prepared in accordance with MFRS, IFRS and the requirements of the Malaysian Companies Act 2016 (for Financial Year 2017) or the Malaysian Companies Act 1965 (for Financial Year 2015 and Financial Year 2016). As a result, the consolidated financial statements of the Group could be significantly different from that which would be prepared under GAAP in other jurisdictions.

The consolidated financial statements of the Group do not contain a reconciliation of the Group's consolidated financial statements to U.S. GAAP, nor do they include any information in relation to the differences between IFRS or U.S. GAAP. Had the consolidated financial statements and other financial information been prepared in accordance with U.S. GAAP, the results of operations and financial position may have been materially different. Because differences exist between MFRS on the one hand and U.S. GAAP or GAAP in other jurisdictions on the other, the financial information in respect of the Group contained in the consolidated financial statements of the Group may not be an effective means to compare the Group with other companies that prepare their financial information in accordance with U.S. GAAP or other GAAP.

In making an investment decision, investors must rely upon their own examination of the Group and the financial information relating to the Group. Potential investors should consult their own professional advisers for an understanding of these differences between MFRS and IFRS or GAAP in other jurisdictions, and how such differences might affect the financial information contained herein.

The Group's consolidated financial statements for Financial Year 2017 may not be directly comparable with its consolidated financial statements for the preceding financial years

On 26 July 2016, the Group completed the Divestment, selling its 100 per cent. equity interest in YCSB, YTSB, YSSB, YPMSB and YOL. The Divestment was part of the Group's plan to focus on its core offshore production and support businesses. As a result of the Divestment in Financial Year 2017, the Group's consolidated financial statements for Financial Year 2017 may not be directly comparable with its consolidated financial statements for the preceding financial years. Please refer to note 47 of the Group's audited consolidated financial statements for Financial Year 2017.

RISKS RELATING TO THE INDUSTRY IN WHICH THE GROUP OPERATES

The Group is dependent on the offshore O&G industry, including fluctuating oil and gas prices

As the Group's customers operate mainly in the offshore O&G industry, its operations are dependent on the level of activity in the exploration, development and production of oil and natural gas, including the level of capital spending in the offshore O&G industry. Such activities are affected by factors such as volatility in demand for and supply of oil, fluctuations in current and future oil prices, the number, size and locations of oil fields, the demand for and supply of alternative fuels or energy supply, the prices of alternative fuels or energy supply, changes in capital expenditure by customers in the offshore O&G industry and general economic, social and political conditions.

Declining or low oil and gas prices may render the large scale offshore production of oil and gas uneconomical. In these circumstances, major oil and gas companies generally reduce their spending budgets for offshore exploration, development and production or postpone project final investment decision which may lead to a decline in the activity levels in the offshore O&G industry and consequently result in a decrease in demand for the Group's services. The probability of new FPSO contracts being obtained (including the terms of these new contracts) and FPSO contract extension options being exercised may be negatively impacted by factors such as reductions in oil and gas reserves and lower oil and gas prices generally. As such, in the event that declining or low oil and natural gas prices leads to a reduction in the capital expenditure, investment and activity levels in the exploration, development and production of oil and natural gas, the business and prospects of the Group would be adversely affected.

The exploration, development and production of oil and natural gas, including the level of capital spending in the offshore O&G industry are also affected by laws, regulations, policies and directives relating to energy, investment and taxation and other laws and regulations promulgated by various governments. A change in such laws, regulations, policies or directives may adversely affect the level of capital spending in the offshore O&G industry and consequently affect the business and prospects of the Group.

In the event that there is deterioration in the offshore O&G industry or in global or regional economic conditions, O&G companies may defer or reduce their planned E&P expenditure which may reduce demand for the Group's vessels and services. This may result in a decrease in the Group's business activities and consequently its results of operations and financial condition may be materially and adversely affected.

The offshore O&G industry is subject to government regulations

The production, storage and offloading of oil and gas at sea is subject to inherent risks such as personal injuries, loss of life, oil spills or gas releases caused by equipment failure, system failure or human errors. Although the Group spends considerable resources to identify such risks and implement mitigating actions, there will always be residual risk. The offshore O&G industry is subject to regulations which aim to limit and control these risks and to govern the removal and clean-up of pollutants that may harm the environment.

The Group's operations in, amongst others, Malaysia, Singapore, Norway, Vietnam, Nigeria, Gabon and Ghana are subject to the laws, regulations and policies of the various jurisdictions, including routine and special audits by the local tax authorities. Some of these jurisdictions have laws and regulations which its vessels are required to comply with and may require the Group to apply for licences or operate under laws and regulations that may impose onerous conditions on the conduct of its operations. If the Group is unable to comply with the relevant laws and regulations, its vessels may not be allowed to operate and its business would be adversely affected. The need to comply with new laws and regulations introduced by the jurisdictions in which the vessels are registered may increase its cost of operations. This will have an adverse effect on the Group's business, financial performance and financial condition.

The laws and regulations applicable to the offshore O&G industry, including the Group, have generally become more stringent and penalties and potential liability have increased and may increase further in the future. Any additional regulations could increase the cost of the Group's operations or those of its customers and reduce the area of operations for the offshore O&G industry. This could, in turn, materially and adversely affect the Group's business, financial condition, results of operation and prospects by reducing demand for its services.

The Group may be materially and adversely affected by possible outbreaks of infectious diseases

The Group, as well as its customers and suppliers, operate in countries which may be affected by the outbreak or re-emergence of SARS, avian influenza, Influenza A (H1N1), Influenza (H7N9), the Ebola virus or other infectious diseases. An outbreak of such diseases, the perception that such an outbreak may occur, or the measures taken by the governments of affected countries against such potential outbreaks could seriously disrupt the Group's operations or those of its suppliers and customers and negatively impact economic conditions globally, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

RISKS RELATING TO MALAYSIA

The Group is exposed to risks arising from foreign exchange fluctuations

The Group's customer contracts, capital expenditure and operating costs are generally denominated in U.S. dollars, with a small portion denominated in Malaysian Ringgit and other foreign currencies. The Group also has foreign currency denominated assets and liabilities. However, the Group reports its consolidated financial results in Malaysian Ringgit. As a result, the Group's operating costs, assets and liabilities are subject to translation risk due to foreign exchange fluctuations. There can be no assurance that further exchange rate fluctuations will not adversely affect the Group's financial performance.

Certain foreign judgments may not be enforceable against the Guarantor in Malaysia

Foreign judgments obtained in the superior courts of reciprocating countries as listed in the First Schedule of the Reciprocal Enforcement of Judgments Act 1958 (the "**REJA**") (other than a judgment of such a court given on appeal from a court which is not a superior court) in respect of any sum payable by the Guarantor can be recognised and enforced in Malaysia by applying to register the said foreign judgment with the Malaysian courts. The process of registration for a foreign judgment dispenses the need to re-litigate or re-examine the issues in dispute, as long as:

- the enforcement of the judgment would not be contrary to public policy in Malaysia;
- the judgment was not given or obtained by fraud or in a manner contrary to natural justice;
- the judgment was by a court of competent jurisdiction in such jurisdiction and was not obtained in proceedings in which the judgment debtor being the defendant in the original court did not receive notice of those proceedings in sufficient time to enable it to defend the proceedings and did not appear;
- the judgment has not been wholly satisfied or is enforceable by execution in the original court;

- the judgment is final and conclusive between the parties thereto;
- the judgement is for a liquidated sum; the liquidated sum payable under the judgment (if any) is not directly or indirectly for the payment, satisfaction or enforcement of any penal or revenue laws or sanctions imposed by the authorities of such jurisdiction;
- the judgment is not preceded by a final and conclusive judgment by a court having jurisdiction in that matter; and
- the rights under the judgment are vested in the person by whom the application for registration was made.

The judgment creditor under a judgment to which the REJA applies, may apply to the High Court at any time in accordance with the provisions of the REJA within six years after the date of the judgment or, where there have been proceedings by way of appeal against the judgment, after the date of the last judgment given in those proceedings, to have the judgment registered.

A person who has obtained a judgment against the Guarantor in a court which is not listed in the First Schedule of the REJA will have to rely entirely on the principles of common law to enforce the judgment, that is, by instituting a fresh suit in Malaysia based either on the judgment or on the original cause of action.

RISKS RELATING TO WEST AFRICA

The Group is exposed to certain risks associated with having operations in West Africa

There are risks associated with having operations in emerging markets like West Africa, including countries in which the Group current have major operations such as Ghana, Gabon and Nigeria, which may still be experiencing significant structural reforms. Countries in West Africa have experienced periods of political and economic instability in the past. During the periods immediately prior to and following previous elections, countries in West Africa experienced periods of instability characterised by exchange rate volatility, high inflation and fiscal overruns. While this has stabilised recently, such stability may not be sustainable over the longer term and could be impacted by the next election or other unforeseen circumstances. Economic and political instability in emerging African countries may manifest in many ways, including but not limited to:

- poor general economic and business conditions;
- exchange rate fluctuations and instability;
- high levels of inflation;
- exchange controls;
- industrial action;
- wage and price controls;
- sudden changes in economic or tax policies;
- imposition of trade barriers;
- changes in investor confidence;

- perceived or actual security issues; and
- wars, civil wars and revolutions.

Any of these factors could have a material adverse impact on the Group's business, financial condition, results of operations and prospect.

West Africa has also historically been affected by a variety of natural disasters, including floods and droughts. Natural disasters such as floods often lead to casualties, the destruction of crops and livestock, the outbreak of waterborne disease and the destruction of infrastructure, such as roads and bridges. Such natural disasters may disrupt the Group's operations in West Africa and have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

RISKS RELATING TO THE SECURITIES ISSUED UNDER THE PROGRAMME AND THE GUARANTEE OF THE SECURITIES

The Guarantor is a holding company and payments with respect to the Securities are structurally subordinated to liabilities, contingent liabilities and obligations of its subsidiaries.

The Guarantor a holding company with no material operations, and it conducts its operations through its subsidiaries, which do not guarantee the Securities. The Guarantor's primary assets are ownership interests in its subsidiaries. The ability of the Guarantor to satisfy its obligations under the Guarantee of the Securities will depend upon distributions of dividends from its subsidiaries.

Creditors, including trade creditors, of the Guarantor's subsidiaries and any holders of preferred shares in such entities would have a claim on the Guarantor's subsidiaries' assets that would be prior to the claims of holders of the Securities or any claims under the Guarantee of the Securities. As a result, the Guarantor's payment obligations under the Guarantee of the Securities will be effectively subordinated to all existing and future obligations of its subsidiaries and all claims of creditors of the Guarantor's subsidiaries will have priority as to the assets of such entities over the Guarantor's claims and those of its creditors, including holders of the Securities. As of 30 April 2017, the Guarantor had total outstanding indebtedness in the form of secured and unsecured debt of RM44.1 million of which RM0.4 million was secured. The Securities permit the Guarantor and its subsidiaries to incur additional indebtedness and issue additional guarantees. In addition, the secured creditors of the Guarantor's subsidiaries would have priority as to the assets of such subsidiaries securing the related obligations over claims of holders of the Securities.

The Securities and the Guarantee of the Securities are unsecured obligations.

The Securities and the Guarantee of the Securities are unsecured obligations of the Issuer and the Guarantor respectively. The repayment of the Securities and payment under the Guarantee of the Securities may be adversely affected if:

- the Issuer or the Guarantor enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings;
- there is a default in payment under any of the Issuer's, the Guarantor's or the Guarantor's subsidiaries' indebtedness; or
- there is an acceleration of any of the Issuer's or the Guarantor's indebtedness.

The Issuer's obligations under the Subordinated Securities, and the Guarantor's obligations under the Guarantee of the Subordinated Securities are subordinated.

The obligations of the Issuer under the Securities will constitute unsecured and subordinated obligations of the Issuer, and the obligations of the Guarantor under the Guarantee of the Subordinated Securities will constitute unsecured and subordinated obligations of the Guarantor. In the event of the Winding-Up of the Issuer and/or the Guarantor, the rights of the holders of Subordinated Securities to receive payments in respect of the Subordinated Securities, will rank senior to the holders of all Junior Obligations and pari passu with the holders of all Parity Obligations, but junior to the claims of all other creditors, including, for the avoidance of doubt, the holders of Senior Securities. In the event of a shortfall of funds or a Winding-Up, an investor in the Subordinated Securities may lose all or some of its investment and will not receive a full return of the principal amount or any unpaid Arrears of Distribution.

The Issuer is a finance company that will depend on payments under an intercompany loan to provide it with funds to meet its obligations under the Securities.

The Issuer was formed for the purpose of issuing the Securities. As such, the Issuer has no business operations or subsidiaries and, upon completion of an offering of Securities under the Programme, its only assets will be the net proceeds from the issuance of the Securities, to the extent retained, and the intercompany advances it may make to the Guarantor or to subsidiaries of the Guarantor, and intercompany advances made under prior issuances of debt securities. The Issuer is therefore wholly dependent upon payments from the Guarantor under the intercompany advances to make payments due on the Securities.

Accordingly, the ability of the Issuer to make payments of Distributions on the Securities, will depend on, *inter alia*, the Group's future performance and ability to generate cash, which is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors discussed in this section, many of which are beyond the control of the Issuer. If the Group's future cash flow from operations and other capital resources is insufficient to pay its debt obligations or obligations under the Securities, or to fund its other liquidity needs, it may be forced to refinance its existing indebtedness and no assurance can be given that the Group would be able to obtain such refinancing on a timely basis or on satisfactory terms or at all.

In addition, the Guarantor's ability to comply with its obligations under the Guarantee of the Securities may depend on, *inter alia*, the earnings of the Group and the distribution of funds from members of the Group, primarily in the form of dividends to the Guarantor. Whether or not the members of the Group can make distributions to the Guarantor will depend on distributable earnings, cash flow conditions, restrictions that may be contained in the debt instruments of its members, applicable law and other arrangements. These restrictions could reduce the amount of distributions that the Guarantor receives from members of the Group, which would restrict the Guarantor's ability to fund its business operations. Accordingly, the Guarantor's ability to comply with its obligations under the Guarantee of the Securities may be adversely affected.

The Securities may not be a suitable investment for all investors

Each potential investor in any Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Securities, the merits and risks of investing in the relevant Securities and the information contained or incorporated by reference in this Offering Circular, any applicable supplement to the Offering Circular or any Pricing Supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Securities and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Securities, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- understand thoroughly the terms of the relevant Securities and be familiar with the behaviour of any relevant indices and financial markets; and be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Securities may be complex financial products and such products may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the purchaser's overall portfolios. A potential investor should not invest in Securities which are complex financial products unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of such Securities and the impact this investment will have on the potential investor's overall investment portfolio.

Securities may be issued for which investors have no right to require redemption.

The Securities are perpetual and have no fixed final maturity date. Securityholders have no right to require the Issuer to redeem Securities at any time, and an investor who acquires Securities may only dispose of such Securities by sale. Securityholders who wish to sell their Securities may be unable to do so at a price at or above the amount they have paid for them, or at all. Therefore, Securityholders should be aware that they may be required to bear the financial risks of an investment in Securities for an indefinite period of time.

Securityholders may not receive Distribution payments if the Issuer elects to defer Distribution payments under the Conditions.

The Issuer may, at its sole discretion and subject to certain conditions as set out in the Conditions and, where applicable, specified in the applicable Pricing Supplement, elect to defer any scheduled Distribution on the Securities for any period of time. The Issuer is not subject to any limits as to the number of times Distributions can be deferred pursuant to the Conditions, subject to compliance with certain restrictions. Although, following a deferral, Arrears of Distributions are cumulative, subject to the Conditions, the Issuer may defer their payment for an indefinite period of time by delivering the relevant deferral notices to the Securityholders. Any such deferral of Distribution shall not constitute a default for any purpose.

Any deferral of Distribution will likely have an adverse effect on the market price of the Securities. In addition, as a result of the Distribution deferral provision of the Securities, the market price of the Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Group's financial condition.

The Securities may be redeemed at the Issuer's option on the date(s) specified in the relevant Pricing Supplement or on the occurrence of certain other events.

The Securities will be redeemable at the option of the Issuer on certain dates as specified in the applicable Pricing Supplement. The date(s) on which the Issuer elects to redeem the Securities may not accord with the preference of individual Securityholders. This may be disadvantageous to the Securityholders in light of market conditions or the individual circumstances of the Securityholders. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Securities.

The Trustee may agree to any modification of the Conditions or the Trust Deed (other than in respect of a Reserved Matter (as defined in the Conditions)) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of Securityholders and to any modification of the Securities or the Trust Deed which is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, without the consent of the Securityholders, authorise or waive any proposed breach or breach of the Securities or the Trust Deed (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Securityholders will not be materially prejudiced thereby.

The Trustee may request that the Securityholders provide an indemnity and/or security and/or prefunding to its satisfaction.

In certain circumstances, the Trustee may (at its sole discretion) request the Securityholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes actions on behalf of Securityholders. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to any indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions notwithstanding the provision of an indemnity and/or security or prefunding to it, in breach of the terms of the Trust Deed constituting the relevant Securities and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Securityholders to take such actions directly.

There are limited remedies for default under the Securities.

Any scheduled Distribution will not be due if, as provided for in the relevant Pricing Supplement, the Issuer elects not to pay all or a part of that distribution pursuant to the Conditions. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute Winding-Up proceedings is limited to circumstances where payment under the Securities has become due and the Issuer fails to make the payment when due. The only remedy against the Issuer available to any Holder for recovery of amounts in respect of the Securities following the occurrence of a payment default after any sum becomes due in respect of the Securities will be proving in such Winding-Up and/or claiming in the liquidation of the Issuer in respect the Securities.

The Securities may be represented by Global Certificates and holders of a beneficial interest in a Global Certificate must rely on the procedures of the relevant Clearing System(s).

Securities issued under the Programme will be in registered form and represented by one or more Global Certificates. Such Global Certificates will be deposited with a common depositary for Euroclear and Clearstream (each of Euroclear and Clearstream, a "**Clearing System**"), as the case may be. Except in the circumstances described in the relevant Global Certificate, investors will not be entitled to receive definitive Securities. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Certificates.

While the Securities are represented by one or more Global Certificates, investors will be able to trade their beneficial interests only through the Clearing Systems. While the Securities are represented by one or more Global Certificates, the Issuer will discharge its payment obligations under the Securities by making payments to the relevant Clearing System for distribution to their account holders.

A holder of a beneficial interest in a Global Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificates.

Holders of beneficial interests in the Global Certificates will not have a direct right to vote in respect of the relevant Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Certificates will not have a direct right under the respective Global Certificates to take enforcement action against the Issuer in the event of a default under the relevant Securities but will have to rely upon their rights under the Trust Deed.

Securityholders should be aware that definitive Securities which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

In relation to any issue of Securities which have a denomination consisting of a minimum Specified Denomination (as defined in the applicable Conditions) plus a higher integral multiple of another smaller amount, it is possible that the Securities may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a Holder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination will not receive definitive Securities in respect of such holding (should definitive Securities be printed) and would need to purchase a principal amount of Securities such that it holds an amount equal to one or more Specified Denominations. If definitive Securities are issued, holders should be aware that definitive Securities which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

The Issuer may raise or redeem other capital which affects the price of the Securities.

The Issuer may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount or type of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Securityholders on a Winding-Up or may increase the likelihood of a deferral of Distributions under the Securities. The issue of any such securities or the incurrence of any such other liabilities might also have an adverse impact on the trading price of the Securities and/or the ability of Securityholders to sell their Securities.

The Issuer's other securities or liabilities

In addition, subject to the limit on the aggregate principal amount of Securities that can be issued under the Programme (which can be amended from time to time by the Issuer without the consent of the Securityholders), there is no restriction on the securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Securityholders on a winding-up of the Issuer and/or may increase the likelihood of a non-payment under the Securities.

Change of law

The conditions of the Securities are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular and any such change could materially adversely impact the value of any Securities affected by it.

The insolvency laws of Malaysia and British Virgin Islands and other local insolvency laws may differ from those of another jurisdiction with which Securityholders are familiar

As the Issuer and the Guarantor are incorporated under the laws of the British Virgin Islands and Malaysia, respectively, any insolvency proceedings relating to the Issuer or the Guarantor are likely to involve British Virgin Islands and Malaysia insolvency laws respectively. In addition, and in respect of any issue of Subordinated Securities, the status of the Guarantee of Subordinated Securities will be governed by Malaysian law. While the Subordinated Securities will be governed by English law, the Issuer will remain subject to the insolvency laws of the British Virgin Islands.

Accordingly, potential investors in the Securities should note that the procedural and substantive provisions of the British Virgin Islands and Malaysian insolvency laws may differ from comparable provisions of the local insolvency laws of jurisdictions with which the Securityholders are familiar.

Two Project Companies are currently in technical breach under their respective project financing facilities

There have been technical breaches by two Project Companies under their respective project financing agreements as follows:

- Certain charter payments in respect of a vessel have been made beyond their allowable credit period under the relevant charter contract. Such payments constituted an event of default under the related project financing. Nevertheless, the relevant Project Company has been able to meet its loan repayment obligations in a timely manner.

- In addition, as a condition precedent under the terms of an Islamic facility agreement between YPWAPL and Maybank Investment Bank Berhad (the "**Investment Agent**") in relation to the FPSO John Agyekum Kufuor project financing, YPWAPL was required to deliver to the Investment Agent evidence of the acknowledgement of notice of assignment by the relevant charter guarantor, but as of the date of this Offering Circular, has not delivered such evidence. The failure to meet this condition precedent constitutes an event of default under the terms of that facility. The Group is currently in discussions with the relevant counterparties to resolve these technical breaches and/or to obtain either waivers of the defaults or extensions of the grace periods to cure such defaults.

Such technical breaches have not caused any disruptions to the Group's business, operations and financing. Although none of the relevant counterparties have initiated any action for declaring an event of default, nor does the Group believe that they are likely do so under the relevant agreements, there cannot be any assurance that such actions will not be taken in the future. In the event the relevant counterparties decide to declare an event or default or accelerate payment of the project financing facilities in relation to such technical breaches, the Project Company in question may be obliged to prepay the outstanding loans. In such event, the relevant Project Company may not have sufficient liquidity to repay such loans and may not be able to refinance the relevant projects in the market on acceptable terms or at all. In addition, the existence of such defaults may discourage new lenders from providing the Group with finance and may therefore increase its cost of funding.

RISKS RELATING TO THE MARKET GENERALLY

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

Securities issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity.

Securities issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Securities which is already issued). If the Securities are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. If the Securities are trading at a discount, investors may not be able to receive a favourable price for their Securities, and in some circumstances investors may not be able to sell their Securities at all or at their fair market value. Although an application will be made for the Securities issued under the Programme to be admitted to listing on the SGX-ST, there is no assurance that such application will be accepted, that any particular Tranche of Securities will be so admitted or that an active trading market will develop. In addition, the market for investment grade and crossover grade debt has been subject to disruptions that have caused volatility in prices of securities similar to the Securities issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Securities.

This is particularly the case for Securities that are especially sensitive to interest rate, currency or market risks, designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Securities generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have an adverse effect on the market value of the Securities.

Exchange rate risks and exchange controls may result in investors receiving less interest or principal than expected.

The Issuer will pay principal and distribution (if applicable) on the Securities in the currency specified in the relevant Pricing Supplement (the "**Specified Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Inventor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency equivalent yield on the Securities, (ii) the Investor's Currency equivalent value of the principal payable on the Securities and (iii) the Investor's Currency equivalent market value of the Securities. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive no or less distribution (if applicable) or principal than expected.

Interest rate risks

Securityholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the price of the Securities, resulting in a capital loss for the Securityholders. However, the Securityholders may reinvest the distributions (if any) at higher prevailing interest rates. Conversely, when interest rates fall, the price of the Securities may rise. The Securityholders may enjoy a capital gain but distributions received may be reinvested at lower prevailing interest rates.

The market value of the Securities may fluctuate

Trading prices of the Securities are influenced by numerous factors, including the operating results, business and/or financial condition of the Group, political, economic, financial and any other factors that can affect the capital markets, the business or the Group. Adverse economic developments, acts of war and health hazards in countries in which the Group operates could have a material adverse effect on the Group's operations, operating results, business, financial position, and performance. Any such developments may result in large and sudden changes in the volume and price at which the Securities will trade. There can be no assurance that these developments will not occur in the future.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Securities are legal investments for it, (2) the Securities can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Securities under any applicable risk-based capital or similar rules.

FORM OF PRICING SUPPLEMENT IN RELATION TO THE SECURITIES

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Securities issued under the Programme.

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Securities are not intended[, from 1 January 2018,] to be offered, sold or otherwise made available to and[, with effect from such date,] should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC as amended. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

Pricing Supplement dated [●]

YINSON JUNIPER LTD

Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Securities*]
under the U.S.$500,000,000 Multi-currency Perpetual Securities Programme

Guaranteed by

YINSON HOLDINGS BERHAD

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Securities (the "**Conditions**") referred to in the trust deed dated [●] 2017 between, *inter alia*, the Issuer, the Guarantor and The Bank of New York Mellon, London Branch as trustee (the "**Trust Deed**") set forth in the Offering Circular dated 12 July 2017 (the "**Offering Circular**") [and the Supplemental Offering Circular dated [●]]. This document contains the final terms of the Securities described herein and must be read in conjunction with such Trust Deed and such Offering Circular. Full information on the Issuer, the Guarantor and the offer of the Securities is only available on the basis of the combination of this Pricing Supplement and the Offering Circular [as so supplemented].

The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated 12 July 2017. This Pricing Supplement contains the final terms of the Securities and must be read in conjunction with the Offering Circular dated [*current date*] [and the supplementary Offering Circular dated [●], save in respect of the Conditions which are extracted from the Offering Circular dated 12 July 2017 and are attached hereto.]

The Securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States. The Securities may not be offered, sold or delivered within the United States except in certain transactions exempt from the registration requirements of the Securities Act.

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Pricing Supplement.*]

1.	Issuer:		Yinson Juniper Ltd
2.	Guarantor:		Yinson Holdings Berhad
3.	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●]
	[(iii)	Date on which the Securities become fungible:	[The Securities shall be consolidated, form a single series and be interchangeable for trading purposes with the [●] on [[●]/the Issue Date [which is expected to occur on or about [●]].]
4.	Specified Currency or Currencies:		[●]
5.	Aggregate Nominal Amount:		
	(i)	Series:	[●]
	(ii)	Tranche:	[●]
6.	Issue Price:		[●] per cent. of the Aggregate Nominal Amount [plus accrued Distribution from [●]]
7.	(i)	Specified Denominations:	[●]
	(ii)	Calculation Amount:	[●]
8.	(i)	Issue Date:	[●]
	(ii)	Distribution Commencement Date:	[[●]/Issue Date/Not Applicable]
9.	Distribution Basis:		[[●] per cent. Fixed Rate] (see paragraph [13/14/15] below)
10.	Put/Call Options:		[Redemption at the option of the Issuer] [Redemption upon an Accounting Event] [Redemption upon a Breach of Covenant Event] [(See paragraph [16/17/18/19/20] below)]
11.	Date [Board] approval for issuance of Securities obtained:		[●] (*N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Securities*)
12.	Status of the Securities:		[Senior/Subordinated]

PROVISIONS RELATING TO DISTRIBUTION (IF ANY) PAYABLE

13.	(i)	Rate of Distribution:	[[●] per cent. per annum payable in arrear on each Distribution Payment Date]/ *(or if the Rate of Distribution of the Securities is to be subject to step-up, consider the following)* [(a) in respect of the period from, and including, the Issue Date to, but excluding, the Reset Date, the Rate of Distribution; and (b) in respect of the period from, and including, the Reset Date to, but excluding, the Maturity Date, the Reset Distribution Rate, where: "**Rate of Distribution**" is [●] per cent. per annum payable in arrear on each Distribution Payment Date; "**Reset Date**" is [●]; and "**Reset Distribution Rate**" is [●] per cent. per annum payable in arrear on each Distribution Payment Date.]
	(ii)	Distribution Payment Date(s):	[●] and [●] in each year
	(iii)	Fixed Distribution Amount[(s)]:	[●] per Calculation Amount
	(iv)	Broken Amount(s):	[Not Applicable]/[[●] per Calculation Amount, payable on the Distribution Payment Date falling [in/on] [●]]
	(v)	Day Count Fraction:	[Actual/Actual (ICMA)/Actual/Actual (ISDA)/Actual/365 (Fixed)/ Actual/360/30/360/30E/360/other]
14.	Dividend Pusher and Dividend Stopper:		[Applicable/Not Applicable]
	(i)	[Dividend Pusher Lookback Period:	[●] months]
15.	(i)	[Party responsible for calculating the Rate of Distribution following reset:]	[[The Principle Paying Agent/Issuer] shall be the Calculation Agent.]
	(ii)	Other terms relating to the method of calculating Distribution:	[Not Applicable]/[*give details*]
	(iii)	[Calculation Business Days]	

PROVISIONS RELATING TO REDEMPTION

16.	Redemption at the option of the Issuer		
	(i)	Optional Redemption Date(s) (Call):	[●]
	(ii)	Optional Redemption Amount (Call) of each Security:	[●] per Calculation Amount
	[(iii)	If redeemable in part:	(If not applicable, delete the remaining sub-paragraphs of this paragraph)
		(a) Minimum Redemption Amount:	[●] per Calculation Amount
		(b) Maximum Redemption Amount:	[●] per Calculation Amount]
	(iv)	Notice period:	[●] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
17.	Breach of Covenant Event:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Early Redemption Amount (Breach of Covenant Event):	[As defined in the Conditions]/[[●] per Calculation Amount]
	(ii)	Step-up Margin:	[●] bps
18.	Accounting Event Redemption:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
19.	Early Redemption Amount (Accounting Event):		[As defined in the Conditions]/[[●] per Calculation Amount]
20.	Early Redemption Amount (Minimal Amount Outstanding):		[As defined in the Conditions]/[[●] per Calculation Amount]
21.	Early Redemption Amount (Tax):		[As defined in the Conditions]/[[●] per Calculation Amount]
22.	Conditional Purchase:		[Not Applicable/Condition 8(i) (*Redemption and Purchase – Purchase*) shall be conditional. The Issuer, the Guarantor or any of their respective Subsidiaries may: (a) prior to the Reset Date, at any time purchase Securities up to a maximum amount representing 25 per cent. of the aggregate principal amount of the Securities issued on the Issue Date in the open market or otherwise and at any price; and (b) following the Reset Date, at any time purchase Securities in the open market or otherwise and at any price.]

GENERAL PROVISIONS APPLICABLE TO THE SECURITIES

23.	Special Event Substitution or Variation:	[Applicable/Not Applicable]
24.	Form of Securities:	Global Note Certificate exchangeable for unrestricted Individual Note Certificates on [●] days' notice/at any time/in the limited circumstances specified in the Global Note Certificate
25.	Additional Financial Centre(s) or other special provisions relating to payment dates:	[*Not Applicable/give details.*]
26.	Use of Proceeds (if different from the "Use of Proceeds" section from the Offering Circular):	[*Not Applicable*]/[*Give Details*]
27.	Other terms or special conditions:	

LISTING AND ADMISSION TO TRADING

28.	Listing/Admission to Trading:	[Singapore Exchange Securities Trading Limited/Other (specify)/None]
29.	Net Proceeds:	[●] (*Applicable to listed Securities only*)

DISTRIBUTION

30.	Method of Distribution:	[Syndicated/Non-syndicated]
	(i) If syndicated, names of Dealers:	[Not Applicable/*give names*]
	(ii) Stabilisation Manager(s), if any:	[Not Applicable/*give names*]
	(iii) If non-syndicated, name of Dealer:	[Not Applicable/*give names*]
31.	[Prohibition of Sales to EEA Retail Investors:	[Applicable]/[Not Applicable] *(If the offer of the Securities is concluded prior to 1 January 2018, or on and after that date the Securities clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the offer of the Securities will be concluded on or after 1 January 2018 and the Securities may constitute "packaged" products, "Applicable" should be specified.)*]
32.	U.S. Selling Restrictions:	Reg. S Compliance Category 1
33.	Additional Selling Restrictions:	[Not Applicable/give details]
34.	Private Bank Rebate/Commission:	[Not Applicable/give details]

RATINGS

[The Securities to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Securities of this type issued under the Programme generally]:

35.	Ratings:	[●] (*The above disclosure should reflect the rating allocated to Securities of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)

OPERATIONAL INFORMATION

36.	ISIN:	[●]
37.	Common Code:	[●]
38.	Any clearing system(s) other than Euroclear or Clearstream and the relevant identification number(s):	[Not Applicable/give name(s) and number(s)]
39.	Delivery:	Delivery [against/free of] payment
40.	Names and addresses of additional Paying Agent(s) (if any):	[●]/[Not Applicable]

GENERAL

41.	The aggregate principal amount of Securities issued has been translated into U.S. dollars at the rate of [●], producing a sum of *(for Securities not denominated in [U.S. dollars])*:	

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue [and admission to trading on the [*specify relevant stock exchange/market*]] of the Securities described herein pursuant to the U.S.$500,000,000 Multi-currency Perpetual Securities Programme.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of
YINSON JUNIPER LTD.:

By: ______________________________
Duly authorised

TERMS AND CONDITIONS OF THE SECURITIES

The following is the text of the terms and conditions of the Securities which, as completed by the relevant Pricing Supplement, will be endorsed on each Security in definitive form issued under the Programme. The terms and conditions applicable to any Security in global form will differ from those terms and conditions which would apply to the Security were it in definitive form to the extent described under "Summary of Provisions Relating to the Securities while in Global Form" above.

1. **Introduction**

(a) *Programme*: Yinson Juniper Ltd (the "**Issuer**") has established a multi-currency perpetual securities programme (the "**Programme**") for the issuance of up to U.S.$500,000,000 in aggregate principal amount of senior and subordinated perpetual securities guaranteed by Yinson Holdings Berhad (the "**Guarantor**").

(b) *Pricing Supplement*: Securities (as defined below) issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Securities. Each Tranche is the subject of a Pricing Supplement (the "**Pricing Supplement**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Securities are these Conditions as supplemented, amended and/or replaced by the relevant Pricing Supplement. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail.

(c) *Trust Deed*: The Securities are constituted by, are subject to, and have the benefit of, a trust deed dated 12 July 2017 (as amended or supplemented from time to time, the "**Trust Deed**") between the Issuer, the Guarantor and The Bank of New York Mellon, London Branch as trustee (the "**Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed).

(d) *Agency Agreement*: The Securities are the subject of an issue and paying agency agreement dated 12 July 2017 (the "**Agency Agreement**") between the Issuer, the Guarantor, The Bank of New York Mellon, London Branch as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Securities), The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Securities), the paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Securities), the transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Securities), the Calculation Agent (as defined below) and the Trustee. In these Conditions references to the "**Agents**" are to the Paying Agents, the Transfer Agents and the Calculation Agent and any reference to an "**Agent**" is to any one of them.

(e) *The Securities*: The Securities are issued in registered form. All subsequent references in these Conditions to "Securities" are to the Securities which are the subject of the relevant Pricing Supplement. Copies of the relevant Pricing Supplement are available for viewing during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below.

(f) *Summaries*: Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions. Securityholders (as defined below) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement are available for inspection by Securityholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below.

2. **Interpretation**

(a) *Definitions*: In these Conditions the following expressions have the following meanings:

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Additional Distribution Amount**" has the meaning given in Condition 7(d)((iv) (*Cumulative Deferral*);

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Arrears of Distribution**" has the meaning given in Condition 7(d)(iv) (*Cumulative Deferral*);

"**Breach of Covenant Event**" means the occurrence of a non-compliance and/or non-performance by the Issuer or the Guarantor of any one or more or of the obligations and covenants set out in Condition 6 (*Negative Pledge*) unless the Securities are redeemed in accordance with Condition 8(f) (*Redemption and Purchase – Redemption on the occurrence of a breach of a Breach of Covenant Event*);

"**Business Day**" means:

(a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and

(b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(a) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(b) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(c) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(d) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that**:

(i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(e) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means the calculation agent appointed by the Issuer in respect of a Series of Securities pursuant to the terms of the Agency Agreement or such other Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate of Distribution and Distribution Amount(s) and/or such other amount(s) as may be specified in the relevant Pricing Supplement;

"**Calculation Amount**" has the meaning given in the relevant Pricing Supplement;

"**Calculation Business Day**" has the meaning given in the relevant Pricing Supplement;

a "**Compulsory Distribution Payment Event**" occurs if either or both of the following criteria are met:

(a) a discretionary dividend or distribution is paid or declared by the Issuer or the Guarantor on any Junior Obligations or Parity Obligations (other than a dividend or distribution (i) in respect of an employee benefit plan or similar arrangement with or for the benefit of employees, officers, directors and consultants or (ii) in relation to Parity Obligations of the Issuer or the Guarantor, on a *pro-rata* basis with the Securities); or

(b) the Issuer or the Guarantor has at its discretion repurchased, redeemed or otherwise acquired any of its Junior Obligations or Parity Obligations (other than a repurchase, redemption or acquisition (i) in respect of an employee benefit plan or similar arrangement with or for the benefit of employees, officers, directors and consultants; (ii) as a result of the exchange or conversion of its Parity Obligations for its Junior Obligations or (iii) in relation to the Parity Obligations of the Issuer or the Guarantor, on a *pro-rata* basis with the Securities);

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Pricing Supplement and:

(a) if "**Actual/Actual (ICMA)**" is so specified, means:

(i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(ii) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(b) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(c) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(d) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

(e) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\text{Day Count Fraction} = \frac{[360 \text{ x } (Y_2 - Y_1)] + [30 \text{ x } (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(f) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30; and

if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Dealer Agreement**" means the dealer agreement dated 12 July 2017 (as amended or supplemented from time to time) between the Issuer, the Guarantor and the Dealers named therein;

"**Distribution Amount**" means, in relation to a Security and a Distribution Period, the amount of distribution payable in respect of that Security for that Distribution Period;

"**Distribution Commencement Date**" means the Issue Date of the Securities or such other date as may be specified as the Distribution Commencement Date in the relevant Pricing Supplement;

"**Distribution Payment Date**" means the First Distribution Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

(a) as the same may be adjusted in accordance with the relevant Business Day Convention; or

(b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Distribution Commencement Date (in the case of the first Distribution Payment Date) or the previous Distribution Payment Date (in any other case);

"**Distribution Period**" means each period beginning on (and including) the Distribution Commencement Date or any Distribution Payment Date and ending on (but excluding) the next Distribution Payment Date;

"**Dividend Pusher Lookback Period**", if applicable, shall be the period specified in the relevant Pricing Supplement;

"**Early Redemption Amount (Accounting Event)**" means, in respect of any Security, its principal amount or, if another amount is specified in the relevant Pricing Supplement, such other amount;

"**Early Redemption Amount (Breach of Covenant Event)**" means, in respect of any Security, its principal amount or, if another amount is specified in the relevant Pricing Supplement, such other amount;

"**Early Redemption Amount (Minimal Amount Outstanding)**" means, in respect of any Security, its principal amount or, if another amount is specified in the relevant Pricing Supplement, such other amount;

"**Early Redemption Amount (Tax)**" means, in respect of any Security, its principal amount or, if another amount is specified in the relevant Pricing Supplement, such other amount;

"**External Indebtedness**" any Indebtedness which is payable in or by reference to a currency which is not the lawful currency for the time being of Malaysia;

"**Extraordinary Resolution**" has the meaning given in the Trust Deed;

"**First Distribution Payment Date**" means the date specified in the relevant Pricing Supplement;

"**Fixed Distribution Amount**" has the meaning given in the relevant Pricing Supplement;

"**Guarantor Notional Preference Shares**" has the meaning given to it in Condition 5(d) (*Status of the Subordinated Securities and Guarantee of the Subordinated Securities – Ranking of claims in respect of the Guarantee of the Subordinated Securities*);

"**Indebtedness**" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

(a) amounts raised by acceptance under any acceptance credit facility;

(b) amounts raised under any note purchase facility;

(c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;

(d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days;

(e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing; and

(f) any Parity Obligations;

"**ISDA Definitions**" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Securities of the relevant Series (as specified in the relevant Pricing Supplement)) as published by the International Swaps and Derivatives Association, Inc.;

"**Issue Date**" has the meaning given in the relevant Pricing Supplement;

"**Issuer Notional Preference Shares**" has the meaning given to it in Condition 5(b) (*Status of the Subordinated Securities and Guarantee of the Subordinated Securities – Ranking of claims in respect of the Subordinated Securities*);

"**Junior Obligations**" means:

(a) in respect of the Senior Securities, unless otherwise defined in the relevant Pricing Supplement, (i) in respect of the Issuer, (A) any class of the Issuer's share capital (including without limitation any preference shares) and (B) any instrument or security issued, entered into or guaranteed by the Issuer which ranks or is expressed to rank, by its terms or by operation of law, in right of payment behind the claims of the relevant Series of Senior Securities and the unsecured and unsubordinated creditors of the Issuer; and (ii) in respect of the Guarantor, (A) any class of the Guarantor's share capital (including without limitation any preference shares) and (B) any instrument or security issued, entered into or guaranteed by the Guarantor which ranks or is expressed to rank, by its terms or by operation of law, in right of payment behind the claims of the Guarantee of the Senior Securities and other unsecured or unsubordinated creditors of the Guarantor; and

(b) in respect of the Subordinated Securities, unless otherwise defined in the relevant Pricing Supplement, (i) in respect of the Issuer, (A) any class of the Issuer's share capital (including without limitation any preference shares) and (B) any instrument or security issued, entered into or guaranteed by the Issuer which ranks or is expressed to rank, by its terms or by operation of law, in right of payment behind the claims of the relevant Series of Subordinated Securities and the unsecured and subordinated creditors of the Issuer; and (ii) in respect of the Guarantor, (A) any class of the Guarantor's share capital (including without limitation any preference shares) and (B) any instrument or security issued, entered into or guaranteed by the Guarantor which ranks or is expressed to rank, by its terms or by operation of law, in right of payment behind the claims of the Guarantee of the Subordinated Securities and other unsecured or subordinated creditors of the Guarantor;

"**MFRS**" means the Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board from time to time;

"**Optional Redemption Amount (Call)**" means, in respect of any Security, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Pricing Supplement;

"**Parity Obligations**" means:

(a) in respect of the Senior Securities, unless otherwise defined in the relevant Pricing Supplement, (i) in respect of the Issuer any instrument or security issued, entered into or guaranteed by the Issuer which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the relevant Series of Senior Securities; and (ii) in respect of the Guarantor, any instrument or security issued, entered into or guaranteed by the Guarantor which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Guarantee of the Senior Securities; and

(b) in respect of the Subordinated Securities, unless otherwise defined in the relevant Pricing Supplement, (i) in respect of the Issuer any instrument or security issued, entered into or guaranteed by the Issuer which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the relevant Series of Subordinated Securities; and (ii) in respect of the Guarantor, any instrument or security issued, entered into or guaranteed by the Guarantor which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Guarantee of the Subordinated Securities;

"**Payment Business Day**" means:

(a) if the currency of payment is euro, any day which is:

(i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(b) if the currency of payment is not euro, any day which is:

(i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Person**" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organisation, limited liability company, government or any agency or political subdivision thereof or any other entity;

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency **provided, however, that**:

(a) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

(b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"**Qualifying Securities**" means securities that:

(a) have terms not materially less favourable to an investor from the terms of the Securities (as reasonably determined by the Issuer, and provided that a certification to such effect (and confirming that the conditions set out in (i) and (ii) below have been satisfied) of two directors of the Issuer shall have been delivered to the Trustee prior to the substitution or variation of the relevant Securities upon which certificate the Trustee shall rely absolutely), *provided that*:

(i) they are issued by the Issuer or any wholly-owned direct or indirect finance subsidiary of the Issuer or the Guarantor with a guarantee from the Guarantor; and

(ii) they (or, as appropriate, the guarantee as aforesaid) shall rank *pari passu* with the Securities on a Winding-Up of the issuer or guarantor thereof, shall preserve the Securityholders' rights to any Arrears of Distribution, any Additional Distribution Amount and any other payment that has accrued with respect to the relevant securities, and shall contain terms which provide for the same Rate of Distribution, Distribution Payment Dates and redemption events, from time to time applying to the Securities; and other terms of such securities are substantially identical (as reasonably determined by the Issuer) to the Securities, save for the modifications or amendments to such terms that are specifically required to be made in order to avoid or resolve an Accounting Event or, as the case may be, a Withholding Tax Event; and

(b) are listed on the Official List of the SGX-ST or another securities exchange of international standing regularly used for the listing and quotation of debt securities offered and traded in the international markets;

"**Rate of Distribution**" means the rate or rates (expressed as a percentage per annum) of distribution payable in respect of the Securities specified in the relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Pricing Supplement;

"**Redemption Amount**" means, as appropriate, the Early Redemption Amount (Accounting Event), the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Early Redemption Amount (Breach of Covenant Event) or such other amount in the nature of a redemption amount as may be specified in the relevant Pricing Supplement;

"**Regular Period**" means:

(a) in the case of Securities where distribution is scheduled to be paid only by means of regular payments, each period from and including the Distribution Commencement Date to but excluding the first Distribution Payment Date and each successive period from and including one Distribution Payment Date to but excluding the next Distribution Payment Date;

(b) in the case of Securities where, apart from the first Distribution Period, distribution is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Distribution Payment Date falls; and

(c) in the case of Securities where, apart from one Distribution Period other than the first Distribution Period, distribution is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Distribution Payment Date falls other than the Distribution Payment Date falling at the end of the irregular Distribution Period;

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Securityholders in accordance with Condition 19 (*Notices*);

"**Relevant Financial Centre**" has the meaning given in the relevant Pricing Supplement;

"**Relevant Indebtedness**" means any External Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

"**Relevant Time**" has the meaning given in the relevant Pricing Supplement;

"**Reserved Matter**" means any proposal to change any date fixed for payment of principal or Distribution (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Securities, to reduce the amount of principal or Distribution (including any Arrears of Distribution and any Additional Distribution Amount) payable on any date in respect of the Securities, to alter the method of calculating the amount of any payment in respect of the Securities or the date for any such payment, to change the currency of payments under the Securities, to change the seniority or ranking of the Securities or the Guarantee of the Securities, to amend the terms of the Guarantee of the Securities, to amend the status provisions in the Trust Deed, or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"**Reset Date**" has the meaning given in the relevant Pricing Supplement;

"**Reset Distribution Rate**" has the meaning given in the relevant Pricing Supplement;

"**Securities**" means the Senior Securities and the Subordinated Securities to be issued by the Issuer pursuant to the Dealer Agreement, constituted by the Trust Deed and for the time being outstanding or, as the context may require, a specific number of such Securities;

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"**Senior Securities**" means securities specified as Senior Securities in the relevant Pricing Supplement;

"**Securityholder**" has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer – Title to Securities*);

"**Special Event**" means a Withholding Tax Event, or an Accounting Event, or any combination of the foregoing;

"**Special Event Redemption**" means a redemption in respect of: (i) a Withholding Tax Event (as defined in Condition 8(b) (*Redemption and Purchase – Redemption for tax reasons*)), or (ii) an Accounting Event (as defined in Condition 8(d) (*Redemption and Purchase – Redemption upon an Accounting Event*)), or (iii) redemption in the case of minimal amount outstanding (as described in Condition 8(e) (*Redemption and Purchase – Redemption in the case of minimal amount outstanding*));

"**Special Event Redemption Date**" means the date on which the Securities are redeemed in a Special Event Redemption;

"**Specified Currency**" has the meaning given in the relevant Pricing Supplement;

"**Specified Denomination(s)**" has the meaning given in the relevant Pricing Supplement;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Pricing Supplement;

"**Step-up Margin**" has the meaning given in the relevant Pricing Supplement;

"**Subordinated Securities**" means securities specified as Subordinated Securities in the relevant Pricing Supplement;

"**Subsidiary**" or "**Subsidiaries**" of any Person means:

(a) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total ordinary voting power of shares of capital stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof (or persons performing similar functions); or

(b) any partnership, joint venture limited liability company or similar entity of which more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable,

that is, in the case of clauses (a) and (b), at the relevant time owned or controlled, directly or indirectly, by (1) such Person, (2) such Person and one or more Subsidiaries of such Person or (3) one or more Subsidiaries of such Person.

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro;

"**Treaty**" means the Treaty on the Functioning of the European Union, as amended; and

"**Winding-Up**" means a final and effective order by a competent court for the bankruptcy, winding-up, liquidation or similar procedure in respect of the Issuer or the Guarantor (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, reconstruction, merger or amalgamation which have previously been approved in writing by the Trustee or by an Extraordinary Resolution.

(b) *Interpretation*: In these Conditions:

(i) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 10 (*Taxation*), any premium payable in respect of a Security and any other amount in the nature of principal payable pursuant to these Conditions;

(ii) any reference to Distribution shall be deemed to include any additional amounts in respect of Distribution which may be payable under Condition 10 (*Taxation*) and any other amount in the nature of Distribution payable pursuant to these Conditions;

(iii) references to Securities being "outstanding" shall be construed in accordance with the Trust Deed;

(iv) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Securities; and

(v) any reference to the Trust Deed or the Agency Agreement shall be construed as a reference to the Trust Deed or the Agency Agreement, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Securities.

3. **Form, Denomination, Title and Transfer**

(a) *Securities*: Securities are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Pricing Supplement and higher integral multiples of a smaller amount specified in the relevant Pricing Supplement.

(b) *Title to Securities*: The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Certificate**") will be issued to each Securityholder in respect of its registered holding. Each Certificate will be numbered serially with an identifying number which will be recorded in the Register. "**Securityholder**" means the person in whose name such Security is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof).

(c) *Ownership*: Each Securityholder shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Securityholder. No person shall have any right to enforce any term or condition of any Security under the Contracts (Rights of Third Parties) Act 1999.

(d) *Transfers of Securities*: Subject to paragraphs (g) (*Closed periods*) and (h) (*Regulations concerning transfers and registration*) below, a Security may be transferred upon surrender of the relevant Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Security may not be transferred unless the principal amount of Securities transferred and (where not all of the Securities held by a Securityholder are being transferred) the principal amount of the balance of Securities not transferred are Specified Denominations. Where not all the Securities represented by the surrendered Certificate are the subject of the transfer, a new Certificate in respect of the balance of the Securities will be issued to the transferor.

(e) *Registration and delivery of Certificates*: Within five business days of the surrender of a Certificate in accordance with paragraph (d) (*Transfers of Securities*) above, the Registrar will register the transfer in question and deliver a new Certificate of a like principal amount to the Securities transferred to each relevant Securityholder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Securityholder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Securityholder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(f) *No charge*: The transfer of a Security will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(g) *Closed periods*: Securityholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or distribution in respect of the Securities.

(h) *Regulations concerning transfers and registration*: All transfers of Securities and entries on the Register are subject to the detailed regulations concerning the transfer of Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (at the cost and expense of such Securityholder) by the Registrar to any Securityholder who requests in writing such regulations.

4. **Status of the Senior Securities and Guarantee of the Senior Securities**

(a) *Status of the Senior Securities*: The Senior Securities constitute direct, unsecured, unconditional and unsubordinated obligations of the Issuer which shall at all times rank at least *pari passu* and without any preference or priority among themselves and at least *pari passu* with all other present and future unconditional, unsubordinated and unsecured obligations of the Issuer (including Parity Obligations), save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(b) *Guarantee of the Senior Securities*: The Guarantor has in the Trust Deed unconditionally and irrevocably guaranteed the due and punctual payment in full of all sums expressed to be from time to time payable by the Issuer under the Trust Deed and in respect of the Senior Securities (the "**Guarantee of the Senior Securities**"). The Guarantee of the Senior Securities constitutes a direct, unsecured, unconditional and unsubordinated obligation of the Guarantor which shall at all times rank at least *pari passu* with all other present and future unsecured, unconditional and unsubordinated obligations of the Guarantor (including Parity Obligations), save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5. **Status of the Subordinated Securities and Guarantee of the Subordinated Securities**

(a) *Status of the Subordinated Securities*: The Subordinated Securities constitute direct, unsecured, unconditional and subordinated obligations of the Issuer which shall at all times rank at least *pari passu* and without any preference among themselves and with any Parity Obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. The rights and claims of the Subordinated Securityholders in respect of the Subordinated Securities are subordinated as provided in this Condition 5.

(b) *Ranking of claims in respect of the Subordinated Securities*: In the event of the Winding-Up of the Issuer, there shall be payable by the Issuer in respect of each Subordinated Security (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to the Subordinated Securityholder if, on the day prior to the commencement of the Winding-Up of the Issuer, and thereafter, such Subordinated Securityholder were the holder of one of a class of preference shares in the capital of the Issuer (and if more than one class of preference shares is outstanding, the most junior ranking class of such preference shares) ("**Issuer Notional Preference Shares**") having an equal right to return of assets in the Winding-Up of the Issuer and so ranking *pari passu* with the holders of that class or classes of preference shares (if any) which have a preferential right to return of assets in the Winding-Up over, and so rank in priority to the holders of Junior Obligations of the Issuer, but subordinated to the claims of all other present and future creditors of the Issuer (other than Parity Obligations of the Issuer), on the assumption that the amount that such Subordinated Securityholder was entitled to receive in respect of each Issuer Notional Preference Share on a return of assets in such Winding-Up were an amount equal to the principal amount of the relevant Subordinated Security together with accrued and unpaid Distributions (including any Arrears of Distributions or any Additional Distribution Amount (each as defined in Condition 7(d)(iv) (*Distribution – Distribution Deferral – Cumulative Deferral*)).

(c) *Guarantee of the Subordinated Securities*: The Guarantor has in the Trust Deed unconditionally and irrevocably guaranteed, on a subordinated basis, the due and punctual payment in full of all sums expressed to be from time to time payable by the Issuer under the Trust Deed and in respect of the Subordinated Securities (the "**Guarantee of the Subordinated Securities**", and together with the Guarantee of the Senior Securities, the "**Guarantee of the Securities**"). The Guarantee of the Subordinated Securities constitutes a direct, unsecured, unconditional and subordinated obligation of the Guarantor which shall at all times rank *pari passu* with any Parity Obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(d) *Ranking of claims in respect of the Guarantee of the Subordinated Securities*: In the event of the Winding-Up of the Guarantor, there shall be payable by the Guarantor in respect of each Subordinated Security (in lieu of any other payment by the Guarantor), such amount, if any, as would have been payable to the Subordinated Securityholder if, on the day prior to the commencement of the Winding-Up of the Guarantor, and thereafter, such Subordinated Securityholder were the holder of one of a class of preference shares in the capital of the Guarantor (and if more than one class of preference shares is outstanding, the most junior ranking class of such preference shares) ("**Guarantor Notional Preference Shares**") having an equal right to return of assets in the Winding-Up of the Guarantor and so ranking *pari passu* with the holders of that class or classes of preference shares (if any) which have a preferential right to return of assets in the Winding-Up over, and so rank in priority to the holders of Junior Obligations of the Guarantor, but subordinated to the claims of all other present and future creditors of the Guarantor (other than Parity Obligations of the Guarantor), on the assumption that the amount that such Subordinated Securityholder was entitled to receive in respect of each Guarantor Notional Preference Share on a return of assets in such Winding-Up were an amount equal to the principal amount of the relevant Subordinated Security together with accrued and unpaid Distributions (including any Arrears of Distributions or any Additional Distribution Amount (each as defined in Condition 7(d)(iv) (*Distribution – Distribution Deferral – Cumulative Deferral*)).

(e) *Set-off – Subordinated Securities*: Subject to applicable law, no Subordinated Securityholder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Securities, or the Guarantor in respect of, or arising under or in connection with the Guarantee of the Subordinated Securities. Each Subordinated Securityholder shall, by virtue of his holding of any Subordinated Securities, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer and the Guarantor. Notwithstanding the preceding sentence, if any of the amounts owing to any Subordinated Securityholder by the Issuer in respect of, or arising under or in connection with the Subordinated Securities or the Guarantor in respect of, or arising under or in connection with the Guarantee of the Subordinated Securities is discharged by set-off, such Subordinated Securityholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer or the Guarantor, as the case may be, (or, in the event of its Winding-Up, the liquidator of the Issuer or the Guarantor) and, until such time as payment is made, shall hold such amount in trust for the Issuer or the Guarantor, as the case may be (or their respective liquidators) and accordingly any such discharge shall be deemed not to have taken place.

6. **Negative Pledge**

So long as any Senior Security remains outstanding, neither the Issuer nor the Guarantor shall, and the Issuer and the Guarantor shall procure that none of their respective Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or any Guarantee of Relevant Indebtedness unless approved by an Extraordinary Resolution of Senior Securityholders, save for any Security Interest created by a Subsidiary of the Guarantor in connection with the purchase, financing or development of a specific project asset or other business undertaking in the ordinary course of the relevant Subsidiary's or the Guarantor's business where the Security Interest and recourse in relation thereto is consistent with general project financing principles and strictly limited to that specific project or asset (including, without limitation, the shares of such Subsidiary).

7. **Distribution**

(a) *Accrual of Distribution*:

(i) Subject to Condition 7(d) (*Distribution – Distribution Deferral*), the Securities confer a right to receive distributions (each a "**Distribution**") from the Distribution Commencement Date at the Rate of Distribution payable in arrear on each Distribution Payment Date, subject as provided in Condition 9 (*Payments*).

(ii) Unless otherwise provided for in these Conditions, each Security will cease to confer the right to receive any Distribution from the due date for redemption unless, upon due presentation, payment of the full amount due is improperly withheld or refused. In such latter event, Distribution will continue to accrue at the applicable Rate of Distribution (after as well as before any judgment) up to but excluding whichever is the earlier of (i) the date on which all sums due in respect of any Security are received by or on behalf of the relevant Securityholder and (ii) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Securityholders that it has received all sums due in respect of the Securities up to such seventh day (except to the extent that there is a failure in the subsequent payment to the relevant Securityholders under these Conditions).

(b) *Fixed Distribution Amount*: Unless otherwise specified in the Pricing Supplement, the amount of distribution payable in respect of each Security for any Distribution Period shall be the relevant Fixed Distribution Amount and, if the Securities are in more than one Specified Denomination, shall be the relevant Fixed Distribution Amount in respect of the relevant Specified Denomination.

(c) *Calculation of Distribution Amount*:

(i) The amount of distribution payable in respect of each Security for any period for which a Fixed Distribution Amount is not specified shall be calculated by applying the Rate of Distribution to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Security divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(ii) If the relevant Pricing Supplement specifies that the Rate of Distribution is subject to reset, the Calculation Agent will, on the Calculation Business Day prior to each Reset

Date, calculate the applicable Reset Distribution Rate payable in respect of the Securities. The Calculation Agent will cause the applicable Reset Distribution Rate determined by it to be notified to the Issuer, the Paying Agents, the Trustee, the Securityholders, and the Issuer will cause the applicable Reset Distribution Rate to be notified to each listing authority, stock exchange and/or quotation system (if any) on to which the Securities have then been admitted to listing, trading and/or quotation as soon as practicable after the relevant Reset Date. All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7(c) by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantor, the Paying Agents, the Trustee and the Securityholders and no liability to any such person will attach to the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(d) *Distribution Deferral*:

(i) *Optional Deferral*: The Issuer may, at its sole discretion, elect to defer, in whole or in part, any Distribution (including any Arrears of Distribution and any Additional Distribution Amount) which is otherwise scheduled to be paid on a Distribution Payment Date to the next Distribution Payment Date (an "**Optionally Deferred Distribution Payment**") by giving notice (an "**Optional Distribution Deferral Notice**") to the Securityholders (in accordance with Condition 19 (*Notices*)) not more than 20 nor less than five Business Days prior to a scheduled Distribution Payment Date (an "**Optional Deferral Event**") unless, if the Dividend Pusher is specified in the relevant Pricing Supplement as being applicable, during the Dividend Pusher Lookback Period ending on the day before that scheduled Distribution Payment Date a Compulsory Distribution Payment Event has occurred. Any partial payment of outstanding Distribution (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer shall be shared by the Securityholders of all outstanding Securities on a *pro-rata* basis.

(ii) *No obligation to pay*: The Issuer shall have no obligation to pay any Distribution (including any Arrears of Distribution and any Additional Distribution Amount) on any Distribution Payment Date if it validly elects not to do so in accordance with Condition 7(d)(i) (*Distribution – Distribution Deferral – Optional Deferral*) and any failure to pay any Distribution (including any Arrears of Distribution and any Additional Distribution Amount) shall not constitute a default of the Issuer in respect of the Securities.

(iii) *Requirements as to Notice*: Prior to publishing any Optional Distribution Deferral Notice, the Issuer shall, if the Dividend Pusher is specified in the relevant Pricing Supplement as being applicable, deliver to each of the Trustee and the Principal Paying Agent a certificate in the form scheduled to the Trust Deed signed by two directors of the Issuer confirming that an Optional Deferral Event has occurred, and that no Compulsory Distribution Payment Event has occurred and is continuing.

The Trustee shall be entitled to accept and rely upon such certificate as sufficient evidence of the occurrence of an Optional Deferral Event, in which event it shall be conclusive and binding on the Securityholders.

(iv) *Cumulative Deferral*:

(A) Any Distribution deferred pursuant to this Condition 7(d) shall constitute "Arrears of Distribution". The Issuer may, at its sole discretion, elect to further defer any Arrears of Distribution by complying with the foregoing notice requirements applicable to any deferral of an accrued Distribution. The Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distribution may be deferred pursuant to this Condition 7(d) (*Distribution – Distribution Deferral*) except that this Sub-Condition 7(d)(iv) shall be complied with until all outstanding Arrears of Distribution have been paid in full.

(B) Each amount of Arrears of Distribution shall accrue distribution at the Rate of Distribution as if it constituted the principal of the Securities and the amount of such additional distribution (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 7 and shall be calculated by applying the Rate of Distribution to the amount of the Arrears of Distribution and otherwise mutatis mutandis as provided in the foregoing provisions of this Condition 7. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

(v) *Restrictions in the case of an Optional Deferral*:

(A) If the Dividend Stopper is specified in the Pricing Supplement as applicable, then if on any Distribution Payment Date, payment of all Distribution payments scheduled to be made on such date is not made in full by reason of Condition 7(d)(i) (*Distribution – Distribution Deferral – Optional Deferral*), neither the Issuer nor the Guarantor shall:

(1) voluntarily declare or pay any discretionary dividends or distributions or make any other discretionary payment on, and will procure that no discretionary dividend or distribution or any other discretionary payment is made on any of its Junior Obligations or Parity Obligations (except on a *pro-rata* basis with the Securities); or

(2) voluntarily redeem, reduce, cancel, buy-back or acquire for any consideration any of its Junior Obligations or Parity Obligations (except on a *pro-rata* basis with the Securities),

in each case, other than (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants or (ii) as a result of the exchange or conversion of Parity Obligations of the Issuer for Junior Obligations of the Issuer or Parity Obligations of the Guarantor for Junior Obligations of the Guarantor), unless and until (A) the Issuer has satisfied in full all outstanding Arrears of Distribution and Additional Distribution Amount, or (B) the Issuer or, as the case may be, the Guarantor, is permitted to do so by an Extraordinary Resolution of Securityholders.

(vi) *Satisfaction of Arrears of Distribution by payment*: The Issuer or the Guarantor:

(A) may satisfy any Arrears of Distribution (in whole or in part) at any time by giving notice of such election to the Securityholders (in accordance with Condition 19 (*Notices*)), the Trustee and the Principal Paying Agent not more than 20 nor less than five Business Days prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Distribution on the payment date specified in such notice). Any partial payment of outstanding Arrears of Distribution by the Issuer shall be paid to the Securityholders of all outstanding Securities on a *pro-rata* basis; and

(B) in any event shall satisfy any outstanding Arrears of Distribution deferred in accordance with this Condition 7(d)(vi), in whole but not in part, and including any Additional Distribution Amount, on the earliest to occur of:

(1) the next Distribution Payment Date falling immediately after a breach of this Condition 7(d)(v) *(Distribution – Distribution Deferral – Restrictions in the case of an Optional Deferral)*;

(2) the date on which the Securities are redeemed at the option of the Issuer pursuant to Condition 8(c) (*Redemption and Purchase – Redemption at the option of the Issuer*));

(3) the date on which the Securities are redeemed at the option of the Issuer pursuant to Condition 8(f) (*Redemption and Purchase – Redemption on the occurrence of a Breach of Covenant Event*);

(4) a Special Event Redemption Date; and

(5) the Winding Up of the Issuer or the Guarantor.

(vii) *No default*: Notwithstanding any other provision in these Conditions or in the Trust Deed, the deferral of any Distribution payment in accordance with this Condition 7(d) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 11 (*Non-payment*)) on the part of the Issuer under the Securities or the Guarantor under the Guarantee of the Securities.

(e) *Step-up after occurrence of a Breach of Covenant Event*:

(i) If so specified in the applicable Pricing Supplement, notwithstanding any other provision of this Condition 7, upon the occurrence of a Breach of Covenant Event, unless such event is remedied by the 30th day following its occurrence (the "**Grace Period**") or the Issuer elects to redeem the Securities in accordance with Condition 8(f) (*Redemption and Purchase – Redemption on the occurrence of a breach of Covenant Event*), the then-prevailing Rate of Distribution, and (subject to Condition 7(e)(iv)) each subsequent Rate of Distribution otherwise determined in accordance with the provisions of this Condition 7, shall be increased by the Step-up Margin with effect from (and including) (a) the next Distribution Payment Date or (b) if the date on which a Breach of Covenant Event occurs is prior to the most recent preceding Distribution Payment Date, and the Grace Period extends beyond such recent preceding Distribution Payment Date and such Breach of Covenant Event is not remedied upon the expiry of the Grace Period, such Distribution Payment Date. For the avoidance of doubt, any increase in the Rate of Distribution pursuant to this Condition 7(e)(i) is separate from and in addition to any increase in the Rate of Distribution resulting from a Reset Distribution Rate.

(ii) Any increase in the Rate of Distribution pursuant to this Condition 7(e) shall be notified by the Issuer to the Securityholders, the Trustee and the Agents in writing no later than the 14th day following the occurrence of a Breach of Covenant Event.

(iii) If a Distribution Payment Date shall fall within 30 days of the date on which a Breach of Covenant Event occurs, any additional Distribution accrued up to (but excluding) such Distribution Payment Date pursuant to Condition 7(e)(i) shall be payable only on the next following Distribution Payment Date.

(iv) If following an increase in the Rate of Distribution after a Breach of Covenant Event pursuant to Condition 7(e)(i) the relevant Breach of Covenant Event is cured, upon written notice of such facts being given to the Securityholders in accordance with Condition 19 (*Notices*) and the Trustee, the Rate of Distribution shall be decreased by the Step-up Margin with effect from (and including) the Distribution Payment Date immediately following the date falling 30 days after the date on which the Trustee receives evidence to its satisfaction of the cure of such Breach of Covenant Event.

8. **Redemption and Purchase**

(a) *No fixed redemption date*: The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 4 (*Status of the Senior Securities and Guarantee of the Senior Securities*) and Condition 5 (*Status of Subordinated Securities and Guarantee of the Subordinated Securities*), as may be applicable, and without prejudice to Condition 11 (*Non-payment*)) only have the right to redeem or purchase them in accordance with the following provisions of this Condition 8.

(b) *Redemption for tax reasons*: The Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders and the Trustee, or such other period(s) as may be specified in the relevant Pricing Supplement (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with distribution accrued (if any) to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount), if, immediately before giving such notice, the Issuer satisfies the Trustee that:

(i) (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 10 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Securities, and (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or

(ii) (A) the Guarantor has or (if a demand was made under the Guarantee of the Securities) would become obliged to pay additional amounts as provided or referred to in Condition 10 (*Taxation*) from any amount paid by it to the Issuer in order to enable the Issuer to make a payment of principal or interests in respect of the Securities, in either case as a result of any change in, or amendment to, the laws or regulations of Malaysia or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Securities, and (B) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it,

(each, a "**Withholding Tax Event**") **provided, however, that** no such notice of redemption shall be given earlier than:

(A) where the Securities may be redeemed at any time, 90 days (or such other period as may be specified in the relevant Pricing Supplement) prior to the earliest date on which the Issuer or the Guarantor would be obliged to pay such additional amounts if a payment in respect of the Securities were then due or (as the case may be) a demand under the Guarantee of the Securities were then made; or

(B) where the Securities may be redeemed only on an Distribution Payment Date, 60 days (or such other period as may be specified in the relevant Pricing Supplement) prior to the Distribution Payment Date occurring immediately before the earliest date on which the Issuer or the Guarantor would be obliged to pay such additional amounts if a payment in respect of the Securities were then due or (as the case may be) a demand under the Guarantee of the Securities were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Trustee (1) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred of and (2) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or (as the case may be) the Guarantor has or will become obliged to pay such additional amounts or (as the case may be) the Guarantor has or will become obliged to make such withholding or deduction as a result of such change or amendment.

The Trustee shall be entitled to accept and rely upon such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out above, in which event they shall be conclusive and binding on the Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 8(b), the Issuer shall be bound to redeem the Securities in accordance with this Condition 8(b).

(c) *Redemption at the option of the Issuer*: The Securities may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Pricing Supplement, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Securityholders, or such other period(s) as may be specified in the relevant Pricing Supplement (which notice shall be irrevocable and shall oblige the Issuer to redeem the Securities or, as the case may be, the Securities specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount).

(d) *Redemption upon an Accounting Event*: If the Accounting Event Redemption is specified in the relevant Pricing Supplement as being applicable, the Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Securityholder (which notice shall be irrevocable) at their Early Redemption Amount (Accounting Event), if, immediately before giving such notice, the Issuer satisfies the Trustee that as a result of any changes or amendments to MFRS) or any other accounting standards that may replace MFRS for the purposes of the preparation of the consolidated financial statements of the Guarantor (the "**Relevant Accounting Standard**"), the Securities or the Guarantee of the Securities must not or must no longer be recorded as "equity" of the Guarantor pursuant to the Relevant Accounting Standard, having previously been so recorded (an "**Accounting Event**").

No less than 5 Business Days prior to the publication of any notice of redemption pursuant to this Condition 8(d), the Issuer shall deliver or procure that there is delivered to the Trustee:

(i) a certificate, signed by two directors of the Issuer, stating that the circumstances referred to above prevail and setting out the details of such circumstances; and

(ii) an opinion of the Guarantor's independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standard is due to take effect.

The Trustee shall be entitled to accept and rely (without further enquiry) upon such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out above, in which event they shall be conclusive and binding on the Securityholders.

Upon the expiry of any such notice as is referred to in this Condition 8(d), the Issuer shall be bound to redeem the Securities in accordance with this Condition 8(d) provided that such date for redemption shall be no earlier than the last day before the date on which the Securities must not or must no longer be so recorded as "equity" of the Issuer pursuant to the Relevant Accounting Standard.

(e) *Redemption in the case of minimal outstanding amount*: Each Series may be redeemed at the option of the Issuer in whole, but not in part, at any time, on the Issuer giving not less than 30 nor more than 60 days' notice to the Securityholders of that Series (which notice shall be irrevocable) at the Early Redemption Amount (Minimal Outstanding Amount) (including any Arrears of Distribution and any Additional Distribution Amount), if, immediately before giving such notice, the aggregate principal amount of the Series outstanding is less than 20 per cent. of the aggregate principal amount originally issued (including any further securities issued in accordance with Condition 18 (*Further Issues*)).

Upon expiry of any such notice as is referred to in this Condition 8(e), the Issuer shall be bound to redeem the Securities in accordance with this Condition 8(e).

(f) *Redemption on the occurrence of a breach of a Breach of Covenant Event*: If the Breach of Covenant Event is specified in the relevant Pricing Supplement as being applicable, the Issuer may at its option, at any time, on giving not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 19 (*Notices*), the Securityholders (which notice shall be irrevocable), redeem, in whole but not in part, the Securities at their principal amount, together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amounts), if a Breach of Covenant Event has occurred and is continuing. Upon the expiry of any such notice as is referred to in this Condition 8(f), the Issuer shall be bound to redeem the Securities on such date in accordance with this Condition 8(f).

The Issuer shall give notice to Securityholders in accordance with Condition 19 (*Notices*) and to the Trustee and Principal Paying Agent by not later than 30 days following the first day on which it becomes aware of the occurrence of a Breach of Covenant Event. The Trustee shall not be required to take any steps to ascertain whether a Breach of Covenant Event or any event which could lead to the occurrence of a Breach of Covenant Event has occurred nor be liable to any person for any failure to do so.

(g) *Partial redemption*: If the Securities are to be redeemed in part only on any date in accordance with Condition 8(c) (*Redemption at the option of the Issuer*), each Security shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Securities to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Securities on such date.

(h) *No other redemption*: The Issuer shall not be entitled to redeem the Securities otherwise than as provided in paragraphs (a) to (e) above.

(i) *Purchase*: The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Securities in the open market or otherwise and at any price, subject to any conditions specified in the relevant Pricing Supplement.

(j) *Cancellation*: All Securities so redeemed or purchased by the Issuer, the Guarantor or any of their respective Subsidiaries shall be cancelled and may not be reissued or resold.

(k) *Calculations*: Neither the Trustee nor any of the Agents (other than the Calculation Agent and solely in respect of its functions as an appointment Calculation Agent of the Issuer) shall be responsible for calculating or verifying the calculations of any amount under any notice of redemption and shall not be liable to the Securityholders or any other person for not doing so.

9. **Payments**

(a) *Principal*: Payments of principal shall be made by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the Specified Office of any Paying Agent.

(b) *Distribution*: Payments of Distributions (including any Arrears of Distribution and any Additional Distribution Amount) shall be made by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency and (in the case of distribution payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the Specified Office of any Paying Agent.

(c) *Payments subject to fiscal laws*: All payments in respect of the Securities are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 10 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the "**Code**"), any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 10 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Securityholders in respect of such payments.

(d) *Payments on business days*: Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated (i) (in the case of payments of principal and distribution payable on redemption) on the later of the due date for payment and the day on which the relevant Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of distribution payable other than on redemption) on the due date for payment. A Securityholder shall not be entitled to any distribution or other payment in respect of any delay in payment resulting from the due date for a payment not being a Payment Business Day.

(e) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Security, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Certificate.

(f) *Record date*: Each payment in respect of a Security will be made to the person shown as the Securityholder in the Register at the close of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**").

So long as the Global Certificate is held on behalf of Euroclear, Clearstream or any other clearing system, each payment in respect of the Global Certificate will be made to the person shown as the holder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where "Clearing System Business Day" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

10. **Taxation**

(a) *Gross up*: All payments of principal and Distribution (including any Arrears of Distribution and any Additional Distribution Amount) in respect of the Securities by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the British Virgin Islands, Malaysia or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer or (as the case may be) the Guarantor shall pay such additional amounts as will result in receipt by the Securityholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Security:

(i) held by or on behalf of a Securityholder which is liable to such taxes, duties, assessments or governmental charges in respect of such Security by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Security; or

(ii) where the relevant Security or Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Securityholder would have been entitled to such additional amounts on presenting or surrendering such Security or Certificate for payment on the last day of such period of 30 days.

(b) *Taxing jurisdiction*: If the Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than the British Virgin Islands (in the case of the Issuer) or Malaysia (in the case of the Guarantor), references in these Conditions to the British Virgin Islands and Malaysia shall be construed as references to the British Virgin Islands and Malaysia and/or such other jurisdiction.

11. **Non-payment**

(a) *Limited rights to institute proceedings*: Notwithstanding any of the provisions below in this Condition 11, the right to institute Winding-Up proceedings in respect of the Issuer or the Guarantor is limited to circumstances where payment has become due. In the case of any Distribution, such Distribution will not be due if the Issuer has elected to defer that Distribution in accordance with Condition 7(d) (*Distribution – Distribution Deferral*). In addition, nothing in this Condition 11, including any restriction on commencing proceedings, shall in any way restrict or limit any rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer or the Guarantor, in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Agency Agreement, the Trust Deed, the Guarantee of the Securities or the Securities.

(b) *Proceedings for Winding-Up*: Upon (i) an order being made or an effective resolution being passed for the Winding-Up of the Issuer or the Guarantor or (ii) the Issuer or the Guarantor failing to make payment in respect of the Securities or the Guarantee of the Securities for a period of seven days or more after the date on which such payment is due, the Issuer and the Guarantor shall be deemed to be in default under the Trust Deed, the Securities and the Guarantee of the Securities and the Trustee may, subject to the provisions of Condition 11(d) (*Non-payment – Entitlement of Trustee*), institute proceedings for the Winding-Up of the Issuer or the Guarantor and/or prove and/or claim in the Winding-Up of the Issuer or the Guarantor for the principal amount of the Securities together with Distribution, Arrears of Distribution and any Additional Distribution Amount accrued to the day prior to the commencement of the Winding-Up.

(c) *Enforcement*: Without prejudice to Condition 11(b) (*Non-payment – Proceedings for Winding-Up*) but subject to the provisions of Condition 11(d) (*Non-payment – Entitlement of Trustee*)), the Trustee may without further notice to the Issuer or the Guarantor institute such proceedings against the Issuer or the Guarantor as it may think fit to enforce any term or condition binding on the Issuer or the Guarantor under the Trust Deed, the Guarantee of the Securities or the Securities (other than any payment obligation of the Issuer or the Guarantor under or arising from the Securities, the Guarantee of the Securities or the Trust Deed, including, without limitation, payment of any principal or premium or satisfaction of any Distributions, Arrears of Distribution and any Additional Distribution Amount in respect of the Securities or the Guarantee of the Securities, including any damages awarded for breach of any obligations), provided that in no event shall the Issuer or the Guarantor, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

(d) *Entitlement of Trustee*: The Trustee at its discretion may and, if so requested in writing by Securityholder of at least one quarter of the aggregate principal amount of the Securities then outstanding or if so directed by an Extraordinary Resolution, shall take any of the actions referred to in Condition 11(b) (*Non-payment – Proceedings for Winding-Up*) or Condition 11(c) (*Non-Payment – Enforcement*) against the Issuer or the Guarantor to enforce the terms of the Trust Deed, the Securities or the Guarantee of the Securities subject in any such case to the Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction.

(e) *Right of Securityholders*: No Securityholder shall be entitled to proceed directly against the Issuer or the Guarantor or to institute proceedings for the Winding-Up of the Issuer or the Guarantor or to prove or claim in such Winding-Up unless the Trustee, having become so bound to proceed or being able to prove or claim in such Winding-Up, fails to do so within a reasonable period and such failure shall be continuing, in which case the Securityholder shall have only such rights against the Issuer and the Guarantor as those which the Trustee is entitled to exercise as set out in this Condition 11 (*Non-payment*).

(f) *Extent of Securityholders' remedy*: No remedy against the Issuer or the Guarantor, other than as referred to in this Condition 11 (*Non-payment*), shall be available to the Trustee or the Securityholders, whether for the recovery of amounts owing in respect of the Securities or the Guarantee of the Securities under the Trust Deed or in respect of any breach by the Issuer or the Guarantor of any of its other obligations under or in respect of the Securities under the Trust Deed.

12. **Prescription**

Claims for principal and distribution on redemption in respect of the Securities shall become void unless the relevant Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

13. **Replacement of Securities**

If any Security or Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar (and, if the Securities are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Securities or Certificates must be surrendered before replacements will be issued.

14. **Trustee and Agents**

Under the Trust Deed, the Trustee is entitled to be indemnified, pre-funded and/or provided with security and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Securityholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the Securityholders as a class and will not be responsible for any consequence for individual Securityholders as a result of such Securityholders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Agency Agreement and in connection with the Securities and the Coupons, the Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Securityholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Pricing Supplement. The Issuer reserve the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor fiscal agent or registrar or Calculation Agent and additional or successor paying agents; **provided, however, that**:

(i) the Issuer shall at all times maintain a principal paying agent and a registrar; and

(ii) if a Calculation Agent is specified in the relevant Pricing Supplement, the Issuer shall at all times maintain a Calculation Agent; and

(iii) if and for so long as the Securities are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Securityholders by the Issuer.

15. **Meetings of Securityholders; Modification and Waiver**

(a) *Meetings of Securityholders*: The Trust Deed contains provisions for convening meetings of Securityholders to consider matters relating to the Securities, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer or by the Trustee and shall be convened by the Trustee (subject to it being first indemnified, pre-funded and/or provided with security to its satisfaction) upon the request in writing of Securityholders of the relevant Series holding not less than one-tenth of the aggregate principal amount of the outstanding Securities. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Securities of the relevant Series or, at any adjourned meeting, two or more Persons being or representing Securityholders of the relevant Series whatever the principal amount of the Securities of the relevant Series held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Securityholders of the Relevant Series at which two or more Persons holding or representing not less than two-thirds or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Securities of the relevant Series form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Securityholders, whether present or not.

(b) *Written Resolutions and Electronic Consent*:

(i) The Trust Deed provides that:

(A) a written resolution signed by or on behalf of the Securityholder of not less than 90 per cent. of the aggregate principal amount of a Series of Securities then outstanding who for the time being are entitled to receive notice of a meeting (such a resolution in writing (a "**Written Resolution**") may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Securityholders); or

(B) where the Securities are held by or on behalf of a clearing system or clearing systems, approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the Securityholder of not less than 75 per cent. of the aggregate principal amount of a Series of Securities then outstanding (an "**Electronic Consent**"),

shall, in each case for all purposes, be as valid and effective as an Extraordinary Resolution passed at a meeting of Securityholders duly convened and held.

(ii) A Written Resolution and/or Electronic Consent will be binding on all Securityholders whether or not they participated in such Written Resolution and/or Electronic Consent, as the case may be.

(c) *Modification and waiver*: The Trustee may, without the consent of the Securityholders, agree to any modification of these Conditions or the Trust Deed (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of Securityholders and to any modification of the Securities or the Trust Deed which is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, without the consent of the Securityholders, authorise or waive any proposed breach or breach of the Securities or the Trust Deed (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Securityholders will not be materially prejudiced thereby.

Unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the Securityholders by the Issuer as soon as practicable thereafter in accordance with Condition 19 (*Notices*).

(d) *Direction from Securityholders*: Notwithstanding anything to the contrary in these Conditions or the Trust Deed, whenever the Trustee is required or entitled by the terms of these Conditions or the Trust Deed to exercise any discretion or power, take any action, make any decision or give any direction or certification, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction or certification, to seek directions from the Securityholders by way of an Extraordinary Resolution and shall have been indemnified, pre-funded and/or provided with security to its satisfaction against all action, proceedings, claims and demands to which it may be or become liable and all costs, charges, damages, expenses (including legal expenses) and liabilities which may be incurred by it in connection therewith, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction or certification where the Trustee is seeking such directions.

(e) *Certificates and reports*: The Trustee may rely without liability to any Securityholder or to other person on a report, advice, opinion, confirmation or certificate from any lawyers, valuers, accountants (including the auditors, surveyors), financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation, certificate, opinion or advice shall be binding on the Issuer, the Trustee and the Securityholders.

16. **Enforcement**

The Trustee may at any time, at its discretion and without notice, institute such proceedings, actions or steps as it thinks fit to enforce its rights under the Trust Deed in respect of the Securities, but it shall not be bound to do so unless:

(i) it has been so requested in writing by the Securityholders of at least one quarter of the aggregate principal amount of the outstanding Securities or has been so directed by an Extraordinary Resolution; and

(ii) it has been indemnified, pre-funded and/or provided with security to its satisfaction.

17. **Substitution or Variation**

If Special Event Substitution or Variation is specified in the relevant Pricing Supplement as being applicable and a Special Event has occurred and is continuing, then the Issuer may, subject to Condition 7 (*Distribution*) (without any requirement for the consent or approval of the Securityholders) and subject to its having satisfied the Trustee immediately prior to the giving of any notice referred to herein that the provisions of this Condition 17 have been complied with, and having given not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 19 (*Notices*), the Securityholders (which notice shall be irrevocable), at any time either (i) substitute all, but not some only, of the Securities for, or (ii) vary the terms of the Securities with the effect that they remain or become (as the case may be), Qualifying Securities, and the Trustee shall (subject to the following provisions of this Condition 17 and subject to the receipt by it of the certificate of the directors of the Issuer and the Guarantor referred to herein, on which it may rely absolutely) agree to such substitution or variation.

Upon expiry of such notice, the Issuer shall either vary the terms of or, as the case may be, substitute the Securities in accordance with this Condition 17, as the case may be.

In connection therewith, any outstanding Arrears of Distribution (including any Additional Distribution Amount) will be satisfied in full in accordance with the provisions of Condition 7(d) (*Distribution – Distribution Deferral*).

In connection with any substitution or variation in accordance with this Condition 17, the Issuer shall comply with the rules of any stock exchange on which the Securities are for the time being listed or admitted to trading.

Any such substitution or variation in accordance with the foregoing provisions shall not be permitted if any such substitution or variation would give rise to a Special Event with respect to the Securities or the Qualifying Securities.

18. **Further Issues**

The Issuer may from time to time, without the consent of the Securityholders and in accordance with the Trust Deed, create and issue further Securities having the same terms and conditions as the Securities in all respects (or in all respects except for the first payment of distribution) so as to form part of an existing Series or create and issue other series of Securities having the benefit of the Trust Deed.

19. **Notices**

Notices to the Securityholders shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

So long as the Securities are represented by a Global Certificate and such Global Certificate is held on behalf of Euroclear or Clearstream or any other clearing system, notices to the holders of Securities of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions. Any such notice shall be deemed to have been given to the holders of the Securities on the second day after the day on which the said notice was given to Euroclear, Clearstream and/or the alternative clearing system, as the case may be.

20. **Currency Indemnity**

If any sum due from the Issuer in respect of the Securities or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Securities, the Issuer shall indemnify each Securityholder, on the written demand of such Securityholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal

Paying Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Securityholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

21. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

22. **Governing Law and Jurisdiction**

(a) *Governing law*: The Securities and the Trust Deed and all non-contractual obligations arising out of or in connection with the Securities and the Trust Deed are governed by English law, except that the subordination provisions applicable to the Guarantee of the Subordinated Securities set out in Condition 5(c) (*Ranking of Claims in respect of Guarantee of the Subordinated Securities),* Condition 5(d) (*Guarantee of the Subordinated Securities*) and Clause 6.1.2 (*Guarantee of the Subordinated Securities*) of the Trust Deed shall be governed by, and construed in accordance with, Malaysian law.

(b) *Jurisdiction*: Each of the Issuer and the Guarantor has in the Trust Deed (i) agreed that the courts of England shall have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Securities; (ii) agreed that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient; (iii) designated a person in England to accept service of any process on its behalf; (iv) consented to the enforcement of any judgment; and (v) to the extent that it may in any jurisdiction claim for itself or its assets immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process, and to the extent that in any such jurisdiction there may be attributed to itself or its assets or revenues such immunity (whether or not claimed), agreed not to claim and irrevocably waived such immunity to the full extent permitted by the laws of such jurisdiction. The Trust Deed also states that nothing contained in the Trust Deed prevents the Trustee or any of the Securityholders from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction and that, to the extent allowed by law, the Trustee or any of the Securityholders may take concurrent Proceedings in any number of jurisdictions.

(c) *Process agent*: Each of the Issuer and the Guarantor agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the

Issuer or the Guarantor, as the case may be, the Issuer or the Guarantor, as the case may be, shall, on the written demand of any Securityholder addressed and delivered to the Issuer or the Guarantor, as the case may be, or to the Specified Office of the Trustee appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Securityholder shall be entitled to appoint such a person by written notice addressed to the Issuer or the Guarantor, as the case may be, and delivered to the Issuer or the Guarantor, as the case may be, or to the Specified Office of the Trustee. Nothing in this paragraph shall affect the right of any Securityholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

SUMMARY OF PROVISIONS RELATING TO THE SECURITIES WHILE IN GLOBAL FORM

Terms used in this section that are not otherwise defined shall have the meanings given to them in "Terms and Conditions of the Securities".

Initial Issue of Securities

Global Certificates (as defined in the Trust Deed) may be delivered on or prior to the original issue date of the Tranche to a Common Depositary for Euroclear and Clearstream.

Upon the initial deposit of a Global Certificate with a common depositary for Euroclear and Clearstream (the "**Common Depositary**") and/or registration of Securities in the name of any nominee for Euroclear and Clearstream, Euroclear or Clearstream (as the case may be) will credit each subscriber with a nominal amount of Securities equal to the nominal amount thereof for which it has subscribed and paid.

Securities that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream held by such other clearing systems. Conversely, Securities that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream or other clearing systems.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream or any other clearing system (an "**Alternative Clearing System**") as the holder of an Instrument represented by a Global Certificate must look solely to Euroclear, Clearstream or any such Alternative Clearing System (as the case may be) for his/her share of each payment made by the Issuer to the holder of the underlying Securities and in relation to all other rights arising under the Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Instrument for so long as the Securities are represented by such Global Certificate and such obligations of the Issuer will be discharged by payment to holder of the underlying Securities in respect of each amount so paid.

Exchange

Global Certificates

The following will apply in respect of transfers of Securities held in Euroclear, Clearstream or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Securities within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Securities may be withdrawn from the relevant clearing system. Transfer of the holding of Securities represented by any Global Certificate pursuant to Condition 3(d) may only be made in part if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so or with the consent of the Issuer.

In the event that a Global Certificate is exchanged for an Individual Certificate), such Individual Certificate shall be issued in Specified Denomination(s) only. A Securityholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive certificate in respect of such holding and would need to purchase a principal amount of Securities such that it holds an amount equal to one or more Specified Denominations.

Amendment to Conditions

The Global Certificates contain provisions that apply to the Securities that they represent, some of which modify the effect of the terms and conditions of the Securities set out in this Offering Circular. The following is a summary of certain of those provisions:

Payments

All payments in respect of Securities represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January.

Meetings

The holder of the Securities represented by a Global Certificate shall (unless such Global Certificate represents only one Security) be treated as being two persons for the purposes of any quorum requirements of a meeting of Securityholders (as applicable) and, at any such meeting, the holder of the Securities represented by a Global Certificate shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Securities. All Securityholders are entitled to one vote in respect of each integral currency unit of the Specified Currency comprising such Securityholders holding, whether or not represented by a Global Certificate.

Electronic Consents

In addition to the holding of a meeting of Securityholders, or the passing of an Extraordinary Resolution by way of written resolution, the Trust Deed sets out provisions for resolutions of the Securityholders to be effected by way of electronic consents communicated through the electronic communications system of the relevant clearing system(s) by not less than 75 per cent in nominal amount of the relevant series of Securities outstanding.

Cancellation

Cancellation of any Securities represented by a Global Certificate that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Global Certificate or by reduction in the aggregate principal amount of the Certificates in the Register, whereupon the principal amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed.

Purchase

Securities represented by a Global Certificate may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

Issuer's Option

Any option of early redemption of the Issuer provided for in the Conditions while such Securities are represented by a Global Certificate shall be exercised by the Issuer giving notice to the Securityholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Securities drawn in the case of a partial exercise of an option and accordingly no drawing of Securities shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Securities of any Series, the rights of accountholders with a clearing system in respect of the Securities will be governed by the standard procedures of Euroclear, Clearstream or any other clearing system (as the case may be).

Trustee's Powers

In considering the interests of Securityholders while any Securities are registered in the name of, or in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Securities and may consider such interest if such accountholders were the holders of the Securities represented by the relevant Global Certificate.

Notices

So long as any Securities are represented by a Global Certificate and such Global Certificate is held on behalf of Euroclear and/or Clearstream or any other clearing system, notices to the holders of Securities of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions.

USE OF PROCEEDS

The net proceeds from the issue of the Securities will be on-lent by the Issuer to other companies within the Group for their respective general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

CAPITALISATION AND INDEBTEDNESS

As at 30 June 2017, the date of incorporation of the Issuer, the authorised share capital of the Issuer was 50,000 shares of no par value. All of the Issuer's issued share capital comprises fully paid shares.

The following table sets forth the audited capitalisation and indebtedness amounts of the Guarantor as at 31 January 2017. The table should be read in conjunction with the consolidated financial statements of the Guarantor as of and for Financial Year 2017 and related notes included elsewhere in this Offering Circular.

	31 January 2017	
	Audited	
	(RM'000)	(USD'000)[1]
Indebtedness		
Current borrowings	222,354	50,208
Non-current borrowings	3,170,819	715,971
Total Indebtedness	3,393,173	766,179
Capitalisation		
Share Capital	1,099,462	248,258
Other reserves[2]	1,306,711	295,055
Non-controlling interests	–	–
Total Capitalisation	2,406,173	543,313
Total capitalisation and indebtedness	**5,799,346**	**1,309,492**

(1) USD1.00:RM4.4287

(2) Other reserves are made up of Reserves, Retained earnings, perpetual securities issued by a Subsidiary and treasury shares.

There have been no material changes in the capitalisation, indebtedness or contingent liabilities of the Group since 31 January 2017.

Not included in the Group's consolidated indebtedness as at 31 January 2017, are the borrowings of the joint ventures as below:

	31 January 2017	
	Unaudited	
	(RM'000)	(USD'000)[1]
PTSC South East Asia Pte. Ltd	118,676	26,797
PTSC Asia Pacific Pte. Ltd.	1,013,345	228,813

(1) USD1.00:RM4.4287

DESCRIPTION OF THE ISSUER

Overview

The Issuer was incorporated on 29 May 2017 in the British Virgin Islands, and is a company limited by shares (BVI Company Number: 1946314). It is a wholly owned subsidiary of the Guarantor.

Business Activity

Its principal activities are to procure capital and funding for companies within the Group and investment holding and provision of financial and treasury management services to companies within the Group. The Issuer does not sell any products or provide any services and it has undertaken no business activities since the date of its incorporation, other than those incidental to its incorporation and establishment as a direct wholly-owned subsidiary of the Guarantor and those incidental to the issue of the Securities.

Financial Statements

Under the laws of the British Virgin Islands, the Issuer is not required to publish interim or annual financial statements. The Issuer has not published, and does not propose to publish, any financial statements. The Issuer is, however, required to keep such records that are sufficient to show and explain the Issuer's transactions and will, at any time, enable the financial position of the Issuer to be determined with reasonable accuracy.

Registered Office

The registered office of the Issuer as at the date of this Offering Circular is at Coastal Building, Wickham's Cay II, PO Box 2221, Road Town, Tortola, British Virgin Islands.

Shareholding and Capital

As at the date of this Offering Circular, the issued and fully paid up share capital of the Issuer is U.S.$2.00 comprising 1 ordinary share. The register of members of the Issuer is maintained at its registered office in the British Virgin Islands at Coastal Building, Wickham's Cay II, PO Box 2221, Road Town, Tortola. No part of the equity securities of the Issuer is listed or dealt in on any stock exchange and no listing or permission to deal in such securities is being or is proposed to be sought.

Directors

As at the date of this Offering Circular, the Directors of the Issuer are Mr Lim Han Weng, Mdm Bah Kim Lian and Mr Lim Chern Yuan. None of the directors of the Issuer holds any shares or options to acquire shares of the Issuer. There are no conflicts of interest between the duties to the Issuer of the persons listed above and their private interests and duties.

The Issuer does not have any employees and has no subsidiaries.

DESCRIPTION OF THE GUARANTOR AND THE GROUP

The Group began in 1983 as a transport and logistics company and has since transformed into a major competitor in the offshore O&G production and support services industry pursuant to a joint venture with PTSC in 2011 and the acquisition of Fred. Olsen Production ASA in 2014. As part of its strategy to focus on its O&G business, the Group completed the divestment of all of its non-O&G business segments in July 2016 and is now a dedicated FPSO and FSO company.

Registered Office

The registered office of YHB as at the date of this Offering Circular is at No. 25, Jalan Firma 2, Kawasan Perindustrian Tebrau IV, 81100, Johor Bahru, Johor Darul Takzim, Malaysia.

Overview and Background

The Group is an international integrated offshore O&G production and support services provider, headquartered in Kuala Lumpur, Malaysia with offices in Singapore, Norway, Nigeria, Gabon, Vietnam and Ghana. The Group specialises in the FEED, EPCI, conversion and leasing of offshore O&G production and storage units, including FPSO and FSO vessels. These offshore production units may either be newbuild units or be converted from existing vessels such as tankers, depending on the needs and requirements of the Group's customers. Upon the completion of a construction or conversion phase, or upon the availability for deployment of the custom-built floating production systems, the Group leases such FPSOs or FSOs to its customers for a contractually agreed period. In addition to building and leasing offshore production units, the Group's services also include the operation and maintenance of such offshore production units. Additionally, the Group owns, operates and charters OSVs to provide support services to the O&G industry.

The Group is the sixth largest FPSO independent leasing company in the world by fleet size and current orders according to EMA's report entitled "*EMA Floating Production Report Data – Q2 2017, 21 Apr 2017*". As at the date of the Offering Circular, the Group's fleet consists of five FPSOs, one FSO and four OSVs. As at the date of this Offering Circular, three of the Group's FPSO units are operating in West Africa and one FPSO unit is operating in Vietnam. Its sole FSO is deployed in Vietnam, whereas its OSVs operate mainly in Malaysia and Gabon. The Group has one FPSO under cold lay-up, currently berthed in Labuan, Malaysia. The Group's OSV fleet comprises of four vessels, consisting of three AHTSs and one PSV.

The Group started its operations as a transportation and logistics provider in Johor Bahru, Malaysia in 1983. After acquiring the entire share capital of Sama Setuju Sdn. Bhd. in 1988, the name of the company was changed to YCSB. On 9 March 1993, YHSB was incorporated as an investment holding company with its subsidiaries principally involved in the provision of transport, logistics and trading services. YHSB converted into a public limited company on 4 February 1995 and changed its name to YHB. YCSB was then acquired by YHB on 5 March 1996. Pursuant to an initial public offering on 11 July 1996, YHB listed on the second board of the Kuala Lumpur Stock Exchange (now known as the Bursa Malaysia) and was then transferred to the Main Market of Bursa Malaysia on 30 July 2008.

On 24 May 2011, YHB secured its first bareboat charter contract in the offshore production industry, with a contract value worth approximately U.S.$331.2 million, via a joint venture with PTSC for the supply of a FSO facility, the FSO PTSC Bien Dong 01. In the following year, on 28 December 2012, YHB secured its second bareboat charter contract, with a contract value worth approximately U.S.$737.3 million, via a joint venture with PTSC for the supply of an FPSO, the FPSO PTSC Lam Son. Both FSO PTSC Bien Dong 01 and FPSO PTSC Lam Son were contracted for deployment in Vietnam.

Acquisition of FOP

On 10 January 2014, the Group completed the acquisition of 100 per cent. of the ordinary shares of FOP for NOK9.40 per ordinary share pursuant to (the Acquisition), amounting to a total consideration of NOK995.74 million.

FOP has many years of experience in the offshore O&G production business, having been active since 1994. Projects undertaken by FOP (including prior to the Acquisition) include the following:

Year	**Type of Work performed**	**Name of Jack-Up/ FPSO/FSO**	**Customer**	**Country of Operations**
1995	Jack-Up Conversion	Borger Dolphine MOPU	Mobil Oil	Nigeria
1996	FSO Conversion	Knock Taggart	Abacam	Nigeria
1997	FSO Conversion	Knock Dee	Soekor	South Africa
1998	FPSO Conversion	Petroleo Nautipa	Ranger Oil	Angola
1999	FPSO Conversion	Knock Taggart	Addax	Nigeria
2002	FPSO Upgrade	Nautipa	Vaalco	Gabon
2004	Jack-Up Conversion	Marc Lorenceau	Addax	Nigeria
2004	FSO Conversion	Knock Nevis	Maersk	Qatar
2006	FPSO Conversion	Adoon	Addax	Nigeria
2009	FPSO Conversion	Allan	Canadian Natural Resources	Gabon

The project execution team from FOP also joined the Group as part of the Acquisition and most of the team, including key personnel, are still with the Group as at the date of this Offering Circular.

Following the Acquisition, the Group inherited three FPSOs, namely FPSO Allan, FPSO Adoon and FPSO Nautipa, as well as a contract with Addax Petroleum Development (Nigeria) Ltd for the provision of ship management services to the mobile offshore production unit, Marc Lorenceau pursuant to the MOPU contract. The Group sold its interest in FPSO Nautipa to BW Offshore on 8 October 2014 for cash consideration of U.S.$57.1 million. The MOPU Contract was renewable monthly until 31 May 2017.

Divestment of Non-O&G Business

On 26 July 2016, the Group completed the divestment of its non-O&G subsidiaries to LAP, for a total consideration of RM220.6 million, comprising of a disposal consideration of RM159.1 million and a settlement of inter-company loans owed by such non-O&G subsidiaries to YHB amounting to RM61.5 million. The non-O&G subsidiaries comprise of YCSB, YTSB, YSSB, YOL and YPMSB. The divestment was part of the Group's strategic move to focus on growing its O&G businesses.

The divestment also provided an opportunity for the Group to unlock its investments in these non-O&G subsidiaries. Divestment proceeds were distributed as dividends to the Group's shareholders.

Financial Overview

For Financial Year 2015, Financial Year 2016 and Financial Year 2017, the Group achieved profit for the year (including profit/(loss) for the year from discontinued operations) of RM251.4 million, RM215.8 million and RM196.8 million respectively. For the three months ended 30 April 2016 and 30 April 2017, the Group achieved profit after taxation of RM22.0 million[1] and RM60.3 million respectively.

The Group recorded an EBITDA from continuing operations of RM311.9 million, RM345.5 million and RM273.2 million for Financial Year 2015, Financial Year 2016 and Financial Year 2017 respectively, and EBITDA from continuing operations of RM42.6 million and RM85.0 million for the three months ended 30 April 2016 and 30 April 2017 respectively.

Depreciation charges is a major cost component to the Group's capital intensive business model. At a consolidated level, the Group has recorded depreciation of property, plant and equipment of RM108.4 million for Financial Year 2017. The results of joint ventures accounted for using equity method are included in the Group's profit after taxation (including profit/(loss) from the year from discontinued operations), where the results include depreciation of property, plant and equipment shared by the Group, as follows:

	Depreciation (Financial Year 2017)
PTSC South East Asia Pte. Ltd.	RM12.6 million
PTSC Asia Pacific Pte. Ltd.	RM77.1 million
Anteros Rainbow Offshore Pte. Ltd.	Nil

Besides depreciation charges, the Group's property, plant and equipment are subject to an impairment assessment at the relevant reporting date. The recorded impairment loss on property, plant and equipment for the Group at a consolidated level for Financial Year 2017 was RM11.6 million, whereas the impairment loss on property, plant and equipment recorded in a joint venture company was RM35.5 million.

The Group's revenue from continuing operations for Financial Year 2015, Financial Year 2016 and Financial Year 2017 were recorded at RM395.4 million, RM424.4 million and RM543.3 million respectively. The Group's revenue from continuing operations for the three months ended 30 April 2016 and 30 April 2017 was RM115.4 million and RM172.4 million respectively.

As at 31 January 2015, 2016 and 2017, the Group had total assets of RM2,488.2 million, RM4,839.8 million[2] and RM6,290.3 million respectively. As at 30 April 2017, the Group had total assets of RM6,487.8 million.

As at 31 January 2015, 2016 and 2017, the Group had cash and bank balances of RM364.4 million, RM416.2 million[3] and RM633.9 million respectively. As at 30 April 2017, the Group had cash and bank balances of RM632.8 million.

1 The Group's profit for the three months ended 30 April 2016 includes profit/(loss) for the Financial Year from discontinued operations.

2 The total assets as at 31 January 2016 include assets of disposal group classified as held for sale.

3 The amount does not include cash and bank balances of disposal group classified as held for sale. The amount of cash and bank balances of disposal group classified as held for sale was disclosed in Note 46 to the Audited Consolidated Financial Statements of Financial Year 2016.

Included within investment in joint ventures, the Group shared the following gross cash and bank balances of each joint venture as below:

	31 January 2017		30 April 2017	
	Unaudited		*Unaudited*	
	(RM'000)	(USD'000)(1)	(RM'000)	(USD'000)(2)
PTSC South East Asia Pte. Ltd.	149,497	33,757	134,080	30,887
PTSC Asia Pacific Pte. Ltd.	211,753	47,814	209,804	48,331
Yinson Production West Africa Limited .	493	111	439	101
	(RM'000)	(EUR'000)(1)	(RM'000)	(EUR'000)(2)
Anteros Rainbow Offshore Pte. Ltd. . . .	83	18	248	52

(1) USD1.00:RM4.4287 and EUR1.00:RM4.7393 for 31 January 2017.

(2) USD1.00:RM4.3410 and EUR1.00:RM4.7480 for 30 April 2017.

The Group measures its ability to service its debts by monitoring Adjusted Net Leverage Ratio (ANLR) and Interest Service Ratio (ISR). The Group has recorded ANLR of 5.9 times and ISR of 9.9 times for Financial Year 2017.

Milestones and Key Achievements

An overview of the Group's recent milestones and key achievements are set out below:

Year	Achievements/Milestones
2011	PTSC SEA was incorporated as a joint venture company with PTSC in which YHB holds a 49 per cent. equity interest. PTSC SEA secured a bareboat charter contract from PTSC for the provision and charter of a FSO for the Bien Dong 01 project with a contract value worth approximately U.S.$331.1 million. The tenure of the contract is for a firm period of 10 years with options to extend for an additional 10 (5+2+2+1) years in total (with a contract value of approximately U.S.$205.1 million for the firm period and approximately U.S.$125.6 million for the option periods).
	Secured a service contract with a value of RM75 million from PTSC for the provision of an OSV. The contract was awarded for two years with an option to extend for another five year period.
	Completed a private placement of 6,849,700 units of new ordinary shares of YHB, raising approximately RM11.3 million.
2012	Completed two call rights issues on the basis of three rights shares for every two existing ordinary shares, issuing 113,020,800 ordinary shares of YHB and raising approximately RM85.0 million.
	Completed a private placement of up to 11,987,100 units of new ordinary shares of YHB, raising approximately RM20.4 million.

Year	Achievements/Milestones
	PTSC AP was incorporated as a joint venture company with PTSC in which YHB holds a 49 per cent. equity interest. PTSC AP owns the FPSO PTSC Lam Son and secured a bareboat charter contract from PTSC for the provision and charter of the FPSO unit for the Lam Son project with a contract value worth approximately U.S.$737.3 million with a seven year firm charter period and an option to extend for another three (1+1+1) years. The contract was awarded by LSJOC, the operator of the Thang Long-Dong Do oil field located in Vietnam.
	Acquired a 40 per cent. equity interest in PTSC Phu My Port for approximately RM26.38 million. PTSC Phu My Port manages, operates and develops the Phu My Port in Vietnam.
	The Group incorporated a joint venture with Yen Son Transport, in which the Group owns a 51 per cent. equity interest, to construct, own, and operate two warehouses in Phu My Port in Vietnam.
2013	Completion of the FSO "PTSC Bien Dong 01" in Sung Dong, South Korea and achievement of first condensate.
	Completed a private placement of 20,035,510 units of new ordinary shares of YHB at an issue price of RM2.82 per share.
	YHB entered into a transaction agreement with FOP to acquire all of the ordinary shares of FOP for NOK9.40 per share via a conditional takeover offer.
	YHB completed the acquisition of FOP via an acquisition of 102,823,421 units of ordinary shares in FOP for a 97.1 per cent. equity interest. The acquisition of FOP introduced a fleet of three FPSOs, namely FPSO Allan, FPSO Adoon and FPSO Nautipa and the MOPU contract to the Group.
2014	YHB completed the compulsory acquisition of the remaining ordinary shares of FOP not owned by YHB.
	FPSO PTSC Lam Son achieved its first oil for LSJOC which marks the commencement of production in the Thang Long-Dong Do oil field.
	EPF started investing in the Group and became a substantial shareholder with an initial equity interest of 5.06 per cent. in YHB.
	YHB completed a rights issue of 258,199,610 units of new ordinary shares on the basis of one rights share for every one existing rights share held, raising gross proceeds of approximately RM568 million.
	YHB completed a one-to-two share split. As a result, 516,399,220 ordinary shares of RM1.00 each in YHB were subdivided in to 1,032,798,440 new ordinary shares of RM0.50 each in YHB.
	The Group disposed of its entire equity interest in Nautipa AS, which owned FPSO Nautipa for U.S.$57.1 million.
	Adoon Pte Ltd, owner of FPSO Adoon, signed an extension contract for one year with a value of approximately U.S.$39 million with Addax Petroleum Development (Nigeria) Limited.

Year	Achievements/Milestones
	YESB was awarded a “Floating & Mobile Offshore Facilities” licence and an “Eng. Design, Arch. & Draughting Services” licence by Petronas. These licences qualify YESB to tender and participate in projects relating to their respective categories for Petronas and other oil companies and/or operators in Malaysia.
2015	The consortium of YPWAPL and YPWAL were awarded the contract for the chartering, operation and maintenance of an FPSO facility worth up to U.S.$3.2 billion for the OCTP block located in Ghana by Eni Ghana Exploration and Production Ltd, the operator of OCTP block. The tenure of the contract is for a firm period of 15 years with options to extend for 12 months for an additional five years in total with a contract value of approximately U.S.$2.5 billion for the firm period and approximately U.S.$717.0 million for all of the option periods.
	YHB completed a private placement of 60,000,000 ordinary shares of YHB to EPF, increasing EPF’s equity interest in YHB to 10.1 per cent.
	YTMC issued U.S.$100 million 7.0 per cent. guaranteed senior perpetual capital securities via a private placement.
	YHL entered into a joint venture with FVSN to acquire FPSO Four Rainbow for the purposes of deployment to potential charterers. As at the date of this Offering Circular, YHL has a 51 per cent. stake in the joint venture with the remaining 49 per cent. stake held by FVSN.
	FPSO Adoon’s charter contract was extended by Addax Petroleum Development (Nigeria) Limited for a further three years from 17 October 2015 to 16 October 2018. The extension contract is valued at approximately U.S.$129 million.
2016	Completed disposal of the Group’s non-O&G businesses, comprising of YCSB, YTSB, YSSB, YOL and YPMSB, to LAP for a total consideration of RM220.6 million.
	YTMC established an unrated RM500 million medium term note Sukuk Murabahah Programme. Following the establishment of the programme, YTMC issued senior unsecured Sukuk in an aggregate principal amount of RM250 million across two series.
2017	YCL won a contract from Talisman Vietnam 07/03 B.V., the operator of the Ca Rong Do field development, for the supply, operation and maintenance of an FPSO facility to be deployed at Ca Rong Do Field Development located in Block 07/03 in the Eastern Sea offshore Vietnam. As part of the requirements of the contract bid, YCL and PTSC will jointly undertake the execution and performance of the Bareboat SOW via a joint venture company to be 51 per cent. held by PTSC and 49 per cent. held by YCL. The estimated aggregate value of the bareboat charter contract is approximately U.S.$1.0 billion.
	YPWAPL converted a U.S.$780 million project finance facility into a Shariah-compliant Murabahah term financing facility. This transaction won the “2016 IFN Africa Deal of the Year” award from Islamic Finance News.

Year	Achievements/Milestones
	FPSO John Agyekum Kufuor produced first oil at the OCTP Block in May 2017, a milestone which was achieved approximately three months ahead of schedule. YHB re-joined the Shariah-compliant securities list approved by the Shariah Advisory Council of Securities Commission Malaysia.

Recent Developments

Potential disposal of 26 per cent. equity interest in YPWAPL

On 30 June 2017, YHB entered into a Heads of Agreement (the "**HOA**") with a consortium of Japanese companies consisting of Sumitomo Corporation, Kawasaki Kisen Kaisha Ltd, JGC Corporation and Development Bank of Japan, Inc in relation to a proposed disposal of a 26 per cent. equity interest in YPWAPL via YTL and YPPL to the consortium. The consideration is expected to be in the range of U.S.$104.0 million to U.S.$117.0 million, subject to adjustments and contract.

The HOA was entered pursuant to an understanding between YHB and the consortium in forming a collaboration through YPWAPL in relation to the contract for the chartering, operation and maintenance of a FPSO facility by Eni Ghana Exploration and Production Ltd at Offshore Cape Three Point Block in Ghana.

Completion of the transaction remains subject to a number of conditions precedent, including the parties entering into a definitive and binding sale and purchase agreement and shareholders' agreement as well as the obtaining of approvals from the shareholders of YHB, regulatory authorities and the project financing lenders. The parties may or may not be able to fulfil such conditions on time and the transaction may or may not be completed – please see "*Risk Factors – The Group may from time to time consider disposals of its investments in existing projects to recycle capital for future projects and investments which may not provide a comparable or adequate return on investment*".

The Group believes that upon the entry of these strategic shareholders into YPWAPL, the parties would be able to form a long-term alliance which allows each member to utilise the expertise of the other members, helping the Group to consolidate its position in the FPSO industry.

Termination of the FPSO PTSC Lam Son charter and letter of intent on the continued deployment of FPSO PTSC Lam Son

Pursuant to the notice of termination received by PTSC AP from PTSC on 31 March 2017, PTSC AP sent to PTSC an invoice for the ETP in accordance with the terms of the bareboat charter to PTSC. Similarly, PTSC has sent an invoice to LSJOC, the operator of the Lam Son Field, for the ETP in accordance with the terms of the time charter to LSJOC.

On 30 June 2017, PTSC AP received a letter of intent (the "**LOI**") from PTSC expressing the latter's intention to continue to deploy FPSO PTSC Lam Son at the Lam Son Field with effect from 1 July 2017. The LOI is valid for a period of six weeks from the date of the LOI. The petroleum operations within the Lam Son Field will be taken over by PetroVietnam Exploration Production Corporation Ltd., a wholly owned subsidiary of PetroVietnam from 1 July 2017.

PTSC AP has accepted the LOI and, together with PTSC, will commence discussions with PVEP regarding a new charter contract for the continued deployment of FPSO PTSC Lam Son at the Lam Son Field which would set out, *inter alia*, new charter rates.

See “Risk Factors – Risks relating to the Group’s business and operations – The Group’s charter contracts may be terminated prematurely upon the occurrence of certain events”.

The Business

As at the date of this Offering Circular, the Group has five FPSOs, one FSO and four OSVs. In addition, the Group has recently won, in April 2017, a contract for the provision of an FPSO to TLV to be deployed at the Ca Rong Do field development in Vietnam. Other than FPSO Four Rainbow, the Group’s FPSOs and FSO are all currently deployed in Gabon, Ghana, Nigeria and Vietnam.

The Group’s FPSOs and FSO are typically chartered out on a firm contract term of up to 15 years, with options to extend such term by up to 10 years. Such terms vary from contract to contract, depending on the needs of the Group’s customers.

The Group operates a “build, own and lease” model where it engineers, procures, constructs and installs the FPSO and FSO and earns revenue by chartering the FPSO or FSO to charterers. FPSOs and FSOs are typically costly assets to finance and construct. The Group believes that its niche within the O&G value chain is its ability to successfully perform the EPCI of the FPSO or FSO, reduce the financing burden and improve the leverage ratios of its charterers by absorbing the costs relating to EPCI.

Due to the high cost of field development and the importance of uninterrupted oil production, certain charterers prefer to outsource the EPCI of FPSOs and FSOs instead of performing the EPCI work themselves and also owning the vessel. As a result, this enables charterers to reduce construction risk, capitalise on the contractor’s technical know-how, reduce or manage project execution resources and preserve capital for other investments within the offshore O&G value chain. Contractual relationships with charterers with respect to any given field typically last until the field has been exhausted or when the charterer exercises its purchase option in respect of the chartered vessel.

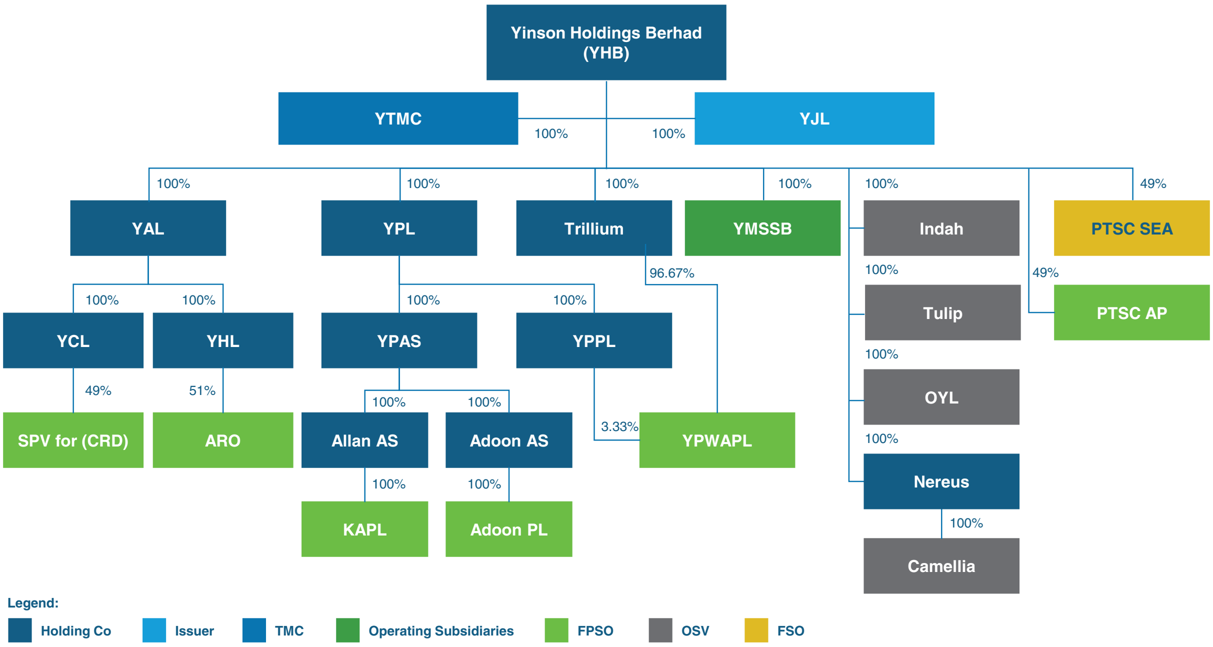
Charter contract tenures are typically split into fixed firm periods where the charterer does not have a right to terminate the contract without making an ETP and options periods where the charterer has the option to extend the charter for a pre-determined period of time. If an options period is exercised, it will commence immediately upon the expiry of the firm charter period. The main compensation that the Group receives from the charterers are the hire rates or lease payments throughout the tenure of the charter. The hire rates will typically cover the cost of the EPCI, financing costs as well as yield a commercially acceptable return to the Group over the tenure of the firm charter period. The Group considers any revenue earned during the options period as surplus revenue. In the event that a charter contract is terminated at the option of a charterer within the fixed firm period at their convenience, an ETP may be due to the Group. The quantum of the ETP is typically structured to ensure that the Group is compensated for its capital expenditure to the date of termination and also in respect of any future income due under the remaining contractual period of the charter (adjusted at a pre-agreed discount rate to account for the time value of money).

The FPSOs and FSO are owned by the Group, however, purchase options are usually enclosed in the Group’s charter contracts which allow the charterer to purchase the FPSO or FSO from the Group. Providing the charterer has not exercised the purchase option prior to expiry or termination of the relevant charter contract, the Group will be able to redeploy the FPSO or FSO to another offshore oil field or, if uneconomical, it may scrap the vessel after the charter ends.

The Group is also usually engaged to undertake the O&M of an FPSO during the tenure of the charter contract. O&M work provides the Group with an additional stream of revenue from a project.

The Group's Business Units

The Group's main business is the leasing of its fleet of FPSO, FSO and OSV units to customers in the O&G industry. As such, the Group's main source of revenue is derived from the charter of its FPSOs, FSOs and OSVs. Two of the Group's vessels are chartered out on a bareboat basis, while other contracts include the provision of crew and management services by the Group. See "*Vessels*" below for further details.



FPSO

The Group owns five FPSO vessels. FPSO units are offshore production facilities constructed to receive hydrocarbons sourced from offshore fields, which are processed into crude oil and dry gas. FPSOs can be new builds or conversions of existing oil tankers. The Group's fleet of FPSOs are made up of purpose conversions from existing oil tankers.

FPSOs are usually connected to multiple subsea wells located on the seabed through risers. The well stream fluids are channelled on-board the FPSO for processing through the risers. The FPSOs are equipped with production equipment such as water separation, gas treatment, oil processing, water injection and gas compression systems. The well stream fluids are put through these systems to separate the oil, gas, water and impurities such as sand and other types of sediments.

The crude oil produced through the separation process is stored on-board the FPSOs and is periodically offloaded into shuttle tankers for delivery to onshore refinery facilities or for sale in the international market.

The dry gas that is produced is used for fuel to power equipment on-board the FPSOs, exported onshore through pipelines for further processing and subsequent distribution and/or re-injected into the reservoir for further extraction of hydrocarbons.

	Generally, FPSOs are technical and cost effective solutions for O&G field development in circumstances where there is a lack of pipelines or infrastructure to transfer the production of O&G onshore.
FSO	The Group owns one FSO vessel. FSOs are also either newly built or modified oil tankers equipped only with crude storage and offloading facilities for offloading to shuttle tankers, without any processing capability. Oil that is stored on-board FSOs is transferred through flexible risers from a central processing platform.
OSV	The Group owns a fleet of four OSVs, consisting of three AHTSs and one PSV. AHTSs are capable of supporting offshore oil rigs, platforms and other offshore installations, towing mobile structures, assist in deploying and retrieving mooring anchors. PSVs serve as transportation vessels for the provision and transportation of equipment, provision of accommodation and to supply fuel and fresh water between supply bases and offshore platforms and facilities within the O&G industry. In addition, the Group's four OSVs are certified as Fire Fighting Class-1 (FIFI-1) and are capable of serving as fire-fighting vessels, oil spill recovery vessels or any other emergency standby vessels.

Vessels

As at the date of this Offering Circular, the Group's FPSO and FSO vessels are as follows:

- ***FPSO Allan***

  FPSO Allan is 100 per cent. owned by the Group. It is based on a Suezmax hull and has a storage capacity of 1.04 million barrels. It has a production capacity of 35,000 BOPD for oil, 50,000 BLPD for liquid and 75 MMSCFD for gas compression. FPSO Allan has been chartered to CNR since 1 May 2009 and is deployed at the Olowi field, located off the coast of Gabon. The contract has two years left to run on the firm charter contract as at 30 April 2017, with an option for CNR to extend for one year at a time, up to a cumulative total of 10 years. FPSO Allan has an average production uptime of approximately 99.42 per cent. since First Quarter 2014.

- ***FPSO Adoon***

  FPSO Adoon is 100 per cent. owned by the Group. It is based on a VLCC hull and has a storage capacity of 1.7 million barrels. It has a production capacity of 60,000 BOPD for oil, 140,000 BLPD for liquid and 7 MMSCFD for gas. FPSO Adoon has been chartered to Addax Petroleum since 17 October 2006 and is deployed at the Antan field, located off the coast of Nigeria. The firm charter period with Addax Petroleum for FPSO Adoon ended on 17 October 2014. Addax Petroleum exercised its option to extend the charter for FPSO Adoon for one year on 17 October 2014 (the "**First Option Extension**"). Upon the expiration of the First Option Extension, Addax Petroleum exercised its option to extend the option period by another three years to 16 October 2018 (the "**Second Option Extension**"). The Second Option Extension is valued at approximately U.S.$129 million. As at 30 April 2017, the charter under the Second Option Extension has approximately one and a half years left to run, with further options for Addax Petroleum to extend for another four years. FPSO Allan has an average production uptime of approximately 99.96 per cent. since First Quarter 2014. As of 18 November 2016, FPSO Adoon has been loss-time and injury-free for five years.

- ***FPSO PTSC Lam Son***

FPSO PTSC Lam Son is owned by PTSC AP, a joint venture between PTSC and the Group, in which PTSC owns 51 per cent. and the Group owns 49 per cent. FPSO PTSC Lam Son is based on an Aframax hull and has a storage capacity of 350,000 barrels. It has a production capacity of 18,000 BOPD for oil, 28,000 BLPD for liquid and 47 MMSCFD for gas compression. FPSO PTSC Lam Son was most recently chartered to PTSC and has been deployed at the Lam Son field since 6 June 2014. The charter was for a seven-year firm period with an option to extend for another three (1+1+1) years and has a contract value worth approximately U.S.$737.3 million. FPSO PTSC Lam Son has an average production uptime of approximately 99.62 per cent. since deployment.

On 31 March 2017, PTSC AP received a letter from PTSC (in its capacity as charterer under the Bareboat Charter Contract dated 28 December 2012 (the "**2012 Bareboat Charter Contract**")) informing PTSC AP that on 31 March 2017, LSJOC, the operator of the Lam Son Field, had issued a notice of termination to PTSC under the time charter contract entered into between PTSC and LSJOC for FPSO PTSC Lam Son dated 24 May 2012 (the "**2012 Letter**"). The service of such notice is pursuant to the liquidation of LSJOC which is scheduled to occur on 30 June 2017. In the 2012 Letter, PTSC served a notice of termination of convenience to PTSC AP under the Bareboat Charter Contract. Pursuant to the terms of the 2012 Bareboat Charter Contract, PTSC AP is entitled to an ETP from PTSC. Notwithstanding the receipt of the notice of termination, PTSC had informed PTSC AP that PetroVietnam, the ultimate holding company of one of the shareholders of LSJOC, intends for petroleum operations to continue at the Lam Son field despite the liquidation of LSJOC and that it was the intention of PetroVietnam to continue to utilise FPSO PTSC Lam Son in respect of the Lam Son field. Contract re-negotiations between PetroVietnam and the Group are ongoing for the redeployment of FPSO PTSC Lam Son.

For further details, see "*Risk Factors – Risks relating to the Group's business and operations – The Group's charter contracts may be terminated prematurely upon the occurrence of certain events. Termination of charter contracts may result in early repayment or defaults in the Group's borrowing facilities*".

- ***FPSO Four Rainbow***

FPSO Four Rainbow is owned by ARO, a company jointly owned by YHL, a subsidiary of YHB, and FVSN, a subsidiary of Premuda. YHL owns 51 per cent. and the FVSN owns the remaining 49 per cent. of ARO. FPSO Four Rainbow is based on an Aframax hull and has a storage capacity of 600,000 barrels. It has a production capacity of 40,000 BOPD for oil, 52,000 BLPD for liquid and 10 MMSCFD for gas compression. FPSO Four Rainbow is currently unchartered and is available for deployment.

- ***FPSO John Agyekum Kufuor***

FPSO John Agyekum Kufuor is 100 per cent. owned by the Group. It is based on a VLCC hull and has a storage capacity of 1.7 million barrels. It has a production capacity of 58,000 BOPD for oil, 75,000 BLPD for liquid, 165 MMSCFD for gas injection and 210 MMSCFD for gas export. Conversion works were completed in early 2017 and FPSO John Agyekum Kufuor set sail for Ghana on 1 March 2017, where it has been chartered to Eni Ghana and deployed at the OCTP block field, located in the Tano Basin off the coast of the Western Region of Ghana. The provisional acceptance certificate in relation to the charter for FPSO John Agyekum Kufuor was obtained on 4 June 2017.The charter started on the same date and is for 15 years (fixed charter) with options for Eni Ghana Exploration and Production Ltd to extend for 12 months at a time for an additional five years after the initial term. The charter has a contract value of approximately U.S.$2.54 billion for the firm period and approximately U.S.$717 million for the option periods. FPSO John Agyekum Kufuor achieved first oil three months ahead of schedule.

The oil produced will be stored in the FPSO and will be periodically offloaded to tankers for sale in the international market, whilst the gas produced will be transported via a dedicated gas pipeline to the gas onshore receiving facilities located in Sanzule, where the gas will be compressed and injected into the Western Corridor Gas Pipeline for transportation to industrial customers in Ghana.

The development of the OCTP block is important to the development of the domestic natural gas resources in Ghana and is also being supported by the World Bank via, *inter alia*, a guarantee of up to U.S.$700 million, covering the risks of non-payment by GNPC of its payment obligations under the gas sales agreement and debt service defaults as a result of breach of specified contractual obligations by GNPC and the government of Ghana[4].

The World Bank has, in a report titled "Energising Economic Growth in Ghana: Making the Power and Petroleum Sectors Rise to the Challenge" published in June 2013, described this project as "top priority" for Ghana as OCTP's natural gas represents an important alternative fuel resource for Ghana's thermal power generation sector.[5]

- ***Supply of an FPSO for Ca Rong Do field development at Block 07/03 Offshore Vietnam***

  On 26 April 2017, the Group, via its wholly owned subsidiary YCL, entered into a time charter contract with TLV, a wholly-owned subsidiary of Repsol S.A., a global integrated oil company for the provision of an FPSO to the Ca Rong Do field development in Vietnam. The Ca Rong Do field is an oil and gas development located in Block 07/03. The contract with TLV has a 10-year firm charter period with an option for five single year extensions, and comprises a Bareboat SOW and the operation and maintenance of the FPSO (to be separately performed by an affiliate of PTSC). The estimated aggregate value of the bareboat charter contract is approximately U.S.$1.0 billion which is inclusive of the optional period.

  As part of the requirements of the contract bid, YCL entered into a novation agreement with TLV and PTSC for the novation of YCL's rights and liabilities under the time charter contract to PTSC.

  Thereafter, PTSC and YCL will jointly undertake the execution and performance of the Bareboat SOW via a joint venture company to be 51 per cent. held by PTSC and 49 per cent. held by YCL. Upon incorporation, this joint venture company will enter into a bareboat charter contract with PTSC for the Bareboat SOW.

  The joint venture company is currently acquiring an identified existing FPSO to be upgraded/converted to become FPSO CRD which has a production capacity of up to 35,000 BOPD for oil and storage capacity of 900,000 barrels. Delivery at the field is planned by mid-2019 with a firm charter period scheduled to commence in August 2019.

4 Source: World Bank report titled "What is the Sankofa Gas Project?"

5 Source: World Bank report titled "Energising Economic Growth in Ghana: Making the Power and Petroleum Sectors Rise to the Challenge" published in June 2013

- ***FSO PTSC Bien Dong 01***

  FSO PTSC Bien Dong 01 is owned by PTSC SEA, a joint venture between PTSC and the Group, whereby PTSC has a 51 per cent. share while the Group has a 49 per cent. share in the joint venture. FSO PTSC Bien Dong 01 is a purpose-built FSO based on a Panamax hull has a storage capacity of 350,000 barrels. It has been chartered to PTSC since 4 June 2013 and is deployed at the Block 05-2/05-3 field, located off the coast of Vietnam. The tenure of the contract was for a firm period of 10 years with options to extend for an additional 10 (5+2+2+1) years in total (with a contract value of approximately U.S.$205.51 million for the firm period and approximately U.S.$125.64 million for the option periods). The firm contract has approximately six years left to run as at 30 April 2017. FSO PTSC Bien Dong 01 has an average production uptime of 100 per cent. since deployment.

Charter Contracts

Depending on the needs of the customer, the Group's services have generally been provided under the following types of contracts:

- "time charters", whereby the Group leases out the FPSOs and FSO that it owns and is responsible for their operation and maintenance;

- "bareboat charters", whereby charterers charter the FPSOs and/or FSO from the Group, but the charterers operate them with their own crew or appoint the Group to operate the vessel under a separate operations and maintenance contract; and

- "O&M contracts", whereby charterers appoint the Group to operate and maintain the FPSOs and/or FSO with the crew under the payroll of the Group.

Charter Contracts

Charter contracts are negotiated on a bilateral basis between the charterer and the Group prior to the commencement of any capital works. The charter contract aims to cover as many identifiable eventualities in the charter and operation of the FPSO/FSO during the negotiations between the charterers and the Group. Key clauses within the charter contracts include scope of work, length of charter contract, charter rates, termination events, and a guarantee of the charterer's obligations.

The terms and conditions of the Group's charter contracts are not linked to macro-economic economic factors or conditions beyond the control of the Group such as the price of oil and/or the performance of the reservoir on which the relevant FPSO/FSO is operating.

The Group's FPSO/FSO charter contracts are typically negotiated to ensure that the risks of termination by charterers are minimised and termination can occur only in certain prescribed circumstances. In the event the Group's FPSO/FSO charter contracts are terminated by the charterers at their convenience, the charter contracts contain provisions providing for the payment of an ETP. In the event the charter contracts are terminated due to a default by the Group, a similar ETP or reduced ETP is also payable by the charterers under certain charter contracts, albeit in more limited circumstances. However, ETPs are usually not payable by the Group's FPSO/FSO charterers in the case of more culpable defaults on the part of the Group such as, *inter alia*, the insolvency or bankruptcy of the asset owner company or the failure by the Group to provide or continue to provide the required parent company guarantees. The ETP or reduced ETP payments are normally derived based on *inter alia*, the present value of lost future revenue and contractually structured as lump sum payments payable within a stipulated period post termination.

All of the Group's FPSO/FSO charter contracts benefit from the respective charterers' parent company guarantees or undertakings to guarantee the obligations of the charterers over the course of the charters' firm and option periods.

The table below sets out certain key terms in typical charter contracts for FPSO/FSO vessels:

Firm charter period	:	Typically up to 15 years
Optional charter period	:	Typically up to 10 years and intermediately renewable
Termination at charterer's option	:	ETPs are usually payable to the FPSO/FSO owner
Termination due to owner's default	:	ETPs or reduced ETPs are usually due to the FPSO/FSO owner pursuant to the occurrence of certain prescribed events particularly where the default is not serious or fundamental. For defaults which are determined to be serious, such as bankruptcy or insolvency of the FPSO/FSO owner or its guarantor group, the FPSO/FSO owner may not receive any compensation.
Force majeure events	:	Early termination payments or reduced early termination payments are usually payable to the FPSO/FSO owner in the event of a prolonged force majeure periods.
Purchase option	:	At the option of the charterer and usually present in most charter contracts. The absolute value of the purchase options is typically greater than the ETPs under the contracts as the FPSO/FSO owner will sell the vessel to the charterer.
Reduction in hire rate if performance uptime falls below pre-agreed threshold	:	Hire rates are potentially reduced if the performance uptime falls below certain pre-agreed thresholds or zero if the performance uptime is drastically reduced or the FPSO/FSO is not available for use.

Debt and Capital Funding

The Group's total debt as at 30 April 2017 was RM3.4 billion. Its total shareholder's funds as at 30 April 2017 was RM2.4 billion and its cash balances as at 30 April 2017 was RM0.6 billion.

Recent significant fund raising activities of the Group include:

- On 19 August 2015, YPWAPL, a wholly owned subsidiary of YHB, completed a project financing of U.S.$780 million (the "**Project Financing**") to part finance the project cost of the FPSO John Agyekum Kufuor for deployment pursuant to the charter contract awarded by Eni Ghana. The charter was for an initial term of 15 years (fixed charter) with options to extend for 12 months at a time for up to an additional five years after the initial term. Financing for the project was secured within seven months from the award of the charter contract on 27 January 2015.

- As part of the Group's initiative to continue to qualify as a Shariah-compliant security by the Shariah Advisory Council of the Securities Commission Malaysia, YPWAPL converted the Project Financing into a Shariah-compliant U.S.$780 million Murabahah term financing facility (the "**Murabahah Facility**") on 29 December 2016. The Murabahah Facility continues to part finance the project cost of the FPSO John Agyekum Kufuor. The Shariah-compliant Murabahah Facility was facilitated by a consortium of international and domestic financial institutions.

- On 25 September 2015, YTMC, a wholly owned subsidiary of YHB issued U.S.$100 million in aggregate principal amount of guaranteed senior unsecured perpetual capital securities via private placement (the "**2015 Perpetual Securities**"). The 2015 Perpetual Securities carry an initial periodic distribution rate of 7 per cent. per annum and have no fixed maturity date but are callable five years from date of issuance at their principal amount. The 2015 Perpetual Securities may also be redeemed upon the occurrence of certain events as more particularly detailed in their terms and conditions. The 2015 Perpetual Securities are unrated and are not listed on any stock exchange.

- On 28 October 2016, YTMC established a RM500 million Sukuk Murabahah programme under the Shariah principle of Murabahah (via a Tawarruq arrangement).

- On 8 November 2016, YTMC issued RM80 million in principal amount of 5.25 per cent. Sukuk due 2018 (the "**2018 Sukuk**") and RM170 million in principal amount of 5.75 per cent. Sukuk due 2019 (the "**2019 Sukuk**"). Both the 2018 Sukuk and 2019 Sukuk are unconditionally and irrevocably guaranteed by YHB and are unrated and are unlisted.

Major customers

Customers

The Group's top three customers contributed approximately 95 per cent. of its revenue for the financial year ended 31 January 2017. The table below shows the revenue contribution from the Group's top three customers for the financial year ended 31 January 2017 and the three months ended 30 April 2017.

		Financial year ended 31 January		3 months ended 30 April	
Customer	**No. of years since initial engagement by counterparty**	**2017**		**2017**	
	Years	***RM million***	***%***	***RM million***	***%***
CNR International (Olowi) Limited	10	221.3	41	56.5	33
Addax Petroleum Development (Nigeria) Pte Ltd	11	194.4	36	51.3	30
ENI Ghana Exploration and Production Ltd	2	101.0	18	57.9	33
Others	N/A	26.6	5	6.7	4
Total Group Revenue		**543.3**	**100**	**172.4**	**100**

The Group has entered into long term contracts with these customers for the provision of FPSO services, which it views as significant contracts in terms of contribution to revenue and profitability. Although the Group is dependent on existing contracts with these customers, it also participates in tenders for projects involving other potential customers. Please refer to "*Risk Factors – Risks relating to the Group's business and operations – A small number of vessels and customers contribute a significant proportion of the Group's revenue*" for further details.

Major suppliers

The Group is not dependent on any one particular major supplier because there are many suppliers to choose from that specialise in different major components such as the topside, marine/hull and the commissioning/mooring systems. These comprise, among others, shipyard slots, fabricated modules and other equipment and spare parts, each of which the Group has the option of sourcing from various shipyards, EPC contractors and suppliers.

Sales and Marketing

The Group's sales and marketing function comprises the following:

Maintaining close relationships with customers

The Group has an experienced management team which is actively involved in assessing its customers' requirements. The Group's business development units have in depth knowledge of the industry and are able to assess and capitalise on industry trends and opportunities. The Group's business teams also aim to remain up to date with the development plans of their respective customers. This allows the Group to anticipate their customers' future needs, enabling its marketing efforts to be focused in the relevant areas.

The Group is also in regular communication with its existing and potential customers to identify areas where they may require its services. Customer retention is an integral part of the Group's marketing strategy. The Group believes that its ability to deliver quality services has enabled it to build on its reputation in the marketplace. The business development team capitalises on the Group's branding, technical knowledge, industry experience, reputation and financial capabilities to secure new O&G support projects and contracts.

Active corporate branding through participation in industry seminars, conferences and trade fairs

The Group participates in international and regional conferences, seminars, briefings and trade fairs related to both the O&G and maritime industries as part of its public relations and branding activities. Printed materials such as catalogues and brochures are distributed at such events. In addition, the Group has a comprehensive website that contains information about the Group, the management and the Group's fleet of assets. Through these ongoing corporate branding exercises, the Group's hopes that its capability and services will be the subject of greater visibility and awareness in the O&G industry and more generally in the public domain.

Market awareness via media

Upon achieving major milestones, for example, upon winning new contracts or achieving first oil, the Group seeks to ensure that there is sufficient media coverage describing these achievements in the industry. The Group uses media outlets including local and industry specific media as well as the Group's dedicated website. The Group believes that the media plays an important role in helping it to gain greater visibility in both the local and international markets, creating positive enquiries and referrals from the O&G industry and the wider business community.

Competition

Notwithstanding that the offshore O&G production and storage industry has high barriers to entry, nevertheless, the business environment in which the Group operates in is competitive. Within the FPSO and FSO segment, competition is determined by technical and financial capabilities and the pricing of the proposed solution. Currently, the Group considers there to be three sub segments within the FPSO and FSO segment: the large competitors (with more than ten units each); the medium sized competitors, such as the Group (with five to ten units) and the small sized FPSO competitors (with one to four units). These sub segments can also be indicative of the size of the project that the competitors generally will pursue, with the large competitors generally bidding for projects of U.S.$1.5 billion and above, medium sized competitors, such as the Group, bidding for projects of U.S.$300 million to U.S.$1.5 billion and the smaller competitors active on smaller projects of U.S.$150 million to U.S.$300 million. The Group tends to face competition from industry competitors that operate in the West Africa and Asia regions, being the regions which the Group operates in.

Compliance and Risk Management

The Group is committed to implementing an effective risk management framework to ensure sustainable business growth and promote a proactive approach in reporting, evaluating and managing risks associated within the Group. The Group's ERM framework provides the Group's management with structures, policies and procedures to identify, evaluate, control, monitor and report to the Board of Directors of YHB on, the principal business risks faced by the Group on an ongoing basis, including remedial measures to be taken to address such risks in accordance with the Group's framework. As part of its strategy to review and improve the Group's risk management system and internal controls, the Audit and Risk Management Committee of YHB and the Group's management are in the process of finalising the appointment of external consultants to advise the Group on how to improve its ERM implementation and internal audit process. The appointed consultants are expected to commence work within the second quarter of Financial Year 2018.

Insurance

The Group is covered by insurance policies arranged with reputable insurance agents. The insurance policies which the Group purchases cover risks such as damage to its fleet, fire, riot, strike, malicious damage, other material damage to its fleet and other property, and public liability. The Group believes that it has adequate insurance protection with coverage and financial limits that are commercially reasonable and commensurate for an entity of its size and activities in the offshore O&G business.

Established Presence with Local Partners

Certain FPSO and FSO charter contracts contain local content and/or local participation requirements which stipulates (i) the quantum or percentage of materials, personnel, financing, goods and services that have to be locally produced or (ii) the percentage of equity that has to be owned by a local partner for that specific project. Notwithstanding that these are typical requirements under the charter contracts, in order to successfully deliver solutions to its customers, the Group believes that it is also important to understand the countries in which it operates holistically, whether it be the law and regulations of that country, local cultures or how the livelihood of the local community may be impacted by the activities which the Group undertakes. As such, the Group considers forming strategic alliances with strong local partners to facilitate its efforts in understanding the local ecosystem in which it operates.

For instance, through partnerships with PTSC in Vietnam and OMA in Ghana, the Group gained knowledge about local cultures and customs as well as the opportunities available in those countries. One of the benefits that the Group derived from such partnerships was its ability to attract local talent, thereby enabling the Group to lower its operating costs as well as contributing back to the local community.

The Group's local offices in each of the countries that it operates in are established with the assistance of the Group's local partners. The roles of the Group's local partners include assisting in setting up offices, hiring suitable talent, liaising with the local government and relevant authorities with regards to the Group's operations, as well as advising the Group on local business matters, enabling the Group to operate efficiently and strategically in those countries.

Corporate Social Responsibility

The Group is committed to investing in the local communities which it operates in through CSR activities. Through these initiatives, the Group is able to tap into a greater pool of local talent for its operations, thus ensuring sustainable operations for the Group and its customers.

CSR Activities

Some of the CSR activities that the Group has undertaken include:

- providing professional football training and support to children in Ghana alongside certain local partners;

- developing, rehabilitating and maintaining of infrastructure for targeted educational institutions in Ghana, providing them with the required equipment to facilitate technical education;

- initiating and developing an internship or training programme with a key objective of developing and building local and young talents. The programme aims to equip its trainees with the necessary skills and technical knowledge that will enable them to work at onshore and offshore facilities within the O&G industry in Ghana. These trainees receive training at fabrication yards in Keppel, Singapore, Batam, Indonesia, Vietnam and the Regional Maritime University, Ghana;

- through its joint venture company, PTSC SEA, granting a sponsorship of VND1.2 billion to the Vietnam National University, Hanoi;

- contributing to the AIA's CSR Programme – AIA Touching Lives where contributions are channelled to help children born with heart related illnesses as well as children with cleft palate condition to go for corrective surgeries.

The Group is committed to conducting its business based on practices of transparency, confidentiality and integrity in building long-term relationships with its stakeholders. The Group maintains an online platform via its website which provides information on the Group encompassing quarterly and annual financial results and updates on the Group's performance as well as formal announcements on developments in the Group with the objective of fostering and maintaining good relations with and providing timely information to various stakeholders of the Group. The Group's Investor Relations team constantly engages with YHB's shareholders through regular briefings with analysts, investors and media throughout the financial year.

Health, Safety and Environmental Compliance

The Group is committed to the highest standards with respect to health, safety and environmental ("**HSE**") protection, with the objective of achieving zero accidents throughout its operations. The Group's HSE team strives to keep abreast of the latest industry developments and regulation requirements and is responsible for continuously monitoring, evaluating and improving the Group's systems and operations through its HSE Plan. Yinson also frequently organises safety campaign programmes for its crew.

The Group strives to maintain a safe and healthy working environment for all its employees through adoption of good occupational safety and health practices. The Group does this by adopting ISO9001 and OHSAS (Occupational Health and Safety Assessment Series) 18001 standards, which standards the Group holds certification for. Other than the vessels held under joint ventures, all the vessels that are wholly-owned by the Group comply with the ISM (International Safety Management) Code. The Group has implemented an occupational health & safety management system to enhance the safety and health practices amongst the employees from different operations and to take precautionary measures against potential hazards which could arise from the daily operation of the business through the process of hazard identification, risk assessment and control.

Preserving the Environment

The Group's business and operations are subject to environmental regulations and potential liabilities arising under applicable environmental laws and regulations in each of the jurisdictions in which its vessels operate or are registered. The Group believes that each member of the Group is in compliance in all material respects with applicable environmental regulations in Malaysia and international environmental regulations including the International Convention for the Prevention of Pollution from Ships (MARPOL 73/78) and environmental regulations in each of the other jurisdictions in which its vessels operate or are registered. The Group also holds the certification for the ISO14001 standard. The Group is not aware of any environmental proceedings or investigations to which it is, or might become, a party.

As part of the Group's commitment to ensure the sustainable use and protection of the oceans for future generations and to comply with these environmental regulations, the Group also has a HSE protection policy in place that, amongst other things, is aimed at the prevention of damage to the environment and property. Through its HSE protection policy, the Group is committed to achieving the highest industry standards through continuous improvement and adoption of best practices, including the use of DNV GL, the international accredited registrar and classification society, to keep abreast of the latest requirements.

Environmental protection is a key component of the Group's values and principles. The Group is committed to preventing and minimising pollution, managing waste in a responsible manner and consistently monitoring and improving its environmental impact.

Intellectual Property

As at the date of this Offering Circular, the Group does not have any brand names, patents, trademarks, technical assistance agreements, franchises or other intellectual property rights.

Employees

As at 30 April 2017, the Group has a total of 270 employees, of which 237 are permanent employees and 33 are contract staff which are hired based on the needs of each project the Group works on. Out of the total workforce, 110 are technical staff and 160 are non-technical staff.

The Group believes that labour relations within the Group and relationships with the Group's employees are good.

Legal Proceedings

Neither the Group nor any of its subsidiaries is a party to any litigation, arbitration or administrative proceedings which the Group believes would, individually or taken as a whole, have a material adverse effect on the business, financial condition or results of operations of the Group, and, so far as the Group is aware, no such litigation, arbitration or administrative proceedings are pending or threatened.

Key highlights of the Group's strengths

The Group believes that its leading position as an integrated offshore production and support services provider in the O&G industry is due to the Group's following strengths:

Established relationships with strong charter counterparties as well as with key industry players throughout the offshore O&G value chain

The Group has established good relationships with oil majors such as Eni SPA, subsidiaries of NOCs such as PTSC and Addax Petroleum N.V and independent contractors such as Canadian Natural Resources. The Group does this by working closely with such charter counterparties from the beginning of each project at the development and design stages through to the EPCI stages. The Group also continues to maintain close relationships with its charter counterparties after deployment of the vessels. The reputation, credit strength and relative size of the Group's FPSO and/or FSO charter counterparties minimises its counterparty risks and provides a higher degree of certainty to the Group's future cash flows in terms of the recoverability of any amounts due to the Group.

The strength and quality of the Group's FPSO and FSO charter counterparties has also helped the Group to secure project debt financing for its various FPSO and FSO projects from banks thereby enabling the Group to successfully execute the projects for its customers.

Strong working relationships with key suppliers allow the Group to deliver projects within budget and on time

The Group believes that it has strong working relationships with key suppliers of equipment and services. The Group benefits from its strategic locations across the globe particularly in Asia, Europe and West Africa, which are in close proximity to the shipyards and fabrication yards where the majority of the conversion and construction of offshore vessels, including FPSOs and the fabrication of topsides and process equipment, currently takes place, which makes it easier for the Group to develop and cultivate closer relationships with its suppliers. The Group believes that the established relationships with such suppliers and yards allow for favourable pricing and access to labour and yard space even during periods of high demand, which allows the Group to deliver projects within budget and on time.

Established market position capable of supporting strong growth

The Group is the sixth largest FPSO independent leasing company in the world by fleet size and current orders according to EMA's Q2 2017 report and has a proven track record of consistent execution in the FPSO and FSO business.

As at the date of this Offering Circular, the Group's operating FPSOs and FSO have all met their contractual uptime performance requirements since the commencement of their respective operations (and since the Acquisition with regard to FPSO Allan and FPSO Adoon). The Group also marked 18.2 million working hours with zero LTI as at production date on 5 June 2017 for the FPSO John Agyekum Kufour and zero LTI for five consecutive years for the running of the FPSO Adoon in Nigeria.

Given its proven track record and established relationships with its FPSO and FSO customers, the Group believes that it can leverage its reputation with existing and new clients services as it expands its geographic presence. The Group views NOCs', IOCs' and the independent contractors' familiarity with its brand, as well as the close working relationship that it has established, as an advantage. The developing regions in West Africa and Asia continue to grow and NOCs and independent contractors continue to emerge as significant competitors to the major oil companies in these regions. As such, these companies require experienced and capable FPSO and/or FSO owners and operators in the deployment of these assets in these regions. The Group believes that there are distinct advantages for companies, including the Group, which can provide a broader range of relevant offshore services across different geographies.

The Group believes that its reputation in operational reliability and technical excellence, supported by its engineering and project execution capabilities have resulted in the successful expansion of its FPSO and FSO business as evidenced by the Group's achievement of two FPSO contracts in the past three years despite a challenging business environment. The aforementioned contracts relate to the chartering, operation and maintenance of the FPSO John Agyekum Kufour awarded by Eni Ghana in 2015 and the recently awarded contract for the supply, operation and maintenance of an FPSO facility from Talisman Vietnam 07/03 B.V., the operator of the Ca Rong Do field development. The latter contract was secured through the Group's wholly owned subsidiary YCL's partnership with PTSC.

Previously, the Group has:

(i) secured a contract for its first FSO, PTSC Bien Dong 01 which has been operating in Vietnam Nam Con Son Basin with BDPOC together with PTSC;

(ii) secured a contract for its first FPSO, PTSC Lam Son which has been operating in Vietnam Thang Long-Dong Do field with LSJOC; and

(iii) the acquisition of FOP expanded the Group's geographical coverage through the integration of FPSO Allan with operations in Gabon and FPSO Adoon operating in Nigeria.

The Group believes that given its current established market position and stable cash flows from existing contracts, it is in a strong position to sustain strong growth in the future.

Long tenor charter contracts with robust terms

The Group's FPSO and FSO charter contracts are typically long term in duration with a contract length of five years or more. The longest charter contract term that the Group is party to at the date of the Offering Circular is with Eni Ghana for the FPSO John Agyekum Kufour. The charter contract has a firm period of 15 years and five yearly extension options. The shortest charter contract at the point of award for the other FPSOs and FSO that the Group currently owns is for FPSO Lam Son with a firm period of seven years and an option period of three yearly extensions. The bareboat charter contracts that the Group is party to typically tend to be on a medium to large scale and provide sizeable, steady streams of predictable and recurring revenue from fixed hire rates with minimal associated bareboat operating costs. This in turn allows the Group to plan and budget its financing and expenditure plans accurately given the predictability of the cash flow profile.

The Group's charter contracts customarily contain terms and conditions that govern, *inter alia*, the consequences arising from events such as optional termination by the charterer, termination events, force majeure, compensation in the event of termination, purchase options and a liability cap. The Group believes that the typical terms and conditions of its FPSO and FSO charter contracts strike a favourable balance between the Group's risk appetite and commercial acceptability to potential charterers.

The terms and conditions of the Group's charter contracts are generally not linked to external variables as the price of oil and/or the performance of the reservoir or reservoir reserves on which its FPSOs and FSO operate on. The Group's charter contracts are typically negotiated to ensure that the risks of termination by charterers are minimised and can occur only in certain circumstances prescribed within the charter contracts. In the event that the Group's FPSO/FSO charter contracts are terminated at the option of the charterer, the charter contracts negotiated by the Group typically contain provisions requiring the payment of ETP by the charterer. The ETP is typically derived from, *inter alia*, the present value of lost future revenue and contractually structured as lump sum payments payable within a stipulated period post termination. See the section "*The Business*" above.

Certain charter contracts may penalise the Group if its FPSO or FSO fails to meet delivery schedules, contracted uptime or other performance requirements. However, the terms and conditions typically include, cure periods and/or reduced hire rates if production is below a certain agreed floor. As at the date of this Offering Circular, the Group's operating FPSOs and FSO have largely met their contractual uptime performance requirements since the commencement of their respective operations (and since the date of the Acquisition with regard to FPSO Allan and FPSO Adoon).

The Group believes that the risk of no ETP as a result of the Group's default is mitigated by diligent drafting of the contractual terms and limiting these defaults to those widely seen as fundamental breaches within the industry.

All of the Group's FPSO and FSO charter contracts benefit from parent company guarantees provided by credit worthy entities within the charterers' group of companies. The guarantees oblige the guarantors to honour any obligations incurred by the charterers under their respective charter contracts. The contractual provisions relating to such guarantees provide protection for the Group against unforeseen early terminations and ensure a certain amount of stability in future revenue.

The Group believes that robustness of its charter contract terms and conditions is one of the key reasons that it has been able to successfully raise the required project funding from its banks.

Highly experienced senior management team with in-depth industry experience

The Group has an experienced and multinational senior management team with in-depth knowledge of the offshore production and marine services industry. The Group is led by Group CEO, Mr. Lim Chern Yuan who is the son of Mr. Lim Han Weng, Executive Chairman of the Group. The Group is spearheaded by the Board of Directors comprising professionals who carry a wealth of experience from various fields. The business supported by Mr Eirik Barclay, who's current role is CEO of the Group's Offshore Production division. Mr. Barclay was formerly part of the FOP management team prior to the Acquisition and brings with him over 18 years of experience in the offshore O&G production and storage industry.

The senior management of the Group is supported by a core team of experienced engineers that act as project managers. The Group's engineers from the pre-acquisition FOP team bring together approximately 23 years of experience in the offshore O&G production and storage industry to the Group and an extensive network of long-standing relationships with major energy companies and reputation for reliability, safety and excellence. Since the Acquisition, the Group has further increased its capabilities by hiring people with relevant experience. This expertise has allowed the Group to execute EPCI works and project manage all its major construction activities for the FPSOs and FSOs whilst retaining the ability to control all essential aspects of a project.

The Group has derived a number of other benefits from the Acquisition, including:

(i) comprehensive market intelligence, operational and technical sophistication gained from the FOP team's experience in providing FPSO and FSO solutions to offshore energy customers. The Group believes this expertise has assisted it in successfully operating existing FPSO and FSO units and will to benefit the Group in its future expansion ambitions in the offshore sector;

(ii) general commercial and financial core competencies, practices and systems, which the Group believes have enhanced the efficiency and quality of operations;

(iii) enhanced growth opportunities and greater competitiveness in bidding for offshore projects (and attracting and retaining long-term contracts); and

(iv) improved leverage with leading shipyards during periods of vessel production constraints due to existing relationships between the FOP team and these shipyards.

The Group's core project management and engineering teams are primarily located in the Group's Singapore and Oslo offices to be close to the Group's primary areas of operations, namely in Vietnam and West Africa. The proximity of the core team of project managers to the Group's primary operations enables the Group to quickly react to and address any operational issues that may arise at the FPSOs or FSOs.

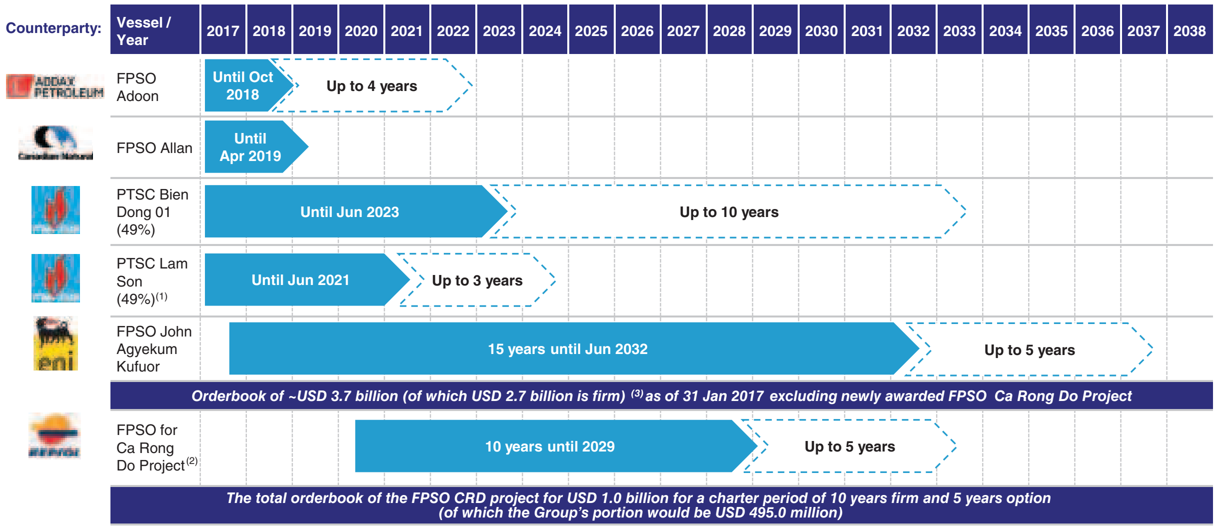
Scalable and flexible business model

The Group adopts a business model whereby the Group's ability to oversee, manage and execute projects is easily scalable. Its business model entails the retention of a core group of established engineers and project managers which supervises the suppliers to which the Group outsources the EPCI portion of a contract. When the Group needs to execute a contract and deliver a new FPSO or FSO, the Group's workforce can easily be scaled up by outsourcing the EPCI and FEED portion of the contract while maintaining proper oversight of the execution phase by the Group's project managers. Adopting such a business model accords the Group the flexibility to respond to market demand quickly and efficiently.

The Group believes that this model better sustains and positions it through industry downturns (such as the current low oil price environment) while at the same time not compromising on its ability to win and deliver on new projects, for instance, the concurrent delivery of FPSO John Agyekum Kufuor and the contract win for the provision of an FPSO to the Ca Rong Dong field development in Vietnam. The Group sees such flexibility to scale up or down its operations relatively quickly as a competitive advantage compared to its industry peers.

Consistently strong financial performance supported by strong orderbook

The Group focuses on securing long term FPSO and FSO contracts which customarily provide sizeable, stable and recurring cash flows for its offshore production and storage business. The following table sets out the firm and option periods for each of the Group's FPSO and FSO charter contracts:



1. Notice of termination for PTSC Lam Son contract announced on 3 April 2017. On 30 June 2017, PTSC AP received a Letter of Intent from PTSC expressing its intention to continue to deploy the FPSO Lam Son at the Lam Son field with effective date from 1 July 2017. The petroleum operations within the Lam Son Field were taken over by PetroVietnam Exploration Production Corporation Ltd.(a wholly owned subsidiary of PETROVIETNAM) from 1 July 2017.

2. Yinson has signed a contract award for the supply, operation and maintenance of a FPSO facility for Ca Rong Do Field Development - Block 07/03 Offshore Vietnam on 26 April 2017. The Group's portion of the project's orderbook is USD495.0 million (49%).

3. Consisting of orderbook for bareboat charter and O&M revenues. Not adjusted for PTSC Lam Son contract termination and excludes the FPSO CRD Project bareboat revenues.

As at 31 January 2017, the Group had firm charter contracts for four of the Group's five existing FPSO units. The Group's sole FSO, held under a joint venture entity in which the Group holds a 49 per cent. equity interest stake as at the date of this Offering Circular, is leased under a firm charter contract until June 2023. The Group believes that its reputation for operational reliability and technical excellence, supported by its engineering and project execution capabilities, has resulted in the successful expansion of its FPSO business. The Group reported revenue from continuing operations of RM424.4 million and RM543.3 million in Financial Year 2016 and Financial Year 2017 respectively.

The remaining contracted firm charter periods of the Group's vessels range from two to 15 years, with a total orderbook of approximately U.S.$3.7 billion including firm and option periods as at 31 January 2017 (U.S.$2.7 billion for the firm period and U.S.$979.1 million for the option periods). This is excluding the newly awarded FPSO to be deployed at the Ca Rong Do field development which has a contract value of approximately U.S.$1.0 billion, of which the Group has a 49 per cent. stake. The exercise of option periods by FPSO and FSO customers has the potential to provide additional revenue to the Group in addition to the revenues attributable to the firm charter periods. The Group expects to be able to grow its firm orderbook further when it secures new FPSO and FSO contracts.

Prudent management of financing requirements leading to a healthy financial profile

The Group funds the purchase, construction and conversion of its FPSOs and FSO through a combination of equity injected by the Group (or where relevant, with its joint venture partner) and project finance debt sourced from banks. The Group's project finance debt facilities are typically shorter than the underlying vessels' firm charter period. This ensures that the associated project finance debt will be fully repaid over the course of the firm charter period, thereby mitigating against the risk of over-leveraging and gap risk exposure resulting from a mismatch of assets and liabilities. The Group does not rely on revenues from the option periods of charter contracts for the purposes of structuring its project finance debt repayment maturity profile.

The Group's project finance debt facilities are typically structured on a limited-recourse or non-recourse basis, which is designed to insulate the wider Group from cross default risk. The Group typically avoids incurring project costs unless the relevant contract has been secured.

The Group has managed to raise financing for all its FPSO and FSO projects in the past. The Group believes it has adequate access to liquidity from lending banks and/or capital markets to fund its future FPSO and FSO projects, notwithstanding the downturn in the O&G industry and sizeable debt requirements at the project company levels. The Group typically factors in comfortable project contingency buffers in all the projects it undertakes to ensure sufficient funding is available for smooth project executions.

The Group actively monitors and manages its funding composition and has a healthy net gearing ratio. As at 30 April 2017, the Group's net gearing was 1.14 compared to 1.15 as at 31 January 2017.

Strong and supportive shareholders

The Group receives strong support from its major shareholders who have historically assisted with YHB's funding requirements, through equity raising and direct and indirect investments in the Group. Mr. Lim Han Weng and his family retain the largest shareholding in YHB (on aggregate), with a 31.18 per cent. stake in YHB as at 30 June 2017, and they have subscribed to every rights issue made by YHB up to the date of this Offering Circular. The second to fifth largest shareholders in YHB are institutional investors namely Employees Provident Fund Board, AIA Group Limited, Kumpulan Wang Persaraan (Diperbadankan) and Lembaga Tabung Haji who hold shareholdings (directly and indirectly) of 11.91 per cent, 7.87 per cent, 7.01 per cent and 5.37 respectively as at 30 June 2017.

Strategies and future plans

An overview of the Group's strategies and future plans are as set out below:

Prioritising strong counterparties to reduce counterparty risk

The Group's strategy involves continuing to prioritise charter contracts with counterparties with strong financial standing and underlying credit. By adopting a prudent approach in respect of its clients or potential clients, the Group expects to be able to mitigate the risk of counterparty default.

The Group screens potential suppliers thoroughly to ensure that they operate in accordance with the Group's business objectives and core values. This level of scrutiny ensures that the services and products delivered by such suppliers are of high quality and meet the required specifications, thereby ensuring that the Group is able to deliver products and services which meet its customers' specifications and expectations. The business relationships maintained with long-time suppliers result in favourable quality and pricing of products and services being delivered, which translates into greater profit margins for the Group and helps to ensure that projects are delivered on time and within budget.

Disciplined contract negotiations to maintain robustness of contract terms

The Group places significant emphasis on maintaining charter contracts that are reasonable, allocate risk within its levels of tolerance, and are comprehensive and clear. To the extent possible, the Group aims to continue to negotiate and enter into future charter contracts on terms which are not materially inferior to those which it currently enjoys. This ensures that the Group avoids taking on risks associated with external variables (such as oil price movements or reservoir risks) that its infrastructure and business model cannot mitigate against. Robust charter contract terms are also prioritised by the Group in order to facilitate project debt financing on acceptable terms in order to finance future projects.

Optimise capital and funding structures

The Group intends to continue to exercise prudence in its financial management and select appropriate funding instruments depending on its prevailing financial requirements. Its funding strategy for future projects is expected to remain focussed on establishing non-recourse or limited recourse project finance facilities.

With regard to corporate funding, the Group plans to focus on broadening its domestic and international investor base and expand its banking group in order to reduce reliance on any single market or instrument. The Group believes that a broad source of funding will also enhance its ability to select the most efficient form of funding. It will also continue to monitor, manage and optimise its balance sheet with the appropriate funding mix to reduce liquidity risk. The Group predominantly funds its equity investments into its Project Companies through shareholders' funds, equity instruments, hybrid bonds, sukuk and corporate term loans. The Group's corporate funding is usually medium-to-long term in order to reduce an asymmetry between its assets and liabilities and the associated refinancing risk. The Group believes that its prudence and discipline in financial management will enable it to be in a competitive position to win and execute contracts in the future.

To the extent possible, the Group strives to create a natural hedge against foreign exchange risk by matching the functional currencies of its revenue and its financial obligations. To supplement this, the Group also intends to undertake hedging against interest rate risk and foreign exchange currency risk to ensure that the expected cash flows from the Group's charter contracts will be relatively stable and predictable wherever appropriate.

The Group's strategy involves optimising its capital structure and increasing its funding options. To this end, the Group may consider accelerating its project returns profile by monetising some of its investments in existing FPSOs or FSOs prior to the completion of the relevant charter contract periods. Such transactions enables the Group to preserve its existing capital as an alternative to raising new debt or new equity externally. The Group considers this to be a common practice within the FPSO and FSO industry. Such monetisation may be achieved by, amongst others, the sale of some or all of the Group's equity interests in its FPSOs or FSOs to other strategic investors or industry players, enabling it to recoup its investments and future returns earlier. The Group can then redeploy the proceeds from such disposals by undertaking new FPSO or FSO projects with expected returns that are in line with the Group's requirements. This strategy also enables the Group to regularly renew its order book, reduce revenue concentration exposure or expand its fleet as and when required or when the opportunity arises.

Sales of such stakes also has the added benefit of bringing on board shareholders who could contribute to the further growth of the company, whether in the form of expertise, financial strength, strategic relationships or synergies while at the same time helping to keep these strategic investors from working with competitors. As an example, YHB has on 30 June 2017 entered into a HoA with a consortium of Japan-incorporated companies consisting of Sumitomo Corporation, Kawasaki Kisen Kaisha Ltd, JGC Corporation and Development Bank of Japan, Inc in relation to a proposed disposal of a 26 per cent. equity interest in YPWAPL via YTL and YPPL to the consortium. See "*Recent Developments*" above.

Please see "*Risk Factors – The Group may from time to time consider disposals of its investments in existing projects to recycle capital for future projects and investments which may not provide a comparable or adequate return on investment*".

Further develop and increase local talent in the geographical areas the Group operates in

The Group is committed to continuing to train and develop its frontline employees, as well as securing a strong "pipeline" of new talent to support its future business. The Group seeks to employ local talent in respect of operations in overseas markets such as Gabon, Ghana, Nigeria and Vietnam, led by a multinational senior management team that is experienced in those markets.

Local partners are important to the Group as they help to ensure the charter contracts' local content requirements are met. In addition, local partners help in sourcing local materials, manpower, facilitating business discussions with local contractors and assisting in obtaining local licences and permits. Such relationships have also increased the Group's expertise and knowledge of local operating practices, business practices and customs, thereby enabling the Group to operate more efficiently and strategically in those regions.

The Group has also invested intensively in building up local talent by contributing to the education sector of the local communities in Ghana and Vietnam through its corporate social responsibility activities and will continue to do so. The Group believes that by equipping the local community with education and technical training, it will in turn have a wider pool of quality candidates to recruit from in the future to further expand its business presence.

The enhanced visibility of the Group in the countries in which it operates directly promotes its reputation as a reliable business partner with strong local knowledge and understanding of the domestic business environment to its clients. This puts the Group in a better position when bidding for future business opportunities, particularly in the countries which it has a presence.

The Group believes the development of local content and capability is a key competitive edge in driving sustainable growth. The Group will continue to invest with a long-term view by, among other things, establishing shore bases in strategic markets that it enters. The Group currently focuses on the West Africa and Asia regions but continues to consider business opportunities in each region around the world.

Winning contracts with innovative solutions

Each FPSO or FSO vessel is specifically designed and built according to the specifications required by the charterers. The FPSO or FSO EPCI periods also tend to be lengthy. The bespoke construction of FPSO and FSO vessels makes the replacement of each particular vessel extremely difficult and time consuming.

Charterers of FPSOs and FSOs typically have finite concession periods to operate on the designated oil and gas fields. Any delays in the delivery and commissioning of an FPSO or FSO will result in opportunity costs from loss of production and revenue to the charterers. As such, the

Group is cognisant that its charterers are acutely sensitive to, amongst other things, timely delivery and commissioning and adherence to the FPSO's or FSO's design and specifications, in addition to competitive pricing solutions in the execution of FPSO and FSO projects.

As such, the Group's philosophy of winning contracts is premised on providing innovative, comprehensive and holistic solutions to its charterers. The financial buffer afforded by realistic and manageable EPCI budgets and deployment schedules reduces project execution risk and cost overruns thereby enhancing the likelihood of a mutually successful outcome for both the charterer and the Group.

This principle forms part of the Group's business development strategy and has yielded positive results such as in the case of the FPSO John Agyekum Kufour where the Group delivered the FPSO on budget and ahead of schedule.

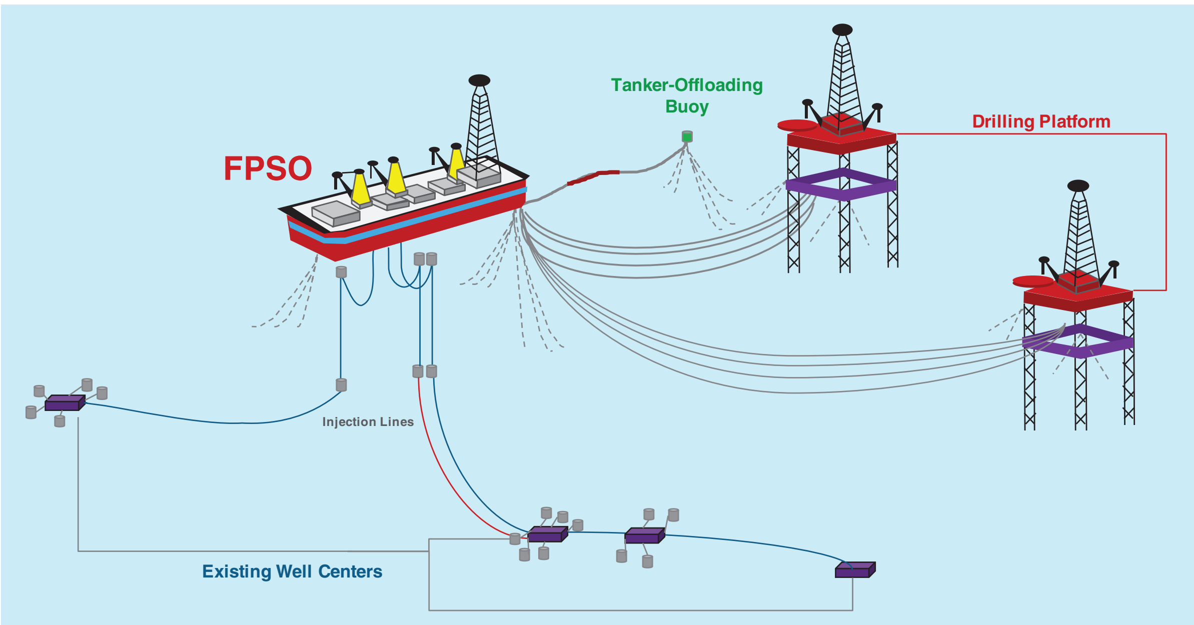
FPSO AND FSO INDUSTRY OVERVIEW

Introduction

The FPSO and FSO industry forms one of the key components of the offshore oil and gas value chain, with FPSOs and FSOs serving as production and/or storage units in an oilfield development. FPSO and FSO vessels are one of the more common offshore structures, and are generally ship-based floating structures equipped with topside systems to be deployed at offshore oil fields. FPSO vessels are floating systems used in the offshore O&G industry for the production, processing, storage and offloading of hydrocarbons (crude oil and/or gas) and for the temporary storage of such extracted hydrocarbons. FSO vessels are floating production systems which have the same capabilities of FPSOs save for production and processing capabilities and are used primarily for temporary storage of oil and gas.

FPSO and FSO vessels are designed to receive and process hydrocarbons from nearby platforms or subsea templates and store processed hydrocarbons until they can be transferred to a tanker thereby offering a field storage solution. The gas is treated and compressed on the FPSO and are either injected in the field or exported to shore through a pipeline. Deployed FPSO and FSO vessels can be modified, refurbished, relocated and reused at another oil field once an existing field has been depleted of hydrocarbons, avoiding the need for installing permanent expensive pipelines. FPSO and FSO vessels are preferred in frontier offshore regions as they are easier to install and do not require a local pipeline infrastructure to export the extracted oil. These FPSO and FSO vessels are also extremely durable and can operate in both shallow and deep water environments. In extreme weather conditions, certain FPSO and FSO vessels are designed so that it can be detached from their subsea system and moved to safety. FPSO and FSO vessels can be converted from an oil tanker or can be specially built for a specific project. In general, FPSO and FSO vessels also require reduced upfront investment, are faster to develop and have greater mobility compared to fixed platforms.

FPSO Vessel Typical Development



FPSO and FSO Technology

An FPSO and FSO consist of three major components: topsides; marine/hull; and mooring system.

Topsides

The processing modules of an FPSO and FSO are located on the deck and are also known in the industry as "topsides". The topsides comprise of a series of processing systems capable of treating the incoming well stream fluids. Well stream fluids are a mixture of oil, gas, produced water and other impurities. The fluids are put through a three stage separation process. The first two stages of separation are designed to separate the bulk of the oil from the gas and produced water. The final stage consists of a coalescer where the export oil specification is achieved.

The produced water is then routed to a hydrocyclone unit to remove entrained oil and the oil free water (which is cleaned to at least the minimum required level) is then either released overboard or reinjected into the reservoir. The gas is routed to the compression systems where it is dried by a dehydration system. The "dry gas" may be exported to a pipeline, reinjected into the reservoir or used for gas lift or as fuel.

Marine/Hull

The oil produced by the topsides is stored in the FPSO and FSO's cargo tanks. These cargo tanks are periodically emptied by pumping the content to an export tanker. During the offloading, the volume of the oil will be measured by a fiscal metering system for tax and income reporting purpose. The export tanker is typically moored via a mooring hawser to the FPSO or FSO and the oil is discharged through a floating hose to the export tanker. Once the discharge is complete, the export tanker will sail to onshore refineries where the oil will be further refined.

Mooring system

The mooring system is typically either fixed directional (or spread) moored or single point rotating (or turret) moored and, in the latter case, disconnectable or permanently moored. This usually depends on the sea state and water depth at the location of the FPSO and FSO in the oilfield. In relatively benign waters, such as that of the Group's FPSOs in Nigeria, Gabon and Ghana, direction and location are fixed by a permanent spread mooring. In harsher environments such as the Group's FPSO in Vietnam, the vessel is free to rotate according to prevailing wind and current, utilising a permanent single point turret mooring.

History

The first FPSO vessel, Shell Castellon, was built in Spain in 1977, operating in 117m water depths in the Spanish Mediterranean. Today, FPSO and FSO vessels remain a popular choice for the production and processing of hydrocarbons in the offshore market. Both existing and innovative technologies within the offshore industry play a big part in maintaining the FPSO and FSO's popularity in the offshore market. As at 21 April 2017, there are 303 FPSO and FSO vessels globally, with an additional 24 on order. Out of the 303 FPSO and FSO vessels, 269 FPSO and FSO vessels are in active employment, according to Energy Maritime Associates ('EMA') – *EMA Floating Production Report Data – Q2 2017*.

The role of FPSO and FSO vessels in the offshore O&G value chain

The offshore O&G value chain can be broadly split into three segments:

- Upstream, which consists of exploration and production;
- Midstream, which entails transportation of crude oil from its source to refineries via pipelines, export tankers or trucks and then subsequent processing;
- Downstream, which includes the refining of crude oil into petroleum products and the subsequent selling and distribution of such products.

The upstream O&G segment can be broken down into five chronological stages:

Stage 1. Seismic & Survey

Seismic surveys provide the detailed information about the subsurface. Data analysis and geological and geophysical mapping are performed via a seismic survey to identify potential hydrocarbon reservoirs and safe and environmentally viable drilling locations. At this initial stage, there is a very high risk that the investment will not pay off as there are many factors such as reservoir risk and oil price risk which may affect the commercial viability of the field.

Stage 2. Exploration & Appraisal

At the exploration and appraisal stage, field operators seek confirmation that the potential hydrocarbon reservoirs are indeed available by drilling one or more wildcat wells in the seabed (in case of an offshore field) to evaluate the amount of resources in the reservoir and to gain further data on the subsurface conditions. Further tests are conducted to determine whether the reservoir is viable for production, in which case the field operator may proceed to appraisal drilling. During this appraisal stage, more wells are drilled to collect information and samples from the reservoir in order to establish the size of the oil or gas field and to determine the most appropriate production method as well as the oil or gas field's commercial viability. If the appraisal confirms a commercially viable reservoir, the field operator may then proceed to the development phase. The risk involved at this stage is still high as a large amount of capital investment is required to develop the field without any certainty of the outcome of the development.

Stage 3. Development

Front end engineering design ('FEED') studies are concurrently conducted during the development stage prior to commercial production. FEED studies include drawing up precise plans for the design and construction, conversion or modification of oil and gas processing systems, pipelines, storage, and offloading facilities, and the drilling of production wells. FPSO and FSO vessel operators would usually be involved at this stage in view that the design of the FPSO and FSO vessels would need to interact with the subsea systems, sea conditions and the characteristics of the oil or gas field. At this stage, there is a lower sensitivity to reservoir risk at this development phase (as compared to the exploration and appraisal phase) and medium term contracts are usually awarded for the development work involved.

Stage 4. Production

This is the major stage where FPSO and FSO vessels are in operation. At the production stage, hydrocarbons are extracted and processed on board the FPSO and FSO vessels and subsequently, exported. Once the development is on-line, production is gradually increased until it reaches peak production and this is maintained for several years. Once the production has plateaued or progressed to a stage of decline, the field operator may embark on brownfield development to extend the economic production life of the field. In the meantime, the field operator may also link other new fields within the vicinity to the FPSO and FSO vessel depending on amongst other things, economic viability, concession rights and technical feasibility.

Field operators inject water or gas into reservoirs to maintain production levels, or drill new wells in nearby reservoirs and connect these to the existing facility. At this juncture, reservoir has been established and production would have commenced, hence risk is substantially lower, thereby generating potential cash flow. Field operators would also already know the viability of the project.

Stage 5. Decommissioning

The decommissioning stage involves the decommissioning of production facilities from the oil or gas field which includes dismantling the platforms and FPSO or FSO vessels, closing the well at a safe state, cleaning, depolluting and rehabilitating the site.

Offshore Oil & Gas Field Life Cycle

Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Seismic & Survey	**Exploration & Appraisal**	**Development**	**Production**	**Decommissioning**
▪ Geological & Geophysical Mapping via seismic survey ▪ Obtain a right to explore a Block or area	▪ Wildcat wells drilled to assess ▪ Appraisal wells assess the potential of any discovery made during exploration	▪ Pre-FEED and FEED studies ▪ Fabrication and procurement	▪ Extract, process and export Hydrocarbon ▪ Brownfield development and Injection wells	▪ Decommissioning of end of field infrastructure ▪ Reuse, recycle, dispose
Seismic	Drillship Semi-subs Jack Up AHT	Crane Vessels Pipe Laying Vessels Accommodation Units AHT	Well Intervention Pipe Laying Vessels Accommodation Units FPSO FSO MOPU	Crane Vessels Accommodation Units Decommissioning Vessels AHT

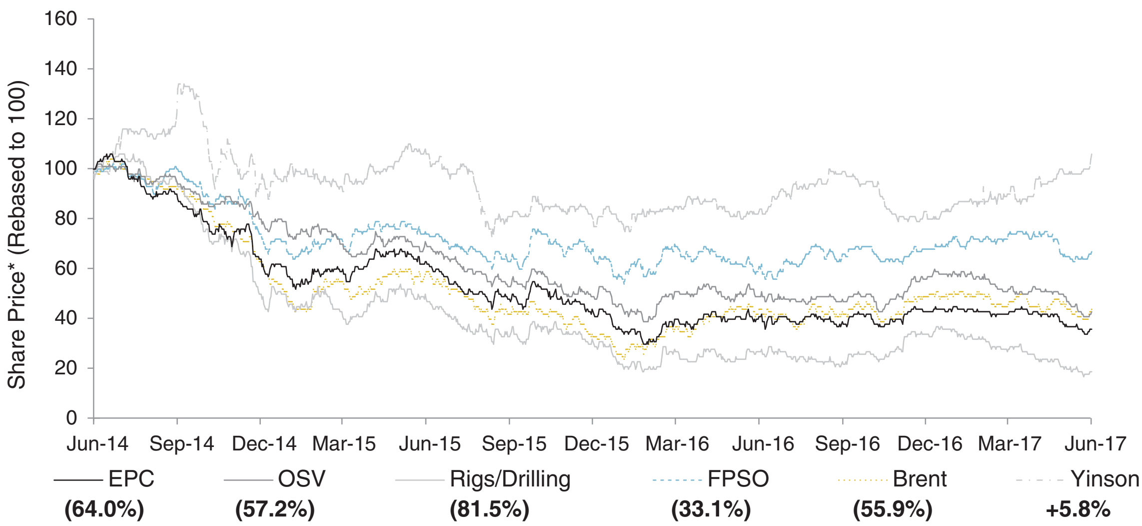
Offshore oil and gas risk cycle

The upstream segment is driven by exploration and production capital expenditure. Stages 1 to 3 require a substantial amount of capital expenditure with little assurance that there will be a sufficient return on the initial investment. At Stages 1 and 2, where geophysical mapping and seismic surveys are conducted and wells are drilled to explore and appraise suitable reservoirs for extraction, there is no assurance that suitable reservoirs will be found for extraction that will meet investment targets. Such survey and exploration work typically come with short term contracts. Even after a suitable reservoir is discovered and appraised, pre-FEED and FEED studies have to be conducted to determine the best way to extract the oil and gas from the reservoir in Stage 3. Here, there is a risk that such studies may turn up results that suggest that certain reservoirs may not be commercially viable to extract or that upfront capital investment may have to be increased substantially. As the risk diminishes from Stage 1 to Stage 5, the rewards available to industry participants are also lowered.

FPSO and FSO vessels are utilised in Stage 4, the "Production" stage. At this stage, industry players would have had the benefit of feasibility and FEED studies before determining whether to proceed with extraction and production. Given this, the Group believes that the risks associated with Stage 4 is much lower (for a FPSO and FSO vessel owner) than the other stages. FPSO and FSO vessel owners typically structure contract terms that would entitle them to fixed contracted cash flows that cover their capital investments and reduces the risks on the performance of the reservoir or the fluctuation of oil and gas prices. The lower risk means that the returns from such cash flows are lower than returns from the earlier stages but is mitigated by the fact that FPSO and FSO vessel charter contracts being generally long term fixed price contracts that match the development tenure of the relevant field.

This is clearly evident in the share price performance of each specialized offshore sector since June 2014, when the fall in oil prices began. The price of Brent oil fell 55.9% over the period of June 2014 to June 2017, which was much higher than the FPSO and FSO players whose share prices fell by only 33.1 per cent. over the same period. In addition, offshore segments which focused on earlier stages of the Offshore Oil and Gas Lifecycle field were more negatively affected by the drop in oil prices. For example, the rigs/drilling sector which resides in stage 2 of the cycle experienced the largest decline of 81.5per cent. over this period, relative to other offshore segments such as EPC segment (resides in stage 3 of the cycle, down 64.0 per cent.) and the OSV segment (resides in stage 2-5 of the cycle, down 57.2 per cent.).[1] These figures are an indication that the FPSO and FSO vessel segment has been significantly more resilient than the other offshore segments in an industry downturn given its position within the O&G value chain risk matrix.

Global oilfield service sector stock price performance



(Source: Factset – Data from 01 June 2014 to 30 June 2017)
**Share price for each sector is weighted by Market Cap*

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1 Methodology: The share prices (weighted by Market Cap) from the top 10 companies ranked by fleet size in each sector (OSV, Rigs/Drilling, FPSO) were used to create this chart. Companies were excluded if they were privately held, or if the listed company was heavily diversified (e.g. CNOOC and Swire were omitted from the OSV data). As the EPC sector doesnot have a "Top 10 companies by fleet size", data from 23 publicly listed EPC companies were used.

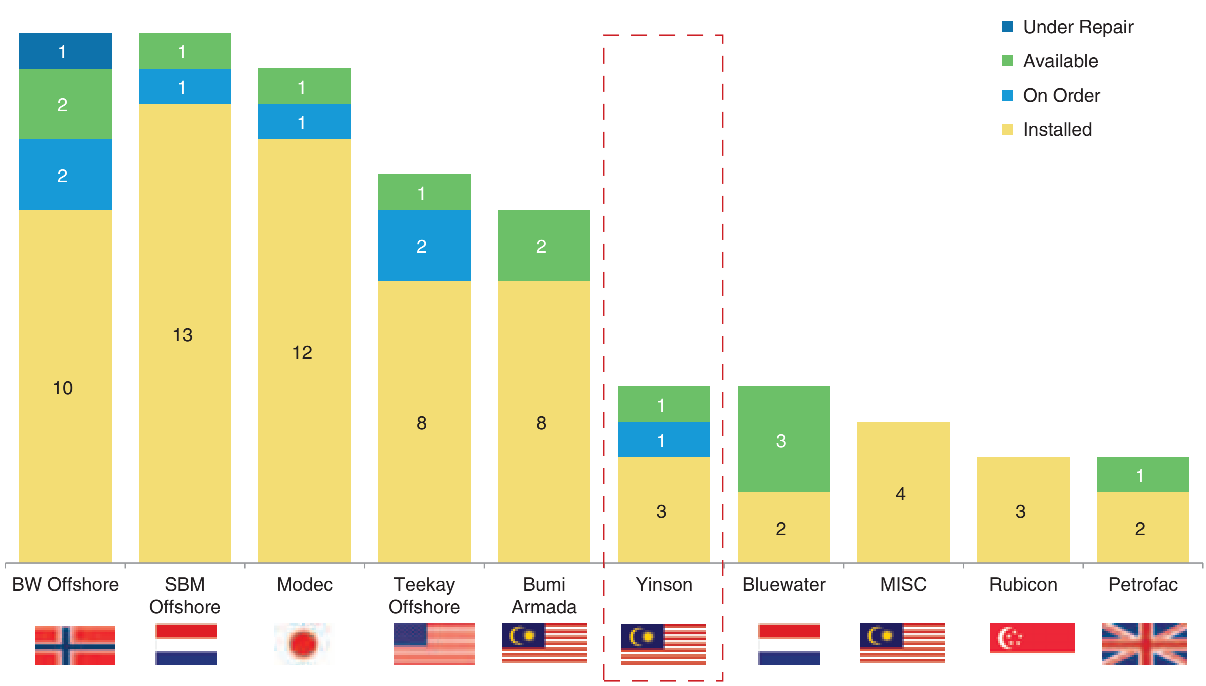
Furthermore, FPSO and FSO vessels are bespoke assets designed specifically for the field it is to be deployed at (including customisation to suit that field's water depth, weather conditions and oil and gas properties). As such, the costs of finding a replacement FPSO and FSO vessel are usually prohibitively high and the time to deployment can also be lengthy as there will usually be a construction, conversion or modification period. Hence, the switching cost for the field operators would be high. In addition, FPSO and FSO vessel owners usually receive some protection against unforeseen contract terminations, which may come in the form of a guarantee from the parent company of the FPSO and FSO charterer or ETPs as provided for in the charter contracts.

Industry players

Whilst the FPSO and FSO vessel segment was originally developed by large O&G companies, a number of independent FPSO and FSO vessel leasing companies have developed around the business of providing cost-effective solutions to developing oil fields. As an effort to reduce their balance sheets commitments to E&P projects due to changing market economics, O&G companies have been leasing FPSO or FSO vessels from the FPSO or FSO vessel operators instead of owning the vessels when developing an oilfield. This practice has become one of the alternative options to many oil companies pursuing E&P projects. As a result, FPSO or FSO vessel operators with a strong balance sheet and project execution track record have been well-positioned to be awarded new contracts.

The current FPSO market is dominated by a small number of players, with the top 10 FPSO leasing companies accounting for more than 80 per cent. of the total leased FPSO fleet, due to the high capital cost and technical expertise required to run a FPSO leasing business. Of the 171 FPSOs installed globally as of 21 April 2017, the field operators own 92 FPSOs (53 per cent. market share) according to EMA, *EMA Floating Production Report Data – Q2 2017*. This suggests the importance of the production segment of the supply chain.

FPSO leasing company fleet size and current order[2]



(Source: EMA, EMA Floating Production Report Data – Q2 2017, 21 Apr 2017)

2 This chart shows the top 10 FPSO leasing companies and does not take into account other non-leasing companies(Petrobras, CNOOC, other oil majors, etc.)

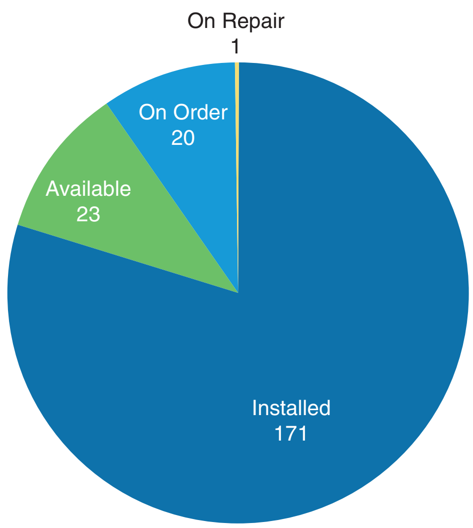
Current market status

FPSO vessels in operation

According to EMA, as of 21 April 2017, there are 171 FPSO vessels in active employment, with another 23 FPSO vessels available for hire and one FPSO vessel in long term repair. (*EMA Floating Production Report Data – Q2 2017*).

Global FPSO fleet status

includes both leasing companies and oil majors

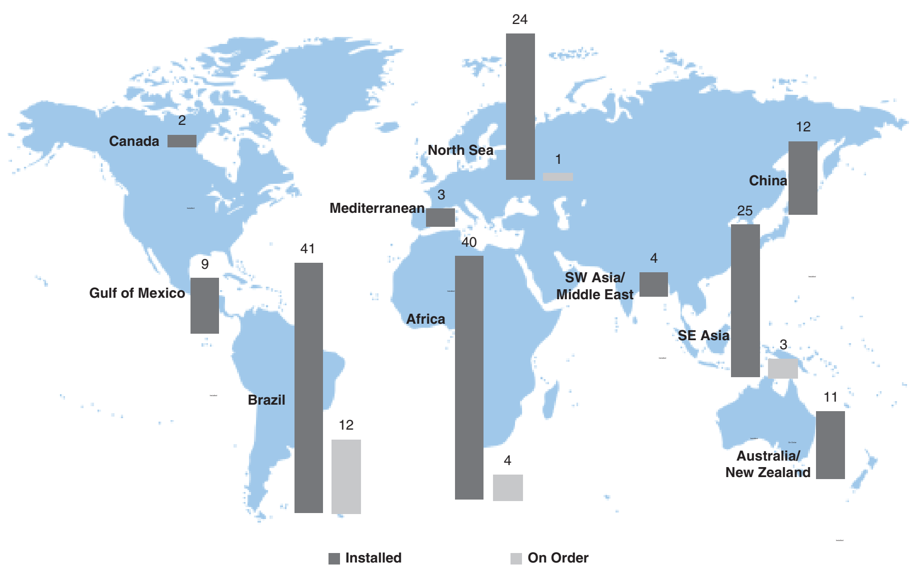


Total: 215 FPSOs

(Source: EMA, EMA Floating Production Report Data – Q2 2017, 21 April 2017)

The bulk of FPSO vessel demand originates from Brazil, West Africa, South East Asia and the North Sea. There are 130 installed FPSO vessels in these four regions, accounting for 76 per cent. of the total number of installed FPSO vessels globally.

FPSO Demand by Region

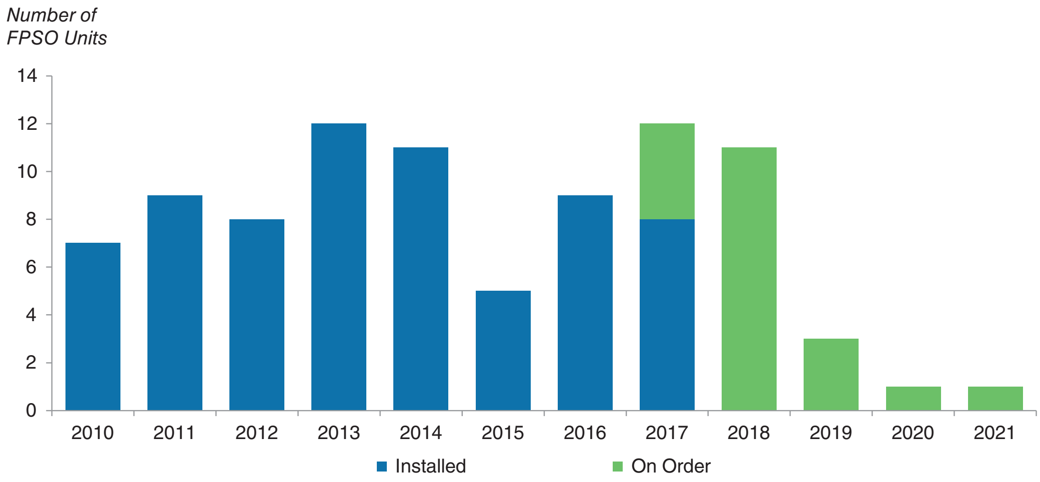


(Source: EMA, EMA Floating Production Report Data – Q2 2017, 21 April 2017)

FPSO vessels on order

The global orderbook is at 20 units as at 21 April 2017, which puts the orderbook versus operational fleet ratio at 11.7 per cent. All 20 FPSO vessels on the orderbook have obtained designated fields that they will be deployed in and there are currently no speculative orders on the orderbook. The regional breakdown of these 20 FPSO vessels on order are as follows: 12 are to be deployed in Brazil, 4 in West Africa, 3 in South East Asia and 1 in the North Sea, with most orders delivering in 2017 and 2018 as per the graph below.

Recent FPSO installations and orderbook



(Source: EMA, EMA Floating Production Report Data – Q2 2017, 21 April 2017)

FPSO vessels available for hire

There are 23 available for hire FPSO vessels as at 21 April 2017 (including one owned by the Group) that have not been deployed at or designated for any offshore oil field. As shown in the table below, 11, or almost half of the available for hire FPSO vessels, were only made available in the past 18 months, according to EMA, *EMA Floating Production Report Data – Q2 2017*.

Un-deployed FPSO units available since	2011	2012	2013	2014	2015	2016	2017	Total
Number of units	2	2	3	2	3	10	1	23

(Source: EMA, EMA Floating Production Report Data – Q2 2017, 21 Apr 2017)

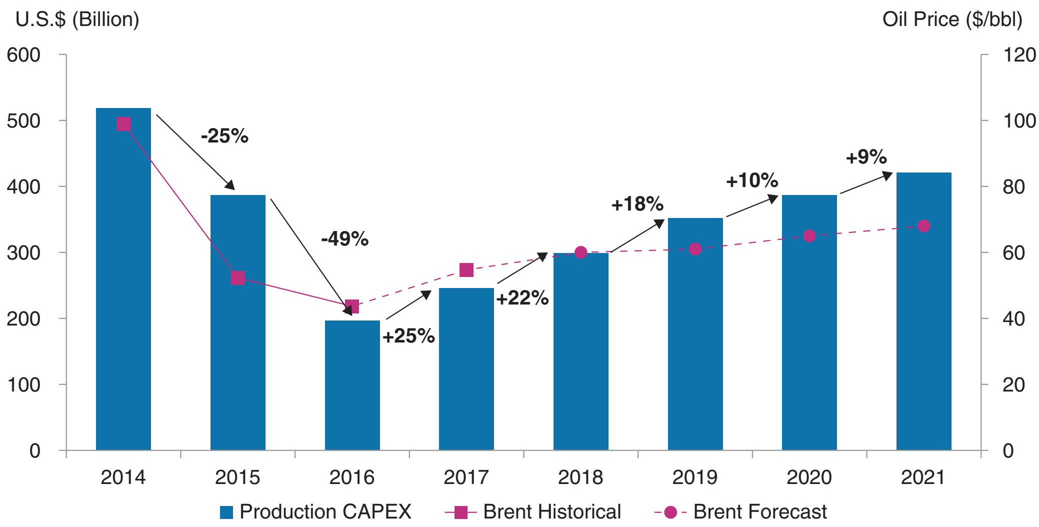
Looking ahead, the number of FPSO vessels available for hire could increase as there are a total of 10 and 18 FPSO leasing contracts that will expire in 2017 and 2018 respectively, according to EMA (*EMA Floating Production Report Data – Q2 2017)*. It is unknown how many of these contracts will be renewed, although EMA has forecasted increased redeployment opportunities for FPSO vessels in the near future (see "Global *FPSO vessel demand and outlook*" below).

Global FPSO vessel demand and outlook

The underlying drivers for the O&G industry affect the demand for FPSO vessels and the level of activity within the industry as there is a high correlation between production capital expenditure and oil prices. If oil prices drop below an economically feasible threshold for developing and operating an oilfield, oil companies' development plans may be deterred or delayed. In addition, oil price expectations provide a major assumption for future capital expenditure on offshore oilfield development. However, FPSO or FSO vessels, once chartered or contracted, are insulated from the O&G market dynamics.

As seen from the graph below, the collapse in oil prices from U.S.$99 per bbl in 2014 to U.S.$44 per bbl in 2016 negatively affected production capital expenditure within the offshore O&G sector. As a result of the drop and consistently low oil prices, production capital expenditure within the industry fell by around 25 per cent. and 49 per cent. year-on-year in 2015 and 2016 respectively, according to Energy Insights by McKinsey (*Oil production capex: is a rebound in sight?, August 2016).*

Oil production capital expenditure*



**Includes capital spending in oil development and production, both greenfield and brownfield, excludes exploration spending*

(Source: Energy Insights by McKinsey, Oil production capex: is a rebound in sight?, August 2016, Bloomberg Analyst Median Forecast Data as of 5 July 2017)

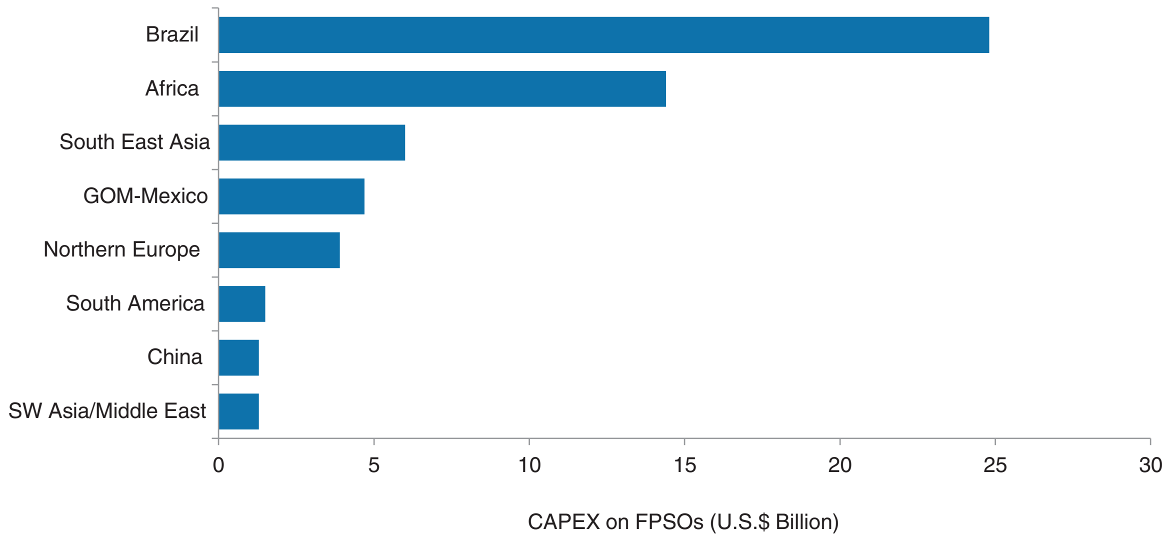
The downtrend of production capital expenditure has been driven by the reduced drilling activity from project deferrals and cancellations as well as lower service costs with an oversupply on the services supply side. In the next 4 years, Energy Insights by McKinsey expects to see drilling activity rebounding to 2014 levels under a "Slow Recovery price scenario' (prices increase to U.S.$60-70 by 2018, in line with Bloomberg analyst median forecasts). However, production capital expenditure is expected to stay 20% short of 2014 highs due to cost compression with lower expected oil prices as compared to before the price collapse.

On the deepwater side, oil production capital expenditure in both Africa and Latin America will catch up with 2014 levels towards the end of the forecast period, according to Energy Insights by McKinsey. Capital expenditure in Angola and Nigeria deep water developments will nearly double between 2016 and 2021 from USD4 billion to USD8 billion in both countries.

In terms of FPSO capital expenditure, Brazil is expected to continue to be the leading destination for FPSO vessels attracting approximately U.S.$25 billion worth of orders on FPSOs, while West Africa is expected to attract almost U.S.$15 billion of orders, according to EMA, as per the graph below. As a result, Brazil and West Africa are expected to account for a large proportion of the FPSO vessel orderbook globally. The heavy concentration of FPSO activity in Brazil and West Africa is due to the pre-salt layer, which is a sequence of sedimentary rocks formed more than 100 million years ago in the geographic space created by the separation of the current American and African continents. This resulted in the formation of a large reserve of oil and gas, sitting below a deep layer of salt and rock, beneath the Atlantic Ocean. With the rapid improvement in offshore technologies, a sizeable portion of these oil reserves can now be commercially produced. FPSOs have dominated the offshore space in this region due to a lack of pipeline infrastructure and the deepwater nature of these fields near Brazil and West Africa.

2017-2021 Forecast FPSO capital expenditure by region

(Based on EMA's middle case forecast)

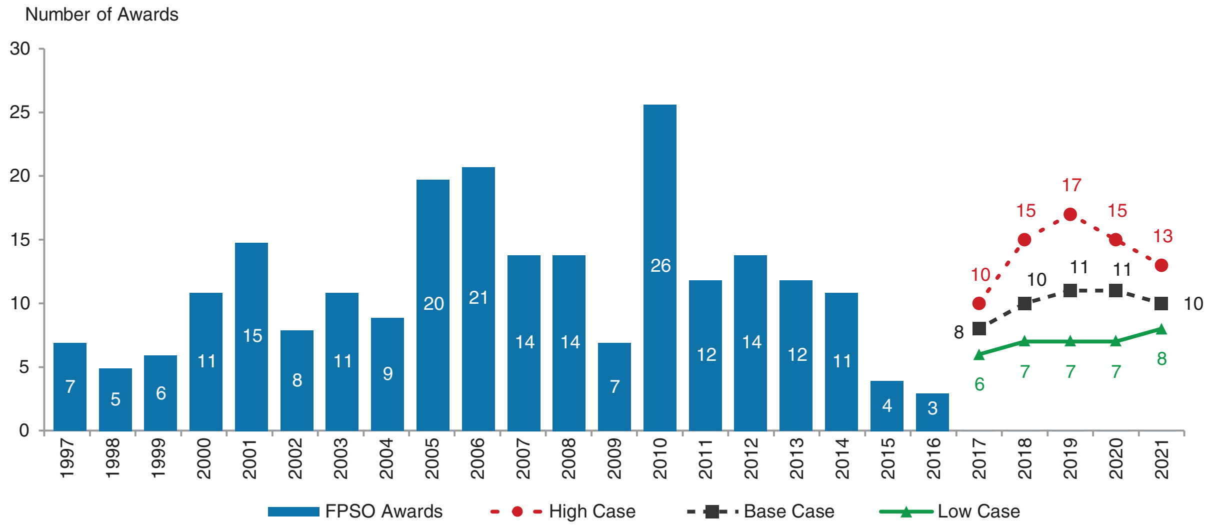


(Source: EMA, MMO 2017-EMA Floating Production Outlook 2017-2021, January 2017)

Looking ahead, EMA forecasts new FPSO vessel orders of 35 to 70 from 2017 to 2021. FPSO vessels are forecasted to make up 40 per cent. of total FPS orders and constitute 65 to 70 per cent. of total FPS capital expenditure.

Increased redeployments of FPSO vessels are also expected, driven by record number of available units as well as drive for low capital expenditure and quick, cost effective developments. EMA forecasts 20 to 25 per cent. of FPSO vessel charter contract awards in the same period to be redeployments, as opposed to the historical average of 15 per cent.

2017-2021 FPSO charter contract award forecast



(Source: EMA, January 2017)

EMA's middle case scenario estimates that there should be enough FPSO vessel awards by 2019 to sufficiently absorb the available 23 FPSO vessel units that are un-deployed as of 21 April 2017. However, many of these available FPSO vessels have been un-deployed for more than a few years. As such, unless significant investments are made to upgrade such FPSO vessels, these vessels are unlikely to win any new awards in their current state. Assuming most of these available FPSO vessels do not undergo any upgrades, the number of suitable FPSO vessels available for tendering for new awards will be limited. This may result in an increase in hire rates for FPSO vessels over the 2017-2021 forecast period, as there will be reduced competition for FPSO vessel awards.

DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The Board of the Guarantor is responsible for the overall management of the Guarantor and the Group. As at the date of this Offering Circular, the Guarantor's Directors are as follows:

Mr Lim Han Weng

Non-Independent Executive Director and Group Executive Chairman

Mr Lim Han Weng, 65, is the founder and first director of YHB and was appointed as the Managing Director of YHB on 9 March 1993 and subsequently as the Chairman in 2009. Mr Lim Han Weng, in partnership with his wife, Madam Bah Kim Lian started Yinson Transport (M) Sdn Bhd in 1984 after working with Lori Malaysia Bhd, a transport company. Mr Lim Han Weng was responsible for the formulation and implementation of the Group's corporate and business strategy until responsibility for managing the day-to-day affairs of the Group was handed over to his son, Mr Lim Chern Yuan, in 2014. As at the date of this Offering Circular, Mr Lim Han Weng remains the largest shareholder in YHB and oversees the Group's strategic direction and overall performance. Mr Lim Han Weng is the father of Mr Lim Chern Wooi and the brother of Mr Lim Han Joeh. He is a member of YHB's Employees' Share Scheme Committee.

Mr Lim Chern Yuan

Non-Independent Executive Director and Group Chief Executive Officer

Mr Lim Chern Yuan, 33, was appointed as Executive Director of YHB on 28 September 2009. He graduated with a Bachelor of Commerce from University of Melbourne, Australia and started his career with the Group as a Business Development Executive in 2005. In 2007, he was promoted to Senior General Manager, before veing promoted to his current role as YHB's Group Chief Executive Officer on 3 January 2014. Under his leadership, the Group became the sixth largest independent FPSO operator by fleet size, with footprints in South East Asia, Europe, and West Africa. He oversees the overall performance of the Group together with the Group Executive Chairman and holds a key strategic role in formulating the strategic planning of the organisation. He is primarily responsible for the overall conception, communication, accomplishment and sustainability of the Group's short to long term strategic initiatives. Mr Lim Chern Yuan is the son of Mr Lim Han Weng and Madam Bah Kim Lian and the brother of Mr Lim Chern Wooi. He is the chairman of YHB's Employees' Share Scheme Committee.

Madam Bah Kim Lian

Non-Independent Executive Director

Madam Bah Kim Lian, 65, was appointed as Executive Director of YHB on 9 March 1993. She assists Mr Lim Han Weng in the general administration of the Group's operations and maintains close relationships with the Group's customers and affiliates. Madam Bah Kim Lian is the wife of Mr Lim Han Weng and mother of Mr Lim Chern Yuan and Mr Lim Chern Wooi.

Mr Lim Han Joeh

Non-Independent Non-Executive Director

Mr Lim Han Joeh, 58, was appointed as Executive Director of YHB on 30 January 1996. He graduated with a Bachelor Degree in Civil Engineering from Monash University in Melbourne, Australia. On 11 August 2016, he was re-designated as Non-Independent Non-Executive Director. Upon graduation from Monash University in 1984, he took up the position of Operations Manager in Yinson Transport (M) Sdn Bhd before he assumed the position of Executive Director of YHB in 1986. Mr Lim Han Joeh is the brother of Mr Lim Han Weng.

Dato' Mohammad Nasir bin Ab Latif

Non-Independent Non-Executive Director

Dato' Nasir, 59, was appointed as Non-Independent Non-Executive Director of YHB on 11 August 2016. He graduated with Bachelor in Social Science, majoring in Economics from Universiti Sains Malaysia and holds a Master of Science in Investment Analysis from University of Stirling in the United Kingdom. He started his career with the Employees Provident Fund Board in 1982 and has held several positions, including State Enforcement Officer (1990-1995), Senior Research Officer, Manager and Senior Manager in the Investment and Economics Research Department (1995-2003) and General Manager of the International Equity Investment Department (July 2009-2013), before being promoted to Deputy Chief Executive Officer (Investment). Dato' Mohammad Nasir also holds directorships in United Plantations Berhad and Plus Malaysia Berhad.

Dato' Wee Hoe Soon @ Gooi Hoe Soon

Independent Non-Executive Director

Dato' Gooi, 57, was appointed as Independent Non-Executive Director of YHB on 11 August 2016. He is a member of the Malaysian Association of Certified Public Accountants as well as the Malaysian Institute of Accountants. Dato' Gooi is the chairman of YHB's Audit and Risk Management Committee and is a member of the Nominating and Remuneration Committee and Employees' Share Scheme Committee. He has more than 30 years of experience in the fields of accounting and corporate finance and was Finance Director of several private and public listed companies. In 1999, Dato' Gooi was appointed to the Board of Avenue Capital Resources Berhad as a Non-Executive Director and subsequently appointed as Group Managing Director in 2001 and Deputy Chairman in 2004; holding this last post until 2006. He was also the CEO/Executive Director-Dealing of Avenue Securities Sdn Bhd. In 2008, Dato Gooi was appointed to the Board of EON Bank Berhad and was subsequently appointed Chairman of the Board in 2009, a position that he held until May, 2012. In 2009, he was appointed to the Board of Amity Bond Sdn Bhd (formerly known as EON Capital Berhad) and in the same year assumed Chairmanship, a position that he continues to hold. Dato' Gooi is also a director in AIA Berhad, Hup Seng Industries Bhd and Perusahaan Sadur Timah Malaysia (Perstima) Berhad.

Datuk Syed Zaid bin Syed Jaffar Albar

Senior Independent Non-Executive Director

Datuk Syed Zaid, 63, was appointed as a Senior Independent Non-Executive Director of YHB on 19 August 2016. He is the chairman of YHB's Nominating and Remuneration Committee and is a member of the Audit and Risk Management Committee as well as the Employees' Share Scheme Committee. He graduated with a B.A. (Hons) Law from University of Westminster in London and is also a Barrister-at-Law of the Honourable Society of Lincoln's Inn. He was called to the Malaysian Bar as an advocate and solicitor of the High Court of Malaya in 1980. He has been in active legal practice for over 37 years.

Datuk Syed Zaid is the Managing Partner of an established law firm in Kuala Lumpur and heads the firm's Islamic Finance practice and oversees the Banking & Finance and Corporate/ Commercial practice groups. He also contributes his legal experience as an appointed member of the Appeals Committee of Bursa Malaysia Securities Berhad.

Datuk Syed Zaid was named by The Asia Pacific Legal 500: the Guide to Asia's Commercial Law Firms, as a "Leading Individual" in the area of Banking & Finance in Malaysia from 2003 until 2013. He received peer and client recognition for 3 consecutive years at the ALB Malaysia Law Awards as "Dealmaker of the Year" 2014-2016; and as "Managing Partner of the Year" in 2014, 2015 and 2017. Datuk Syed Zaid is also a director in Malaysia Building Society Berhad, Malaysian Pacific Industries Berhad and Motorsports Association of Malaysia.

Datuk Raja Zaharaton binti Raja Zainal Abidin

Independent Non-Executive Director

Datuk Raja Zaharaton, 69, was appointed as Independent Non-Executive Director of YHB on 11 August 2016. She has a Bachelor Degree in Economics from University of Malaya and a Masters in Economics from the University of Leuven in Belgium. She has served the Government of Malaysia in various capacities for 34 years from 1971 to 2005, principally being involved in policy analysis and financial evaluation. Her last post in the Government was Director General of the Economic Planning Unit (EPU), Prime Minister's Department. Upon retirement, the Government of Malaysia appointed her as Chairman of Technology Park Malaysia Corporation Sdn Bhd from January 2006 to December 2008. Subsequent to that, the Government appointed her as Chairman of Ninebio Sdn Bhd from January 2009 for a two year period. She was then appointed as Chairman of Global Maritime Ventures Berhad, a subsidiary of Bank Pembangunan Malaysia Berhad from June 2014 until April 2017. She is also a Director of her family-owned company Kumpulan RZA Sdn Bhd and its subsidiary Raza Sdn Bhd, as well as its associate companies, ASTRA Capital Sdn Bhd and ARECA Capital Sdn Bhd. Datuk Raja Zaharaton also holds directorships in Taliworks Corporation Berhad, Media Prima Berhad and its subsidiaries, namely Big Tree Outdoor Sdn Bhd and Primeworks Studios Sdn Bhd. Datuk Raja Zaharaton is a member of YHB's Audit and Risk Management Committee, Nominating and Remuneration Committee and Employees' Share Scheme Committee.

Senior management

The Group's key management personnel are as follows:

Mr Lim Chern Yuan

Non-Independent Executive Director and Group Chief Executive Officer

Please refer to "*Directors and Senior Management – Board of Directors – Mr Lim Chern Yuan*".

Mr Daniel Bong Ming Enn

Group Chief Strategy Officer

Mr Daniel Bong is a Chartered Accountant with the Malaysia Institute of Accountant and the Institute of Singapore Chartered Accountant. He is also a fellow member of the Association of Chartered Certified Accountant. He obtained his Master of Science in Accounting and Financial

Management in 2011. He started his career in international audit and advisory firms, covering engagements in respect of a wide spectrum of industries. He subsequently moved to a local real estate investment fund, covering corporate finance and corporate planning. In 2011, he joined the Group as General Manager in Corporate Finance and Strategy Development, and thereafter promoted to Group Chief Strategy Officer on 3 January 2014. His current responsibilities include overseeing the corporate finance, corporate legal, corporate secretary, treasury, taxation advisory, investor relations, strategic planning and development of the Group. He works closely with the Group Executive Chairman and Group Chief Executive Officer in creating, communicating, executing and sustaining short to long term strategic initiatives within the organisation.

Mr Tan Fang Fing

Group Chief Financial Officer

Mr Tan is a Chartered Accountant with the Malaysia Institute of Accountant and a fellow member of the Association of Chartered Certified Accountant. He obtained his Master in Business Administration in 1993 from the University of Dayton, the United States of America. He started his career as an audit assistant with Cooper & Lybrand from 1983 and left the firm in 1988 as a qualified accountant. He later joined Touche Ross & Tohmatsu in Singapore as an audit senior for a year. In 1990, he joined the subsidiary of a public listed company as an accountant and worked there for one and a half year. He was the Group Accountant of YHB from 1994 and was appointed the Group Chief Financial Officer on 1 September 2014.

Mr Eirik Arne Wold Barclay

Chief Executive Officer, Offshore Production

Mr Eirik Barclay was appointed Chief Executive Officer of the Group's Offshore Production Division on 3 January 2014 following the acquisition of Fred. Olsen Production ASA, where Mr Eirik Barclay had acted as CEO since 1 January 2012, by the Group. Mr Eirik Barclay has worked in the offshore oil industry since 1999, having previously held the positions of Chief Executive Officer of Songa Floating Production and Vice President, Business Development of BW Offshore.

Mr Eirik Barclay started his career with Schlumberger Oilfield Services working as a Field Engineer before moving on to work for Aker Kvaerner Process Systems. He holds a Master of Engineering degree from the Norwegian University of Science and Technology in Trondheim, Norway and a Master in Energy Management from ESCP/IFP in Paris and BI in Oslo.

Mr Flemming Grønnegaard

Chief Operation Officer, Offshore Production

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

Mr Andrew Choy

Head of Legal, Offshore Production

Mr Andrew Choy is a member of the Honourable Society of Gray's Inn, London and was admitted as a Barrister-at-Law of England and Wales in 1989. He is also an Advocate and Solicitor of the Supreme Court of Singapore as well as an Arbitrator with the Chartered Institute of Arbitrators. He is the author of "The Singapore Corporate Director's Manual". Mr Andrew Choy was appointed as Head of Legal of YHB's Offshore Production Division on 1 February 2014 and is primarily responsible for providing advice and support to the Group on all legal issues and documentation, and generally leading on any matters which require legal input or consideration. Mr Andrew Choy is also a Certified Auditor for Quality Management System (ISO 9001:2008), International Safety Management (ISM), and International Ship and Port Facility Security (ISPS).

Dato' Mohamed Sabri bin Mohamed Zain

Chief Executive Officer, Yinson Energy Sdn Bhd

Dato' Sabri graduated with a Bachelor of Science in Petroleum Engineering from the University of Wyoming, USA. He has more than 38 years of experience in the international oil and gas industry. He started his career with PETRONAS in 1978. He was General Manager for International Operations before being transferred as President of White Nile Petroleum Operating Company in Sudan in 2008. He joined MISC Berhad as Vice President of Offshore Business Unit in 2010. In 2013, he was appointed as President for GOM Resources Sdn. Bhd. and Puncak Oil & Gas Sdn Bhd. He joined the Group on 16 May 2014 as Chief Executive Officer of Yinson Energy Sdn Bhd. He sits on the Board of Barakah Offshore Petroleum Berhad as Independent Non-Executive Chairman and Sona Petroleum Berhad as Non-Independent Non-Executive Director.

Mr Lim Chern Wooi

Chief Executive Officer, Marine

Mr Lim Chern Wooi graduated with a Bachelor of Applied Science and subsequently obtained his Master of Business Administration, both from RMIT University in Melbourne, Australia. He started his career with YHB as a business development executive in June 2008. He was promoted to Chief Executive Officer of YHB's Marine Division on 3 January 2014. He oversees the operation and business of marine segments including OSVs, tugs and barges. Mr Lim Chern Wooi is a certified Quality Management System (ISO 9001:2008), Environmental Management System (ISO 14001:2004), Occupational Health and Safety Management System (OHSAS 18001: 2007), International Safety Management and International Ship and Port Facility Security internal auditor. Mr Lim Chern Wooi is the son of Mr Lim Han Weng and Madam Bah Kim Lian and the brother of Mr Lim Chern Yuan.

Key Project Personnel

The Group recruits experienced project personnel with the right expertise and skills from the offshore O&G industry to manage and deliver its projects. As at the date of this Offering Circular, the Group's key project personnel are as follows:

Mr Per Dyberg

Project Director

Per Dyberg joined FOP in July 2008. After the Group acquired FOP in 2013, he was appointed as the Project Manager for the conversion of FPSO John Agyekum Kufuor. He has 31 years of experience in the offshore O&G industry. 20 years of his career was spent in the ABB/VetcoGray system where he has held several management positions as well as project director for subsea EPCI projects worldwide. In addition, Per Dyberg has worked for Statoil, Aker Drilling & Anadrill/Schlumberger. Per Dyberg holds a Master of Science degree from the Norwegian University of Science and Technology (NTNU) in Trondheim, Norway.

Mr Lars Eik

Country Manager, Ghana

Lars Eik joined FOP in October 2000 as Vice President, Operations and became the Managing Director of FOP in 2006. After the acquisition of FOP, he was appointed the Group's Vice President, Asset Management & Business Development in May 2013. After the Group secured the project for the conversion of FPSO John Agyekum Kufuor, he was appointed as Country Manager, Ghana in 2015. Lars has 33 years of experience in the offshore O&G industry. He started his career in Aker, holding several key management positions in EPC projects in the North Sea during his 16 years with the company. Lars Eik holds a Bachelor of Science Honours degree in Mechanical Offshore Engineering from Heriot-Watt University Scotland and a Naval Engineering degree from the Bergen College of Engineering.

Mr Lars Gunnar Vogt

Senior Vice President, Technology

Lars Gunnar Vogt joined the Group in January 2014 as Senior Vice President, Technology. He comes directly from BW Offshore where he was Senior Vice President, Concepts Development. Prior to this, he was Lead Marine Engineer in BW Offshore and worked at other engineering consultant companies in Norway. He has been involved in numerous FPSO projects over the years. Lars Gunnar Vogt is a Naval Architecture graduate from Norwegian University of Science and Technology (NTNU) in Trondheim, Norway.

Mr Ivar Lysberg

Senior Vice President, Operations

Ivar Lysberg joined FOP in January 2007. He has more than 20 years of experience from the O&G industry. Prior to that, he was a Sales and Marketing Manager in Vetco Aibel and worked for Umoe Oil and Gas and ABB Offshore Systems. After the Group acquired FOP, he has held several management positions within the Group in offshore oil and gas projects, most recently as Manager – Topsides and Deputy Project Manager on the FPSO Knock Allan conversion project before being promoted to his current position. Ivar Lysberg, holds a Business Economist degree and a Master of Science degree in Mechanical Engineering from Norwegian University of Science and Technology (NTNU) in Trondheim, Norway.

Mr Jahn Atle

Senior Vice President, Business Development and Projects

Jahn Atle joined the Group in 2015 as Senior Vice President, Business Development and Projects. He has more than 15 years of experience in the O&G industry, of which the last 12 years were spent specialising in FPSOs. Before joining the Group, he has held various roles within BW Offshore, such as Engineering Manager, Project Development Vice President, Marketing & Tenders Vice President and Business Development Vice President. Jahn Atle holds a Master degree in Mechanical Engineering from Norwegian University of Science and Technology in Trondheim, Norway.

Mr Frode Rødøy

HSEQ Director

Frode Rødøy was appointed as HSEQ Director in March 2015. He has 24 years of experience in the O&G industry and was HSEQ Director and Head of HSSEQ in Trelleborg Offshore, Golar Wilhelmsen and Høegh Fleet Services prior to joining the Group. Frode Rødøy holds a Master of Science degree in Petroleum Engineering from the Norwegian Institute of Technology (NTNU) in Trondheim, Norway and Master in Business Administration from Heriot-Watt University Scotland.

Mr Miljenko Vladovic

Vice President, Projects & Business Development

Miljenko Vladovic joined the Group in October 2013 and was appointed as Vice President, Projects & Business Development. He has worked in the shipping and offshore O&G industry since 1999, most recently in Petrofac as Project Manager and Client Representative as well as in Songa Floating Production as Engineering Manager and Lead Naval Architect. Prior to that, he worked for Teekay as Land and Structural & CC Superintendent and Germanischer Lloyd as a Surveyor. In addition, he has spent five years in South Korea working on various projects in Korean shipyards. Miljenko holds a Master of Science degree in Naval Architecture from the University of Zagreb, Croatia.

Mr Chris Lank

Engineering Manager

Chris Lank was appointed as Engineering Manager when he joined the Group in November 2014. He has over 20 years of experience in high-integrity engineering industries including 10 years in offshore O&G, working as principal engineer, project manager and engineering manager. Prior to joining the Group, he worked at Weir Strachan & Henshaw (latterly Babcock), DPS Bristol and DPS Singapore. Chris Lank is a Chartered Engineer with a Master of Engineering Degree in Mechanical Engineering from University of Bristol.

Mr Filipe Costa

Topsides Delivery Manager

Filipe Costa joined the Group in May 2015. He has experience as a project manager, engineering manager and business development manager in the O&G, petrochemical and energy industry. Prior to joining the Group, he worked for SBM Offshore, Bumi Armada and Subsea 7. Filipe Costa holds a Master in Mechanical Engineering from Universidade Do Algarve, Portugal.

TAXATION

The following is a general description of certain British Virgin Islands, Malaysian and other tax considerations relating to the Securities. It does not purport to be a complete analysis of all tax considerations relating to the Securities, whether in those countries or elsewhere. Prospective purchasers of Securities should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Securities and receiving payments of interest, principal and/or other amounts under the Securities and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Offering Circular and is subject to any change in law that may take effect after such date.

British Virgin Islands

The following is a discussion of certain British Virgin Islands tax consequences of an investment in the Securities. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under British Virgin Islands law:

- The Issuer and all payments of interest and principal on the Securities to persons who are not persons resident in the British Virgin Islands are exempt from all provisions of the Income Tax Act of the British Virgin Islands (including with respect to all dividends, interests, rents, royalties, compensation and other amounts payable by the Issuer to persons who are not persons resident in the British Virgin Islands), and any capital gains realised by persons who are not persons resident in the British Virgin Islands with respect to the Securities is exempted from all forms of taxation in the British Virgin Islands. No holder of any Securities will be deemed to be resident or domiciled in the British Virgin Islands simply by virtue of holding Securities. As of 1 January 2005, the Payroll Taxes Act, 2004 came into force. It does not apply to the Issuer except to the extent that the Issuer has employees rendering services to the Issuer wholly or mainly in the British Virgin Islands. The Issuer at present has no employees in the British Virgin Islands and no intention of having any employees in the British Virgin Islands;

- No estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by persons who are not persons resident in the British Virgin Islands with respect to the Securities;

- All instruments relating to transfer of property to or by the Issuer and all instruments relating to transactions in respect of the Securities and all instruments relating to other transactions relating to the business of the Issuer are exempt from the payment of stamp duty in the British Virgin Islands; and

- There are currently no withholding taxes or exchange control regulations in the British Virgin Islands applicable to the Issuer or to the holders of Securities.

  The Issuer is required to pay an annual government fee which is determined by reference to the number of shares the Issuer is authorised to issue.

Malaysia

Withholding Tax

Pursuant to Section 109(1) of the Malaysian Income Tax Act 1967, where any person is liable to pay interest derived from Malaysia (the "**payer**") to any other person not known to the payer to be resident in Malaysia, other than interest attributable to a business carried on by such other person in Malaysia, the payer shall upon paying or crediting the interest (other than interest on an approved loan or interest of the kind referred to in paragraphs 33, 33A, 33B, 35 or 35A of Part I, Schedule 6) deduct therefrom tax at the rate applicable to such interest.

Capital Gains Tax

There is no capital gains tax in Malaysia except in relation to real property gains tax chargeable on the disposal of real property or shares of real property companies within specified periods after the date of purchase of real property. As the Securities are not considered chargeable assets for real property gains tax purposes, there is no tax imposed on capital gains derived from disposal of the Securities in Malaysia.

Stamp Duty

All instruments executed in connection with the Securities, of which the documents and information in relation to the Securities have been lodged with the Securities Commission Malaysia pursuant to the Guidelines on Unlisted Capital Markets Products under the Lodge and Launch Framework first issued on 9 March 2015 and revised on 16 January 2017 is exempted from stamp duty pursuant to the provisions of the Stamp Duty (Exemption) (No. 23) Order 2000 (as amended by the Stamp Duty (Exemption) (No.3) (Amendment) Order 2005).

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (each other than Estonia, a "**participating Member State**"). However, Estonia has ceased to participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in Securities (including secondary' market transactions) in certain circumstances. The issuance and subscription of Securities should, however, be exempt.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Securities where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Securities are advised to seek their own professional advice in relation to the FTT.

FATCA Withholding

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Instruments, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Instruments, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Instruments, such withholding would not apply prior to 1 January 2019. Securityholders should consult their own tax advisors regarding how these rules may apply to their investment in the Instruments. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Instruments, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

The Dealers have, in a dealer agreement dated 12 July 2017 as amended and/or supplemented from time to time (the "**Dealer Agreement**"), agreed with the Issuer and the Guarantor a basis on which any dealer to be appointed by the Issuer in respect of a single Tranche or the whole Programme may from time to time agree to subscribe Securities. Any such agreement will extend to those matters stated under the Conditions and will provide that the Issuer (failing which, the Guarantor) will pay each Relevant Dealer a commission as agreed between them in respect of Securities subscribed by it.

The Issuer and the Guarantor have jointly and severally agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Securities. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Securities in certain circumstances prior to payment for such Securities being made to the Issuer.

The Dealers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Dealers may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer, the Guarantor and/or its subsidiaries, jointly controlled entities or associated companies from time to time. In the ordinary course of their various business activities, the Dealers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer, the Guarantor and/or its subsidiaries, jointly controlled entities or associated companies, including Securities issued under the Programme, may be entered into at the same time or proximate to offers and sales of Securities or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Securities. Securities issued under the Programme may be purchased by or be allocated to any Dealer or an affiliate for asset management and/or proprietary purposes but not with a view to distribution/whether or not with a view to later distribution. Such persons do not intend to disclose the extent of any such investment. If a jurisdiction requires that an offering is made by a licenced broker or dealer and the underwriters or any affiliate of the underwriters is a licenced broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer in such jurisdiction.

In connection with each Tranche of Securities issued under the Programme, the Dealers or certain of their affiliates may purchase Securities and be allocated Securities for asset management and/or proprietary purposes but not with a view to distribution. Further, the Dealers or their respective affiliates may purchase Securities for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to such Securities and/or other securities of the Issuer, the Guarantor or its subsidiaries or affiliates at the same time as the offer and sale of each Tranche of Securities or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Tranche of Securities to which a particular Pricing Supplement relates (notwithstanding that such selected counterparties may also be purchasers of such Tranche of Securities).

United States

The Securities have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Securities may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each of the Dealers has agreed that, except as permitted by the Dealer Agreement, it will not offer or sell the Securities within the United States.

In addition, until 40 days after the commencement of any offering, an offer or sale of Securities within the United States by any Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Public Offer Selling Restriction Under the Prospectus Directive and Prohibition of Sales to EEA Retail Investors

From 1 January 2018, unless the Pricing Supplement in respect of any Securities specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

  (ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in the Prospectus Directive; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities.

Prior to 1 January 2018, and from that date if the Pricing Supplement in respect of any Securities specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Securities which are the subject of the offering contemplated by the Prospectus as completed by the Pricing Supplement in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

(a) *Approved prospectus*: if the Pricing Supplement in relation to the Securities specifies that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(c) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive.

provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Securities to the public**" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

Japan

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**FIEA**") and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan ("**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of

Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

In relation to each Tranche of Securities to be issued by the Issuer under the Programme, each Dealer has represented and agreed, and each further Dealer appointed under the Programme be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities except for Securities which are a "*structured product*" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") other than (i) to "*professional investors*" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "*professional investors*" as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under this Programme will be required to acknowledge that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Securities or caused such Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell such Securities or cause such Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Securities, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**") under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA, except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 32 of the Securities and Futures (Offers and Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Malaysia

Each Dealer has acknowledged and each further Dealer appointed under the Programme will be required to acknowledge that this Offering Circular has not been registered as a prospectus with the SC under the CMSA. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Securities have not been and will not be offered for subscription or sale, sold, transferred or otherwise disposed of, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to the persons, or other than in relation to an offer or invitation, falling within Schedule 8 (or Section 257 (3)) of the CMSA, Part 1 of Schedule 6 (or Section 229(1)(b)) and Part 1 of Schedule 7 (or Section 230(1)(b)) of the CMSA, read together with Schedule 9 (or Section 257(3)) at issuance, and after issuance, Schedule 8 (or Section 257 (3)) of the CMSA, Part I of Schedule 6 (or Section 229(1)(b)) read together with Schedule 9 (or Section 257(3)) of the CMSA, subject to any law, order, regulation or official directive of BNM, SC and/or any other regulatory authority from time to time.

Prospective investors should note that residents of Malaysia may be required to obtain regulatory approvals including approval from BNM to purchase the Securities. The onus is on the residents of Malaysia concerned to obtain such regulatory approvals and none of the Dealers or the Issuer or the Guarantor is responsible for any invitation, offer, sale or purchase of the Securities as aforesaid without the necessary approvals being in place.

General

Each Dealer represents, warrants and undertakes, and each further Dealer appointed under the Programme will be required to represent, warrant and undertake, that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Securities or has in its possession or distributes the Offering Circular or any Pricing Supplement or any related offering material, in all cases at its own expense. Other persons into whose hands this Offering Circular or any Pricing Supplement comes are required by the Issuer, the Guarantor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Securities or possess, distribute or publish this Offering Circular or any Pricing Supplement or any related offering material, in all cases at their own expense.

None of the Issuer, the Guarantor, the Trustee or any of the Dealers represent that any action has been or will be taken in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of the Offering Circular, any other offering or publicity material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required. With regard to each Tranche, the Relevant Dealers will be required to comply with any additional restrictions agreed between the Issuer, the Guarantor and the Relevant Dealers and set out in the applicable Pricing Supplement.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "General" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer and the Guarantor. Any such supplement or modification may be set out in the relevant Pricing Supplement (in the case of a supplement or modification relevant only to a particular Tranche of Securities) or in a supplement to this Offering Circular.

GENERAL INFORMATION

1. **LISTING OF SECURITIES**: Approval-in-principle has been received from the SGX-ST for permission to deal in, and the quotation for, any Securities that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the Official List of the SGX-ST. There is no assurance that the application to the SGX-ST for permission to deal in, and quotation of, the Securities of any Series (as defined herein) will be approved. The approval in-principle from, and admission to the Official List of, the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor, the Group, the Programme and/or the Securities. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein.

   The relevant Pricing Supplement in respect of any Series will specify whether or not such Securities will be listed and, if so, on which exchange(s) the Securities are to be listed. For so long as any Securities are listed on the SGX-ST and the rules of the SGX-ST so require, the Securities will trade on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies).

   For so long as the Securities are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a Paying Agent in Singapore, where such Securities may be presented or surrendered for payment or redemption, in the event that any of the Global Certificates are exchanged for Individual Certificates. In addition, in the event that any of the Global Certificates are exchanged for Individual Certificates, an announcement of such exchange will be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the Individual Certificates, including details of the Paying Agent in Singapore.

2. **AUTHORISATIONS**: The Issuer and the Guarantor have obtained all necessary consents, approvals and authorisations in connection with the establishment of the Programme. The establishment of the Programme and the issue of the Securities under the Programme have been duly authorised by resolutions of the board of directors of the Issuer dated 19 June 2017 and the giving of the Guarantee of the Securities was duly authorised by resolutions of the board of directors of the Guarantor dated 19 June 2017.

3. **NO MATERIAL ADVERSE CHANGE**: Except as disclosed in this Offering Circular, there has been no adverse change in the financial or trading position or prospects of the Issuer, the Guarantor and the Group since 31 January 2017.

4. **LITIGATION**: Except as disclosed in this Offering Circular, neither the Issuer, the Guarantor or any other member of the Group is involved in any governmental, legal or arbitration proceedings which may have or during the 12 months prior to the date of this Offering Circular have had an effect on the financial position or profitability of the Issuer, the Guarantor or the Group which is material in the context of the issue of the Securities, nor is the Issuer, the Guarantor or any member of the Group aware that any such proceedings are pending or threatened.

5. **CLEARING OF THE SECURITIES**: The Securities may be accepted for clearance through Euroclear and Clearstream. The appropriate ISIN and common code in relation to the Securities of each Tranche will be specified in the applicable Pricing Supplement. If the Securities are to be cleared through any additional or alternative Clearing System, the appropriate information will be specified in the applicable Pricing Supplement.

6. **AVAILABLE DOCUMENTS**: For so long as Securities may be issued under the Programme, copies of the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the specified office of the Principal Paying Agent, being at the date of this Offering Circular at One Canada Square, London E14 5AL, United Kingdom:

   (i) the Trust Deed (which includes the form of the Global Certificates and the Securities in definitive form);

   (ii) the Agency Agreement;

   (iii) the constitutional documents of the Issuer and the constitutional documents of the Guarantor;

   (iv) the audited consolidated financial statements of the Guarantor for the years ended 31 January 2015, 2016 and 2017;

   (v) the unaudited interim condensed consolidated financial information of the Guarantor for the three months ended 30 April 2017;

   (vi) copies of the latest annual consolidated financial information, and any interim condensed consolidated financial information (whether audited or unaudited) published subsequently to such audited annual financial statements of the Issuer or the Guarantor;

   (v) each Pricing Supplement (save that a Pricing Supplement related to an unlisted Series of Securities will only be available for inspection by a holder of any such Securities and such holder must produce evidence satisfactory to the Issuer, the Guarantor or the Trustee as to its holding of such Securities and identity); and

   (vi) a copy of this Offering Circular together with any supplement to this Offering Circular and any other documents incorporated herein or therein referenced.

7. **FINANCIAL STATEMENTS**:

   (i) Ernst & Young, independent auditors, have audited the Group's consolidated financial statements, without qualification, for Financial Year 2015 and Financial Year 2016, in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Malaysian Companies Act 1965.

   (ii) PricewaterhouseCoopers, independent auditors, have audited the Group's consolidated financial statements, without qualification, for Financial Year 2017, in accordance with generally accepted auditing standards in Malaysia.

   (iii) The reports of the Group's auditors are included or incorporated in the form and context in which they are included or incorporated, with the consent of the auditors who have authorised the contents of that part of this Offering Circular.

INDEX TO DEFINED TERMS

The following terms in this Offering Circular bear the meanings as set out below unless the term is defined otherwise or the context requires otherwise:

Addax Petroleum	Addax Petroleum Development (Nigeria) Limited
APL	Adoon Pte Ltd
AHT	Anchor handling tug
AHTS	Anchor handling tugs and supply
ARO	Anteros Rainbow Offshore Pte Ltd
bbl	Barrel
Bareboat SOW	Bareboat scope of work
BLPD	Barrel of liquid per day
BOPD	Barrel of oil per day
CAPEX	Capital expenditure
Camelia	Yinson Camelia Limited
CEO	Chief Executive Officer
CNR	CNR International (Olowi) Limited
CSR	Corporate social responsibility
E&P	Exploration and production
EBITDA	Earnings before interest, tax, depreciation and amortisation
EMA	Energy Maritime Associates
Eni Ghana	Eni Ghana Exploration and Production Ltd
Eni	Eni S.p.A.
EPCI	Engineering, procurement, construction and installation
EPC	Engineering, procurement, construction
EPF	Employee Provident Fund
ERM	Enterprise risk management
FEED	Front-end engineering design
Financial Year	The financial year ending or ended 31 January
First Quarter	The three months ending or ended 30 April
FOP	Fred Olsen Production ASA
FPS	Floating production system
FPSO	Floating, production, storage and offloading
FSO	Floating, storage and offloading
FVSN	Four Vanguard Servicos Navegacao Lda
GAAP	Generally accepted accounting principles
GNPC	Ghana National Petroleum Corporation
Group	Yinson Holdings Berhad and its subsidiaries
HSE	Health, safety and environmental

HSEQ	Health, safety, environmental and quality
IFRS	International Financial Reporting Standards
IOCs	International oil companies
KAPL	Knock Allen Pte Ltd
LAP	Liannex Asia Pacific
LSJOC	Lam Son Joint Operating Company
LTI	Lost time incident
MFRS	Malaysian Financial Reporting Standards
MMSCFD	Million standard cubic feet per day
NOCs	National oil companies
O&M	Operations and maintenance
O&G	Oil and gas
OCTP	Offshore Cape Three Points
OMA	Oil and Marine Agencies (Ghana) limited
OSV	Offshore Supply Vessel
OYL	OYL Labuan Limited
PetroVietnam	Vietnam Oil & Gas Group
Project Companies	Subsidiaries or joint ventures of the Group that directly own FPSO/FSO vessels
PSV	Platform supply vessel
PTSC	Petrovietnam Technical Services Corporation
PTSC AP	PTSC Asia Pacific Pte. Ltd
PTSC SEA	PTSC South East Asia Pte. Ltd.
TLV	Talisman Vietnam 07/03 B.V.
Trillium	Yinson Trillium Limited
Tulip	Yinson Tulip Ltd
YAL	Yinson Acacia Ltd
YCL	Yinson Clover Ltd
YCSB	Yinson Corporation Sdn Bhd
YESB	Yinson Energy Sdn Bhd
YHB	Yinson Holdings Berhad
YHL	Yinson Heather Ltd
YHSB	Yinson Holdings Sdn Bhd
YJL	Yinson Juniper Ltd
YMSSB	Yinson Marine Services Sdn Bhd
YHL	Yinson Nereus Ltd
YOL	Yinson Overseas Limited
YPAS	Yinson Production AS
YPL	Yinson Production Limited
YPPL	Yinson Production Pte Ltd

YPMSB	Yinson Power Marine Sdn Bhd
YPWAL	Yinson Production West Africa Limited
YPWAPL	Yinson Production (West Africa) Pte Ltd
YSSB	Yinson Shipping Sdn Bhd
YTMC	Yinson TMC Sdn Bhd
YTSB	Yinson Transport Sdn Bhd
YIL	Yinson Indah Limited

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Audited Consolidated Financial Statements of the Guarantor as at and for the year ended 31 January 2015

Notes:

(1) The unaudited interim condensed consolidated financial information of the Guarantor as of and for the three months ended 30 April 2017 including the page numbers and page reference set forth in such quarterly report.

(2) The audited consolidated financial statements of the Guarantor as of and for Financial Year 2017, Financial Year 2016 and Financial Year 2015 set out herein are reproduced from the Guarantor's financial statements for Financial Year 2017, Financial Year 2016 and Financial Year 2015, respectively, including the page numbers and page references set forth in such financial statements.

YINSON HOLDINGS BERHAD
Company No: 259147-A
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT
For The Three Months Period Ended 30 April 2017

	Current and Cumulative quarter 3 months ended	
	30.4.2017	30.4.2016
	Unaudited	Unaudited
	RM'000	RM'000
Continuing operations		
Revenue	172,413	115,398
Direct expenses	(89,632)	(66,173)
Gross profit	82,781	49,225
Other operating income	11,986	2,569
Administrative expenses	(39,490)	(36,446)
Profit from operations	55,277	15,348
Finance costs	(6,399)	(7,380)
Share of results of joint ventures	26,906	23,871
Share of results of associates	472	(39)
Profit before tax from continuing operations	76,256	31,800
Income tax expense	(15,970)	(11,098)
Profit after tax from continuing operations	60,286	20,702
Discontinued operations		
Profit from discontinued operations, net of tax	-	1,289
Profit for the period	**60,286**	**21,991**
Profit attributable to:		
Owners of the parent	60,286	22,376
Non-controlling interests	-	(385)
	60,286	21,991
Earnings per share attributable to owners of the parent:		
Basic (sen)	5.54	2.05
Diluted (sen)	5.53	2.05
Earnings per share from continuing operations attributable to owners of the parent:		
Basic (sen)	5.54	1.90
Diluted (sen)	5.53	1.90
Earnings per share from discontinued operations attributable to owners of the parent:		
Basic (sen)	-	0.15
Diluted (sen)	-	0.15

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For The Three Months Period Ended 30 April 2017

	Current and Cumulative quarter 3 months ended	
	30.4.2017 Unaudited RM'000	**30.4.2016 Unaudited RM'000**
Profit for the period	60,286	21,991
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
- Exchange differences on translation of foreign operations	(34,512)	(122,640)
- Cash flows hedge reserve	(19,682)	(14,617)
Total comprehensive income/(loss) for the period	**6,092**	**(115,266)**
Total comprehensive income/(loss) for the period attributable to:		
Owners of the parent	6,092	(114,742)
Non-controlling interests	-	(524)
	6,092	(115,266)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 April 2017

	AS AT 30.4.2017 Unaudited RM'000	AS AT 31.1.2017 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,729,218	4,609,661
Investment properties	27,007	29,931
Intangible assets	27,089	27,611
Investment in joint ventures	739,135	725,545
Investment in associates	3,035	2,599
Other receivables	7,234	10,165
Deferred tax assets	10,464	-
	5,543,182	**5,405,512**
Current assets		
Inventories	10,304	5,309
Trade and other receivables	182,908	94,302
Advances to joint ventures	41,836	64,253
Advances to associates	7,265	8,257
Other current assets	44,585	45,770
Tax recoverable	5,795	5,708
Other investment	19,156	27,296
Cash and bank balances	632,764	633,922
	944,613	**884,817**
TOTAL ASSETS	**6,487,795**	**6,290,329**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 April 2017

	AS AT 30.4.2017 Unaudited RM'000	AS AT 31.1.2017 Audited RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	1,099,462	1,099,462
Treasury shares	(12,633)	(12,633)
Foreign currency translation reserve	312,989	347,501
Cash flows hedge reserve	(121,713)	(102,031)
Share-based option reserve	719	304
Retained earnings	688,827	636,110
Equity attributable to owners of the parent	1,967,651	1,968,713
Perpetual securities of a subsidiary	437,460	437,460
Total equity	**2,405,111**	**2,406,173**
Non-current liabilities		
Loans and borrowings	3,181,350	3,170,819
Unfavourable contracts	20,828	26,563
Derivatives	121,713	102,031
Deferred tax liabilities	5,343	5,450
	3,329,234	**3,304,863**
Current liabilities		
Loans and borrowings	185,215	222,354
Trade and other payables	518,465	299,767
Unfavourable contracts	20,837	21,258
Derivatives	260	425
Tax payables	28,673	35,489
	753,450	**579,293**
Total liabilities	**4,082,684**	**3,884,156**
TOTAL EQUITY AND LIABILITIES	**6,487,795**	**6,290,329**
Net assets per share attributable to owners of the parent (RM)	**1.8006**	**1.8015**

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Three Months Period Ended 30 April 2017

	Attributable to owners of the parent												
	Share capital RM'000	Share premium	Treasury Shares RM'000	Foreign currency translation reserve RM'000	Reserves of disposal group classified as held for sale RM'000	Cash Flows Hedge reserve RM'000	Share-based option reserve RM'000	Available-for-sale reserve RM'000	Retained earnings RM'000	Total equity attributable to owners of the parent RM'000	Perpetual securities of a subsidiary RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 February 2016	546,399	553,063	-	207,953	7,125	(149,701)	-	-	649,235	1,814,074	437,460	1,850	2,253,384
Total comprehensive loss for the period	-	-	-	(122,501)	-	(14,617)	-	-	22,376	(114,742)	-	(524)	(115,266)
Accrued perpetual securities distributions by a subsidiary	-	-	-	-	-	-	-	-	(6,533)	(6,533)	-	-	(6,533)
Disposal of subsidiaries	-	-	-	3,015	(3,015)	-	-	-	-	-	-	-	-
Buy-back of shares by the Company	-	-	(2,129)	-	-	-	-	-	-	(2,129)	-	-	(2,129)
At 30 April 2016 (Unaudited)	**546,399**	**553,063**	**(2,129)**	**88,467**	**4,110**	**(164,318)**	**-**	**-**	**665,078**	**1,690,670**	**437,460**	**1,326**	**2,129,456**
At 1 February 2017	1,099,462	-	(12,633)	347,501	-	(102,031)	304	-	636,110	1,968,713	437,460	-	2,406,173
Total comprehensive income for the period	-	-	-	(34,512)	-	(19,682)	-	-	60,286	6,092	-	-	6,092
Accrued and paid perpetual securities distributions	-	-	-	-	-	-	-	-	(7,569)	(7,569)	-	-	(7,569)
Issuance of ESS	-	-	-	-	-	-	415	-	-	415	-	-	415
At 30 April 2017 (Unaudited)	**1,099,462**	**-**	**(12,633)**	**312,989**	**-**	**(121,713)**	**719**	**-**	**688,827**	**1,967,651**	**437,460**	**-**	**2,405,111**

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

YINSON HOLDINGS BERHAD (Company No. 259147-A)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The Three Months Period Ended 30 April 2017

	3 months ended	
	30.4.2017 Unaudited RM'000	**30.4.2016 Unaudited RM'000**
OPERATING ACTIVITIES		
Profit before tax from continuing operations	76,256	31,800
Profit before tax from discontinued operations	-	1,142
Profit before tax, total	76,256	32,942
Adjustments for:		
Amortisation and depreciation	29,689	27,289
Amortisation of unfavourable contracts	(5,315)	(4,849)
Unrealised loss on foreign exchange	15,009	15,799
Finance costs	6,565	11,885
Gain on disposal on other investment	-	(195)
Impairment loss on trade and other receivables	-	1,300
Property, plant and equipment written off	-	5
Fair value loss on investment properties	2,923	-
Fair value (gain)/loss on other investment	(186)	64
Reversal of write down of inventories	-	(576)
Share of results of joint ventures	(26,906)	(23,871)
Share of results of associates	(472)	(347)
Interest income	(1,180)	(911)
Operating cash flows before working capital changes	96,383	58,535
Receivables	(60,034)	52,323
Other current assets	1,184	26,572
Inventories	204	2,631
Payables	223,772	(157,492)
Cash flows from operations	261,509	(17,431)
Interest received	1,180	911
Interest paid	(6,565)	(12,801)
Tax paid	(22,295)	(13,399)
Net cash flows generated from/(used in) operating activities	**233,829**	**(42,720)**
INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	2
Proceeds from disposal of investment	8,000	15,732
Addition in investment	(50)	(203)
Addition in investment properties	-	(39)
Purchase of intangible assets	(804)	(2,102)
Purchase of property, plant and equipment	(243,762)	(340,222)
Withdrawal of fixed deposits for investment purpose	-	(262)
(Placement)/withdrawal of deposits pledged as security	(13,177)	24,693
Placement of short term investment	(3)	(3)
Net cash flows used in investing activities	**(249,796)**	**(302,404)**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For The Three Months Period Ended 30 April 2017

	3 months ended 30.4.2017 Unaudited RM'000	30.4.2016 Unaudited RM'000
FINANCING ACTIVITIES		
Advances from directors	-	195
Repayment of borrowings	(40,702)	(36,887)
Drawdown of term loans	139,238	522,843
Repayment of term loans	(64,600)	(37,349)
Repayment of obligations under finance leases	(76)	(1,549)
Perpetual securities distribution paid	(15,569)	(14,096)
Purchase of treasury shares	-	(2,129)
Net cash flows generated from financing activities	**18,291**	**431,028**
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,324	85,904
Effects of foreign exchange rate changes	(7,932)	(45,155)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	504,581	210,969
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	**498,973**	**251,718**

	As at 30.4.2017 RM'000	As at 30.4.2016 RM'000
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances		
- Continuing operations	632,764	434,126
- Discontinued operations	-	14,517
Bank overdrafts (included within short-term borrowings)		
- Continuing operations	(8,994)	(7,049)
- Discontinued operations	-	(2,025)
	623,770	439,569
Short term investment	(340)	(590)
Deposits pledged to banks	(124,457)	(187,261)
	498,973	**251,718**

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

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation

This unaudited condensed consolidated interim financial statements (Condensed Report) of Yinson Holdings Berhad (the “Group” or “YHB”) for the period ended 30 April 2017 have been prepared in accordance with *MFRS134: Interim Financial Reporting,* paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This Condensed Report also complies with *IAS34: Interim Financial Reporting* issued by the International Accounting Standards Board (“IASB”).

This Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 31 January 2017. The significant accounting policies and methods adopted for the Condensed Report are consistent with those adopted for the audited financial statements for the financial year ended 31 January 2017 except for the adoption of Amendments to Standards and Issue Committee (IC) Interpretations effective as of 1 January 2017.

- Annual improvements to MFRS/FRS 12 “Disclosures of Interests in Other Entities”
- Amendments to MRFS/FRS 107 “Statement of Cash Flows – Disclosure Initiative”
- Amendments to MFRS/FRS 112 "Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses"

MFRSs and Amendments to MFRSs issued but not yet effective

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

a) Effective for financial periods beginning on or after 1 January 2018

- Annual Improvements to MFRS/FRS 1 "First-time Adoption of Malaysian Financial Reporting Standards"
- Amendments to MFRS/FRS 2 "Classification and Measurement of Share-based Payment Transactions"
- Amendments to MFRS/FRS 4 “Applying MFRS/FRS 9 “Financial Instruments” with MFRS/FRS 4 “Insurance Contracts”
- Annual Improvements to MFRS/FRS 128 "Investments in Associates and Joint Ventures"
- Amendments to MFRS/FRS 140 "Clarification on 'Change in Use' - Assets transferred to or from Investment Properties"
- IC Interpretation 22 "Foreign Currency Transactions and Advance Consideration"
- MFRS/FRS 9 “Financial Instruments”
- MFRS 15 “Revenue from Contracts with Customer”

b) Effective for financial periods beginning on or after 1 January 2019

- MFRS 16: *Leases*

The Directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the year of initial application except for MFRS 9, MFRS 15 and MFRS 16. The adoption of these new standards may result in change in accounting policies for which the effect of adopting will be quantified when the standards are effective.

2. Seasonal or Cyclical Factors

The Group's operations were generally not affected by any material seasonal or cyclical factors.

3. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter ended 30 April 2017 except for a joint venture company, PTSC Asia Pacific Pte Ltd ("PTSC AP") has been served notice of termination for convenience on 31 March 2017 for its Bareboat Charter arrangement with PetroVietnam Technical Services Corporation ("PTSC") at Lam Son Field. The Bareboat Charter shall terminate at 2400 hours (Vietnam time) on 30 June 2017.

Notwithstanding the receipt of the termination notice, PTSC has informed PTSC AP that Vietnam Oil & Gas Group ("PetroVietnam"), the ultimate parent of PetroVietnam Exploration Production Corporation, the joint operator of Lam Son Field has the intention for the petroleum operations to continue at Lam Son Field.

4. Changes in Accounting Estimate

There were no material changes in accounting estimates during the period under review that would have a material effect that would substantially affect the results of the Group.

5. Changes in the Composition of the Group

There were no changes in the composition of the Group during the quarter ended 30 April 2017.

6. Segmental Information

For the Three Months Period Ended 30 April 2017

	Marine RM'000	Other Operations RM'000	Discontinued Operations RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
Gross revenue	179,125	14,462	-	-	193,587
Elimination	(7,064)	(14,110)	-	-	(21,174)
Net revenue	172,061	352	-	-	172,413
Results					
Segment results	65,280	(10,003)	-	-	55,277
Finance costs					(6,399)
Share of results of joint ventures					26,906
Share of results of associates					472
Income tax expense					(15,970)
Profit after tax from continuing operations					60,286

For the Three Months Period Ended 30 April 2016

	Marine RM'000	Other Operations RM'000	Discontinued Operations RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
Gross revenue	123,705	3,077	96,108	(107,492)	115,398
Elimination	(8,368)	(3,016)	(123)	11,507	-
Net revenue	115,337	61	95,985	(95,985)	115,398
Results					
Segment results	31,175	(15,827)	5,261	(5,261)	15,348
Finance costs					(7,380)
Share of results of joint ventures					23,871
Share of results of associates					(39)
Income tax expense					(11,098)
Profit after tax from continuing operations					20,702

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

Continuing operations

a) The marine segment consists of leasing of vessels and marine related services.
b) Other operations mainly consist of investment, management services and treasury services.

Discontinued operations include the following segments:

a) The transport segment consists of the provision of trucking services.
b) The trading segment consists of trading activities mainly in the construction related materials.
c) Other discontinued operations consist of provision of warehouses and rental from investment properties

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

6. **Segmental Information (continued)**

<u>Marine</u>

Revenue from marine segment for the period under review has increased by RM56.72 million to RM172.06 million as compared to RM115.34 million in the corresponding prior period ended 30 April 2016. The increase arose mainly from higher marine business and the stronger US Dollar had resulted in the higher revenue on translation into Ringgit. The segment results increased by RM34.11 million mainly due to profit contribution from higher recorded revenue and lower net unfavourable foreign exchange difference of RM3.03 million.

<u>Other Operations</u>

The segment loss of other operations has reduced by RM5.82 million to RM10.00 million as compared to RM15.82 million in the corresponding prior period ended 30 April 2016. The reduction in loss was mainly attributable to lower net unfavorable foreign exchange movement of RM7.05 million but was set-off by impairment loss on investment properties of RM2.92 million.

<u>Discontinued Operations</u>

Discontinued operations have ceased contributing to the Group upon completion of the divestment exercise on non-oil & gas subsidiaries since July 2016.

<u>Results of Joint Ventures and Associates</u>

The share of the results of joint ventures has increased by RM3.04 million to profit of RM26.91 million for the period ended 30 April 2017 as compared to RM23.87 million for the corresponding prior period ended 30 April 2016 mainly due to favorable conversion on appreciation of USD against RM.

The share of results of associates has increased to profit of RM0.47 million for the period ended 30 April 2017 compared to a loss of RM0.04 million for the period ended 30 April 2016 due to improved profitability.

<u>Consolidated profit after tax</u>

For the current year under review, the Group’s profit after tax has increased by RM39.59 million or 191.26% to RM60.29 million as compared to RM20.70 million for the corresponding prior period ended 30 April 2016. The improvement was mainly attributable to the profit contribution from higher recorded revenue from marine business, lower net unfavorable foreign exchange movement of RM10.17 million and higher contribution from joint ventures & associates of RM3.55 million. The improvements were primarily set-off by impairment loss on investment properties of RM2.92 million and higher tax expenses of RM4.87 million.

7. Profit Before Tax

Included in the profit before tax are the following items:

	Current and cumulative quarter 3 months ended	
	30.4.2017 Unaudited RM'000	30.4.2016 Unaudited RM'000
Interest income	(1,180)	(911)
Other income including investment income	(2,801)	(2,321)
Bad debts recovered	-	(194)
Finance costs	6,565	11,885
Depreciation of property, plant and equipment	28,690	26,836
Amortisation of intangible assets	999	453
Amortisation of unfavourable contracts	(5,315)	(4,849)
Gain on disposal on other investment	-	(195)
Impairment loss on trade and other receivables	-	1,300
Fair value loss on investment properties	2,923	-
Property, plant and equipment written off	-	5
(Gain)/loss on foreign exchange - realised	(7,819)	1,559
Loss on foreign exchange - unrealised	15,009	15,799
Net fair value (gain)/loss on other investment	(186)	64
Reversal of write down of inventories	-	(576)

8. Income Tax Expense

The income tax expense figures consist of:

	Current and cumulative quarter 3 months ended	
	30.4.2017 Unaudited RM'000	30.4.2016 Unaudited RM'000
Continuing operations		
Current income tax	15,970	13,757
Deferred income tax	-	(2,659)
	15,970	11,098
Income tax attributable to discontinued operations	-	(147)
Total income tax expense	**15,970**	**10,951**

The effective tax rate of continuing operations for the period ended 30 April 2017 is lower than the statutory tax rate in Malaysia due to certain income of subsidiaries are not subject to taxation and certain income of subsidiaries are subject to lower tax rates.

9. Earnings Per Share

(a) Basic

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

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

	Current and cumulative quarter 3 months ended	
	30.4.2017 Unaudited	30.4.2016 Unaudited
Profit net of tax attributable to owners of the parent used in the computation of EPS (RM'000)	60,286	22,376
Weighted average number of ordinary shares in issue ('000)	1,088,191	1,092,041
Basic earnings per share (sen)	5.54	2.05

9. Earnings Per Share (continued)

(b) **Diluted**

Diluted earnings per share are calculated by dividing the Group's profit for the financial period attributable to owners of the Company (adjusted for interest income, net of tax, earned on the proceeds arising from the conversion of the Employee Share Scheme ("ESS") options) ("Adjusted profit") by the weighted average number of ordinary shares as adjusted for the basic EPS and includes all potential dilutive shares arising from the ESS options granted by the reporting date, as if the options had been exercised on the first day of the financial year or the date of the grant, if later.

	Current and cumulative quarter 3 months ended	
	30.4.2017 Unaudited	**30.4.2016 Unaudited**
Adjusted profit net of tax attributable to owners of the parent used in the computation of EPS (RM'000)	60,366	22,376
Weighted average number of ordinary shares in issue ('000)	1,088,191	1,092,041
Adjustments for ESS ('000)	4,000	-
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,092,191	1,092,041
Diluted earnings per share (sen)	5.53	2.05

10. Acquisitions and disposals of property, plant and equipment

During the current period under review, the Group acquired property, plant and equipment ("PPE") with aggregate cost of RM243.76 million (30 April 2016: RM341.41 million).

11. Fair Value Hierarchy

The Group uses the following hierarchy for determining the fair value of the financial instruments carried at fair value:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

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

As at reporting date, the carrying amounts of marketable securities were measured using Level 1 method of hierarchy and interest rate swap were measured by using Level 2 method in the hierarchy in determining their fair value.

12. **Debt and Equity Securities**

There were no issuances, repayment of debts, share cancellations and resale of treasury shares during the current financial period under review.

13. **Interest-bearing Loans and Borrowings**

The Group's total borrowings as at 30 April 2017 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	132,548	52,667	185,215
Long term borrowings	3,177,009	4,341	3,181,350
Total borrowings	3,309,557	57,008	3,366,565

Except for the borrowings of RM3,104.19 million denominated in United States Dollar, all other borrowings are denominated in Ringgit Malaysia.

14. **Dividend Paid**

No interim dividend has been paid for the current quarter under review.

15. **Capital Commitments**

As at 30 April 2017, the capital commitment for property, plant and equipment not provided for in the interim condensed financial statements is as follows:

- approved and contracted for – RM289.76 million
- approved but not contracted for – RM82.05 million

16. **Changes in Contingent Liabilities and Contingent Assets**

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

17. **Event After the Reporting Date**

There was no material event after the end of the current quarter except for:

i). YHB incorporated a wholly-owned subsidiary, Yinson Juniper Ltd ("YJL"), a company incorporated in British Virgin Islands on 29 May 2017. The principal activities of YJL are to procure capital and funding for companies within its group, investment holding and provision of financial and treasury management services to companies within its group.

ii). YHB had on 6 June 2017 increased its investment in Regulus Offshore Sdn Bhd ("ROSB") from 49% to 70% by acquiring 21,000 ordinary shares representing 21% of the issued share capital of ROSB for a total consideration of RM469,461 ("the Acquisition"). Subsequent to the Acquisition, ROSB became a 70% owned subsidiary of YHB.

18. Related Party Disclosures

Significant related party transactions are as follows:

	Current and cumulative quarter 3 months ended	
	30.4.2017 RM'000	30.4.2016 RM'000
With companies substantially owned by Directors, Lim Han Weng and Bah Kim Lian		
Rental income from Yinson Tyres Sdn Bhd	-	15
Transport income from Liannex Corporation (S) Pte Ltd	-	439
Transport income from Liannex Corporation Sdn Bhd	-	145
Barge income from Kargo indera Sdn Bhd	-	671
Purchases from Yinson Tyres Sdn Bhd	-	758
Management fee income from Liannex Corporation (S) Pte Ltd	250	-
With Joint Ventures		
Interest income from PTSC South East Asia Pte Ltd	405	474
Interest income from PTSC Asia Pacific Pte Ltd	12	28
Management fee income from Anteros Rainbow Offshore Pte Ltd	-	58
With Associates		
Ship management fee to Regulus Offshore Sdn Bhd	636	231
Purchase from Regulus Offshore Sdn Bhd	1,048	1,274
Rental income from Yinson Energy Sdn Bhd	20	-
Management fee income from Regulus Offshore Sdn Bhd	10	-
Marine chartering income from Regulus Offshore Sdn Bhd	2,421	-
Consultancy fee to Yinson Energy Sdn Bhd	562	553
Interest income from Yinson Energy Sdn Bhd	3	2
Interest income from Regulus Offshore Sdn Bhd	17	-

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

19. Performance Review

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

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

	Quarter ended		
	30.4.2017 RM'000	31.1.2017 RM'000	%+/(-)
Continuing operations			
Revenue	172,413	185,468	-7%
Direct expenses	(89,632)	(85,980)	4%
Gross profit	82,781	99,488	-17%
Other operating income	11,986	(13,983)	186%
Administrative expenses	(39,490)	(56,229)	-30%
Profit from operations	55,277	29,276	89%
Finance costs	(6,399)	(8,669)	-26%
Share of results of joint ventures	26,906	8,903	202%
Share of results of associates	472	773	-39%
Profit before tax from continuing operations	76,256	30,283	152%
Income tax expense	(15,970)	20,918	176%
Profit after tax from continuing operations	60,286	51,201	18%

The Group's profit before tax from continuing operations for the 1st quarter of current financial year has increased by 151.85% or RM45.98 million to RM76.26 million as compared to the RM30.28 million in the preceding quarter. The improvement was mainly due to absence of impairment loss on receivables of RM19.44 million, absence of property, plant and equipment written off of RM2.34 million, absence of impairment loss on property, plant and equipment of RM9.60 million, absence of reversal effect in previous quarter resulted in relatively higher other income accrued for reimbursable income tax expenses of RM45.35 million and improved contribution from joint ventures of RM18.00 million on absence of the sharing of impairment loss in property, plant & equipment. Improvements were primarily set-off by lower profit contribution on decreased revenue, impairment loss on investment properties of RM2.92 million and net unfavorable foreign exchange movement of RM28.10 million.

21. Commentary on Prospects

The short-term to medium-term outlook in the oil and gas sector remains challenging and uncertain due to protracted oversupply. Overall global economic conditions remain challenging, with higher downside risks. Moving forward, global economic activity is expected to remain subdued despite unprecedented easing of monetary conditions in major economies. Amid the challenging global economic environment and the volatility of other currencies against USD, the Group shall strive to achieve satisfactory results for the financial year ending 31 January 2018.

22. Profit Forecast

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

23. Status of Corporate Proposals

The corporate proposal announced but not completed as at the date of issue of the quarterly report is as follow:

<u>Contract award for Ca Rong Do Field development – Block 07/03 Offshore Vietnam ("Contract")</u>

On 26 April 2017, Yinson Clover Ltd ("YCL"), an indirect wholly-owned subsidiary of YHB had entered into the Contract with Talisman Vietnam 07/03 B.V. ("TLV"). As a requirement under the bid for the Contract, YCL had also on even date entered into a novation agreement with TLV and PetroVietnam Technical Services Corporation ("PTSC") for the novation of all rights and liabilities under the Contract to PTSC.

The Contract is a time charter contract comprising the bareboat scope of work ("Bareboat SOW") and operation and maintenance of the Floating Production Storage and Offloading ("FPSO"). It is the intention of PTSC and YCL to jointly undertake the execution and performance of the Bareboat SOW via a joint venture company ("JVC") to be held 51% by PTSC and 49% by YCL. Upon incorporation, the JVC will enter a bareboat charter contract with PTSC for the Bareboat SOW.

The FPSO is to be chartered on a time charter basis for a firm period of ten years ("Firm Charter Period") with five extension options of one year each exercisable by TLV upon completion of the Firm Charter Period. The estimated aggregate value of the bareboat charter is approximately USD1.00 billion (equivalent to approximately RM4.40 billion) for the entire fifteen-year charter inclusive of all five yearly extension options.

The Firm Charter Period is expected to commence from August 2019.

YCL had on 19 May 2017 entered into a consortium agreement with PTSC to jointly undertake the execution and performance of the Bareboat SOW.

24. Material Litigation

As at 30 April 2017, there was no material litigation against the Group since the last audited financial statements.

25. Dividend Payable

The Board of Directors recommends a final single-tier dividend of 2.0 sen per share for the financial year ended 31 January 2017. The proposed divided is subject to shareholders' approval at the forthcoming Annual General Meeting on 6 July 2017. The entitlement date for the final single-tier dividend has been fixed on 20 July 2017.

26. Derivatives

Details of derivative financial instruments outstanding as at 30 April 2017 are as follows: -

Types of derivatives	Contract / Notional Amount	Fair Value Liabilities
	RM'000	RM'000
Interest rate swaps		
More than 3 years	3,342,570	(121,973)

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

Interest rate swaps

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

i. contract amounting to RM347.28 million that receives floating interest at 3 months US$ LIBOR and pays fixed interest at 1.58% p.a.; and

ii. contracts amounting to RM2,995.29 million that receive floating interest at 3 months US$ LIBOR and pays fixed interest at 2.88% p.a.

The interest rate swaps have similar maturity terms as the term loans.

For item i, the interest rate swap has been classified as At Fair Value through Profit or Loss which is measured at fair value and the changes in fair value will be taken to profit or loss. As at 30 April 2017, the net fair value gain on interest rate swap derivative measured at fair value through profit and loss is RM0.17 million.

For item ii, the interest rate swaps have been classified as Cash Flows Hedge which is measured at fair value and the changes in fair value will be taken to cash flows hedge reserve. As at 30 April 2017, the net fair value loss on interest rate swap derivative measured at fair value through the reserve is RM19.68 million.

27. Realised and Unrealised Retained Earnings

The breakdown of the retained earnings of the Group as at 30 April 2017 into realised and unrealised is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 20 December 2010, and prepared in accordance with *Guidance on Special Matter No.1*, *Determination of Realised and Unrealised Profits or Losses* in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Current financial period ended 30.4.2017 RM'000	**Previous financial year ended 31.1.2017 RM'000**
Total retained earnings of the Company and its subsidiaries:		
- Realised	411,289	343,713
- Unrealised	(12,250)	22,116
	399,039	365,829
Total retained earnings from joint ventures - realised	311,310	284,404
Total retained earnings from associates - realised	3,190	2,718
Less: Consolidation adjustments	(24,712)	(16,841)
Total Group retained earnings as per consolidated financial statements	688,827	636,110

28. Auditors' Report on Preceding Annual Financial Statements

The Auditors' Report on the financial statements for the year ended 31 January 2017 was not qualified.

29. Authorised For Issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 19 June 2017.

YINSON HOLDINGS BERHAD
(259147 A)
(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements
31 January 2017

Yinson Holdings Berhad
(Incorporated in Malaysia)

Contents

Yinson Holdings Berhad
(Incorporated in Malaysia)

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 2017.

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 20 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

Financial results

	Group RM'000	Company RM'000
Profit from continuing operations, net of tax	194,473	145,963
Profit from discontinued operations, net of tax	2,282	-
Profit for the financial year	196,755	145,963
Attributable to:		
Owners of the parent	197,048	145,963
Non-controlling interests	(293)	-
	196,755	145,963

Dividends

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

	RM'000
In respect of the financial year ended 31 January 2016:	
Final single tier dividend of 2.0 sen per share, on 1,089,567,140 ordinary shares, paid on 29 August 2016	21,791
In respect of the financial year ended 31 January 2017:	
Single tier special dividend of 14.6 sen per share, on 1,089,567,140 ordinary shares, paid on 21 November 2016	159,077
	180,868

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. The current financial statements does not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 January 2018.

Yinson Holdings Berhad
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Directors' report (continued)

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

There were no new ordinary shares or debentures issued during the financial year.

Treasury shares

During the financial year ended 31 January 2017, the Company repurchased 4,607,200 of its issued share from open market on Bursa Malaysia Securities Berhad ("Bursa Malaysia") for total consideration paid, including transaction costs of RM12,632,862. The average price paid for the shares repurchased was approximately RM2.74 per share and was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance to Section 127(6) of the Companies Act 2016.

Details of the treasury shares are set out in Note 29 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 Employees' Share Scheme ("ESS"). Subsequently, the Company issued its first offer of option a total of 4,000,000 options on 23 December 2016 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 in 3 tranches upon fulfilling the vesting condition and shall expire on 2 November 2020.

No options for unissued share are exercisable during the financial year.

The salient features and other terms of the ESS are disclosed in Note 30 to the financial statements.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Directors' report (continued)

Employees' Share Scheme (continued)

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

	Number of options over unissued ordinary shares			
	Outstanding as at 1.2.2016	Granted	Exercised	Outstanding as at 31.1.2017
Date of offer				
23 December 2016				
- first tranche	-	1,333,333	-	1,333,333
- second tranche	-	1,333,333	-	1,333,333
- third tranche	-	1,333,334	-	1,333,334
	-	4,000,000	-	4,000,000

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

Lim Han Weng	
Bah Kim Lian	
Lim Han Joeh	
Lim Chern Yuan	
Dato' Wee Hoe Soon @ Gooi Hoe Soon	(appointed on 11 Aug 2016)
Dato' Mohamad Nasir Bin AB Latif	(appointed on 11 Aug 2016)
Datuk Raja Zaharaton Binti Raja Zainal Abidin	(appointed on 11 Aug 2016)
Datuk Syed Zaid Bin Syed Jaffar Albar	(appointed on 19 Aug 2016)
Dato' Ir Adi Azmari Bin B.K. Koya Moideen Kutty	(resigned on 19 Aug 2016)
Bah Koon Chye	(resigned on 11 Aug 2016)
Kam Chai Hong	(resigned on 11 Aug 2016)
Tuan Haji Hassan bin Ibrahim	(resigned on 11 Aug 2016)

Directors' benefits

During and at the end of the financial year, there was no subsist arrangements to which the Company is a party, being arrangements with the objects of enabling Directors of the Company 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.

Yinson Holdings Berhad
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Directors' report (continued)

Directors' benefits (continued)

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 12 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 39 to the financial statements.

Directors' Remuneration

Details of Directors' remuneration are set out in Note 12 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 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 are as follows:

	Number of ordinary shares			
	1.2.2016	**Acquired**	**Sold**	**31.1.2017**
Shares in the Company				
Direct interest:				
Lim Han Weng	227,601,000	-	-	227,601,000
Bah Kim Lian	91,077,600	-	-	91,077,600
Lim Han Joeh	41,310,376	-	-	41,310,376
Lim Chern Yuan	61,200	-	-	61,200
Dato' Wee Hoe Soon @ Gooi Hoe Soon (+)	6,127,220	-	-	6,127,220
Indirect interest:				
Lim Han Weng (1)	138,912,400	-	-	138,912,400
Bah Kim Lian (2)	229,890,200	-	-	229,890,200

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

(2) Indirect interest held through her spouse and children

(+) Appointed on 11 August 2016

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Directors' report (continued)

Directors' interests (continued)

	Number of options over unissued ordinary shares			
	1.2.2016	**Granted**	**Exercised**	**31.1.2017**
Share options in the Company				
Direct interest:				
Lim Han Weng	-	320,000	-	320,000
Lim Chern Yuan	-	280,000	-	280,000
Indirect interest:				
Lim Han Weng [1]	-	460,000	-	460,000
Bah Kim Lian [2]	-	780,000	-	780,000

[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.

Other than as disclosed above, according to the register of Directors' shareholdings, the Directors in office at the end of the financial year did not hold any interest in shares and options over unissued shares in the Company or shares, options over unissued shares and debentures of its related corporations during the financial year.

Statutory information on the financial statements

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.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Directors' report (continued)

Statutory information on the financial statements (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) there are no charges 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) there are no contingent liabilities in the Group and in the Company which have arisen since the end of the financial year.

No contingent or other liability 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 Group or of the Company 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 which would render any amount stated in the financial statements of the Group and of the Company misleading.

In the opinion of the Directors:

(a) the results of the Group’s and the Company’s operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than disclosed in the financial statements under Note 9 and Note 10; 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.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Directors' report (continued)

Subsidiaries

Details of subsidiaries are set out in Note 20 to the financial statements.

Auditors' Remuneration

Details of auditors' remuneration are set out in Note 10 to the financial statements.

Auditors

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

This report was approved by the Board of Directors on 3 April 2017. Signed on behalf of the Board of Directors:

Lim Han Weng
Director

Bah Kim Lian
Director

Yinson Holdings Berhad
(Incorporated in Malaysia)

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 9 to 132 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2017 and of their financial performance and the cash flows for the year then ended.

The information set out in Note 50 to the financial statements on page 133 have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board of Directors in accordance with a resolution dated 3 April 2017.

Lim Han Weng
Director

Bah Kim Lian
Director

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

I, Tan Fang Fing, 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 9 to 133 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 Tan Fang Fing)
at Johor Bahru in the State of Johor)
on 3 April 2017)

Tan Fang Fing

Before me,

Commission for Oaths

PESURUHJAYA SUMPAH
No: J246
LAU LAY SUNG
MALAYSIA

#03-08, Level 3, Wisma SP Setia,
Jalan Indah 15, Taman Bukit Indah,
81200 Johor Bahru, Johor.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Income statements
For the financial year ended 31 January 2017

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Continuing operations					
Revenue	7	543,255	424,398	130,766	28,007
Cost of sales	8	(271,355)	(261,519)	-	-
Gross profit		271,900	162,879	130,766	28,007
Other items of income					
Interest income		5,761	4,015	36,079	33,284
Other income	9	7,439	164,187	39,584	66,479
Other items of expenses					
Administrative expenses	10	(122,937)	(91,521)	(31,126)	(38,903)
Finance costs	13	(32,314)	(40,514)	(29,136)	(28,809)
Share of results of joint ventures		82,457	92,165	-	-
Share of results of associates		873	1,549	-	-
Profit before tax		213,179	292,760	146,167	60,058
Income tax expense	14	(18,706)	(77,710)	(204)	(171)
Profit for the financial year from continuing operations		194,473	215,050	145,963	59,887
Discontinued operations					
Profit for the financial year from discontinued operations	47	2,282	771	-	-
Profit for the financial year		196,755	215,821	145,963	59,887
Attributable to:					
Owners of the parent		197,048	224,663	145,963	59,887
Non-controlling interests		(293)	(8,842)	-	-
		196,755	215,821	145,963	59,887
Earnings per share (EPS) attributable to owners of the parent (sen per share)					
EPS of the Group					
Basic	15(a)	18.1	21.1		
Diluted	15(b)	18.1	N/A		
Continuing operations					
Basic EPS	15(a)	17.8	21.1		
Diluted EPS	15(b)	17.8	N/A		
Discontinued operations					
Basic EPS	15(a)	0.3	**		
Diluted EPS	15(b)	0.3	N/A		

** Represents 0.02 sen per share

The notes on pages 19 to 132 are an integral part of these consolidated financial statements.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Statements of comprehensive income
For the financial year ended 31 January 2017

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit for the financial year	196,755	215,821	145,963	59,887
Other comprehensive income/(expenses):				
Items that will be reclassified subsequently to profit or loss:				
- Cash flows hedge reserve	47,670	(149,701)	-	-
- Exchange differences on translation of foreign operations	141,940	143,111	-	-
- Transfer from held for sale reserve following the disposal of subsidiaries and associate	(9,575)	-	-	-
- Net fair value loss on available-for-sale financial assets	-	(7,272)	-	-
- Reclassification of cumulative loss of AFS reserve recognised as impairment loss to profit or loss	-	18,622	-	-
Other comprehensive income for the financial year	180,035	4,760	-	-
Total comprehensive income for the financial year	376,790	220,581	145,963	59,887
Attributable to:				
Owners of the parent	377,141	227,823	145,963	59,887
Non-controlling interests	(351)	(7,242)	-	-
	376,790	220,581	145,963	59,887

The notes on pages 19 to 132 are an integral part of these consolidated financial statements.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Statements of financial position
As at 31 January 2017

		Group		Company	
		2017	**2016**	**2017**	**2016**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Assets					
Non-current assets					
Property, plant and equipment	17	4,609,661	2,997,573	1,286	1,652
Investment properties	18	29,931	-	-	-
Intangible assets	19	27,611	22,540	10,746	7,694
Investment in subsidiaries	20	-	-	793,390	793,390
Investment in joint ventures	21	725,545	598,263	200,445	200,445
Investment in associates	22	2,599	2,039	79	79
Other receivables	25	10,165	9,417	417,605	504,627
		5,405,512	3,629,832	1,423,551	1,507,887
Current assets					
Inventories	24	5,309	3,585	-	-
Trade and other receivables	25	166,812	223,010	220,555	124,396
Other current assets	26	45,770	13,438	1,531	903
Tax recoverable		5,708	3,486	307	313
Other investments	23	27,296	76,916	-	-
Cash and bank balances	27	633,922	416,187	7,490	39,940
		884,817	736,622	229,883	165,552
Assets of disposal group classified as held for sale	47	-	473,356	-	154,182
		884,817	1,209,978	229,883	319,734
Total assets		6,290,329	4,839,810	1,653,434	1,827,621

Yinson Holdings Berhad
(Incorporated in Malaysia)

Statements of financial position
As at 31 January 2017 (continued)

		Group		Company	
		2017	**2016**	**2017**	**2016**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Equity and liabilities					
Equity					
Share capital	28	1,099,462	546,399	1,099,462	546,399
Share premium		-	553,063	-	553,063
Treasury shares	29	(12,633)	-	(12,633)	-
Reserves	31	245,774	65,377	304	-
Retained earnings	32	636,110	649,235	155,655	190,560
Equity attributable to owners of the parent		1,968,713	1,814,074	1,242,788	1,290,022
Perpetual securities issued by a subsidiary	46	437,460	437,460	-	-
Non-controlling interests		-	1,850	-	-
Total equity		2,406,173	2,253,384	1,242,788	1,290,022
Non-current liabilities					
Loans and borrowings	33	3,170,819	1,446,630	278	22,853
Unfavourable contracts	35	26,563	44,860	-	-
Other payables	37	-	-	353,507	418,019
Derivatives	38(b)	102,031	149,701	-	-
Deferred tax liabilities	36(b)	5,450	26,773	-	-
		3,304,863	1,667,964	353,785	440,872
Current liabilities					
Loans and borrowings	33	222,354	207,521	44,729	54,762
Unfavourable contracts	35	21,258	19,942	-	-
Trade and other payables	37	299,767	422,153	12,132	41,965
Derivatives	38(a)	425	6,177	-	-
Tax payables	36(a)	35,489	34,170	-	-
		579,293	689,963	56,861	96,727
Liabilities directly associated with the disposal group classified as held for sale	47	-	228,499	-	-
		579,293	918,462	56,861	96,727
Total liabilities		3,884,156	2,586,426	410,646	537,599
Total equity and liabilities		6,290,329	4,839,810	1,653,434	1,827,621

The notes on pages 19 to 132 are an integral part of these consolidated financial statements.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Statements of changes in equity
For the financial year ended 31 January 2017

	Attributable to owners of the parent												
Group	Share capital RM'000 (Note 28)	Share premium RM'000 (Note 28)	Treasury share RM'000 (Note 29)	Foreign currency translation reserve RM'000 (Note 31 (a))	Held for sale reserve RM'000	Cash flows hedge reserve RM'000 (Note 31 (c))	Available-for-sale reserve RM'000 (Note 31 (b))	Share-based option reserve RM'000 (Note 31 (d))	Retained earnings RM'000 (Note 32)	Total RM'000	Perpetual securities of a subsidiary RM'000 (Note 46)	Non-controlling interests RM'000	Total equity RM'000
2017													
As at 1 February 2016	546,399	553,063	-	207,953	7,125	(149,701)	-	-	649,235	1,814,074	437,460	1,850	2,253,384
Discontinued operations	-	-	-	(2,450)	2,450	-	-	-	-	-	-	-	-
Profit for the financial year	-	-	-	-	-	-	-	-	197,048	197,048	-	(293)	196,755
Other comprehensive income	-	-	-	141,998	(9,575)	47,670	-	-	-	180,093	-	(58)	180,035
Total comprehensive income	-	-	-	139,548	(7,125)	47,670	-	-	197,048	377,141	-	(351)	376,790
Transactions with owners													
Cash dividends (Note 16)	-	-	-	-	-	-	-	-	(180,868)	(180,868)	-	-	(180,868)
Accrued perpetual securities distribution by a subsidiary	-	-	-	-	-	-	-	-	(29,305)	(29,305)	-	-	(29,305)
Purchase of treasury shares	-	-	(12,633)	-	-	-	-	-	-	(12,633)	-	-	(12,633)
Issuance of ESS	-	-	-	-	-	-	-	304	-	304	-	-	304
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,499)	(1,499)
Total transactions with owners	-	-	(12,633)	-	-	-	-	304	(210,173)	(222,502)	-	(1,499)	(224,001)
Transition to no-par value regime ^	553,063	(553,063)	-	-	-	-	-	-	-	-	-	-	-
At 31 January 2017	1,099,462	-	(12,633)	347,501	-	(102,031)	-	304	636,110	1,968,713	437,460	-	2,406,173

^ Refer to Note 28 for details.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Statements of changes in equity
For the financial year ended 31 January 2017 (continued)

Group	Share capital RM'000 (Note 28)	Share premium RM'000 (Note 28)	Treasury share RM'000 (Note 29)	Foreign currency translation reserve RM'000 (Note 31 (a))	Held for sale reserve RM'000	Cash flows hedge reserve RM'000 (Note 31 (c))	Available-for-sale reserve RM'000 (Note 31 (b))	Share-based option reserve RM'000 (Note 31 (d))	Retained earnings RM'000 (Note 32)	Total RM'000	Perpetual securities of a subsidiary RM'000 (Note 46)	Non-controlling interests RM'000	Total equity RM'000
	Attributable to owners of the parent												
2016													
At 1 February 2015	516,399	417,163		73,567	-	-	(11,350)	-	454,731	1,450,510	-	8,999	1,459,509
Discontinued operations	-	-	-	(7,125)	7,125	-	-	-	-	-	-	-	-
Profit for the financial year	-	-	-	-	-	-	-	-	224,663	224,663	-	(8,842)	215,821
Other comprehensive income	-	-	-	141,511	-	(149,701)	11,350	-	-	3,160	-	1,600	4,760
Total comprehensive income	-	-	-	134,386	7,125	(149,701)	11,350	-	224,663	227,823	-	(7,242)	220,581
Transactions with owners													
Cash dividend (Note 16)	-	-	-	-	-	-	-	-	(16,392)	(16,392)	-	-	(16,392)
Acquisitions of non-controlling interests	-	-	-	-	-	-	-	-	(3,517)	(3,517)	-	93	(3,424)
Issue of perpetual securities by a subsidiary	-	-	-	-	-	-	-	-	-	-	437,460	-	437,460
Accrued perpetual securities distribution by a subsidiary	-	-	-					-	(10,250)	(10,250)	-	-	- (10,250)
Issue of share capital	30,000	139,800	-	-	-	-	-	-	-	169,800	-	-	169,800
Share issuance expenses	-	(3,900)	-	-	-	-	-	-	-	(3,900)	-	-	(3,900)
Total transactions with owners	30,000	135,900	-	-	-	-	-	-	(30,159)	135,741	437,460	93	573,294
At 31 January 2016	546,399	553,063	-	207,953	7,125	(149,701)	-	-	649,235	1,814,074	437,460	1,850	2,253,384

The notes on pages 19 to 132 are an integral part of these consolidated financial statements.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Statements of changes in equity
For the financial year ended 31 January 2017 (continued)

Company	Share capital RM'000 (Note 28)	Share premium RM'000 (Note 28)	Treasury share RM'000 (Note 29)	Share-based option reserve RM'000 (Note 31 (d))	Retained earnings RM'000 (Note 32)	Total equity RM'000
2017						
As at 1 February 2016	546,399	553,063	-	-	190,560	1,290,022
Total comprehensive income	-	-	-	-	145,963	145,963
Transactions with owners						
Cash dividends (Note 16)	-	-	-	-	(180,868)	(180,868)
Purchase of treasury shares	-	-	(12,633)	-	-	(12,633)
Issuance of ESS	-	-	-	304	-	304
Total transactions with owners	-	-	(12,633)	304	(180,868)	(193,197)
Transition to no-par value regime ^	553,063	(553,063)	-	-	-	-
At 31 January 2017	1,099,462	-	(12,633)	304	155,655	1,242,788
2016						
As at 1 February 2015	516,399	417,163	-	-	147,065	1,080,627
Total comprehensive income	-	-	-	-	59,887	59,887
Transactions with owners						
Cash dividend (Note 16)	-	-	-	-	(16,392)	(16,392)
Issue of share capital	30,000	139,800	-	-	-	169,800
Share issuance expenses	-	(3,900)	-	-	-	(3,900)
Total transactions with owners	30,000	135,900	-	-	(16,392)	149,508
At 31 January 2016	546,399	553,063	-	-	190,560	1,290,022

^ Refer to Note 28 for details.

The notes on pages 19 to 132 are an integral part of these consolidated financial statements.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Statements of cash flows
For the financial year ended 31 January 2017

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Operating activities				
Profit before tax from continuing operations	213,179	292,760	146,167	60,058
Profit before tax from discontinued operations	2,889	3,266	-	-
Profit before tax	216,068	296,026	146,167	60,058
Adjustments for:				
Amortisation of land use rights and depreciation of property, plant and equipment	108,389	109,790	499	495
Amortisation of intangible assets	2,611	1,117	1,240	518
Amortisation of favourable contracts	-	6,841	-	-
Amortisation of unfavourable contracts	(19,938)	(19,047)	-	-
Impairment loss on investment in a subsidiary	-	-	-	8,297
Impairment loss on:				
- trade receivables	8,880	6,950	-	-
- other receivables	23,469	321	-	-
Reversal of impairment loss on trade receivables	-	(6,194)	-	-
Impairment loss on plant and equipment	11,630	20,983	-	-
Impairment loss on available-for-sale financial assets	-	18,622	-	-
(Reversal of)/write down of inventories	(577)	2,177	-	-
Inventory written off	-	5,843	-	-
Net unrealised gain on foreign exchange	(26,953)	(98,997)	(28,451)	(55,928)
Finance costs	45,118	46,919	29,136	28,809
Loss on derivatives upon settlement	-	8,153	-	-
Fair value loss/(gain) on:				
- investment properties	-	1,321	-	-
- other investments	857	(25)	-	-
- derivatives	-	5,963	-	-
Loss on disposal of property, plant and equipment	-	1,029	-	-
Plant and equipment written off	2,387	9	2	-
Write off of debt owing by an associate	-	1,589	-	1,589
Loss/(gain) on disposal of subsidiaries and associate	3,511	-	(5,183)	-
Gain on disposal of other investments	(784)	-	-	-
Share of results of joint ventures	(82,457)	(92,165)	-	-
Share of results of associates	(1,529)	(4,314)	-	-
Dividend income	-	-	(103,754)	-
Interest income	(5,927)	(4,111)	(36,079)	(33,284)
Operating cash flows before working capital changes - carried forward	284,755	308,800	3,577	10,554

Yinson Holdings Berhad
(Incorporated in Malaysia)

Statements of cash flows
For the financial year ended 31 January 2017 (continued)

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Operating cash flows before working capital changes - brought forward	284,755	308,800	3,577	10,554
Receivables	64,543	(126,734)	49,801	65,061
Other current assets	(48,756)	(6,149)	-	(220)
Inventories	249	14,238	-	-
Payables	(271,180)	(8,421)	1,006	20,002
Cash flows from operations	29,611	181,734	54,384	95,397
Interest received	5,927	4,111	36,079	33,284
Interest paid	(45,118)	(46,919)	(29,112)	(28,809)
Taxes paid	(44,716)	(40,738)	(204)	(1,024)
Net cash flows from operating activities	(54,296)	98,188	61,147	98,848
Investing activities				
Dividend received	-	-	50,168	-
Advances from/(to) subsidiaries	-	-	(57,623)	388,597
Advances to joint ventures	-	-	(1,859)	(10,169)
Advances from/(to) associates	-	-	334	(997)
Investment in subsidiaries	-	-	-	(602,657)
Investment in joint ventures	-	(97,926)	-	-
Investment in associates	2,246	(7)	-	-
Proceeds from disposal of property, plant and equipment	3,310	833	-	-
Proceeds from disposal of other investments	61,626	-	-	-
Proceeds from disposal of subsidiaries (Note 47)	136,087	-	159,366	-
Addition in other investments	(10,955)	-	-	-
Addition in investment properties	(29,969)	(5,903)	-	-
Purchase of intangible assets	(6,798)	(12,599)	(4,292)	(8,205)
Purchase of property, plant and equipment	(1,348,703)	(1,544,487)	(135)	(121)
Withdrawal of fixed deposits for investment purposes	-	8,550	-	-
Withdrawal/(placement) of fixed deposits pledged as security	104,631	(141,858)	1,914	(323)
Placement of short term investment	(12)	(75,010)	(12)	(12)
Net cash flows (used in)/generated from investing activities	(1,088,537)	(1,868,407)	147,861	(233,887)

Yinson Holdings Berhad
(Incorporated in Malaysia)

Statements of cash flows
For the financial year ended 31 January 2017 (continued)

	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Financing activities				
(Repayment to)/Advances from directors	(19,170)	19,340	(19,170)	19,340
Dividends paid	(180,868)	(16,392)	(180,868)	(16,392)
Drawdown of loans and borrowings	2,033,982	1,469,144	-	-
Repayment of loans and borrowings	(487,886)	(493,396)	(26,814)	(5,749)
Repayment finance leases obligations	(4,197)	(6,800)	(185)	(176)
Proceed from settlement of derivatives	-	22,364	-	-
Proceeds from issuance of perpetual securities	-	437,460	-	-
Perpetual securities distribution paid	(28,600)	-	-	-
Purchase of treasury shares	(12,633)	-	(12,633)	-
Proceeds from issuance of shares	-	169,800	-	169,800
Share issuance expenses	-	(3,900)	-	(3,900)
Acquisition of non-controlling interest	-	(3,424)	-	-
Net cash flows generated from/(used in) financing activities	1,300,628	1,594,196	(239,670)	162,923
Net increase/(decrease) in cash and cash equivalents	157,795	(176,023)	(30,662)	27,884
Effects of foreign exchange rate changes	135,817	112,397	113	82
Cash and cash equivalents at beginning of financial year	210,969	274,595	35,477	7,511
Cash and cash equivalents at end of financial year (Note 27)	504,581	210,969	4,928	35,477

The notes on pages 19 to 132 are an integral part of these consolidated financial statements.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Notes to the financial statements
For the financial year ended 31 January 2017

1. Corporate information

Yinson Holdings Berhad (the "Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at No. 25, Jalan Firma 2, Kawasan Perindustrian Tebrau IV, 81100 Johor Bahru, Johor Darul Takzim. The principal places of business are No. 25, Jalan Firma 2, Kawasan Perindustrian Tebrau IV, 81100 Johor Bahru, Johor Darul Takzim and Suite 12.01 Level 12, Menara IGB, Mid Valley City, Lingkaran Syed Putra, 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 20 to the financial statements. There have been no significant changes in the nature of these principal 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.

2.1 Basis of preparation

The financial statements of the Group and 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 judgment in the process of applying the Group and Company’s accounting policies. Although these estimates and judgment are based on the Directors’ best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 6.

2.2 Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 January 2017. 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 of 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 statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

2.2 Consolidation (continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. 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.

3. Summary of significant accounting policies

3.1 Business combinations and goodwill

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

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

3. Summary of significant accounting policies (continued)

3.1 Business combinations and goodwill (continued)

When the Group acquires a business, it assesses the financial assets 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 3.29 for the accounting policy.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and 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 139 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in either profit or loss or as a change to OCI. If the contingent consideration is not within the scope of MFRS 139, 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 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 assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

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

3. Summary of significant accounting policies (continued)

3.1 Business combinations and goodwill (continued)

Where goodwill has been allocated to a cash-generating unit 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 cash-generating unit retained.

3.2 Investment in subsidiaries, associates and joint ventures

(a) Subsidiaries

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

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

(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 and generally accompanying a shareholding of between 20% and 50% of the voting rights.

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

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

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

3. Summary of significant accounting policies (continued)

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

(b) Associates and joint ventures (continued)

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

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

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

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

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

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.

3. Summary of significant accounting policies (continued)

3.3 Current versus non-current classification

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

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

(ii) Held primarily for the purpose of trading;

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

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

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

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

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

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

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

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

3.4 Fair value measurement

The Group measures financial instruments, such as, derivatives, and non-financial assets such as investment properties, at fair value at each statement of financial position 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.

3. Summary of significant accounting policies (continued)

3.4 Fair value measurement (continued)

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 both recurring fair value measurement, such as investment properties and unquoted AFS financial assets.

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

3. Summary of significant accounting policies (continued)

3.4 Fair value measurement (continued)

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.

3.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks.

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

(a) Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

(b) Rendering of services

Revenue from rendering services is recognised upon services rendered. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

3. Summary of significant accounting policies (continued)

3.5 Revenue recognition (continued)

(c) Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

(d) Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the income statement according to its operating nature.

(e) Vessel charter fees

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

3.6 Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract is recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Variations in contract work, claims and incentive payments are included in contract revenue to the extent agreed with the customer and are capable of being reliably measured.

The Group uses the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the financial year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

3. Summary of significant accounting policies (continued)

3.6 Construction contracts (continued)

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within 'trade and other receivables'. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

3.7 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 income statement. 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 for financial reporting purposes at the reporting date.

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

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

3. Summary of significant accounting policies (continued)

3.7 Taxes (continued)

(b) Deferred tax (continued)

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

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

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

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

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.

3. Summary of significant accounting policies (continued)

3.7 Taxes (continued)

(b) Deferred tax (continued)

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.

(c) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

(i) Where the amount of GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(ii) Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3.8 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.

3. Summary of significant accounting policies (continued)

3.8 Foreign currencies (continued)

(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 other comprehensive income 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 other comprehensive income.

(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 other comprehensive income.

3. Summary of significant accounting policies (continued)

3.8 Foreign currencies (continued)

(c) Group companies (continued)

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

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 other comprehensive income.

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 other comprehensive income 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 other comprehensive income. 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.

3. Summary of significant accounting policies (continued)

3.9 Cash dividend and non-cash distribution to owners of the parent

The Company recognises a liability to make cash or non-cash distributions to owners of the parent 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.

3.10 Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. 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. 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. 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.

Assets under construction are not depreciated as these assets not yet available for use. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	50 to 60 years
Buildings	50 years
Electrical installation	5 years
Motor vehicles	10 years
Renovation, equipment, furniture and fittings	10 years
Tug boats, barges and boat equipment	10 years
Vessels	12 to 20 years

An item of property, plant and equipment and any significant part initially recognised 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 income statement when the asset is derecognised.

3. Summary of significant accounting policies (continued)

3.10 Property, plant and equipment (continued)

The 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.

3.11 Leases

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

(a) Group as a lessee

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. 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.

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.

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

(b) Group as a lessor

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 the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3. Summary of significant accounting policies (continued)

3.12 Borrowing costs

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

3.13 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions 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. Fair values are determined based on an annual valuation performed by an accredited independent valuer.

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 income statement 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.

3.14 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

3. Summary of significant accounting policies (continued)

3.14 Intangible assets (continued)

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

3.15 Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

(a) Initial recognition and measurement

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

3. Summary of significant accounting policies (continued)

3.15 Financial instruments – initial recognition and subsequent measurement (continued)

(i) Financial assets (continued)

(a) Initial recognition and measurement (continued)

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

(b) Subsequent measurement

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

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

Financial assets at fair value through profit or loss

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

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

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Notes to the financial statements
For the financial year ended 31 January 2017 (continued)

3. Summary of significant accounting policies (continued)

3.15 Financial instruments – initial recognition and subsequent measurement (continued)

(i) Financial assets (continued)

(b) Subsequent measurement (continued)

Financial assets at fair value through profit or loss (continued)

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

Loans and receivables

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

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

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

3. Summary of significant accounting policies (continued)

3.15 Financial instruments – initial recognition and subsequent measurement (continued)

(i) Financial assets (continued)

(b) Subsequent measurement (continued)

Held-to-maturity investments

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

The Group did not have any held-to-maturity investments during the financial years ended 31 January 2017 and 2016.

Available-for-sale (AFS) financial assets

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

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

3. Summary of significant accounting policies (continued)

3.15 Financial instruments – initial recognition and subsequent measurement (continued)

(i) Financial assets (continued)

(b) Subsequent measurement (continued)

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

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

For a financial asset reclassified from the AFS category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the income statement.

(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.

3. Summary of significant accounting policies (continued)

3.15 Financial instruments – initial recognition and subsequent measurement (continued)

(i) Financial assets (continued)

(c) Derecognition (continued)

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 assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

3. Summary of significant accounting policies (continued)

3.15 Financial instruments – initial recognition and subsequent measurement (continued)

(ii) Impairment of financial assets (continued)

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in income statement. Interest income (recorded as finance income in the income statement) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the income statement.

3. Summary of significant accounting policies (continued)

3.15 Financial instruments – initial recognition and subsequent measurement (continued)

(ii) Impairment of financial assets (continued)

Available-for-sale (AFS) financial assets

For AFS financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement – is removed from OCI and recognised in the income statement. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in OCI.

In the case of debt instruments classified as AFS, the impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement.

3. Summary of significant accounting policies (continued)

3.15 Financial instruments – initial recognition and subsequent measurement (continued)

(iii) Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

(b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include derivative financial instruments financial liabilities designated upon initial recognition as at fair value through profit or loss.

Derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by MFRS 139 as financial liabilities held for trading. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 139 are satisfied.

3. Summary of significant accounting policies (continued)

3.15 Financial instruments – initial recognition and subsequent measurement (continued)

(iii) Financial liabilities (continued)

(b) Subsequent measurement (continued)

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 income statement.

This category generally applies to interest-bearing loans and borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made 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, adjusted for 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.

(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 income statement.

3. Summary of significant accounting policies (continued)

3.15 Financial instruments – initial recognition and subsequent measurement (continued)

(iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

3.16 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. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss.

3.17 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.

3.18 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 cash-generating unit’s ("CGU") fair value less costs of disposal and its value in use.

3. Summary of significant accounting policies (continued)

3.18 Impairment of non-financial assets (continued)

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 of continuing operations, including impairment on inventories, are recognised in the income statement in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.19 Cash and short-term deposits

Cash and short-term deposits in the statement 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 and is not subject to significant risk of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts.

3. Summary of significant accounting policies (continued)

3.20 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 can be made of the amount of the obligation. 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 income statement net of any reimbursement.

3.21 Employee benefits

(a) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(b) Defined contribution plans

The Group's contributions to defined contribution plans are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further financial obligations.

(c) Share-based payment

The Group operates an equity-settled, share-based compensation plan ("Employee Share Scheme" or "ESS") under which the Group receives services from employees as consideration for equity options over ordinary shares of the Company. The fair value of the options granted in exchange for the services of the employees are recognised as employee benefit expense with a corresponding increase to share option reserve within equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions

3. Summary of significant accounting policies (continued)

3.21 Employee benefits (continued)

(c) Share-based payment (continued)

Non-market vesting conditions and service conditions are included in assumptions about the number of options that are expected to vest.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of the reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to share option reserve in equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

In its separate financial statements of the Company, the grant by the Company of options over its equity instruments to the employees of subsidiary in the Group is treated as amount owing by subsidiary. The fair value of options granted to employees of the subsidiary in exchange for the services of the employees to the subsidiary are recognised as amount owing by subsidiary, with a corresponding credit to equity of the Company.

3.22 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 parent shareholders' equity. 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.

3. Summary of significant accounting policies (continued)

3.23 Share capital

(i) Classification

Ordinary shares are recorded at the proceeds received, net of directly attributable transaction costs. Ordinary shares are classified as equity.

(ii) Share issue costs

Incremental costs directly attributable to the issue of new shares or options are deducted against the share capital account. In other cases, they are charged to the profit or loss when incurred.

(iii) Dividend distribution

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

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.

3.24 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.

3. Summary of significant accounting policies (continued)

3.25 Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

3.26 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.

3.27 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 ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS are determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for own shares held for the effects of all dilutive potential ordinary shares, which comprise share awards granted to employees.

3. Summary of significant accounting policies (continued)

3.28 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.

3.29 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.

3.30 Discontinued operation

A component of the Group is classified as a "discontinued operation" when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated major line of business or geographical area of operations. A component is deemed to be held for sale if its carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Upon classification as held for sale, non-current assets and disposal groups are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in profit or loss.

4. Standards, amendments to published standards and interpretations, which are applicable and adopted by the Group and the Company

The Group has applied the following amendments for the first time for the financial year beginning on 1 February 2016:

(i) Amendments to MFRS 11 'Joint arrangements' - Accounting for acquisition of interests in joint operations
(ii) Amendments to MFRS 101 'Presentation of financial statements' - Disclosure initiative
(iii) Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation
(iv) Amendments to MFRS 127 "Equity method in separate financial statements"
(v) Amendments to MFRS 10, 12 & 128 "Investment entities – Applying the consolidation exception"
(vi) Annual Improvements to MFRSs 2012 – 2014 Cycle

4. Standards, amendments to published standards and interpretations, which are applicable and adopted by the Group and the Company (continued)

The adoption of the above new and amended standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

5. Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company are in the process of assessing the full impact of the new standards and amendments to published standards on the financial statements of the Group and the Company in the year of initial application.

(a) Financial year beginning on/after 1 January 2017

(i) Amendments to MFRS 107 'Statement of Cash Flows – Disclosure Initiative' introduce an additional disclosure on changes in liabilities arising from financing activities.

(ii) Amendments to MFRS 112 'Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses' clarify the requirements for recognising deferred tax assets on unrealised losses arising from deductible temporary difference on asset carried at fair value.

In addition, in evaluating whether an entity will have sufficient taxable profits in future periods against which deductible temporary differences can be utilised, the amendments require an entity to compare the deductible temporary differences with future taxable profits that excludes tax deductions resulting from the reversal of those temporary differences.

The amendments shall be applied retrospectively.

5. Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective (continued)

(b) Financial year beginning on/after 1 January 2018

(i) MFRS 9 “Financial Instruments: Classification and Measurement of Financial Assets and Financial Liabilities” will replace MFRS 139 "Financial Instruments: Recognition and Measurement"

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

(ii) MFRS 15 ‘Revenue from contracts with customers’ replaces MFRS 118 ‘Revenue’ and MFRS 111 ‘Construction contracts’ and related interpretations.

The core principle in MFRS 15 is that an entity 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.

5. Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective (continued)

(b) Financial year beginning on/after 1 January 2018 (continued)

(ii) MFRS 15 'Revenue from contracts with customers' replaces MFRS 118 'Revenue' and MFRS 111 'Construction contracts' and related interpretations (continued)

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

- Identify contracts with customers
- Identify the separate performance obligations
- Determine the transaction price of the contract;
- Allocate the transaction price to each of the separate performance obligations;
- Recognise the revenue as each performance obligation is satisfied.

Key provisions of the new standard are as follows:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
- If the consideration varies (such as for incentives, rebates, performance fees, royalties, success of an outcome etc), minimum amounts of revenue must be recognised if they are not at significant risk of reversal.
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.
- There are new specific rules on licenses, warranties, non-refundable upfront fees, and consignment arrangements, to name a few.
- As with any new standard, there are also increased disclosures.

5. Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective (continued)

(c) Financial year beginning on/after 1 January 2019

(i) MFRS 16 'Leases' supersedes MFRS 117 'Leases' and the related interpretations.

Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

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

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

6. 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 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.

6. Critical accounting estimates and judgements (continued)

(a) Operating lease commitments – Group as lessor

The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Chartering of vessels to customers are recognised as revenue based on whether the charter contracts are determined to be an operating lease or a finance lease in accordance with MFRS 117 Leases. The classifications of the charter contracts are assessed at the inception of the lease.

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) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers event trigger potential cash flow loss, factors such as indication of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivable at the reporting date is disclosed in Note 42.

(c) Impairment on AFS financial assets

For AFS financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. The determination of what is 'significant' or 'prolonged' requires judgment. In making this judgment, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

6. Critical accounting estimates and judgements (continued)

(d) Impairment of vessels

Each vessel is deemed to be a single cash generating unit ("CGU") as the Group manages each vessel separately. The Group reviews these CGUs at each reporting date for impairment indicators in accordance with the accounting policy stated in Note 3.18. If there is an impairment indicator, the recoverable amount for the vessel will be ascertain based on the higher of the fair value less costs of disposal and its value in use. For value in use calculations, the future cash flows are based on contracted cash flows and estimates of uncontracted cash flows for the useful lives of each vessel discounted by an appropriate discount rate.

The impairment testing for CGU requires management's estimates and judgement to derive future cash flows based on key assumptions such as charter rates, utilisation levels and costs escalation based on historical trends amongst others. The discount rate used is based on industry average that varies over time.

The Group has evaluated the carrying amounts of vessels against their recoverable amounts and recorded an impairment charge to the carrying value of vessels of RM11,630,000 (2016: RM20,983,000) as disclosed in Note 17.

(e) Useful life and residual value of vessels

The Group reviews the residual value and useful life of vessels at each reporting date based on factors such as business plans and strategies, expected level of usage and future technological developments. A reduction in the estimated useful life of vessels would increase the recorded depreciation and decrease the carrying value of property, plant and equipment. The net book of value of vessels (excluding vessel under construction) as at 31 January 2017 is RM994,098,000 as disclosed in Note 17.

6. Critical accounting estimates and judgements (continued)

(e) Useful life and residual value of vessels (continued)

For the year ended 31 January 2017, the impact of the sensitivity resulting from a 5 years increase/decrease in the estimated useful life and a 10% increase/decrease in estimated residual value of property, plant and equipment on the carrying value of property, plant and equipment and the depreciation expense charged to profit and 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	1,024,693	77,069
- Decrease by 5 years	763,991	321,588
Residual value		
- Increase by 10%	995,606	104,351
- Decrease by 10%	992,590	107,179

(f) Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value derived using market approach based on the comparison valuation method recognised in the income statement. The Group assessed the fair value of its investment properties as at 31 January 2017 based on inputs provided by an accredited independent valuer. The key assumptions and basis used to determine the fair value are as disclosed in Note 18.

(g) Deferred tax assets

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.

Significant judgment is required to determine the amount of deferred tax assets to be recognised, based upon the likely timing and magnitude of future taxable profits together with future tax planning strategies.

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Notes to the financial statements
For the financial year ended 31 January 2017 (continued)

6. Critical accounting estimates and judgements (continued)

(h) 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.

(i) Uncertain tax position arising from a change in tax administration for a foreign operation

In the prior financial year ended 31 January 2016, there was a change in the tax administration for a foreign operation pursuant to a directive issued in year 2015 whereby the corporate tax basis was changed from a deemed income approach to the actual profit basis for financial year 2014 onwards. Subsequently, in the current financial year, as advised by the Group's tax agent, the income tax computations for the Year of Assessments 2006 to 2014 for a subsidiary in the foreign operation were revised to the actual profit basis and refiled to the relevant tax authority. As these refiled submissions are subjected to the tax authority's approval, the final tax position for a subsidiary in the foreign operation is uncertain. The uncertain tax position as at 31 January 2017 totalled RM16,642,000 for income tax liability. If the refiled submission are not agreed by the tax authority, there may be additional exposure to tax liabilities totalling RM29,334,000. The Group has also recognised an asset of RM9,461,000 as at 31 January 2017 representing accrued reimbursable income recoverable as the resultant tax impact will be compensated under the contractual terms with the customer.

7. Revenue

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Vessel chartering and support services fees	542,735	424,268	-	-
Management fee income	250	117	27,012	28,007
Advance interest income	89	13	-	-
Rental income	181	-	-	-
Dividend from subsidiaries	-	-	103,754	-
	543,255	424,398	130,766	28,007

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Notes to the financial statements
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8. Cost of sales

	Group	
	2017	2016
	RM'000	RM'000
Included in cost of sales are:		
Amortisation of favourable contracts	-	6,841
Amortisation of unfavourable contracts (Note 35)	(19,938)	(19,047)
Depreciation of property, plant and equipment (Note 17)	106,364	104,142
Employee benefits expenses (Note 11)	45	29

9. Other income

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Fair value gain on marketable securities	127	23	-	-
Investment income	293	640	12	419
Gain on disposal of subsidiaries and associate (Note 47)	-	-	5,183	-
Gain on foreign exchange				
- Realised	3,489	14,599	5,938	10,059
- Unrealised	27,162	103,296	28,451	55,928
Gain on sale of other investments	588	-	-	-
(Reversal of)/accrued reimbursements on additional taxes (Note 25)	(24,491)	44,514	-	-
Miscellaneous	271	1,115	-	73
	7,439	164,187	39,584	66,479

10. Administrative expenses

Included in administrative expenses for continuing operations are:

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration:				
Fees for statutory audits				
- PricewaterhouseCoopers Malaysia	418	40	205	-
- Member firms of PricewaterhouseCoopers International Limited	1,462	917	-	-
- Others	78	429	42	84
Fee for non-audit services				
- PricewaterhouseCoopers Malaysia	82	-	-	-
- Member firms of PricewaterhouseCoopers International Limited	-	500	-	-
- Others	119	166	-	15

10. Administrative expenses (continued)

Included in administrative expenses for continuing operations are (continued):

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Amortisation of intangible assets (Note 19)	2,611	1,114	1,240	518
Depreciation of property, plant and equipment (Note 17)	2,025	636	499	495
Fair value loss on marketable securities	984	-	-	-
Impairment loss on investment in subsidiaries	-	-	-	8,297
Impairment loss on available-for-sale financial assets	-	17,554	-	-
Impairment loss on:				
- Trade receivables (Note 25)	7,454	-	-	-
- Other receivables (Note 25)	23,469	-	-	-
Impairment loss on plant and equipment (Note 17)	11,630	18,983	-	-
Loss on derivatives upon settlement	-	8,153	-	-
Loss on disposal of subsidiaries and associate (Note 47)	3,511	-	-	-
Operating leases - Payments for land and buildings	6,412	4,151	-	-
Plant and equipment written off	2,338	-	2	-
Write off of debt of an associate	-	1,589	-	1,589
Employee benefits expenses (Note 11)	29,789	28,016	19,867	13,976

11. Employee benefits expense

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Included in:				
Cost of sales (Note 8)	45	29	-	-
Administrative expenses (Note 10)	29,789	28,016	19,867	13,976
	29,834	28,045	19,867	13,976
Analysed as follows:				
Wages, salaries and bonuses	25,445	24,458	16,290	11,942
Social security contributions	10	8	29	20
Contributions to defined contribution plan	1,577	2,011	1,261	1,117
Share-based payments	307	-	158	-
Other benefits	2,495	1,568	2,129	897
	29,834	28,045	19,867	13,976

11. Employee benefits expense (continued)

Included in employee benefits expense of the Group and of the Company are executive and non-executive directors' remuneration as disclosed in Note 12.

12. Directors' remuneration

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Executive directors' remuneration:				
- Fees	211	310	211	310
- Share-based payments	87	-	46	-
- Other emoluments	15,876	4,899	6,337	4,899
	16,174	5,209	6,594	5,209
Non-executive directors' remuneration:				
- Fees	548	280	548	280
- Other emoluments	23	27	23	27
	571	307	571	307
Total directors' remuneration from continuing operations	16,745	5,516	7,165	5,516

Included in prior financial year's executive directors and non-executive directors fees are additional fees appproved in 2016 amounting to RM50,000 and RM30,000 respectively for services rendered in the financial year ended 31 January 2015.

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Executive directors' remuneration:				
- Other emoluments	750	1,737	-	-
Non-executive directors' remuneration:				
- Fees	-	20	-	-
Total directors' remuneration from discontinued operations (Note 47)	750	1,757	-	-
Total directors' remuneration	17,495	7,273	7,165	5,516

Other additional disclosure

Indemnity given or insurance effected for the Directors	658	678	658	678
Amount paid to or receivables by any third party for services provided by Directors	48	-	48	-
	706	678	706	678

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12. Directors' remuneration (continued)

The number of directors of the Group whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors	
	2017	**2016**
Executive:		
RM150,001 - RM200,000	1	-
RM350,001 - RM400,000	1	2
RM600,001 - RM650,000	1	-
RM950,001 - RM1,000,000	1	-
RM1,000,001 - RM1,050,000	1	-
RM1,500,001 - RM1,550,000	-	1
RM1,550,001 - RM1,600,000	1	-
RM1,750,001 - RM1,800,000	1	-
RM2,100,001 - RM2,150,000	-	1
RM2,600,001 - RM2,650,000	-	1
RM2,750,001 - RM2,800,000	1	-
RM3,300,001 - RM3,350,000	1	-
RM4,200,001 - RM4,250,000	1	-
Non-executive:		
RM50,001 - RM100,000	7	2
RM100,001 - RM150,000	1	1

13. Finance costs

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Bank charges	5,964	1,901	2,242	5,126
Interest expenses	117,999	74,750	26,894	23,683
Fair value (gain)/loss on derivatives for interest rate swap	(5,751)	5,963	-	-
	118,212	82,614	29,136	28,809
Less: Interest expenses capitalised in property, plant and equipment	(85,898)	(42,100)	-	-
	32,314	40,514	29,136	28,809

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14. Income tax expense

Major components of income tax expense

The major components of income tax expense for the financial years ended 31 January 2017 and 2016 are:

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Income statements				
Current income tax - continuing operations:				
- Malaysian income tax	191	226	204	140
- Foreign tax	56,068	52,256	-	-
- (Over)/under provision in prior years	(15,899)	2,769	-	31
	40,360	55,251	204	171
Deferred tax - continuing operations (Note 36(b)):				
- Relating to origination/reversal of temporary differences	(21,656)	22,459	-	-
- Under provision in prior year	2	-	-	-
	(21,654)	22,459	-	-
	18,706	77,710	204	171
Income tax expense attributable to:				
- Continuing operations	18,706	77,710	204	171
- Discontinued operations (Note 47)	607	2,495	-	-
Income tax expense recognised in profit or loss	19,313	80,205	204	171

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14. Income tax expense (continued)

Reconciliation between tax expense and accounting profit:

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rates for the financial years ended 31 January 2017 and 2016 are as follows:

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Profit before tax from continuing operations	213,179	292,760	146,167	60,058
Profit before tax from discontinued operations	2,889	3,266	-	-
Profit before tax	216,068	296,026	146,167	60,058
Tax at Malaysian statutory tax rate of 24% (2016: 24%)	51,857	71,046	35,080	14,414
Income not subject to tax	(1,909)	(17,500)	(48,095)	(30,525)
Expenses not deductible for tax purposes	37,743	1,917	13,219	16,251
Different tax rates of subsidiaries	(35,367)	44,559	-	-
Changes in deferred tax asset not recognised	2,704	432	-	-
Shared of results of joint ventures and associates	(19,922)	(23,155)	-	-
(Over)/under provision of tax expense in prior years				
- Continuing operations	(15,899)	2,769	-	31
- Discontinued operations	-	(2,574)	-	-
Under provision of deferred tax in prior years				
- Continuing operations	2	-	-	-
- Discontinued operations	104	2,711	-	-
Income tax expense recognised in profit or loss	19,313	80,205	204	171

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2016: 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.

15. Earnings per share

(a) Basic

Basic earnings per share amounts are calculated by dividing profit attributable to owners of the parent 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 29).

	Group	
	2017	**2016**
Profit attributable to owners of the parent used in the computation of basic earnings per share (RM'000)		
- Continuing operations	194,473	224,839
- Discontinued operations	2,575	(176)
Total group	197,048	224,663
Weighted average number of ordinary shares for computation of basic earnings per share ('000)	1,090,185	1,067,154
Basic earnings per share (sen)		
- Continuing operations	17.8	21.1
- Discontinued operations	0.3	**
Total group	18.1	21.1

** Represents 0.02 sen per share

The weighted average number of shares takes into account the weighted average effect of changes in ordinary shares transactions during the financial year.

15. 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 on both 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 2017
Profit attributable to owners of the parent used in the computation of diluted earnings per share (RM'000)	
- Continuing operations	194,480
- Discontinued operations	2,575
Total group	197,055
Weighted average number of ordinary shares in issue ('000)	1,090,185
Adjusted for ESS options ('000)	77
Adjusted weighted average number of ordinary shares in issue for diluted earnings per share ('000)	1,090,262
Diluted earnings per share (sen)	
- Continuing operations	17.8
- Discontinued operations	0.3
Total group	18.1

There were no diluted earnings per share for the prior financial year as there were no options issued.

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15. Earnings per share (continued)

(c) Reconciliations of earnings used in calculating earnings per share

	Group 2017 RM'000
Basic earnings per share	
Profit attributable to owners of the parent used in the computation of basic earnings per share	
- Continuing operations	194,473
- Discontinued operations	2,575
	197,048
Diluted earnings per share	
Profit from continuing operations attributable to owners of the parent:	
Used in calculating basic earnings per share	194,473
Add: interest savings on ESS	7
Used in calculating diluted earnings per share	194,480
Profit from discontinued operations	2,575
Profit attributable to owners of the parent used in the computation of diluted earnings per share	197,055

16. Dividends

	Company			
	2017		2016	
	Dividend per ordinary share Sen	Amount of dividend RM'000	Dividend per ordinary share Sen	Amount of dividend RM'000
Final single tier dividend	2.0	21,791	1.5	16,392
Single tier special dividend	14.6	159,077	-	-
	16.6	180,868	1.5	16,392

At the forthcoming Annual General Meeting, a final single tier dividend of 2.0 sen per share in respect of the current financial year will be proposed for shareholders' approval. The current financial statements does not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 January 2018.

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17. Property, plant and equipment

Group	Land and buildings RM'000	Motor vehicles RM'000	Vessels, tugboats, and barges RM'000	*Other assets RM'000	Total RM'000
Cost					
At 1 February 2015	6,138	62,862	1,305,545	14,061	1,388,606
Additions	6,782	3,601	1,850,670	7,118	1,868,171
Written off	-	(156)	-	(12)	(168)
Disposals	-	(5,262)	-	-	(5,262)
Attributable to discontinued operations	(6,328)	(58,256)	(9,950)	(9,959)	(84,493)
Exchange differences	-	884	282,347	2,055	285,286
At 31 January 2016 and 1 February 2016	6,592	3,673	3,428,612	13,263	3,452,140
Additions	3,316	-	1,542,617	3,530	1,549,463
Written off	-	-	-	(3,805)	(3,805)
Disposals	-	-	(3,568)	-	(3,568)
Exchange differences	435	99	273,480	761	274,775
At 31 January 2017	10,343	3,772	5,241,141	13,749	5,269,005
Accumulated depreciation					
At 1 February 2015	1,388	31,538	192,404	5,276	230,606
Charge for the year	92	4,005	102,748	2,873	109,718
Written off	-	(147)	-	(12)	(159)
Disposals	-	(3,400)	-	-	(3,400)
Attributable to discontinued operations	(1,480)	(30,611)	(4,235)	(4,322)	(40,648)
Exchange differences	-	502	138,533	432	139,467
At 31 January 2016 and 1 February 2016	-	1,887	429,450	4,247	435,584
Charge for the year	64	227	105,765	2,333	108,389
Written off	-	-	-	(1,467)	(1,467)
Exchange differences	4	52	84,164	223	84,443
At 31 January 2017	68	2,166	619,379	5,336	626,949

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17. Property, plant and equipment (continued)

Group	Land and buildings RM'000	Motor vehicles RM'000	Vessels, tugboats, and barges RM'000	*Other assets RM'000	Total RM'000
Accumulated impairment loss					
At 1 February 2015	-	-	-	-	-
Impairment (Note 10)	-	-	18,983	-	18,983
At 31 January 2016 and 1 February 2016	-	-	18,983	-	18,983
Impairment (Note 10)	-	-	11,630	-	11,630
Exchange differences	-	-	1,782	-	1,782
At 31 January 2017	-	-	32,395	-	32,395
Net carrying amount					
At 31 January 2016	6,592	1,786	2,980,179	9,016	2,997,573
At 31 January 2017	10,275	1,606	4,589,367	8,413	4,609,661

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17. Property, plant and equipment (continued)

Company	Motor vehicles RM'000	*Other assets RM'000	Total RM'000
Cost			
At 1 February 2015	1,157	1,121	2,278
Additions	-	121	121
At 31 January 2016 and 1 February 2016	1,157	1,242	2,399
Additions	-	135	135
Written off	-	(3)	(3)
At 31 January 2017	1,157	1,374	2,531
Accumulated depreciation			
At 1 February 2015	93	159	252
Charge for the year	115	380	495
At 31 January 2016 and 1 February 2016	208	539	747
Charge for the year	116	383	499
Written off	-	(1)	(1)
At 31 January 2017	324	921	1,245
Net carrying amount			
At 31 January 2016	949	703	1,652
At 31 January 2017	833	453	1,286

* Other assets comprise office equipment, computers, signboard, renovation, electrical installation, plant and equipment and furniture and fittings.

17. Property, plant and equipment (continued)

(a) The carrying amounts of motor vehicles held under finance leases at the reporting date was approximately RM1,606,000 (2016: RM1,605,000).

(b) Additions to property, plant and equipment which were acquired during the financial year were as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Cash payment	1,337,961	1,544,487	135	121
Movement in property, plant and equipment creditors	211,502	321,312	-	-
Finance leases	-	2,372	-	-
	1,549,463	1,868,171	135	121

(c) 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 33 and Note 34 at reporting date were as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Motor vehicles	1,606	1,605	833	949
Vessels and barges	4,516,624	2,934,619	-	-
	4,518,230	2,936,224	833	949

(d) Included in vessels, tugboats and barges at the reporting date is a vessel under construction with carrying amount of approximately RM3,595,269,000 (2016: RM1,930,250,000).

	Group	
	2017 RM'000	2016 RM'000
At 1 February	1,930,250	-
Additions	1,539,049	1,930,250
Exchange differences	125,970	-
At 31 January	3,595,269	1,930,250

(e) The Group's plant and equipment include borrowing costs arising from bank loans borrowed specifically for the purpose of the construction of a vessel. During the financial year, the borrowing costs capitalised as cost of plant and equipment amounted to RM85,898,000 (2016: RM42,100,000).

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17. Property, plant and equipment (continued)

(f) The decline in vessel utilisation and charter rates of Offshore Support Vessels ("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 RM11,630,000 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 2.00% to 3.00% 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 7.00% to 9.80%
(v) The projected service lives of these OSVs

The discount rates used are pre-tax and reflect specific risks relating to the CGUs. The discount rates applied to the cash flow projections are derived from the cost of capital plus a reasonable risk premium at the date of assessment of the CGUs. The Group had taken into consideration the current depressed market conditions in the oil and gas industry in the cash flow projections, which include lower forecasted vessel utilisation and charter rates.

<u>Sensitivity to changes in key assumptions</u>

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 RM10,430,000 and RM8,430,000 respectively with all other inputs remain constant. A decrease by 5% in utilisation rates and charter rates respectively will result in an additional impairment loss of approximately RM18,800,000 and RM11,500,000 respectively with all other inputs remain constant.

18. Investment properties

Investment properties are stated at fair value, which was determined based on valuations at the reporting date. Valuation are performed by an accredited independent valuer.

	Group	
	2017	**2016**
	RM'000	**RM'000**
At 1 February	-	29,598
Additions	29,931	5,903
Exchange differences	-	1,842
Attributable to discontinued operations	-	(37,343)
At 31 January	29,931	-

18. Investment properties (continued)

The following amounts are recognised in profit and loss in respect of investment properties:

	Group	
	2017	2016
	RM'000	RM'000
Rental income (Note 7)	181	-
Direct operating expenses arising from:		
- Investment properties that generate rental income	29	-
- Investment properties that do not generate rental income	104	-

The fair value of investment properties were estimated based on inputs provided by an accredited independent valuer, which were based on market evidence of transaction prices for similar properties in which the values are adjusted for differences in key attributes such as property size, view and quality of interior fittings using market approach based on the comparison valuation method (market approach). The most significant input into this valuation method is price per square foot ("psf").

The Group uses assumptions that are mainly based on market conditions existing at the end of each reporting period. Fair value is determined using Level 3 inputs (defined as unobservable inputs for asset or liability) in the fair value hierarchy of MFRS 13 Fair Value Measurement. Changes in fair value are recognised in profit or loss during the reporting period in which they are reviewed.

The fair value measurements using Level 3 inputs as at 31 January 2017 are as follows:

	Valuation Technique	Significant unobservable inputs Price per square foot RM/psf
Residential	Market approach	1,254 - 1,782

Sensitivity to significant unobservable inputs

Changes in the price per square foot by 5% will result in a change in fair value of approximately RM1,680,000.

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19. Intangible assets

Group	Computer software RM'000	Golf membership RM'000	Total RM'000
Cost			
At 1 February 2015	9,513	100	9,613
Additions	12,599	-	12,599
Exchange differences	1,714	-	1,714
Attributable to discontinued operations	(185)	(100)	(285)
At 31 January 2016 and 1 February 2016	23,641	-	23,641
Additions	6,794	-	6,794
Exchange differences	1,018	-	1,018
At 31 January 2017	31,453	-	31,453
Accumulated amortisation			
At 1 February 2015	157	-	157
Amortisation (Notes 10 and 47)	1,117	-	1,117
Exchange differences	(20)	-	(20)
Attributable to discontinued operations	(153)	-	(153)
At 31 January 2016 and 1 February 2016	1,101	-	1,101
Amortisation (Notes 10)	2,611	-	2,611
Exchange differences	130	-	130
At 31 January 2017	3,842	-	3,842
Net carrying amount			
At 31 January 2016	22,540	-	22,540
At 31 January 2017	27,611	-	27,611

Company	Computer software RM'000	Total RM'000
Cost		
At 1 February 2015	8	8
Additions	8,205	8,205
At 31 January 2016 and 1 February 2016	8,213	8,213
Additions	4,292	4,292
At 31 January 2017	12,505	12,505

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19. Intangible assets (continued)

Company	Computer software RM'000	Total RM'000
Accumulated amortisation		
At 1 February 2015	1	1
Amortisation (Note 10)	518	518
At 31 January 2016 and 1 February 2016	519	519
Amortisation (Note 10)	1,240	1,240
At 31 January 2017	1,759	1,759
Net carrying amount		
At 31 January 2016	7,694	7,694
At 31 January 2017	10,746	10,746

20. Investment in subsidiaries

	Company 2017 RM'000	Company 2016 RM'000
Unquoted shares, at cost		
In Malaysia	793,390	793,390
Outside Malaysia	*	*
	793,390	793,390

*Cost of unquoted share outside Malaysia is at its nominal value.

Details of subsidiaries are as follows:

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2017	Proportion (%) of ownership interest 2016	Principal activities
Yinson Transport (M) Sdn. Bhd.(i)(iv)(vi)	Malaysia	-	100	Provision of transport services, trading in construction materials and rental of properties

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20. Investment in subsidiaries (continued)

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2017	2016	Principal activities
Yinson Corporation Sdn. Bhd. (i)(iv)(vi)	Malaysia	-	100	Provision of transport services and trading in construction materials
Yinson Marine Services Sdn. Bhd. (ii)	Malaysia	100	100	Provision of sub-leasing of vessels and trading of lubricants
Yinson Shipping Sdn. Bhd. (ii)(iv)(vi)	Malaysia	-	100	Provision of shipping and forwarding services (Ceased operations)
Yinson Power Marine Sdn. Bhd. (ii)(iv)(vi)	Malaysia	-	100	Provision of marine transport services
Yinson TMC Sdn. Bhd. (ii)	Malaysia	100	100	Provision of treasury management services
Yinson Mawar Sdn. Bhd. (ii)	Malaysia	100	100	Investment properties
Yinson Overseas Limited (ii)(iv)(vi)	Labuan	-	100	Investment holding
Yinson Tulip Ltd. (ii)	Labuan	100	100	Leasing of vessels on bareboat basis
Yinson Offshore Limited (ii)	Labuan	100	100	Trading and leasing of vessel on time charter basis
Yinson Indah Limited (ii)	Labuan	100	100	Leasing of vessel on bareboat basis
OY Labuan Limited (ii)	Labuan	100	100	Sub-leasing of vessel on time charter basis

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20. Investment in subsidiaries (continued)

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2017	2016	Principal activities
Yinson Production Limited (ii)	Labuan	100	100	Investment holding
Yinson Trillium Limited (ii)	Labuan	100	100	Investment holding
Yinson Orchid Pte. Ltd. (ii)(iii)	Singapore	100	100	Vessel operator
OY Offshore Pte. Ltd. (ii)(iii)	Singapore	100	100	Dormant
Yinson Engineering Solutions Pte. Ltd. (ii)(iii)	Singapore	100	100	Business and management consultancy services
Yinson Corporate Services Pte. Ltd. (iii)(v)	Singapore	100	-	Investment holding and business management services
Yinson Nereus Ltd (vii)	Republic of the Marshall Islands	100	100	Investment holding
Yinson Acacia Ltd (vii)	Republic of the Marshall Islands	100	100	Investment holding

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20. Investment in subsidiaries (continued)

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2017	2016	Principal activities
Held through Yinson Acacia Ltd:				
Yinson Clover Ltd (vii)	Republic of the Marshall Islands	100	100	Investment holding
Yinson Heather Ltd (vii)	Republic of the Marshall Islands	100	100	Investment holding
Held through Yinson Nereus Ltd:				
Yinson Camellia Limited (ii)	Labuan	100	100	Shipping operations and vessel chartering
Yinson Dynamic Ltd (vii)	Republic of the Marshall Islands	100	100	Investment holding
Held through Yinson Production Limited:				
Yinson Production AS (ii)(iii)	Norway	100	100	Investment holding
Yinson Production Pte. Ltd. (ii)(iii)	Singapore	100	100	Consulting services relating to ship management services

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20. Investment in subsidiaries (continued)

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2017	2016	Principal activities
Held through Yinson Trillium Limited and Yinson Production Pte. Ltd.:				
Yinson Production (West Africa) Pte. Ltd.(ii)(iii)	Singapore	100	100	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Held through Yinson Production AS:				
Knock Taggart Pte. Ltd.(ii)(iii)	Singapore	-	100	Liquidated
Floating Operations and Production Pte. Ltd.(ii)(iii)	Singapore	100	100	Ship management services
Knock Borgen Pte. Ltd.(ii)(iii)	Singapore	-	100	Liquidated
Taggart AS (ii)(iii)(viii)	Norway	-	100	Liquidated
Dee AS (ii)(iii)(viii)	Norway	-	100	Liquidated
Adoon AS (ii)(iii)	Norway	100	100	Investment holding
Nevis 1 AS (ii)(iii)(viii)	Norway	-	100	Liquidated
Allan AS (ii)(iii)	Norway	100	100	Investment holding
Held through Allan AS:				
Knock Allan Pte. Ltd.(ii)(iii)	Singapore	100	100	Business of ship owner and ship operator

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20. Investment in subsidiaries (continued)

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2017	2016	Principal activities
Held through Adoon AS:				
Adoon Pte. Ltd. (ii)(iii)	Singapore	100	100	Business of ship owner and ship operator
Held through Yinson Overseas Limited:				
Yinson Port Ventures Pte. Ltd. (ii)(iv)(vi)	Singapore	-	100	Investment holding
Yinson Vietnam Company Limited (ii)(iv)(vi)	Vietnam	-	100	Provision of civil construction services and construction management consulting services
Held through Yinson Vietnam Company Limited:				
Yen Son Diversified Company Limited (ii)(iv)(vi)	Vietnam	-	51	Provision of warehousing facilities

(i) Subsidiaries consolidated using merger method of accounting
(ii) Subsidiaries consolidated using acquisition method of accounting
(iii) Audited by member firms of PricewaterhouseCoopers International Limited, which are separate and independent legal entities from PricewaterhouseCoopers, Malaysia
(iv) Audited by a firm other than member firm of PricewaterhouseCoopers International Limited and PricewaterhouseCoopers, Malaysia
(v) Subsidiary newly incorporated during the current financial year
(vi) Classified as discontinued operations in the preceding financial year (Note 47)
(vii) Company not required to be audited under the laws of the country of incorporation
(viii) Merged and dissolved during the current financial year

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21. Investment in joint ventures

	Group 2017 RM'000	Group 2016 RM'000
Unquoted shares at cost		
- Outside Malaysia	298,388	295,198
Advances to joint ventures	-	3,190
	298,388	298,388
Share of post acquisition reserves	284,404	201,947
Share of foreign currency translation reserve	142,753	97,928
Share of net assets of joint ventures	725,545	598,263

	Company 2017 RM'000	Company 2016 RM'000
Unquoted shares outside Malaysia, at cost:		
At 1 February	197,255	197,255
Addition	3,190	-
At 31 January	200,445	197,255
Advances to joint ventures:		
At 1 February	3,190	3,190
Reclassed as additional investment in joint ventures	(3,190)	-
At 31 January	-	3,190
	200,445	200,445

Details of joint ventures are as follows:

Name of joint ventures	Countries of incorporation	Proportion (%) of ownership interest 2017	Proportion (%) of ownership interest 2016	Principal activities
PTSC South East Asia Pte. Ltd.[(a)]	Singapore	49	49	Leasing of a floating, storage and offloading unit ("FSO")
PTSC Asia Pacific Pte. Ltd.[(a)]	Singapore	49	49	Leasing of a floating, production, storage and offloading unit ("FPSO")

21. Investment in joint ventures (continued)

Name of joint ventures	Countries of incorporation	Proportion (%) of ownership interest 2017	2016	Principal activities
Held through Yinson Production Pte. Ltd.:				
Yinson Production West Africa Limited [(a)]	Ghana	49	49	Business of operating floating production, storage and offloading unit ("FPSO")
Held through Yinson Nereus Ltd:				
OY Offshore Limited [(a)]	Ghana	49	49	Operate and manage offshore support and supply vessels
Held through Yinson Heather Ltd:				
Anteros Rainbow Offshore Pte. Ltd.[(a)]	Singapore	51	51	Leasing of a floating, production, storage and offloading unit ("FPSO")

(a) Audited by member firms of PricewaterhouseCoopers International Limited, which are separate and independent legal entities from PricewaterhouseCoopers, Malaysia

Summarised financial information of the joint ventures, based on its MFRS/IFRS financial statements are set out below:

(i) PTSC South East Asia Pte. Ltd.

	2017 RM'000	2016 RM'000
Summarised statement of financial position:		
Current assets	203,078	168,735
Non-current assets	549,544	541,278
Current liabilities	(61,196)	(77,604)
Non-current liabilities	(118,676)	(211,295)
Net assets	572,750	421,114
Proportion of the Group's ownership	49%	49%
Group's share of net assets	280,648	206,346
Amount due from joint venture	-	3,190
Carrying amount of the investment	280,648	209,536

21. Investment in joint ventures (continued)

(i) PTSC South East Asia Pte. Ltd. (continued)

	2017 RM'000	2016 RM'000
Summarised statement of comprehensive income:		
Revenue	147,654	141,847
Cost of sales	(28,352)	(28,741)
Administrative expenses	(116)	(318)
Finance costs	(8,149)	(9,649)
Profit before tax	111,037	103,139
Income tax expense	(3,187)	(2,912)
Profit for the financial year	107,850	100,227
Other comprehensive income	37,276	44,798
Total comprehensive income	145,126	145,025
Group's share of profit for the financial year	52,847	49,111
Group's share of other comprehensive income	18,265	21,951
Group's share of total comprehensive income	71,112	71,062

(ii) PTSC Asia Pacific Pte. Ltd.

	2017 RM'000	2016 RM'000
Summarised statement of financial position:		
Current assets	294,569	240,682
Non-current assets	1,498,433	1,564,076
Current liabilities	(30,616)	(30,524)
Non-current liabilities	(1,007,121)	(1,170,046)
Net assets	755,265	604,188
Proportion of the Group's ownership	49%	49%
Carrying amount of the investment	370,080	296,052

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21. Investment in joint ventures (continued)

(ii) PTSC Asia Pacific Pte. Ltd. (continued)

Summarised statement of comprehensive income:	2017 RM'000	2016 RM'000
Revenue	305,578	291,320
Cost of sales	(162,927)	(156,381)
Administrative expenses	16	(225)
Finance costs	(38,353)	(44,010)
Profit before tax	104,314	90,704
Income tax expense	(16)	(66)
Profit for the financial year	104,298	90,638
Other comprehensive income	46,779	68,259
Total comprehensive income	151,077	158,897
Group's share of profit for the financial year	51,106	44,413
Group's share of other comprehensive income	22,922	33,447
Group's share of total comprehensive income	74,028	77,860

(iii) Anteros Rainbow Offshore Pte. Ltd.

	2017 RM'000	2016 RM'000
Summarised statement of financial position:		
Current assets	931	738
Non-current assets	247,682	271,614
Current liabilities	(103,213)	(92,710)
Net assets	145,400	179,642
Proportion of the Group's ownership	51%	51%
Carrying amount of the investment	74,154	91,617
Summarised statement of comprehensive income:		
Administrative expenses	(41,293)	(1,484)
Loss before tax	(41,293)	(1,484)
Income tax expense	-	-
Loss for the financial year	(41,293)	(1,484)
Other comprehensive income/(expenses)	7,051	(7,998)
Total comprehensive expenses	(34,242)	(9,482)
Group's share of loss for the financial year	(21,059)	(757)
Group's share of other comprehensive income/(expenses)	3,596	(4,079)
Group's share of total comprehensive expenses	(17,463)	(4,836)

(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.

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22. Investment in associates

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Unquoted shares, at cost:				
- Outside Malaysia	153	148	-	-
- In Malaysia	79	79	79	79
	232	227	79	79
Share of post-acquisition reserves	2,718	1,845	-	-
Share of foreign currency translation reserve	(351)	(33)	-	-
	2,599	2,039	79	79

Details of associates are as follows:

Name of associates	Countries of incorporation	Proportion (%) of ownership interest 2017	2016	Principal activities
Yinson Energy Sdn. Bhd.	Malaysia	30	30	Provision of oil and gas engineering and marine support services and consultancy services
Regulus Offshore Sdn. Bhd.	Malaysia	49	49	Provision of ship and crew management services
Held through Yinson Production AS:				
Floating Operations & Production West Africa Ltd [a]	Nigeria	40	40	Provision of technical management and FPSO management services
Held through Yinson Dynamic Ltd:				
OY Genesis Ltd [d]	Republic of the Marshall Islands	49	49	Dormant
OY Jasper Ltd [d]	Republic of the Marshall Islands	49	49	Dormant
OY Topaz Ltd [d]	Republic of the Marshall Islands	49	49	Dormant

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22. Investment in associates (continued)

Name of associates	Countries of incorporation	Proportion (%) of ownership interest 2017	2016	Principal activities
Held through Yinson Port Venture Pte. Ltd.:				
PTSC Phu My Port Joint Stock Company [(a)(b)]	Vietnam	-	40	Manage and operating a port, including cargo handling and provision of related business and services
Held through Yinson Acacia Ltd:				
Yinson Operations & Production West Africa Limited [(c)(e)]	Nigeria	40	-	Provision of technical management and FPSO management services

(a) Audited by a firm other than member firm of PricewaterhouseCoopers International Limited and PricewaterhouseCoopers, Malaysia
(b) Classified as discontinued operations in the preceding financial year (Note 47)
(c) Associates newly incorporated during the current financial year
(d) Company not required to be audited under the laws of the country of incorporation
(e) Auditor not appointed yet

<u>Floating Operations & Production West Africa Ltd ("FOPWAL")</u>

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 2016 have been used in applying the equity method of accounting as allowed by Paragraph 34 of MFRS 128 Investments in Associates and Joint Ventures. There is no significant transaction or event that occurred between 31 December 2016 and the reporting date and hence no adjustment has been made for the current and previous financial years.

The summarised financial information of investment in associates are not presented as these investments are individually immaterial to the Group.

23. Other investments

	Group 2017 RM'000	Group 2016 RM'000
Available-for-sale financial assets		
Quoted equity shares:		
- Outside Malaysia	-	1,739
Total available-for-sale financial assets	-	1,739
Financial assets at fair value through profit or loss		
Quoted equity shares:		
- In Malaysia	418	-
- Outside Malaysia	2,708	179
	3,126	179
Investment fund:		
- In Malaysia	24,170	74,998
Total financial assets at fair value through profit or loss	27,296	75,177
Total investments	27,296	76,916
Current	27,296	76,916
	27,296	76,916

Fair values of these quoted equity shares are determined by reference to published price quotations in their active markets.

24. Inventories

	Group 2017 RM'000	Group 2016 RM'000
Consumables	5,309	3,585

25. Trade and other receivables

	Group		Company	
	2017	2016	2017	2016
Current:	RM'000	RM'000	RM'000	RM'000
Trade receivables				
Third parties	78,745	86,429	-	-
Joint ventures	284	2,395	-	-
Associates	4,816	90	-	-
Directors' related company (Note 39(a))	252	-	252	-
	84,097	88,914	252	-
Allowance for impairment	(7,454)	-	-	-
	76,643	88,914	252	-
Other receivables				
Refundable deposits	25,039	24,960	344	290
Sundry receivables	21,189	54,399	193	239
Due from subsidiaries:				
- bearing interest of KLIBOR + 3.00% p.a.	-	-	82,985	3,609
- bearing interest of 5.15% p.a.	-	-	-	32,777
- non-interest bearing	-	-	76,934	33,045
Due from joint ventures	63,969	53,200	59,684	54,303
Due from associates	3,441	1,537	163	133
	113,638	134,096	220,303	124,396
Allowance for impairment	(23,469)	-	-	-
	90,169	134,096	220,303	124,396
	166,812	223,010	220,555	124,396
Non-current:				
Other receivables				
Loans to subsidiaries				
- bearing interest of KLIBOR + 3.00% p.a.	-	-	407,440	494,026
- non-interest bearing	-	-	-	1,184
Due from a joint venture	10,165	9,417	10,165	9,417
	10,165	9,417	417,605	504,627
Total trade and other receivables	176,977	232,427	638,160	629,023

(a) Trade receivables

Included in trade receivables is an accrued reimbursable recoverable totalling RM18,016,000 (2016: RM42,905,000) representing the Group's rights to be compensated under the contractual terms with the customer for the additional tax expense incurred. The accrued reimbursable recoverable includes the uncertain tax position of RM9,461,000 arising from a change in tax administration for a foreign operation as disclosed in Note 6(i).

25. Trade and other receivables (continued)

(a) Trade receivables (continued)

Trade receivables are non-interest bearing and are generally on 30 to 120 (2016: 30 to 120) day terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2017 RM'000	2016 RM'000
Neither past due nor impaired	51,666	36,522
1 to 30 days past due not impaired	13,701	22,968
31 to 60 days past due not impaired	1,821	14,310
61 to 90 days past due not impaired	1,895	2,150
91 to 120 days past due not impaired	1,617	41
More than 121 days past due not impaired	3,801	12,923
	74,501	88,914

Receivables that are neither past due nor impaired
Receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired
The Group has trade receivables amounting to approximately RM22,835,000 (2016: RM52,392,000) that are past due at the reporting date but not impaired.

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25. Trade and other receivables (continued)

(a) Trade receivables (continued)

Receivables that are impaired and provided for
The Group's trade receivables that are individually impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2017	**2016**
	RM'000	**RM'000**
Trade receivable		
- 61 to 90 days past due and impaired	7,648	-
- 91 to 120 days past due and impaired	1,200	
- More than 121 days past due and impaired	748	-
Less: Allowance for impairment	(7,454)	-
	2,142	-

Movement for trade receivables allowance accounts:

At 1 February	-	22,724
Charge for the financial year	7,454	6,950
Reversal of impairment loss	-	(6,194)
Written off	-	(13,054)
Attributable to discontinued operations	-	(10,218)
Exchange differences	-	(208)
At 31 January	7,454	-

Trade receivables that are individually determined to be impaired at the reporting date related to a few 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

- Amounts due from subsidiaries bearing interest of KLIBOR + 3.00% are denominated in USD and RM. The amounts are unsecured and repayable upon demand.

- Amounts due from subsidiaries which are non interest bearing are denominated in USD and RM. These amounts are unsecured and repayable upon demand.

25. Trade and other receivables (continued)

(b) Other receivables (continued)

- Amounts due from joint ventures are unsecured and bear interest of 4.12% to 4.53% (2016: 3.75% to 4.50%). These amounts are denominated in USD.

Other receivables that are impaired and provided for
The Group's other receivables that are individually impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2017 RM'000	2016 RM'000
Other receivable		
- More than 121 days past due and impaired	23,469	-
Less: Allowance for impairment	(23,469)	-
	-	-

Movement for other receivables allowance accounts:

	Group	
	2017 RM'000	2016 RM'000
At 1 February	-	162
Charge for the financial year	23,469	321
Written off	-	(55)
Attributable to discontinued operations	-	(428)
At 31 January	23,469	-

The impairment charge relates to deposits placed to order for an asset. As the completion of this purchase is uncertain given the present market conditions, management has prudently impaired these deposits.

26. Other current assets

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Prepayments	45,770	13,438	1,531	903

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27. Cash and bank balances

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Cash on hand and at banks	485,143	189,413	4,928	35,477
Short term investment	337	325	337	325
Deposits with licensed banks	148,442	226,449	2,225	4,138
Cash and bank balances	633,922	416,187	7,490	39,940

For the purpose of the statements of cash flows, cash and cash equivalents at the reporting dates comprise of the following:

	Group		Company	
	2017 RM'000	**2016 RM'000**	**2017 RM'000**	**2016 RM'000**
Cash and bank balances				
- Continuing operations	633,922	416,187	7,490	39,940
- Discontinued operations	-	21,523	-	-
Bank overdrafts				
- Continuing operations (Note 33)	(8,626)	(6,364)	-	-
- Discontinued operations	-	(1,679)	-	-
	625,296	429,667	7,490	39,940
Less:				
Short term investment	(337)	(325)	(337)	(325)
Deposits pledged with banks	(120,378)	(218,373)	(2,225)	(4,138)
Cash and cash equivalents	504,581	210,969	4,928	35,477

Cash at bank earns interest at floating rates based on daily bank deposit rates. Deposits with licensed banks are made for varying periods of between one to three months, depending on the immediate cash requirements of the Group, and earn interest at the respective deposit rates.

Deposit with a licensed bank, denominated in USD, of approximately RM44,535,000 (2016: RM62,407,000), has been pledged to the bank for a performance guarantee issued in favour of a subsidiary's customer for a period of six years. The deposit is made for period of one month (2016: three months) and earns interest at 0.32% (2016: 0.24%) per annum.

Deposits with licensed banks of approximately RM75,843,000 (2016: RM155,966,000) have been pledged to the banks for the banking facilities of the Company and the subsidiaries, as disclosed in Note 33.

28. Share capital

	Number of ordinary shares of RM0.50 each		Amount	
	2017 '000	2016 '000	2017 RM'000	2016 RM'000
Authorised share capital:				
At 31 January	-	2,000,000	-	1,000,000
Ordinary shares issued and fully paid:				
At 1 February	1,092,798	1,032,798	546,399	516,399
Issued during the financial year				
- Private placements	-	60,000	-	30,000
Transition to no-par value regime on 31 January 2017 under the Companies Act 2016	-	-	553,063	-
At 31 January - ordinary shares with no par value (2016: par value of RM0.50 each)	1,092,798	1,092,798	1,099,462	546,399

The new Companies Act 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account of RM553,063,000 become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM553,063,000 for purposes as set out in Sections 618(3). There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

29. Treasury shares

	Group and Company			
	2017		2016	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
At 1 February	-	-	-	-
Treasury shares purchased	4,607	12,633	-	-
At 31 January	4,607	12,633	-	-

29. Treasury shares (continued)

At the Annual General Meeting held on 29 June 2016, 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.

During the financial year ended 31 January 2017, the Company repurchased 4,607,200 of its issued share capital from the open market on Bursa Malaysia Securities Berhad for total consideration paid, including transaction costs of RM12,632,862. The average price paid for the shares repurchased was approximately RM2.74 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares as allowed for under Section 127(6) of the Companies Act 2016. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

30. Employee 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. 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.

30. Employee share scheme (continued)

(d) The aggregate maximum number of Scheme Shares that may be allocated to any one category/designation of eligible Director or employee of the Group shall be determined by the ESS Committee provided that:

(i) the Directors (including non-executive directors) and senior management do not participate in the deliberation and discussion of their own allocation;

(ii) not more than 80% of the Scheme Shares available under the ESS on any date shall be allocated in aggregate to the Directors (including non-executive directors) and senior management of the Group; and

(iii) the allocation to any individual eligible Director or employee of who, either singly or collectively through persons connected with the eligible Director or employee, holds twenty percent (20%) or more of the issued and paid-up share capital (excluding treasury shares) of the Company, does not exceed ten percent (10%) of the shares available under the ESS.

The fair value as at 24 January 2017, the grant date of share options issued during the financial year was 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:

	2017
Dividend yield (%)	0.70%
Expected volatility (%)	24.78%
Risk-free interest rate (%)	3.34 - 3.48%
Expected life of option (years)	2.50 - 3.50
Share price at date of grant (RM)	3.03
Exercise price of option (RM)	2.80
Fair value of option at date of grant (RM):	
- 1st tranche (RM)	0.65
- 2nd tranche (RM)	0.71
- 3rd tranche (RM)	0.76

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.

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30. Employee share scheme (continued)

Movements in the number of share options over ordinary shares outstanding and their related weighted average exercise prices are as follows:

	2017	
	Average exercise price per share option RM	Options '000
At 1 February	-	-
Granted	2.80	4,000
At 31 January	2.80	4,000

There were no options for unissued share are exercisable during the financial year ended 31 January 2017.

31. 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) Available-for-sale reserve

The available-for-sale reserve represents cumulative fair value gain or loss arising from available-for-sale financial assets recognised. This reserve will be reclassified to profit or loss when the investment is derecognised, or when the investment is determined to be impaired.

(c) 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.

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31. Reserves (continued)

(d) 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.

32. Retained earnings

The Company may distribute dividends out of its entire retained earnings as at 31 January 2017 under the single tier system.

33. Loans and borrowings

		Group		Company	
		2017	**2016**	**2017**	**2016**
	Maturity	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Current:					
Secured:					
Bank loans:					
- USD loan at COF + 1.65%	2017	-	6,756	-	-
- USD loan at COF + 1.65%	2018	8,105	-	-	-
- USD loan at COF + 2.50%	2017	-	5,461	-	-
- USD loan at COF + 2.80%	2017	-	19,966	-	8,993
- USD loan at COF + 2.80%	2018	4,635	-	-	-
- USD loan at COF + 4.00%	2017	-	4,038	-	4,038
- USD loan at SIBOR + 2.75%	2018	29,324	14,085	-	-
- USD loan at LIBOR + 4.00%	2017	-	49,223	-	-

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33. Loans and borrowings (continued)

		Group		Company	
		2017	2016	2017	2016
	Maturity	RM'000	RM'000	RM'000	RM'000
Current:					
Secured:					
Bank loans:					
- USD loan at LIBOR + 4.50%	2017	-	58,195	-	-
- USD loan at LIBOR + 4.50%	2018	123,452	-	-	-
- RM loan at COF + 3.50%	2017	-	1,370	-	-
- Sukuk Bond 5.25%	2018	986	-	-	-
- Sukuk Bond 5.75%	2018	2,295	-	-	-
Obligations under finance leases (Note 34)	2018	309	295	194	186
		169,106	159,389	194	13,217
Unsecured:					
Bank overdrafts	On demand	8,626	6,364	-	-
Revolving credits	2018	44,622	41,768	44,535	41,545
		53,248	48,132	44,535	41,545
		222,354	207,521	44,729	54,762
Non-current:					
Secured:					
Bank loans:					
- USD loan at COF + 1.65%	2021	20,136	26,434	-	-
- USD loan at COF + 2.50%	2018	-	14,699	-	-
- USD loan at COF + 2.80%	2018	-	3,747	-	-
- USD loan at COF + 2.80%	2019	-	11,757	-	11,757

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33. Loans and borrowings (continued)

		Group		Company	
		2017	**2016**	**2017**	**2016**
	Maturity	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Non-current:					
Secured:					
Bank loans:					
- USD loan at COF + 4.00%	2019	-	10,624	-	10,624
- USD loan at SIBOR + 2.75%	2018	-	27,512	-	-
- USD loan at LIBOR + 2.90%	2025	2,700,779	759,811	-	-
- USD loan at LIBOR + 4.50%	2020	161,301	316,010	-	-
- RM loan at COF + 3.50%	2018	-	231,584	-	-
- Sukuk Bond 5.25%	2019	77,251	-	-	-
- Sukuk Bond 5.75%	2020	163,335	-	-	-
Obligations under finance leases (Note 34)	2019	488	797	278	472
		3,123,290	1,402,975	278	22,853
Unsecured:					
Revolving credits	2021	47,529	43,655	-	-
		3,170,819	1,446,630	278	22,853
		3,393,173	1,654,151	45,007	77,615
Total borrowings					
Bank overdrafts (Note 27)		8,626	6,364	-	-
Revolving credits		92,151	85,423	44,535	41,545
Bank loans		3,291,599	1,561,272	-	35,412
		3,392,376	1,653,059	44,535	76,957
Obligations under finance leases (Note 34)		797	1,092	472	658
Total loans and borrowings		3,393,173	1,654,151	45,007	77,615

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33. Loans and borrowings (continued)

The remaining maturities of the loans and borrowings (excluding obligations under finance leases) as at the reporting date are as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
On demand or within one year	222,045	207,226	44,535	54,576
More than 1 year and less than 2 years	368,421	405,479	-	12,345
More than 2 years and less than 5 years	725,564	432,671	-	10,036
5 years or more	2,076,346	607,683	-	-
	3,392,376	1,653,059	44,535	76,957

(a) The secured loans and borrowings of the Group are secured by certain assets of the Group as disclosed in Notes 17 and 27.

(b) All unsecured loans and borrowings of the subsidiaries are guaranteed by the Company.

(c) The bank overdrafts and revolving credits are for working capital, denominated in USD and RM, and bear interests at range of BLR+0.00% (2016: BLR + 0.00%) and COF + 1.50% to COF + 3.00% (2016: COF + 1.50% to COF + 3.00%) respectively.

(d) During the financial year, a subsidiary has refinanced its existing conventional loan of RM2,700.78 million to Islamic Financing with its same syndicated lenders under the same terms as per the existing loan. The related transaction costs incurred for the loan extension are to be netted off with the proceeds from Islamic Financing loan.

34. Obligations under finance leases

	Group	
	2017 RM'000	2016 RM'000
Minimum lease commitments:		
Not later than 1 year	338	338
Later than 1 year and not later than 2 years	338	338
Later than 2 years and not later than 5 years	168	506
Total minimum lease payments	844	1,182
Less: Amounts representing finance charges	(47)	(90)
Present value of minimum lease payments	797	1,092

34. Obligations under finance leases (continued)

	Group	
	2017	**2016**
	RM'000	**RM'000**
Present value of payments:		
Not later than 1 year	309	295
Later than 1 year and not later than 2 years	323	309
Later than 2 years and not later than 5 years	165	488
Present value of minimum lease payments	797	1,092
Less: Amount due within 12 months (Note 33)	(309)	(295)
Amount due after 12 months (Note 33)	488	797

	Company	
	2017	**2016**
	RM'000	**RM'000**
Minimum lease commitments:		
Not later than 1 year	211	211
Later than 1 year and not later than 2 years	211	287
Later than 2 years and not later than 5 years	75	212
Total minimum lease payments	497	710
Less: Amounts representing finance charges	(25)	(52)
Present value of minimum lease payments	472	658
Present value of payments:		
Not later than 1 year	194	186
Later than 1 year and not later than 2 years	203	194
Later than 2 years and not later than 5 years	75	278
Present value of minimum lease payments	472	658
Less: Amount due within 12 months (Note 33)	(194)	(186)
Amount due after 12 months (Note 33)	278	472

The finance lease liabilities are secured by charges over the leased assets (Note 17) and secured by corporate guarantees from the Company. The discount rates implicit in the leases ranges from 2.34%% to 2.43% (2016: 4.14% to 4.74%) per annum.

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35. Unfavourable contracts

	Group	
	2017	**2016**
	RM'000	**RM'000**
Unfavourable contracts		
Cost		
At 1 February	114,593	101,126
Exchange differences	7,019	13,467
At 31 January	121,612	114,593
Accumulated amortisation		
At 1 February	49,791	27,114
Amortisation (Note 8)	19,938	19,047
Exchange differences	4,062	3,630
At 31 January	73,791	49,791
Net carrying amount	47,821	64,802
Amount to be amortised:		
- Current	21,258	19,942
- Non-current	26,563	44,860
	47,821	64,802

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.

36. Tax

(a) Tax payables

Included in tax payables is an income tax liability for an uncertain tax position for a subsidiary in a foreign operation amounting to RM16,642,000. This was due to a change in tax adminstration whereby the income tax computations for prior years of assessment were revised and refiled to the relevant tax authority. As the refiled submission are subjected to the tax authority's approval, the final tax position as at 31 January 2017 is uncertain as disclosed in Note 6(i).

36. Tax (continued)

(b) Deferred tax liabilities

	Group	
	2017 RM'000	2016 RM'000
At 1 February	26,773	610
Recognised in profit or loss (Note 14)	(21,656)	22,459
Recognised in profit or loss (discontinued operations)	-	4,358
Under provision in prior year (Note 14)	2	-
Exchange differences	331	(168)
Attributable to discontinued operations	-	(486)
At 31 January	5,450	26,773

The components and movements of deferred tax assets and liabilities during the financial year are as follows:

	Deferred tax liabilities	Deferred tax assets		
	Accelerated capital allowances and others RM'000	Unutilised tax losses and unabsorbed capital allowances RM'000	Provision RM'000	Total RM'000
At 1 February 2015	7,041	-	(6,431)	610
Recognised in profit or loss	22,808	(935)	4,944	26,817
Exchange differences	(168)	-	-	(168)
Attributable to discontinued operations	(2,908)	935	1,487	(486)
At 31 January 2016 and 1 February 2016	26,773	-	-	26,773
Recognised in profit or loss	(21,654)	-		(21,654)
Exchange differences	331	-	-	331
At 31 January 2017	5,450	-	-	5,450

As at the reporting date, the Group had unutilised tax losses and unabsorbed capital allowances of approximately RM 8,771,000 (2016: RM Nil) that are available to offset against future taxable profits of the respective subsidiaries in which these unutilised tax losses and unabsorbed capital allowances arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability.

36. Tax (continued)

(b) Deferred tax liabilities (continued)

The availability of unutilised tax losses to offset against future taxable profits of the respective subsidiaries in Malaysia are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act, 1967 and guidelines issued by the Malaysia tax authority. The use of tax losses of subsidiaries in other countries are subject to the agreement of the tax authorities of those countries and compliance with certain provisions of the tax legislations of the countries in which the subsidiaries operate. For those subsidiaries that are affected by the uncertain tax position for foreign operation, the critical accounting estimates and judgements are disclosed in Note 6(i).

37. Trade and other payables

	Group		Company	
	2017	2016	2017	2016
Current:	RM'000	RM'000	RM'000	RM'000
Trade payables				
Third parties	15,869	11,695	-	-
Due to an associate	-	1,110	-	-
	15,869	12,805	-	-
Other payables				
Due to directors	600	19,690	600	19,690
Due to subsidiaries	-	-	6,323	1,111
Due to joint ventures	758	397	-	-
Due to associates	2,130	201	552	201
Directors' related companies	32	-	32	-
Sundry payables	158,974	308,354	4,108	3,465
Accruals	121,344	63,906	517	698
Deposit	60	16,800	-	16,800
	283,898	409,348	12,132	41,965
	299,767	422,153	12,132	41,965
Non-current:				
Other payable				
Due to subsidiaries	-	-	353,507	418,019
Total trade and other payables	299,767	422,153	365,639	459,984

(a) Trade payables

Trade payables are non-interest bearing and the credit terms granted to the Group range from 30 to 120 (2016: 30 to 120) days.

37. Trade and other payables (continued)

(b) Other payables - current

All other payables are unsecured, non-interest bearing and are repayable on demand.

Included in sundry payables and accruals are related to capital expenditures incurred for the vessel under construction amounting to RM152,692,000 and RM58,810,000 (2016: RM267,643,000 and RM53,669,000) respectively.

(c) Other payable - non-current

Amount due to subsidiaries is unsecured and the Company has discretion to defer the settlement for at least 12 months from the balance sheet date. Included in the amount due to subsidiaries is an interest-bearing loan of approximately RM353,507,000 (2016: RM413,979,000), which bears interest of 3.40% to 8.13% (2016: 6.10% to 7.54%).

38. Derivatives

	Group	
	2017	**2016**
Non-hedging derivatives:	**RM'000**	**RM'000**
Current		
(a) **Financial liabilities at fair value through profit or loss**		
- Interest rate swaps	(425)	(6,177)

The interest rate swaps reflect the negative 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.

	Group	
	2017	**2016**
Hedging derivatives:	**RM'000**	**RM'000**
Non-current		
(b) **Financial liabilities designated as cash flow hedge**		
- Interest rate swaps	(102,031)	(149,701)

A subsidiary of the Company had entered into a series of USD interest swap contracts with banks. The interest rate swaps reflect the negative change in fair value of those interest rate swaps which have been designated as cash flows hedge and are used to manage the exposure to the risk of changes in market interest rates arising from floating rate bank loans of the subsidiary.

The fair values of the interest rate swaps are determined by using the prices quoted by the counterparty banks which are categorised as Level 2 of the fair value hierarchy. There is no transfer from Level 1 and Level 2 or out of Level 3 during the financial year.

39. Significant related party transactions

(a) Sales and purchases of goods and services

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	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Related companies controlled by certain Directors:				
- rental income	30	60	-	-
- transport income	2,774	2,680	-	-
- lease of barges	788	2,267	-	-
- sales of goods	-	271	-	-
- purchases of goods	1,384	3,130	-	-
- management fee income	250	-	250	-
- interest income	-	-	-	-
Associates:				
- management and administration charges	3,183	854	-	-
- consultancy fee income	2,430	2,559	-	-
- chartering charges	3,529	5,039	-	-
- management fee income	-	117	-	117
- purchases of goods	5,202	2,461	-	-
- rental income	63	250	-	-
- lease of barges	509	-	-	-
- interest income	89	-	-	-
Joint ventures:				
- interest income	2,205	1,917	2,205	1,917
- advances	7,949	10,908	3,923	8,238
Subsidiaries:				
- dividend income	-	-	103,754	-
- management fee income	-	-	26,762	27,890
- interest income	-	-	33,775	31,367
- advances	-	-	11,857	22,361

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

39. Significant related party transactions (continued)

(b) Compensation to key management personnel

Key management personnel of the Group and of the Company are those who are the executive directors of the Company. Information of compensation to executive directors is disclosed in Note 12.

40. Commitments

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
(a) Capital commitments				
Approved and contracted for:				
Property, plant and equipment	206,512	826,542	-	1,790
Approved but not contracted for:				
Property, plant and equipment	587,492	1,440,917	-	-
	794,004	2,267,459	-	1,790

(b) Operating lease commitments – Group as lessee

The Group has entered into leases for the use of premises, vessels and equipment. These leases have tenures ranging between 5 months to 6 years with options to extend for the lease periods mutually agreed between the lessees and lessors. The Group is restricted from leasing the leased premises to third parties.

Future minimum rentals payable under non-cancellable operating leases at the reporting date are as follows:

	Group	
	2017 RM'000	2016 RM'000
Not later than 1 year	8,725	2,380
Later than 1 year and not later than 5 years	25,149	1,358
More than 5 years	5,398	-
	39,272	3,738

40. Commitments (continued)

(c) Operating lease commitments – Group as lessor

The Group has entered into leases on its investment properties and vessels. These non-cancellable leases have remaining lease terms of between 6 months to fifteen years. All leases are 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	
	2017 RM'000	2016 RM'000
Not later than 1 year	978,021	365,854
Later than 1 year and not later than 5 years	3,662,978	3,404,565
Later than 5 years	6,681,602	7,453,208
	11,322,601	11,223,627

Rental income from leasing of investment properties and chartering fees from leasing of vessels recognised in profit or loss during the financial year are disclosed in Note 7.

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41. Fair value measurement

(a) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

	Fair value measurement using			
	Quoted prices in active market Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
At 31 January 2017				
Non-financial asset:				
Investment properties	-	-	29,931	29,931
Financial assets:				
At fair value through profit or loss	3,126	24,170	-	27,296
Financial liability:				
Interest rate swaps	-	102,456	-	102,456
At 31 January 2016				
Financial assets:				
Available-for-sale	1,739	-	-	1,739
At fair value through profit or loss	179	74,998	-	75,177
Financial liability:				
Interest rate swaps	-	155,878	-	155,878
Discontinued operations				
At 31 January 2016				
Non-financial asset:				
Investment properties	-	-	36,022	36,022
Plant and equipment	-	-	3,492	3,492
Financial assets:				
Available-for-sale	1,424	-	-	1,424
At fair value through profit or loss	12	-	-	12

41. Fair value measurement (continued)

(a) Fair value hierarchy (continued)

The Group classifies fair value measurement using the fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

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

There have been no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 31 January 2017 and 31 January 2016.

(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 payables	37
Loans and borrowings (current), excluding obligations under finance leases	33
Loans and borrowings (non-current), excluding obligations under finance leases and certain bank loans	33

The carrying amounts of financial liabilities is reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of loans and borrowings excluding obligations under finance leases are reasonable approximation of fair values due to the insignificant impact of discounting.

The fair values of non-current loans and borrowings excluding obligations under finance leases are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

41. 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.

(c) Fair values of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	Group	
	2017	**2016**
	RM'000	**RM'000**
Financial asset:		
Carrying amount:		
- Due from a joint venture (non-current)	10,165	9,417
Fair value:		
- Due from a joint venture (non-current)	9,798	9,077
Financial liabilities:		
Carrying amount:		
- Obligations under finance leases (current and non-current)	797	1,092
- USD bank loans (non-current)	2,862,080	1,075,821
	2,862,877	1,076,913
Fair value:		
- Obligations under finance leases (current and non-current)	797	1,092
- USD bank loans (non-current)	2,814,713	1,128,824
	2,815,510	1,129,916

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42. Financial instruments by category

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Financial assets				
Financial assets measured at fair value through profit or loss (Note 23)	27,296	75,177	-	-
Available-for-sale financial assets (Note 23)	-	1,739	-	-
Loans and receivables at amortised costs:				
- Trade and other receivables (Note 25)	176,977	232,427	638,160	629,023
- Cash and bank balances (Note 27)	633,922	416,187	7,490	39,940
	810,899	648,614	645,650	668,963
Total	838,195	725,530	645,650	668,963
Financial liabilities				
Financial liabilities measured at fair value through profit or loss:				
- Interest rate swaps (Note 38)	425	6,177	-	-
Financial liabilities designated as cash flow hedge				
- Interest rate swaps (Note 38)	102,031	149,701	-	-
Other financial liabilities at amortised cost:				
- Trade and other payables (Note 37)	299,767	422,153	365,639	459,984
- Loans and borrowings (Note 33)	3,393,173	1,654,151	45,007	77,615
	3,692,940	2,076,304	410,646	537,599
Total	3,795,396	2,232,182	410,646	537,599

The group's exposure to various risks associated with the financial instruments is discussed in Note 43.

43. Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets, other than derivatives, include loans, trade and other receivables, cash and short-term deposits that are derived directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by corporate finance team that advises on financial risks and the appropriate financial risk governance framework for the Group. The corporate finance team provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk, such as equity prices and commodity prices. 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 2017 and 2016.

(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.

43. Financial risk management objectives and policies (continued)

(a) Market risk (continued)

(i) Interest rate risk (continued)

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 RM3,101,000 (2016: RM1,568,000) 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 (when revenue or expense is denominated in a different currency from the Group’s presentation currency) 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, SGD and Norwegian Krone ("NOK"). The foreign currency in which these transactions are denominated is mainly USD, SGD and Euro.

The Group holds cash and cash equivalents denominated in foreign currencies for working capital purposes. The other financial instruments denominated in foreign currencies include financial assets at fair value through profit or loss, trade and other receivables, trade and other payables and loans and borrowings.

The Group is also exposed to currency translation risk arising from its net investment in foreign operations in Labuan, Singapore and Norway. 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.

43. Financial risk management objectives and policies (continued)

(ii) Foreign currency risk

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, SGD and EURO exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

		Group	
		2017	2016
		RM'000	RM'000
USD/RM	- Strengthened 5%	(16,292)	(4,582)
	- Weakened 5%	16,292	4,582
EURO/RM	- Strengthened 5%	8	(848)
	- Weakened 5%	(8)	848
SGD/RM	- Strengthened 5%	(258)	94
	- Weakened 5%	258	(94)

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

(i) Trade receivables

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 an individual credit limits are defined in accordance with this assessment. Outstanding receivables are regularly monitored.

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43. Financial risk management objectives and policies (continued)

(b) Credit risk (continued)

(i) Trade receivables (continued)

An impairment analysis is performed at each reporting date on an individual basis for major receivables. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in statement of financial position. The Group does not hold collateral as security.

As at 31 January 2017, the credit risk of the Group primarily related to the Group's 3 (2016: 3) largest customers which accounted for 90% (2016: 89%) 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 its financial position, past collection experiences and other factors. Except for the allowance for doubtful debts provided as disclosed in Note 25(a) to the financial statements, management does not expect any counterparty to fail to meet their obligations.

(ii) Financial instruments and cash deposits

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 limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in statement of financial position except for trade receivables as disclosed above.

(c) Liquidity risk

Liquidity risk is the risk that the Group or 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 objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases contracts.

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43. 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	One to five years RM'000	Over five years RM'000	Total RM'000
31 January 2017				
Trade and other payables	299,767	-	-	299,767
Loans and borrowings	225,651	1,143,367	2,112,370	3,481,388
Derivatives	425	102,031	-	102,456
Total undiscounted financial liabilities	525,843	1,245,398	2,112,370	3,883,611
31 January 2016				
Trade and other payables	422,153	-	-	422,153
Loans and borrowings	489,802	926,241	740,974	2,157,017
Derivatives	6,177	149,701	-	155,878
Total undiscounted financial liabilities	918,132	1,075,942	740,974	2,735,048
Company				
31 January 2017				
Trade and other payables	12,132	353,507	-	365,639
Loans and borrowings	44,746	287	-	45,033
Financial guarantee ^	3,437,971	-	-	3,437,971
Total undiscounted financial liabilities	3,494,849	353,794	-	3,848,643
31 January 2016				
Trade and other payables	41,965	418,019	-	459,984
Loans and borrowings	60,276	34,698	-	94,974
Financial guarantee ^	1,655,008	-	-	1,655,008
Total undiscounted financial liabilities	1,757,249	452,717	-	2,209,966

^ 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 wthin 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.

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Notes to the financial statements
For the financial year ended 31 January 2017 (continued)

44. 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) Marine - This segment comprises provision of vessel and marine related services.

(ii) Other operations - This segment comprises of investment, management services and treasury services.

(iii) Discontinued operations - It comprises of the following segments :

(a) The transport segment consists of the provision of trucking services.

(b) The trading segment consists of trading activities mainly in the construction related materials.

(c) Other operations consist of provision of warehouses and rental from investment properties.

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.

	Marine RM'000	Other operations RM'000	Discontinued operations RM'000	Elimination RM'000		Consolidated RM'000
31 January 2017						
Revenue:						
Gross revenue	585,224	27,282	221,121	(290,372)	A	543,255
Inter-segment	(42,489)	(26,762)	(155)	69,406	B	-
	542,735	520	220,966	(220,966)		543,255
Results:						
Segment results	145,344	16,819	9,283	(9,283)	A	162,163
Finance costs						(32,314)
Share of results of joint ventures						82,457
Share of results of associates						873
Income tax expense						(18,706)
Profit for the year						194,473

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Notes to the financial statements
For the financial year ended 31 January 2017 (continued)

44. Segment information (continued)

	Marine RM'000	Other operations RM'000	Discontinued operations RM'000	Elimination RM'000		Consolidated RM'000
31 January 2017						
Amortisation and depreciation	89,316	1,746	-	-		91,062
Fair value gain/ (loss):						
- marketable securities	32	(889)	-	-		(857)
Impairment loss on property, plant and equipment	(11,630)	-	-	-		(11,630)
Other non-cash income/(expenses)	(28,343)	19,320	(910)	910	A	(9,023)
Assets and liabilities						
Segment assets	6,086,369	203,960	-	-		6,290,329
Segment liabilities	3,528,079	356,077	-	-		3,884,156
Addition to non-current assets	1,549,317	146	-	-		1,549,463
31 January 2016						
Revenue:						
Gross revenue	460,721	33,674	551,973	(621,970)	A	424,398
Inter-segment	(36,452)	(33,543)	(836)	70,831	B	-
	424,269	131	551,137	(551,139)		424,398
Results:						
Segment results	159,866	79,694	12,955	(12,955)	A	239,560
Finance costs						(40,514)
Share of results of joint ventures						92,165
Share of results of an associate						1,549
Income tax expense						(77,710)
Profit for the year						215,050

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Notes to the financial statements
For the financial year ended 31 January 2017 (continued)

44. Segment information (continued)

	Marine RM'000	Other operations RM'000	Discontinued operations RM'000	Elimination RM'000		Consolidated RM'000
31 January 2016						
Amortisation and depreciation	92,669	1,017	5,015	(5,015)	A	93,686
Fair value gain/(loss):						
- investment properties	-	-	(1,321)	1,321	A	-
- marketable securities	-	23	2	(2)	A	23
Impairment loss on property, plant and equipment	(18,983)	-	(2,000)	2,000	A	(18,983)
Other non-cash income/(expenses)	(7,299)	84,887	(7,481)	7,481	A	77,588
Assets and liabilities						
Segment assets	4,117,460	248,994	473,356	-		4,839,810
Segment liabilities	1,946,393	411,534	228,499	-		2,586,426
Addition to non-current assets	1,859,213	128	8,830	-		1,868,171

Notes
Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

A The amounts relating to the discontinued operations have been excluded to arrive at amount shown in the consolidated statement of comprehensive income as they are presented separately in the income statement within one item, "profit for the financial year from discontinued operations"

B Inter-segment revenues are eliminated on consolidation.

Yinson Holdings Berhad
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Notes to the financial statements
For the financial year ended 31 January 2017 (continued)

44. Segment information (continued)

Geographical information

The Group operate in the followng main geographical areas:

i) Malaysia - mainly involved in leasing and sub-leasing of vessel on bareboat or time charter basis
ii) Asia (excluding Malaysia), Africa and Norway - mainly involved in charter hire of vessels and ship management services

Revenue by location of the Group's operation are analysed as follows:

	Group	
	2017	**2016**
	RM'000	**RM'000**
Malaysia	24,330	19,843
Asia (excluding Malaysia)	-	6,948
Africa	516,671	397,543
Norway	2,254	64
	543,255	424,398

Non-current assets other than financial instruments and deferred tax assets managed by the Group in Africa amounted to RM4,424.49 million as at 31 January 2017 (2016: RM 2,799.23 million).

The Group’s largest customers (by revenue contribution) are from the marine segments. In 2017, 3 customers contributed revenue individually exceeding 10% of total revenue for the financial year, amounting to RM221.34 million, RM194.37 million and RM100.96 million respectively. In 2016, 2 customers contributed revenue individually exceeding 10% of total revenue for the financial year, amounting to RM215.41 million and RM182.14 million respectively.

45. Capital management

For the purpose of the Group's capital management, capital includes share capital and all other equity reserves attributable to owners of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

Amongst key financial covenants required to be complied by the Group are:

(a) Debt Service Cover Ratio; and
(b) Debt to Equity Ratio

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, buy-back shares or issue new shares. The Group monitors capital using a debt-to-capital ratio, which is net debt divided by total capital plus net debt. Net debt includes interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Loans and borrowings (Note 33)	3,393,173	1,654,151	45,007	77,615
Trade and other payables (Note 37)	299,767	422,153	365,639	459,984
Less: Cash and bank balances (Note 27)	(633,922)	(416,187)	(7,490)	(39,940)
Financial liabilities, attributable to discontinued operations, net of cash and bank balances	-	204,015	-	-
Net debt	3,059,018	1,864,132	403,156	497,659
Equity attributable to owners of the parent, total capital	1,968,713	1,814,074	1,242,788	1,290,022
Capital and net debt	5,027,731	3,678,206	1,645,944	1,787,681
Debt-to-capital ratio	61%	51%	24%	28%

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For the financial year ended 31 January 2017 (continued)

46. Perpetual securities of a subsidiary

On 25 September 2015, Yinson TMC Sdn Bhd, a wholly owned subsidiary of the Company issued perpetual securities of USD 100 million. The perpetual securities are:

(a) unconditionally and irrevocably guaranteed by the Company;
(b) direct, unsecured, unconditional and unsubordinated obligations of the subsidiary;
(c) 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 and carry an initial periodic distribution rate of 7% per annum. The Perpetual Securities have no fixed maturity date but are callable 5 years from date of issuance at their principal amounts by the Company. The Perpetual Securities may also be redeemed at the option of the Company upon the occurrence of certain events by the Company as per detailed in the terms and conditions of the Perpetual Securities.

From the Group's prespective under MFRS 132, the Perpetual Securities are classified as equity because the payment of any distribution or redemption of the securities is at the option of the Company.

47. Discontinued operations and disposal group classified as held for sale

On 29 June 2015, the Company had received a letter of offer from Liannex Labuan Limited ("Liannex Labuan") to acquire from the Company the non-oil & gas business companies as well as the repayment of inter-company loans owing to the Company by the said subsidiaries at an offer price of RM228.0 million ("Offer Letter")

Target Subsidiaries under divestment:

i) 100% equity interest in Yinson Corporation Sdn Bhd;
ii) 100% equity interest in Yinson Transport Sdn Bhd;
iii) 100% equity interest in Yinson Shipping Sdn Bhd;
iv) 100% equity interest in Yinson Power Marine Sdn Bhd;
v) 100% equity interest in Yinson Overseas Limited ("YOL"). The Company undertook an internal restructuring whereby YOL acquired the entire equity interest of Yinson Port Ventures Pte Ltd* on 19 October 2015 and subsequent acquired the entire equity interest of Yinson Vietnam Company Limited**.

* Yinson Port Ventures Pte Ltd, in turn owns 40% equity interest in PTSC Phu My Port Joint Stock Company.
** Yinson Vietnam Company Limited, in turn owns 51% equity interest in Yen Son Diversified Company Limited.

47. Discontinued operations and disposal group classified as held for sale (continued)

Subsequently on 28 September 2015, YHB entered into a conditional share sale agreement ("SSA") to divest its entire equity interest in the Target Subsidiaries to Liannex Labuan. At the request of Liannex Labuan, it was agreed for Liannex Labuan to novate all its liabilities, obligations, duties, rights, title, benefit, interests, covenants and undertaking under the SSA to Liannex Asia Pacific Sdn Bhd (“Liannex Asia Pacific”) via a novation agreement entered into between YHB, Liannex Labuan and Liannex Asia Pacific on 15 July 2016. This has resulted in Liannex Asia Pacific being the acquirer of the Target Subsidiaries.

Pursuant to the Completion Audit/Review in October 2016, a net loss of RM3.51 million was recognised at Group level in income statements during the financial year.

Results of the discontinued operations

In the preceding financial year, the Target Subsidiaries were classified as a disposal group held for sale and as discontinued operations. The disposal was completed on 26 July 2016 and YHB ceased to recognise the results of the disposal group upon the date of completion. The results of the disposal group for the financial year are presented below.

		Group	
	Note	**2017**	**2016**
		RM'000	**RM'000**
Revenue		220,966	551,137
Expenses		(211,680)	(538,268)
Finance costs		(7,053)	(12,368)
Share of results of associate	22	656	2,765
Profit before tax from discontinued operations*		2,889	3,266
Income tax expense (Note 14)		(607)	(2,495)
Profit for the financial year from discontinued operations		2,282	771

47. Discontinued operations and disposal group classified as held for sale (continued)

Results of the discontinued operations (continued)

* The following items have been charged/(credited) in arriving profit before tax from discontinued operation:

	Note	Group 2017 RM'000	Group 2016 RM'000
Bad debts recovered		(202)	(1,230)
Impairment loss on:			
- trade receivables		1,426	6,950
- other receivables		-	321
Reversal of impairment loss on:			
- trade receivables		-	(6,194)
Impairment loss on plant and equipment	(a)	-	2,000
Impairment loss on available-for-sale financial assets		-	1,068
(Reversal of)/write down of inventories		(577)	2,177
Inventory written off		-	5,843
Unrealised loss on foreign exchange		209	4,299
Fair value loss/(gain) on:			
- investment properties	(b)	-	1,321
- marketable securities		-	(2)
Gain on sale of other investments		196	-
Loss on disposal of property, plant and equipment		-	1,029
Property, plant and equipment written off		49	9
Operating leases - Minimum lease payment for land and buildings		127	432
Waiver of amount due from a former shareholder of a subsidiary		-	(716)
Fee for statutory audits			
- Other auditors		73	129
Fee for non-audit services			
- Other auditors		-	44
Interest income		(167)	(96)
Amortisation of intangible assets		-	3
Amortisation of land use rights		-	72
Depreciation of property, plant and equipment		-	4,940
Employee benefits expenses		3,948	11,550

Included in employee benefits expense are directors' remuneration as disclosed in Note 12 amounting to RM750,000 (2016: RM1,757,000).

47. Discontinued operations and disposal group classified as held for sale (continued)

Assets and liabilities of disposal group classified as held for sale

The major classes of assets and liabilities of the disposal group as at date of disposal (26 July 2016) are as follows:

	Note	Group At date of disposal RM'000
Assets		
Property, plant and equipment		52,667
Investment properties		35,609
Intangible assets		132
Land use rights		4,252
Investment in associate		33,712
Deferred tax assets		2,004
Inventories		356
Trade and other receivables		247,193
Other current assets		49,802
Tax recoverable		5,627
Cash and bank balances		25,402
Fixed deposits (pledged)		367
		457,123
Liabilities		
Loans and borrowings	(d)	(200,048)
Bank overdraft	(d)	(2,391)
Trade and other payables		(89,960)
Tax payables		-
Deferred tax liabilities		(3,066)
		(295,465)
Net assets		161,658
Less: Non-controlling interests		(1,499)
Net assets disposed of		160,159
Transfer from foreign exchange reserve		2,450
Net disposal proceeds (including transaction costs incurred)		(159,098)
Total loss on disposal of subsidiaries and associate to the Group		3,511

The net cash flows on disposal is determined as follows:

Total net proceeds from disposal - cash consideration	159,098
Cash and cash equivalents of subsidiaries disposed of (excluding fixed deposits pledged, net of bank overdraft)	(23,011)
Cash inflow to the Group on disposal	136,087

47. Discontinued operations and disposal group classified as held for sale (continued)

Assets and liabilities of disposal group classified as held for sale (continued)

(a) The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 31 January 2016:

	Note	Group 2016 RM'000
Assets classified as held for sale		
Property, plant and equipment	(b)	41,845
Investment properties	(c)	36,022
Intangible assets		132
Land use rights		4,252
Investment in associate		37,344
Available-for-sale financial assets		1,424
Deferred tax assets		2,376
Inventories		1,751
Trade and other receivables		278,053
Other current assets		43,314
Tax recoverable		5,308
Marketable securities		12
Cash and bank balances		21,523
Total assets of disposal group held for sale		473,356
Liabilities classified as held for sale		
Loans and borrowings	(d)	(207,569)
Trade and other payables		(17,969)
Tax payables		(99)
Deferred tax liabilities		(2,862)
Total liabilities of disposal group held for sale		(228,499)
Net assets directly associated with disposal group classified as held for sale		244,857

(b) In the preceding financial year, subsequent to classification as assets held for sale, Yinson Power Marine Sdn Bhd had carry out a review of the recoverable amount of its tug boats and barges because of persistent losses. An impairment loss of RM2,000,000, representing the fair value less disposal cost of the tug boats and barges was recognised in profit or loss for the year from discontinued operations. The recoverable amount of tug boats and barges were based on the valuations performed by a marine surveyor. Fair value measurement disclosures are provided in Note 41(a).

47. Discontinued operations and disposal group classified as held for sale (continued)

Assets and liabilities of disposal group classified as held for sale (continued)

(c) Investment properties classified as assets held for sale are stated at fair value, which has been determined based on valuations at the reporting date. A fair value loss of RM1,321,000 was recognised from discontinued operations in profit or loss for the prior financial year ended 31 January 2016. The valuations are performed by an accredited independent valuer. Fair value measurement disclosures are provided in Note 41(a).

(d) Included in loans and borrowings are bank overdrafts, banker's acceptance and revolving credits, for purchase of raw materials and working capital, denominated in RM, and bear interests at range of BLR+0.0% to BLR+2.5%, 3.96% to 6.10% and COF+1.25% to COF+2% respectively.

The following amounts are recognised in profit or loss as at date of disposal (26 July 2016) by the Company:

	Company At date of disposal RM'000
Investments in subsidiaries and associate	154,183
Total proceeds from disposal - cash consideration	(159,366)
Gain on disposal of subsidiaries and associate (Note 9)	(5,183)

48. Subsequent event

The Group jointly controls PTSC Asia Pacific Pte. Ltd. ("PTSC AP") with PetroVietnam Technical Services Corporation ("PTSC"). PTSC AP leases FPSO PTSC Lam Son ("FPSO") under a bareboat charter arrangement to PTSC, which subsequently has a time charter arrangement with Lam Son Joint Operating Company ("LSJOS"), the operator for the Thang Long - Dong Do Field. LSJOC is equally owned by PetroVietnam Exploration Production Corporation (a wholly owned subsidiary of PETROVIETNAM) and PC Vietnam Limited, a wholly owned subsidiary of Petroliam Nasional Berhad ("PETRONAS").

On 31 March 2017, PTSC, via a letter, formally informed PTSC AP that LSJOC had on 31 March 2017 issued a notice of termination to PTSC for the above time charter contract, pursuant to the liquidation of LSJOC which is scheduled to occur on 30 June 2017. In the same Letter, PTSC served a notice of termination for convenience to PTSC AP for the bareboat charter arrangement hence, the bareboat charter shall also terminate on 30 June 2017. Under the bareboat charter arrangement, PTSC AP is entitled to an early termination payment from PTSC, in accordance with the terms of the bareboat charter arrangement. Notwithstanding this, PTSC has informed the Group, that PETROVIETNAM, the ultimate holding company of one of the two co-venturers of LSJOC intends to continue to deploy FPSO PTSC Lam Son for the petroleum operations at Lam Son Field despite the liquidation of LSJOC. Accordingly the Group is of the view that, at present, there is no material adverse financial impact to its investment in joint venture. The Group will continue to work together with PTSC on future developments during the transition period.

49. Authorisation of financial statements for issue

The financial statements for the year ended 31 January 2017 were authorised for issue in accordance with a resolution of the Directors on 3 April 2017.

Yinson Holdings Berhad
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50. Supplementary information – breakdown of retained earnings into realised and unrealised

The breakdown of the retained earnings of the Group and of the Company as at 31 January 2017 and 2016 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Group				
Total retained earnings				
- Realised	343,713	331,072	127,204	134,632
- Unrealised	22,116	81,903	28,451	55,928
	365,829	412,975	155,655	190,560
Total retained earnings from:				
Joint ventures:				
- Realised	284,404	201,946	-	-
Associates:				
- Realised	2,718	3,061	-	-
	652,951	617,982	155,655	190,560
Less: Consolidation adjustments	(16,841)	31,253	-	-
Retained earnings as per financial statements	636,110	649,235	155,655	190,560

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF YINSON HOLDINGS BERHAD
(Incorporated in Malaysia)
(Company No. 259147-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Yinson Holdings Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 January 2017, and of their financial performance and their cash flows for the 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 2017 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 19 to 132.

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.

PricewaterhouseCoopers (AF 1146), Chartered Accountants,
Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF YINSON HOLDINGS BERHAD (CONTINUED)
(Incorporated in Malaysia)
(Company No. 259147-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of Group and 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.

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 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**
Assessment of the recoverability of vessels due to difficult market conditions As at 31 January 2017, the non-current assets comprised of Floating, Production, Storage and Offloading ("FPSO") and Floating, Storage and Offloading ("FSO") vessels totalling RM745 million, Offshore Support Vessels ("OSV") totalling RM249 million and a FPSO vessel under construction totalling RM3,595 million. The current low oil prices continued to depress the global offshore oil & gas market resulting in significantly reduced activities, affecting the investment level in the industry and demand for the Group's services. Hence, management's assessment of the future timing and amounts of cash flows from the use of these vessels are critical to ascertain the recoverable amounts of these vessels.	We performed the following audit procedures over management's assessment over impairment indicators: • Evaluated management's outlook on macroeconomic indicators such as oil prices, interest rates, utilisation trends and compared these to industry indicators; • Considered the vessels' past utilisation levels and revenue earned by vessels and compared these to budgets to ascertain that these are within expectations; and • Assessed probability of customers terminating charter agreements and the subsequent impact to recoverable values of the vessels.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	**How our audit addressed the key audit matters**
Assessment of the recoverability of vessels due to difficult market conditions (continued) We focused on this area due to the inherent complexity and uncertainty associated with long-term projections which required management to exercise judgement in estimating future cash flows. In performing impairment assessment for all the Group's vessels which had impairment indicators, the recoverable amount of the vessels were determined using value-in-use ("VIU") models. The key assumptions are set out in Note 17(f) to the consolidated financial statements.	The audit procedures performed on the impairment assessments performed by management were: • Compared the key assumptions used by management in determining the VIU of the vessels against market data. In addition, we compared the projected cash flows with historical results to assess the accuracy of management's estimates; • Assessed management's discount rates whether these are reasonable compared to the industry's weighted average cost of capital with the assistance of PwC valuation experts; • Tested the mathematical accuracy of the relevant VIU models prepared by management; and • Evaluated the adequacy of the Group's disclosures regarding the impairment of these vessels, which are included in Note 17(f) of the consolidated financial statements. Based on the work performed, there was no material exception to report.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF YINSON HOLDINGS BERHAD (CONTINUED)
(Incorporated in Malaysia)
(Company No. 259147-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	**How our audit addressed the key audit matters**
Uncertain tax position due to a change in a foreign operation tax administration As disclosed on Note 6(i) to the consolidated financial statements, there was a change in a foreign operation tax administration in the prior financial year ended 31 January 2016 whereby corporate tax basis was changed from a deemed income approach to the actual profit basis with effect for financial year 2014 onwards. Subsequently, the income tax computations were revised and refiled. As these refiled submissions are subjected to the tax authority's approval, the income tax liability as at 31 January 2017 totalling RM16.6 million is uncertain as disclosed in Note 36(a) to the consolidated financial statements. In connection with this, as disclosed in Note 25, the Group recognised an accrued reimbursable recoverable of RM9.5 million representing the additional tax that would be compensated under the contractual terms with the customer. We focused on this area as the amounts involved are material and the computation of tax exposures and liabilities are associated with uncertainties and judgements.	The audit procedures performed were: • Enquired the Group's tax department and their tax agent on their understanding of the financial implications arising from a change in the foreign operation tax administration; • Discussed with the Group's tax department and their tax agent on the basis of the tax resubmissions and checked the inputs used to supporting schedules; • Evaluated the relevant controls regarding completeness of the inputs and procedures used by management for estimating the uncertain tax position; • Assessed the contractual terms to ascertain the Group's rights to recover the accrued reimbursable recoverable representing the additional tax to be compensated by the customer; and Tested the calculation and adequacy of disclosure of current and deferred tax in the financial statements. Based on the work performed, there was no material exception to report.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matters</th></tr>
<tr><td>Management's estimates over recoverability of trade and other receivables

As at 31 January 2017, the Group has trade and other receivables of RM198 million less provision for impairment of RM31 million. The offshore oil & gas industry continues to be challenged by certain macroeconomic demand and supply requiring the Group to carefully assess the collectability of trade receivables from specific customers. This requires management to exercise judgement in assessing the aged profile, customers' locations, historical payment trends and other available information concerning the creditworthiness of counterparties to determine the recoverability of trade receivables. Management uses this information to form their judgement to determine whether there is impairment indicator for specific customers.

The basis of management's judgement and estimates over its assessment of the recoverability of trade receivables are disclosed in Notes 6(b) and 25 to the consolidated financial statements.

We determined this to be a key audit matter as it requires a high level of management judgement and the materiality of the amounts.</td><td>For overdue trade receivables where no allowance was recognised, we performed the following audit procedures to evaluate management assessment:
• Checked that payments had been received from customers after the year end;
• Enquired with management on historical payment patterns and expected settlement dates; and
• Assessed customers' ageing profile by checking the accuracy of aged buckets.

For trade receivables balances where specific provision for impairment was made, these audit procedures were performed:
• Discussed with management, the rationale and assumptions used to estimate the present value of the expected future cash flow. We evaluated management's assumptions by comparing contractual cash flows and historical experience on payments to assess the basis for expected future cash flow;
• For selected specific customers, we tested their historical payment patterns and whether any post balance sheet payments had been received up to the date of completing our audit procedures; and
• Where there were disputes, we read the correspondence, checked supporting documentation and evaluated management's recovery actions to ascertain the recoverability of the amounts under dispute and adequacy of the provisions made.

Based on the work performed, there was no material exception to report.</td></tr>
</table>

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

We have determined that there are no key audit matters to communicate in our report in relation to our audit of the financial statements of the Company.

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 Director's Statement on Risk Management and Internal Control , which we obtained prior to the date of this auditors' report, and Statement on Corporate Governance, Report on Audit Committee, Statement on Corporate Social Responsibility, Statement on Director's Responsibilities and Other Sections of the 2017 Annual Report, which is expected to be made available to us after that date. Other information 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 on the other information that we obtained prior to the date of this auditors' report, 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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 the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

(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 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF YINSON HOLDINGS BERHAD (CONTINUED)
(Incorporated in Malaysia)
(Company No. 259147-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

(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 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 20 to the financial statements.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 50 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF YINSON HOLDINGS BERHAD (CONTINUED)
(Incorporated in Malaysia)
(Company No. 259147-A)

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
(No. AF: 1146)
Chartered Accountants

TIANG WOON MENG
(No. 2927/05/18 (J))
Chartered Accountant

Kuala Lumpur
3 April 2017

Building a better working world

YINSON HOLDINGS BERHAD
(259147 A)
(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements
31 January 2016

259147 A

Yinson Holdings Berhad
(Incorporated in Malaysia)

Contents

Yinson Holdings Berhad
(Incorporated in Malaysia)

Directors' report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 January 2016.

Principal activities

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

The principal activities of the subsidiaries are described in Note 21 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

Results

	Group RM'000	Company RM'000
Profit from continuing operations, net of tax	215,050	59,887
Profit from discontinued operations, net of tax	771	-
Profit for the year	215,821	59,887
Attributable to:		
Owners of the parent	224,663	59,887
Non-controlling interests	(8,842)	-
	215,821	59,887

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the 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.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Dividend

The amount of dividend paid by the Company since 31 January 2015 was as follows:

In respect of the financial year ended 31 January 2015:

	RM'000
First and final single-tier dividend of 1.5 sen per share, on 1,092,798,440 ordinary shares, declared on 23 July 2015 and paid on 15 September 2015	16,392

At the forthcoming Annual General Meeting, a final single tier dividend of 2.0 sen per share in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 January 2017.

Directors

The name of the directors of the Company in office since the date of the last report and at the date of this report are:

Lim Han Weng
Bah Kim Lian
Dato' Ir Adi Azmari bin B.K. Koya Moideen Kutty
Bah Koon Chye
Kam Chai Hong
Lim Han Joeh
Tuan Haji Hassan bin Ibrahim
Lim Chern Yuan

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

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 emoluments received or due and receivable by the directors as shown in Note 12 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 39 to the financial statements.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

	Number of ordinary shares of RM0.50 each			
Name of director	**1.2.2015**	**Acquired**	**Sold**	**31.1.2016**
The Company				
Direct interest:				
Lim Han Weng	227,601,000	-	-	227,601,000
Bah Kim Lian	91,077,600	-	-	91,077,600
Bah Koon Chye	280,000	-	-	280,000
Dato' Ir Adi Azmari bin B.K. Koya Moideen Kutty	220,000	-	-	220,000
Lim Han Joeh	41,310,376	-	-	41,310,376
Kam Chai Hong	264,600	-	-	264,600
Lim Chern Yuan	61,200	-	-	61,200
Indirect interest:				
Lim Han Weng	138,912,400	-	-	138,912,400
Bah Kim Lian	229,890,200	-	-	229,890,200

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.

Other than as stated above, the other director in office at the end of the financial year did not have any interest in shares in the Company or its related corporations during the financial year.

Issue of share capital

On 7 July 2015, the Company increased its issued and paid-up ordinary share capital from RM516,399,220 to RM546,399,220 by way of the issuance of 60 million ordinary shares of RM0.50 each via private placement, at an issue price of RM2.83 each for which the proceeds were mainly utilised to repay bank borrowings.

The share premium of RM139,800,000 arising from the issuance of ordinary shares and the share issue costs of RM 3,900,000 have been included in the share premium account. The new ordinary shares rank pari passu in all respect with the existing ordinary shares of the Company.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Treasury shares

At the Extraordinary General Meeting held on 29 January 2016, it was approved by the shareholders of the Company to purchase up to ten percent (10%) of its prevailing issued and paid-up share capital. As at 31 January 2016, no share was repurchased and held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

Subsequent to the financial year ended 31 January 2016 and up to the date of this report, the Company has purchased 1,842,600 of its issued ordinary shares from the open market at price ranging from RM2.63 to RM2.70 per share during the said period. The total consideration paid, including transaction cost of RM4,973,797 was financed by internally generated funds. As the date of this report, the number of outstanding ordinary shares of RM0.50 each after deducting the treasury shares held of 1,842,600 is 1,090,955,840 ordinary shares .

Employee share option plans

On 17 March 2015, the Company proposed to establish and implement an employees' share scheme up to ten percent (10%) of the total issued and paid-up share capital of the Company (excluding treasury shares) at any point in time during the duration of the scheme for the eligible Directors (including non-executive directors) and employees of the Company and its subsidiaries ("Proposed ESS").

Bursa Malaysia Securities Berhad has vide its letter dated 25 May 2015, approved the listing of such number of additional new ordinary shares of RM0.50 each in the Company representing up to ten percent (10%) of the issued and paid-up ordinary share capital (excluding treasury shares) of the Company to be issued pursuant to the Proposed ESS, which is subject to conditions set by Bursa Malaysia Securities Berhad as stated in the announcement dated 26 May 2015. On 23 July 2015, the proposed ESS was approved by the shareholders of the Company in the Extraordinary General Meeting. The Company obtained all required approvals and complied with the requirements pertaining to the ESS on 3 November 2015 (the effective date of the implementation of the ESS). As at 31 January 2016, no share had been granted under this ESS as yet.

Other statutory information

(a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

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

  (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

Other statutory information (continued)

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

(ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

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

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

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet its obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is 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.

Significant events

Significant events are disclosed in Notes 22, 29, 45 and 46 to the financial statements.

Subsequent event

Details of subsequent event are disclosed in Note 47 to the financial statements.

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Yinson Holdings Berhad
(Incorporated in Malaysia)

Auditors

The auditors, Ernst & Young, have indicated that they do not wish to seek re-appointment.

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 MAY 2016

Lim Han Weng

Bah Kim Lian

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Yinson Holdings Berhad
(Incorporated in Malaysia)

Statement by directors
Pursuant to Section 169(15) of the Companies Act 1965

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 11 to 119 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2016 and of their financial performance and the cash flows for the year then ended.

The information set out in Note 49 to the financial statements on page 120 have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 25 MAY 2016

Lim Han Weng

Bah Kim Lian

Statutory declaration
Pursuant to Section 169(16) of the Companies Act 1965

I, Tan Fang Fing, 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 11 to 120 are in my opinion 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 Tan Fang Fing)
at Johor Bahru in the State of Johor)
on 25 MAY 2016

Tan Fang Fing

Before me,

Hj Zamani Bin Hj Ahmad
Commission for Oaths

MALAYSIA
No: J263
Lot K1 & K2 Podium 2
Bangunan Ansar, 65 Jalan Trus
80000 Johor Bahru
Johor (Bersebelahan UTC)

Ernst & Young AF: 0039
GST Reg No: 001556430848
Chartered Accountants
Suite 11.2 Level 11 Menara Pelangi
2 Jalan Kuning, Taman Pelangi
80400 Johor Bahru
Johor Darul Ta'zim, Malaysia

Tel: +607 334 1740
Fax: +607 334 1749
ey.com

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Independent auditors' report to the members of
Yinson Holdings Berhad
(Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Yinson Holdings Berhad, which comprise statements of financial position as at 31 January 2016 of the Group and of the Company, and 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 year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 11 to 119.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of the financial statements that give a true and fair view 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 Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent auditors' report to the members of Yinson Holdings Berhad (cont'd) (Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 January 2016 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 21 to the financial statements, being financial statements that have been included in the consolidated financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

Other reporting responsibilities

The supplementary information set out in Note 49 on page 120 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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Independent auditors' report to the members of
Yinson Holdings Berhad (cont'd)
(Incorporated in Malaysia)

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young	Wun Mow Sang
AF: 0039	1821/12/16(J)
Chartered Accountants	Chartered Accountant

Johor Bahru, Malaysia
Date: 25 MAY 2016

Yinson Holdings Berhad
(Incorporated in Malaysia)

Income statements
For the financial year ended 31 January 2016

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Continuing operations					
Revenue	7	424,398	395,440	28,007	109,919
Cost of sales	8	(261,519)	(260,968)	-	-
Gross profit		162,879	134,472	28,007	109,919
Other items of income					
Interest income		4,015	4,579	33,284	32,871
Dividend income		-	3,303	-	-
Other income	9	164,187	126,353	66,479	36,448
Other items of expenses					
Administrative expenses	10	(91,521)	(41,669)	(38,903)	(15,084)
Finance costs	13	(40,514)	(37,375)	(28,809)	(5,775)
Share of results of joint ventures		92,165	91,386	-	-
Share of results of associates		1,549	(325)	-	-
Profit before tax		292,760	280,724	60,058	158,379
Income tax expense	14	(77,710)	(27,457)	(171)	(1,312)
Profit for the year from continuing operations		215,050	253,267	59,887	157,067
Discontinued operations					
Profit/(Loss) for the year from discontinued operations	46	771	(1,855)	-	-
Profit for the year		215,821	251,412	59,887	157,067
Attributable to:					
Owners of the parent		224,663	247,677	59,887	157,067
Non-controlling interests		(8,842)	3,735	-	-
		215,821	251,412	59,887	157,067
Earnings per share (EPS) attributable to owners of the parent (sen per share)					
EPS of the Group					
Basic	15(a)	21.1	26.1		
Diluted	15(b)	N/A	N/A		
Continuing operations					
Basic EPS	15(a)	21.1	26.2		
Diluted EPS	15(b)	N/A	N/A		
Discontinued operations					
Basic EPS	15(a)	0.0	(0.1)		
Diluted EPS	15(b)	N/A	N/A		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Statements of comprehensive income
For the financial year ended 31 January 2016

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Profit for the year		215,821	251,412	59,887	157,067
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
- Cash flows hedge reserve		(149,701)	-	-	-
- Exchange differences on translation of foreign operations		143,111	52,745	-	-
- Net loss on available-for-sale financial assets		(7,272)	(7,872)	-	-
- Reclassification of cumulative loss of AFS reserve recognised as impairment loss to profit or loss		18,622	-	-	-
Other comprehensive income for the year		4,760	44,873	-	-
Total comprehensive income for the year		220,581	296,285	59,887	157,067
Attributable to:					
Owners of the parent		227,823	292,550	59,887	157,067
Non-controlling interests		(7,242)	3,735	-	-
		220,581	296,285	59,887	157,067

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Statements of financial position
As at 31 January 2016

		Group		Company	
	Note	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Assets					
Non-current assets					
Property, plant and equipment	17	2,997,573	1,158,000	1,652	2,026
Investment properties	18	-	29,598	-	-
Land use rights	19	-	4,228	-	-
Intangible assets	20	22,540	9,456	7,694	7
Investment in subsidiaries	21	-	-	793,390	353,212
Investment in joint ventures	22	598,263	356,676	200,445	200,445
Investment in associates	23	2,039	29,389	79	79
Other investment	24	-	9,686	-	-
Other receivables	26	9,417	-	504,627	-
Deferred tax assets	36	-	6,114	-	-
		3,629,832	1,603,147	1,507,887	555,769
Current assets					
Inventories	25	3,585	27,595	-	-
Trade and other receivables	26	223,010	427,380	124,396	596,089
Other current assets	27	13,438	27,988	903	683
Land use rights	19	-	96	-	-
Tax recoverable		3,486	849	313	-
Favourable contracts	35	-	6,255	-	-
Derivatives	38(a)	-	30,518	-	-
Other investment	24	76,916	10	-	-
Cash and bank balances	28	416,187	364,378	39,940	11,639
		736,622	885,069	165,552	608,411
Assets of disposal group classified as held for sale	46	473,356	-	154,182	-
		1,209,978	885,069	319,734	608,411
Total assets		4,839,810	2,488,216	1,827,621	1,164,180

Yinson Holdings Berhad
(Incorporated in Malaysia)

Statements of financial position
As at 31 January 2016 (continued)

		Group		Company	
		2016	2015	2016	2015
	Note	RM'000	RM'000	RM'000	RM'000
Equity and liabilities					
Equity					
Share capital	29	546,399	516,399	546,399	516,399
Share premium		553,063	417,163	553,063	417,163
Reserves	30	65,377	62,217	-	-
Retained earnings	31	649,235	454,731	190,560	147,065
Equity attributable to owners of the parent		1,814,074	1,450,510	1,290,022	1,080,627
Perpetual securities of a subsidiary	45	437,460	-	-	-
Non-controlling interests		1,850	8,999	-	-
Total equity		2,253,384	1,459,509	1,290,022	1,080,627
Non-current liabilities					
Loans and borrowings	32	1,446,630	474,593	22,853	29,060
Net employee defined benefit liabilities	34	-	3,233	-	-
Unfavourable contracts	35	44,860	56,596	-	-
Other payables	37	-	-	418,019	-
Derivatives	38(c)	149,701	-	-	-
Deferred tax liabilities	36	26,773	6,724	-	-
		1,667,964	541,146	440,872	29,060
Current liabilities					
Loans and borrowings	32	207,521	348,584	54,762	44,285
Unfavourable contracts	35	19,942	17,416	-	-
Trade and other payables	37	422,153	109,150	41,965	9,668
Derivatives	38(b)	6,177	214	-	-
Tax payables		34,170	12,197	-	540
		689,963	487,561	96,727	54,493
Liabilities directly associated with the disposal group classified as held for sale	46	228,499	-	-	-
		918,462	487,561	96,727	54,493
Total liabilities		2,586,426	1,028,707	537,599	83,553
Total equity and liabilities		4,839,810	2,488,216	1,827,621	1,164,180

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Statements of changes in equity
For the financial year ended 31 January 2016

Group	Issued capital RM'000 (Note 29)	Share premium RM'000	Foreign currency translation reserve RM'000 (Note 30 (a))	Reserve classified as held for sale RM'000	Cash flows hedge reserve RM'000 (Note 30 (c))	Available-for-sale reserve RM'000 (Note 30 (b))	Retained earnings RM'000 (Note 31)	Total RM'000	Perpetual securities of a subsidiary RM'000 (Note 45)	Non-controlling interests RM'000	Total equity RM'000
	Attributable to owners of the parent										
		Non-Distributable					Distributable				
2016											
As at 1 February 2015	516,399	417,163	73,567	-	-	(11,350)	454,731	1,450,510	-	8,999	1,459,509
Discontinued operations	-	-	(7,125)	7,125	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	224,663	224,663	-	(8,842)	215,821
Other comprehensive income	-	-	141,511	-	(149,701)	11,350	-	3,160	-	1,600	4,760
Total comprehensive income	-	-	134,386	7,125	(149,701)	11,350	224,663	227,823	-	(7,242)	220,581
Transactions with owners											
Cash dividend (Note 16)	-	-	-	-	-	-	(16,392)	(16,392)	-	-	(16,392)
Acquisition of non-controlling interests	-	-	-	-	-	-	(3,517)	(3,517)	-	93	(3,424)
Issue of perpetual securities by a subsidiary	-	-	-	-	-	-	-	-	437,460	-	437,460
Accrued perpetual securities distribution by a subsidiary	-	-	-	-	-	-	(10,250)	(10,250)	-	-	(10,250)
Issue of share capital	30,000	139,800	-	-	-	-	-	169,800	-	-	169,800
Share issuance expenses	-	(3,900)	-	-	-	-	-	(3,900)	-	-	(3,900)
Total transactions with owners	30,000	135,900	-	-	-	-	(30,159)	135,741	437,460	93	573,294
At 31 January 2016	546,399	553,063	207,953	7,125	(149,701)	-	649,235	1,814,074	437,460	1,850	2,253,384

Yinson Holdings Berhad
(Incorporated in Malaysia)

Statements of changes in equity
For the financial year ended 31 January 2016 (continued)

	Attributable to owners of the parent										
		Non-Distributable					Distributable				
Group	Issued capital RM'000 (Note 29)	Share premium RM'000	Foreign currency translation reserve RM'000 (Note 30 (a))	Reserve classified as held for sale RM'000	Cash flows hedge reserve RM'000	Available-for-sale reserve RM'000 (Note 30 (b))	Retained earnings RM'000 (Note 31)	Total RM'000	Perpetual securities of a securities RM'000	Non-controlling interests RM'000	Total equity RM'000
2015											
At 1 February 2014	258,200	112,941	20,822	-	-	(3,478)	219,964	608,449	-	5,919	614,368
Profit for the year	-	-	-	-	-	-	247,677	247,677	-	3,735	251,412
Other comprehensive income	-	-	52,745	-	-	(7,872)	-	44,873	-	-	44,873
Total comprehensive income	-	-	52,745	-	-	(7,872)	247,677	292,550	-	3,735	296,285
Transactions with owners											
Cash dividend (Note 16)	-	-	-	-	-	-	(12,910)	(12,910)	-	-	(12,910)
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	(655)	(655)
Issue of share capital	258,199	309,840	-	-	-	-	-	568,039	-	-	568,039
Share issuance expenses	-	(5,618)	-	-	-	-	-	(5,618)	-	-	(5,618)
Total transactions with owners	258,199	304,222	-	-	-	-	(12,910)	549,511	-	(655)	548,856
At 31 January 2015	516,399	417,163	73,567	-	-	(11,350)	454,731	1,450,510	-	8,999	1,459,509

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Statements of changes in equity
For the financial year ended 31 January 2016 (continued)

Company	Issued capital RM'000 (Note 29)	Non-Distributable Share premium RM'000	Distributable Retained earnings RM'000 (Note 31)	Total equity RM'000
2016				
As at 1 February 2015	516,399	417,163	147,065	1,080,627
Total comprehensive income	-	-	59,887	59,887
Transactions with owners				
Cash dividend (Note 16)	-	-	(16,392)	(16,392)
Issue of share capital	30,000	139,800	-	169,800
Share issuance expenses	-	(3,900)	-	(3,900)
Total transactions with owners	30,000	135,900	(16,392)	149,508
At 31 January 2016	546,399	553,063	190,560	1,290,022
2015				
As at 1 February 2014	258,200	112,941	2,908	374,049
Total comprehensive income	-	-	157,067	157,067
Transactions with owners				
Cash dividend (Note 16)	-	-	(12,910)	(12,910)
Issue of share capital	258,199	309,840	-	568,039
Share issuance expenses	-	(5,618)	-	(5,618)
Total transactions with owners	258,199	304,222	(12,910)	549,511
At 31 January 2015	516,399	417,163	147,065	1,080,627

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Statements of cash flows
For the financial year ended 31 January 2016

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Operating activities				
Profit before tax from continuing operations	292,760	280,724	60,058	158,379
Profit/(Loss) before tax from discontinued operations	3,266	(1,344)	-	-
Profit before tax	296,026	279,380	60,058	158,379
Adjustments for:				
Amortisation of land use rights and depreciation of property, plant and equipment	109,790	90,794	495	252
Amortisation of intangible assets	1,117	4	518	1
Amortisation of favourable contracts	6,841	5,981	-	-
Amortisation of unfavourable contracts	(19,047)	(22,480)	-	-
Impairment loss on investment in subsidiary	-	-	8,297	3,100
Impairment loss on:				
- trade receivables	6,950	14,022	-	-
- other receivables	321	27	-	-
Reversal of impairment loss on:				
- trade receivables	(6,194)	(5)	-	-
- other receivables	-	(2)	-	-
Impairment loss on plant and equipment	20,983	-	-	-
Impairment loss on available-for-sale financial assets	18,622	-	-	-
Write down of inventories	2,177	10,000	-	-
Inventory written off	5,843	-	-	-
Net unrealised gain on foreign exchange	(98,997)	(60,716)	(55,928)	(30,259)
Finance costs	46,919	51,524	28,809	5,775
Loss on derivatives upon settlement	8,153	-	-	-
Fair value loss/ (gain) on:				
- investment properties	1,321	(405)	-	-
- marketable securities	(25)	3	-	-
- derivatives	5,963	(30,432)	-	-
Loss on disposal of property, plant and equipment	1,029	-	-	-
Plant and equipment written off	9	230	-	-
Write off of debt of an associate	1,589	-	1,589	-
Gain on disposal of a subsidiary	-	(20,866)	-	-
Share of results of joint ventures	(92,165)	(91,386)	-	-
Share of results of associates	(4,314)	133	-	-
Dividend income	-	(3,303)	-	(103,810)
Interest income	(4,111)	(4,591)	(33,284)	(32,871)
Operating cash flows before working capital changes - carried forward	308,800	217,912	10,554	567

Yinson Holdings Berhad
(Incorporated in Malaysia)

Statements of cash flows
For the financial year ended 31 January 2016 (continued)

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Operating cash flows before working capital changes - brought forward	308,800	217,912	10,554	567
Receivables	(126,734)	(64,128)	65,061	1
Other current assets	(6,149)	(19,663)	(220)	392
Inventories	14,238	2,446	-	-
Payables	312,891	20,280	20,002	(203)
Cash flows from operations	503,046	156,847	95,397	757
Defined benefit paid	-	(3,991)	-	-
Interest received	4,111	4,591	33,284	2,251
Interest paid	(46,919)	(51,524)	(28,809)	(5,775)
Taxes paid	(40,738)	(34,474)	(1,024)	(491)
Net cash flows from/(used in) operating activities	419,500	71,449	98,848	(3,258)
Investing activities				
Dividend received	-	3,303	-	24,000
Advances from subsidiaries	-	-	388,597	24,147
Advances to joint ventures	-	-	(10,169)	(2,015)
Advances to associates	-	-	(997)	(926)
Investment in subsidiaries	-	-	(602,657)	(320,194)
Investment in joint ventures	(97,926)	(1,618)	-	(1,607)
Investment in associates	(7)	-	-	(49)
Proceeds from disposal of property, plant and equipment	833	70	-	-
Proceeds from disposal of a subsidiary	-	189,442	-	-
Placement of short term investment	(75,010)	(313)	(12)	(313)
Net cash (outflow)/inflow from disposal of a subsidiary	-	(391)	-	27
Purchase of intangible assets	(12,599)	(8,943)	(8,205)	(8)
Purchase of property, plant and equipment	(1,865,799)	(141,122)	(121)	(1,221)
Addition in investment property	(5,903)	(14,038)	-	-
Net cash flows (used in)/from investing activities	(2,056,411)	26,390	(233,564)	(278,159)

Yinson Holdings Berhad
(Incorporated in Malaysia)

Statements of cash flows
For the financial year ended 31 January 2016 (continued)

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Financing activities				
Increase in borrowings	71,811	23,505	-	16,302
Advance from/(Repayment to) directors	19,340	(85,100)	19,340	(85,100)
Drawdown of term loans	1,397,333	7,920	-	10,367
Repayment of term loans	(493,396)	(457,754)	(5,749)	(203,785)
Dividend paid	(16,392)	(12,910)	(16,392)	(12,910)
Repayment of obligations under finance leases	(6,800)	(5,771)	(176)	(223)
Proceeds from issuance of shares	169,800	568,039	169,800	568,039
Share issuance expenses	(3,900)	(5,618)	(3,900)	(5,618)
Proceeds from issuance of perpetual securities	437,460	-	-	-
Acquisition of non-controlling interest	(3,424)	-	-	-
Proceed from settlement of derivatives	22,364	-	-	-
Withdrawal/(Placement) of fixed deposits for investment purposes	8,550	(8,550)	-	-
Placement of fixed deposits pledged as security	(141,858)	(9,518)	(323)	(3,815)
Net cash flows from financing activities	1,460,888	14,243	162,600	283,257
Net (decrease)/increase in cash and cash equivalents	(176,023)	112,082	27,884	1,840
Effects of foreign exchange rate changes	112,397	(22,471)	82	-
Cash and cash equivalents at beginning of year	274,595	184,984	7,511	5,671
Cash and cash equivalents at end of year (Note 28)	210,969	274,595	35,477	7,511

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the financial statements
For the financial year ended 31 January 2016

1. Corporate information

Yinson Holdings Berhad (the "Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at No. 25, Jalan Firma 2, Kawasan Perindustrian Tebrau IV, 81100 Johor Bahru, Johor Darul Takzim.

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

The principal activities of the subsidiaries are described in Note 21 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

2.1 Basis of preparation

The consolidated financial statements of Yinson Holdings Berhad and its subsidiaries (the "Group") have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, 1965 in Malaysia.

The consolidated financial statements have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

The consolidated financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000), except when otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 January 2016. 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:

2.2 Basis of consolidation (continued)

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

- Exposure, or rights, to variable returns from its involvement with the investee; and

- 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 of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;

- Rights arising from other contractual arrangements; and

- 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 year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;

- Derecognises the carrying amount of any non-controlling interests;

- Derecognises the cumulative translation differences recorded in equity;

- Recognises the fair value of the consideration received;

- Recognises the fair value of any investment retained;

2.2 Basis of consolidation (continued)

- Recognises any surplus or deficit in profit or loss; and

- 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.

3. Summary of significant accounting policies

3.1 Business combinations and goodwill

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

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

When the Group acquires a business, it assesses the financial assets 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.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and 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 139 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in either profit or loss or as a change to OCI. If the contingent consideration is not within the scope of MFRS 139, 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.

3. Summary of significant accounting policies (continued)

3.1 Business combinations and goodwill (continued)

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

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units 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 cash-generating unit 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 cash-generating unit retained.

3.2 Investment in subsidiaries, associates and joint ventures

(i) Subsidiaries

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

(ii) 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.

3. Summary of significant accounting policies (continued)

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

(ii) Associates and joint ventures (continued)

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

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

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

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

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

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

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

3. Summary of significant accounting policies (continued)

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

(ii) 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 as 'Share of profit of an associate and a joint venture' in the income statement.

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.

3.3 Current versus non-current classification

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

- Expected to be realised or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- 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.

3. Summary of significant accounting policies (continued)

3.4 Fair value measurement

The Group measures financial instruments, such as, derivatives, and non-financial assets such as investment properties, at fair value at each statement of financial position 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:

- In the principal market for the asset or liability; or

- 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.

3. Summary of significant accounting policies (continued)

3.4 Fair value measurement (continued)

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

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

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

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

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

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

3. Summary of significant accounting policies (continued)

3.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks.

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

(i) Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

(ii) Rendering of services

Revenue from rendering services is recognised upon services rendered. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

(iii) Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

(iv) Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the income statement according to its operating nature.

(v) Vessel charter fees

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

3. Summary of significant accounting policies (continued)

3.6 Taxes

(i) 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 income statement. 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.

(ii) 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 for financial reporting purposes at the reporting date.

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

- 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

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

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

- 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

3. Summary of significant accounting policies (continued)

3.6 Taxes (continued)

(ii) Deferred tax (continued)

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

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 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.

(iii) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the amount of GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3. Summary of significant accounting policies (continued)

3.7 Foreign currencies

The Group's consolidated financial statements are presented in RM, which is also the parent company's functional currency. The Group determines the functional currency for each entity and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and has elected to recycle the gain or loss that arises from using this method.

(i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

3. Summary of significant accounting policies (continued)

3.7 Foreign currencies (continued)

(ii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date and their income statement are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

3.8 Cash dividend and non-cash distribution to owners of the parent

The Company recognises a liability to make cash or non-cash distributions to owners of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company.

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 the income statement.

3.9 Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. 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. 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. 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.

3. Summary of significant accounting policies (continued)

3.9 Property, plant and equipment (continued)

Assets under construction are not depreciated as these assets not yet available for use. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	50 to 60 years
Buildings	50 years
Electrical installation	5 years
Motor vehicles	10 years
Renovation, equipment, furniture and fittings	10 years
Tug boats, barges and boat equipment	10 years
Vessels	12 to 20 years

An item of property, plant and equipment and any significant part initially recognised 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 income statement when the asset is derecognised.

The 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.

3.10 Leases

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

(i) Group as a lessee

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. 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 the income statement.

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.

3. Summary of significant accounting policies (continued)

3.10 Leases (continued)

(i) Group as a lessee (continued)

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

(ii) Group as a lessor

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 the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.11 Borrowing costs

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

3.12 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions 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. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

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 income statement 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.

3. Summary of significant accounting policies (continued)

3.13 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

3.14 Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3. Summary of significant accounting policies (continued)

3.14 Financial instruments – initial recognition and subsequent measurement (continued)

(i) Financial assets

(a) Initial recognition and measurement

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

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

(b) Subsequent measurement

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

- Financial assets at fair value through profit or loss;

- Loans and receivables;

- Held-to-maturity investments; and

- Available-for-sale financial assets.

Financial assets at fair value through profit or loss

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

3. Summary of significant accounting policies (continued)

3.14 Financial instruments – initial recognition and subsequent measurement (continued)

(i) Financial assets (continued)

(b) Subsequent measurement (continued)

Financial assets at fair value through profit or loss (continued)

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

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

Loans and receivables

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

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

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

3. Summary of significant accounting policies (continued)

3.14 Financial instruments – initial recognition and subsequent measurement (continued)

(i) Financial assets (continued)

(b) Subsequent measurement (continued)

Held-to-maturity investments

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

The Group did not have any held-to-maturity investments during the years ended 31 January 2016 and 2015.

Available-for-sale (AFS) financial assets

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

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

3. Summary of significant accounting policies (continued)

3.14 Financial instruments – initial recognition and subsequent measurement (continued)

(i) Financial assets (continued)

(b) Subsequent measurement (continued)

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

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

For a financial asset reclassified from the AFS category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the income statement.

(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 flowfrom 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.

3. Summary of significant accounting policies (continued)

3.14 Financial instruments – initial recognition and subsequent measurement (continued)

(i) Financial assets (continued)

(c) Derecognition (continued)

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 assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

3. Summary of significant accounting policies (continued)

3.14 Financial instruments – initial recognition and subsequent measurement (continued)

(ii) Impairment of financial assets (continued)

Financial assets carried at amortised cost (continued)

If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in income statement. Interest income (recorded as finance income in the income statement) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the income statement.

Available-for-sale (AFS) financial assets

For AFS financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

3. Summary of significant accounting policies (continued)

3.14 Financial instruments – initial recognition and subsequent measurement (continued)

(ii) Impairment of financial assets (continued)

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

When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement – is removed from OCI and recognised in the income statement. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in OCI.

In the case of debt instruments classified as AFS, the impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement.

(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.

3. Summary of significant accounting policies (continued)

3.14 Financial instruments – initial recognition and subsequent measurement (continued)

(iii) Financial liabilities (continued)

(a) Initial recognition and measurement (continued)

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

(b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by MFRS 139. 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 the income statement.

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 139 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.

3. Summary of significant accounting policies (continued)

3.14 Financial instruments – initial recognition and subsequent measurement (continued)

(iii) Financial liabilities (continued)

(b) Subsequent measurement (continued)

Loans and borrowings (continued)

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 income statement.

This category generally applies to interest-bearing loans and borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made 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, adjusted for 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.

(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 income statement.

(iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3. Summary of significant accounting policies (continued)

3.15 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. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss.

3.16 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.

3.17 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 cash-generating unit's (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 assessments 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.

3. Summary of significant accounting policies (continued)

3.17 Impairment of non-financial assets (continued)

Impairment losses of continuing operations, including impairment on inventories, are recognised in the income statement in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.18 Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts.

3.19 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 can be made of the amount of the obligation. 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 income statement net of any reimbursement.

3. Summary of significant accounting policies (continued)

3.20 Pensions and other post-employment benefits

The Group makes contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

A subsidiary of the Group, Yinson Production AS operates a defined benefit pension plan, which providing post-employment benefits upon retirement. The benefit to be received by employees depends on factors including length of service, retirement date and future salary increment.

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the reporting date reflecting the maturity dates approximating to the terms of the Group's obligations. The calculation is performed by a qualified actuary.

Actuarial gains and losses will be recognized immediately in other comprehensive income correspondingly affecting the net benefit liability or asset in the statement of financial position.

3.21 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 parent shareholders' equity. 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.

3.22 Share capital and share issuance expenses

An equity investment is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity investments.

Ordinary shares are recorded at the proceeds received, net of directly attributable transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3. Summary of significant accounting policies (continued)

3.23 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.

3.24 Discontinued operation

A component of the Group is classified as a "discontinued operation" when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated major line of business or geographical area of operations. A component is deemed to be held for sale if its carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Upon classification as held for sale, non-current assets and disposal groups are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in profit or loss.

4. Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 February 2015, the Group and the Company adopted the following new and amended MFRS mandatory for annual financial periods beginning on or after 1 July 2014.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 - 2013 Cycle	1 July 2014

The adoption of the above new and amended standards did not have any effect on the financial performance or position of the Group and the Company.

5. Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company have not completed their assessment of the financial effects and intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRSs 2012–2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS107: Disclosure Initiative	1 January 2017
Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 9 Financial Instruments (IFRS issued by IASB in July 2014)	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

Annual Improvements to MFRSs 2012–2014 Cycle

The Annual Improvements to MFRSs 2012-2014 Cycle include a number of amendments to various MFRSs, which are summarised below.

(i) <u>MFRS 5 Non-current Assets Held for Sale and Discontinued Operations</u>

The amendment to MFRS 5 clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in MFRS 5.

The amendment also clarifies that changing the disposal method does not change the date of classification. This amendment is to be applied prospectively to changes in methods of disposal that occur in annual periods beginning on or after 1 January 2016, with earlier application permitted.

5. Standards issued but not yet effective (continued)

Annual Improvements to MFRSs 2012–2014 Cycle (continued)

(ii) MFRS 7 Financial Instruments: Disclosures

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in MFRS 7 in order to assess whether the disclosures are required.

In addition, the amendment also clarifies that the disclosures in respect of offsetting of financial assets and financial liabilities are not required in the condensed interim financial report.

(iii) MFRS 119 Employee Benefits

The amendment to MFRS 119 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

(iv) MFRS 134 Interim Financial Reporting

MFRS 134 requires entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'.

The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time.

Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of an asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group and the Company as the Group and the Company have not used a revenue-based method to depreciate its non-current assets.

5. Standards issued but not yet effective (continued)

Amendments to MFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations

The amendments to MFRS 11 require that a joint operator which acquires an interest in a joint operations which constitute a business to apply the relevant MFRS 3 Business Combinations principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to MFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted.

Amendments to MFRS 127: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying MFRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of MFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to MFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

Amendments to MFRS 101: Disclosure Initiatives

The amendments to MFRS 101 include narrow-focus improvements in the following five areas:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

5. Standards issued but not yet effective (continued)

Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. The amendments further clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. In addition, the amendments also provides that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries.

The amendments are to be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted.

MFRS 14 Regulatory Deferral Accounts

MFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulations, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of MFRS. Entities that adopt MFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in the account balances as separate line items in the income statement and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. Since the Group is an existing MFRS preparer, this standard would not apply.

MFRS 15 Revenue Contracts with Customers

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFR 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective. The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted.

5. Standards issued but not yet effective (continued)

MFRS 9 Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's and the Company's financial assets, but no impact on the classification and measurement of the Group's and the Company's financial liabilities.

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and

- gains and losses resulting from transactions involving the sale or contribution to an associate of a joint venture of assets that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined by Malaysian Accounting Standards Board.

Amendments to MFRS 107: Disclosure Initiative

The Amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes. The disclosure requirement could be satisfied in various ways, and one method is by providing reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. The Amendments are effective for annual periods beginning on or after 1 January 2017. Earlier application is permitted.

5. Standards issued but not yet effective (continued)

Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses

The Amendments are issued to clarify whether deferred tax assets should be recognised for unrealised losses on fixed rate debt instrument measured at fair value.

The Amendments clarify that:

- Decreases in value of a debt instrument measured at fair value for which the tax base remains at its original cost give rise to a deductible temporary difference. The estimate of probable future taxable profits may include recovery of some of an entity's assets for more than their carrying amounts if sufficient evidence exists that it is probable the entity will achieve this.

- Deductible temporary differences should be compared with the entity's future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences when an entity evaluates whether it has sufficient future taxable profits. In addition, when an entity assesses whether taxable profits will be available, it should consider tax law restrictions with regards to the utilisation of the deduction.

The Amendments are effective for annual periods beginning on or after 1 January 2017. Earlier application is permitted.

MFRS 16 Leases

On 15 April 2016, MASB has issued MFRS 16 Leases to replace the existing standard on Leases, MFRS 117. MFRS 16 is word-for-word IFRS 16 Leases as issued by the International Accounting Standards Board, and has the same effective date of 1 January 2019. Earlier application is permitted provided MFRS 15 Revenue from Contracts with Customers is also applied. Currently under MFRS 117, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from the former but not the latter. MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position as recording certain leases as off-balance sheet leases will no longer be allowed except for some limited practical exemptions.

6. Significant accounting judgments, estimates and assumptions

The preparation of the Group's and of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

6. Significant accounting judgments, estimates and assumptions (cont'd)

(i) Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Group as lessor

The Group has entered into property leases on its investment property portfolio. 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 property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Chartering of vessels to customers are recognised as revenue based on whether the charter contracts are determined to be an operating lease or a finance lease in accordance with MFRS 117 Leases. The classifications of the charter contracts are assessed at the inception of the lease.

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.

Discontinued operations

The Company had on 28 September 2015 entered into a conditional share sale agreement ("SSA") to divest its entire equity interest in its non-oil and gas subsidiaries and, therefore classified these subsidiaries as disposal group held for sale. The Board of Directors considered these subsidiaries met the criteria to be classified as held for sales at the date for the following reasons:

- The subsidiaries are available for immediate sale in its current condition; and
- The Board had on 28 September 2015, entered into the abovementioned SSA for the divestment.

On 29 January 2016, shareholders of the Company had approved the proposed divestment during an Extraordinary General Meeting. For more details on the discontinued operations refer to Note 46.

Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

6. Significant accounting judgments, estimates and assumptions (continued)

(i) Judgments (continued)

Impairment of loans and receivables (continued)

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivable at the reporting date is disclosed in Note 26.

Investment in Joint Venture

On 30 July 2015, Yinson Heather Ltd ("YHL"), a subsidiary of the Company, entered into a Joint Venture Deed ("JVD") with Four Vanguard Serviços E Navegaçao Lda ("Four Vanguard"), a company incorporated in Portugal, to form a Joint Venture Company ("JVC") known as Anteros Rainbow Offshore Pte. Ltd. ("ARO"); a limited liability company incorporated in Singapore.

YHL holds 51% shareholding in the JVC and the remaining 49% is held by Four Vanguard. Based on the contractual arrangement, both YHL and Four Vanguard have joint control as decisions about the relevant activities are made with unanimous consent of both parties. For more details on the investment in ARO refer to Note 22.

Impairment on AFS financial assets

For AFS financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. The determination of what is 'significant' or 'prolonged' requires judgment. In making this judgment, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

Recognition of accrued reimbursements income on additional taxes

Due to changes in foreign tax regulations with effective from year of assessment of 2015, additional income tax expenses of approximately RM44,514,000 was estimated and recognised by certain subsidiaries of the Group during the current financial year. The additional tax expenses estimated are reimbursable contractually. Accordingly, the Group has recognised an equivalent amount of RM44,514,000 as accrued reimbursements income during the current financial year with a corresponding receivable under other receivables of RM44,514,000 in the statement of financial position.

6. **Significant accounting judgments, estimates and assumptions (continued)**

(ii) **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The Group and the Company assess whether there are any indicators of impairment for all non-financial assets at each reporting date.

The Group carried out the impairment test on plant and equipment based on the cash generating unit's ("CGU") fair value less cost to sell. The fair value is based on valuations performed by marine surveyors. For the financial year ended 31 January 2016, the amount of impairment loss recognised for plant and equipment was RM20,983,000 (2015: RM Nil).

Useful life and residual value of vessel

The depreciable amount of a vessel is determined after deducting its residual value and shall be allocated on a systematic basis over its useful life. The estimated useful lives are based on the management's best estimate and is normally equal to the design lives of the vessel.

Assumptions about residual value are based on prevailing market conditions and expected value to be obtained from the vessel at the end of its useful life. These assumptions by their nature may differ from actual outcome in the future. The residual value and the estimated useful life of a vessel will be reviewed at least at each financial year-end, and where appropriate, the management will adjust the residual value and useful life on individual vessel basis based on the particular conditions of the vessel.

Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the income statement. The Group engaged an independent valuation specialist to assess fair value as at 31 January 2016 for investment properties.

6. Significant accounting judgments, estimates and assumptions (continued)

(ii) Estimates and assumptions (continued)

Deferred tax assets

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.

Significant judgment is required to determine the amount of deferred tax assets to be recognised, based upon the likely timing and magnitude of future taxable profits together with future tax planning strategies.

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.

7. Revenue

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Vessel chartering and support services fees	424,268	395,428	-	-
Management fee income	117	12	28,007	6,109
Advance interest income	13	-	-	-
Dividend from subsidiaries	-	-	-	103,810
	424,398	395,440	28,007	109,919

8. Cost of sales

	Group	
	2016 RM'000	2015 RM'000
Included in cost of sales are:		
Vessel lease rental	-	12,502
Amortisation of favourable contracts (Note 35)	6,841	5,981
Amortisation of unfavourable contracts (Note 35)	(19,047)	(22,480)
Depreciation of property, plant and equipment	104,142	84,545
Employee benefits expenses (Note 11)	29	878

9. Other income

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Fair value gain on				
- derivatives	-	30,518	-	-
- marketable securities	23	-	-	-
Investment income	640	310	419	310
Gain on disposal of a subsidiary	-	20,866	-	-
Gain on foreign exchange				
- Realised	14,599	9,293	10,059	5,854
- Unrealised	103,296	58,433	55,928	30,259
Accrued reimbursements on additional taxes	44,514	-	-	-
Miscellaneous	1,115	6,933	73	25
	164,187	126,353	66,479	36,448

10. Administrative expenses

Included in administrative expenses for continuing operations are:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Auditors' remuneration:				
Statutory audit				
- Company's auditors	412	401	84	65
- Other auditors	974	853	-	-
Other services				
- Company's auditors	156	59	15	19
- Other auditors	510	295	-	-
Amortisation of intangible assets	1,114	1	518	1
Depreciation of property, plant and equipment	636	364	495	252
Impairment loss on investment in subsidiaries	-	-	8,297	3,100
Impairment loss on available-for-sale financial assets	17,554	-	-	-
Loss on derivatives upon settlement	8,153	-	-	-
Operating leases - Minimum lease payment for land and buildings	4,151	1,798	-	-
Write off of debt of an associate	1,589	-	1,589	-
Impairment loss on plant and equipment (Note 17)	18,983	-	-	-
Plant and equipment written off	-	230	-	-
Employee benefits expenses (Note 11)	27,709	29,889	13,669	4,273
Non-executive directors remuneration (Note 12)	307	212	307	212

Yinson Holdings Berhad
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11. Employee benefits expense

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Included in:				
Cost of sales (Note 8)	29	878	-	-
Administrative expenses (Note 10)	27,709	29,889	13,669	4,273
	27,738	30,767	13,669	4,273
Analysed as follows:				
Wages and salaries	24,458	25,586	11,942	3,373
Social security contributions	8	17	20	12
Contributions to defined contribution plan	2,011	2,638	1,117	483
Contributions to defined benefit plan	(3,840)	(4,144)	-	-
Other benefits	5,101	6,670	590	405
	27,738	30,767	13,669	4,273

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration as disclosed in Note 12.

12. Directors' remuneration

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Executive directors' remuneration:				
- Fees	260	160	260	160
- Fees (related to prior financial year)	50	-	50	-
- Other emoluments	4,899	2,669	4,899	2,669
	5,209	2,829	5,209	2,829
Non-executive directors' remuneration:				
- Fees	250	190	250	190
- Fees (related to prior financial year)	30	-	30	-
- Other emoluments	27	22	27	22
	307	212	307	212
Total directors' remuneration from continuing operations	5,516	3,041	5,516	3,041

12. Directors' remuneration (continued)

	Group	
	2016	2015
	RM'000	RM'000
Executive directors' remuneration:		
- Other emoluments	1,737	1,471
Non-executive directors' remuneration:		
- Fees	20	20
Total directors' remuneration from discontinued operations (Note 46)	1,757	1,491
Total directors' remuneration	7,273	4,532

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors	
	2016	2015
Executive:		
RM250,001 - RM300,000	-	2
RM350,001 - RM400,000	2	-
RM1,000,001 - RM1,050,000	-	1
RM1,050,001 - RM1,100,000	-	1
RM1,500,001 - RM1,550,000	1	-
RM1,600,001 - RM1,650,000	-	1
RM2,100,001 - RM2,150,000	1	-
RM2,600,001 - RM2,650,000	1	-
Non-executive:		
RM50,001 - RM100,000	2	3
RM100,001 - RM150,000	1	-

13. Finance costs

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Bank charges	1,901	851	5,126	173
Interest expenses	74,750	36,438	23,683	5,602
Fair value loss on derivatives for interest rate swap	5,963	86	-	-
	82,614	37,375	28,809	5,775
Less: Interest expenses capitalised in property, plant and equipment	(42,100)	-	-	-
	40,514	37,375	28,809	5,775

14. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 January 2016 and 2015 are:

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Income statements				
Current income tax - continuing operations (Note 36):				
- Malaysian income tax	226	1,620	140	1,313
- Foreign tax	52,256	25,923	-	-
- Under/(Over) provision in prior years	2,769	(62)	31	(1)
	55,251	27,481	171	1,312
Deferred tax - continuing operations (Note 36):				
- Relating to origination/reversal of temporary differences	22,459	(22)	-	-
- Over provision in prior years	-	(2)	-	-
	22,459	(24)	-	-
	77,710	27,457	171	1,312
Income tax expense attributable to:				
- Continuing operations	77,710	27,457	171	1,312
- Discontinued operations (Note 46)	2,495	511	-	-
Income tax expense recognised in profit or loss	80,205	27,968	171	1,312

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 years ended 31 January 2016 and 2015 are as follows:

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Profit before tax from continuing operations	292,760	280,724	60,058	158,379
Profit/(Loss) before tax from discontinued operations	3,266	(1,344)	-	-
Profit before tax	296,026	279,380	60,058	158,379

14. Income tax expense (continued)

Reconciliation between tax expense and accounting profit (continued):

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Tax at Malaysian statutory tax rate of 24% (2015: 25%)	71,046	69,845	14,414	39,595
Income not subject to tax	(17,500)	(16,255)	(30,525)	(42,192)
Expenses not deductible for tax purposes	1,917	4,901	16,251	3,910
Different tax rates of subsidiaries	44,559	(9,175)	-	-
Changes in deferred tax asset not recognised	432	1,488	-	-
Shared of results of joint ventures and associates	(23,155)	(22,814)	-	-
Under/(Over) provision of tax expense in prior years				
- Continuing operations	2,769	(62)	31	(1)
- Discontinued operations	(2,574)	(36)	-	-
Under/(Over) provision of deferred tax in prior years				
- Continuing operations	-	(2)	-	-
- Discontinued operations	2,711	78	-	-
Income tax expense recognised in profit or loss	80,205	27,968	171	1,312

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2015: 25%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

15. Earnings per share

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the year, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2016	**2015**
Profit attributable to owners of the parent used in the computation of basic earnings per share (RM'000)		
- Continuing operations	224,839	249,277
- Discontinued operations	(176)	(1,600)
Total group	224,663	247,677
Weighted average number of ordinary shares for computation of basic earnings per share ('000)	1,067,154	950,475
Basic earnings per share (sen)		
- Continuing operations	21.1	26.2
- Discontinued operations	(0.0)	(0.1)
Total group	21.1	26.1

The weighted average number of shares takes into account the weighted average effect of changes in ordinary shares transactions during the year.

(b) Diluted

No diluted earnings per share have been presented as there is no dilutive potential ordinary shares outstanding as at 31 January 2016 and 31 January 2015.

16. Dividend

	In respect of the financial year ended		Recognised during the year	
	2015	2014	2016	2015
	RM'000	RM'000	RM'000	RM'000
Dividend on ordinary shares:				
Final single tier dividend:				
1.25 sen per share	-	12,910	-	12,910
Dividend on ordinary shares:				
Final single tier dividend:				
1.50 sen per share	16,392	-	16,392	-
	16,392	12,910	16,392	12,910

At the forthcoming Annual General Meeting, a final single tier dividend of 2.0 sen per share in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 January 2017.

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17. Property, plant and equipment

Group	Buildings RM'000	Motor vehicles RM'000	Vessels, tugboats, and barges RM'000	*Other assets RM'000	Total RM'000
Cost					
At 1 February 2014	6,108	53,986	1,025,446	4,986	1,090,526
Additions	30	9,384	131,902	8,612	149,928
Written off	-	(401)	-	(191)	(592)
Disposals	-	(189)	(19)	-	(208)
Disposal of a subsidiary	-	(381)	-	(37)	(418)
Exchange differences	-	463	148,216	691	149,370
At 31 January 2015 and 1 February 2015	6,138	62,862	1,305,545	14,061	1,388,606
Additions	6,782	3,601	1,850,670	7,118	1,868,171
Written off	-	(156)	-	(12)	(168)
Disposals	-	(5,262)	-	-	(5,262)
Attributable to discontinued operations (Note 46)	(6,328)	(58,256)	(9,950)	(9,959)	(84,493)
Exchange differences	-	884	282,347	2,055	285,286
At 31 January 2016	6,592	3,673	3,428,612	13,263	3,452,140
Accumulated depreciation and impairment loss					
At 1 February 2014	1,266	26,699	34,649	3,954	66,568
Charge for the year	122	5,019	84,266	1,291	90,698
Written off	-	(271)	-	(91)	(362)
Disposals	-	(133)	(5)	-	(138)
Disposal of a subsidiary	-	(35)	-	(4)	(39)
Exchange differences	-	259	73,494	126	73,879
At 31 January 2015 and 1 February 2015	1,388	31,538	192,404	5,276	230,606
Charge for the year	92	4,005	102,748	2,873	109,718
Written off	-	(147)	-	(12)	(159)
Disposals	-	(3,400)	-	-	(3,400)
Impairment (Note 10)	-	-	18,983	-	18,983
Attributable to discontinued operations (Note 46)	(1,480)	(30,611)	(4,235)	(4,322)	(40,648)
Exchange differences	-	502	138,533	432	139,467
At 31 January 2016	-	1,887	448,433	4,247	454,567

17. **Property, plant and equipment (continued)**

Group	**Buildings RM'000**	**Motor vehicles RM'000**	**Vessels, tugboats, and barges RM'000**	***Other assets RM'000**	**Total RM'000**
Net carrying amount					
At 31 January 2015	4,750	31,324	1,113,141	8,785	1,158,000
At 31 January 2016	6,592	1,786	2,980,179	9,016	2,997,573

Company	**Motor vehicles RM'000**	***Other assets RM'000**	**Total RM'000**
Cost			
At 1 February 2014	-	-	-
Additions	1,157	1,121	2,278
At 31 January 2015 and 1 February 2015	1,157	1,121	2,278
Additions	-	121	121
At 31 January 2016	1,157	1,242	2,399
Accumulated depreciation and impairment loss			
At 1 February 2014	-	-	-
Charge for the year	93	159	252
At 31 January 2015 and 1 February 2015	93	159	252
Charge for the year	115	380	495
At 31 January 2016	208	539	747
Net carrying amount			
At 31 January 2015	1,064	962	2,026
At 31 January 2016	949	703	1,652

* Other assets comprise office equipment, computers, signboard, renovation, electrical installation, plant and equipment and furniture and fittings.

17. Property, plant and equipment (continued)

(a) The carrying amounts of motor vehicles held under finance leases at the reporting date was approximately RM1,605,000 (2015: RM20,691,000).

(b) During the financial year, the Group and the Company acquired property, plant and equipment by means of:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Cash payment	1,865,799	141,122	121	1,221
Finance leases	2,372	8,806	-	1,057
	1,868,171	149,928	121	2,278

(c) 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 at reporting date were as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Land and buildings	-	4,750	-	-
Motor vehicles	1,605	20,691	949	1,064
Vessels and barges	2,934,619	976,962	-	-
	2,936,224	1,002,403	949	1,064

(d) Included in property, plant and equipment are motor vehicles with carrying amount of approximately RM Nil (2015: RM4,982,000) registered in the name of third parties, a director, Lim Han Weng and companies in which certain directors have interests.

(e) Included in vessels, tugboats and barges at the reporting date is a vessel under construction with carrying amount of approximately RM1,930,250,000 (2015: RM129,923,000).

(f) The Group's plant and equipment include borrowing costs arising from bank loans borrowed specifically for the purpose of the construction of a vessel. During the financial year, the borrowing costs capitalised as cost of plant and equipment amounted to RM42,100,000 (2015: Nil).

18. Investment properties

Valuation of investment properties

Investment properties are stated at fair value, which has been determined based on valuations at the reporting date. Valuation are performed by accredited independent valuers.

18. Investment properties (continued)

	Group 2016 RM'000	Group 2015 RM'000
At beginning of year	29,598	15,155
Additions	5,903	14,038
Net gain from fair value adjustments recognised in profit or loss	-	405
Exchange differences	1,842	-
Assets held for sale (Note 46)	(37,343)	-
At end of year	-	29,598

The carrying amount of investment properties under construction at reporting date was approximately RM Nil (2015: RM14,038,000).

The carrying amount of investment properties held under lease terms at reporting date was approximately RM Nil (2015: RM11,610,000).

The carrying amount of investment properties pledged to financial institutions for banking facilities granted to the Group as disclosed in Notes 32 at reporting date was approximately RM Nil (2015: RM8,720,000)

19. Land use rights

	Group 2016 RM'000	Group 2015 RM'000
Cost		
At beginning of year	5,763	5,763
Attributable to discontinued operations	(5,763)	-
At end of year	-	5,763
Accumulated amortisation		
At beginning of year	1,439	1,343
Amortisation for the year	72	96
Attributable to discontinued operations	(1,511)	-
At end of year	-	1,439
Net carrying amount	-	4,324
Amount to be amortised:		
- Not later than one year	-	96
- Later than one year but not later than five years	-	384
- Later than five years	-	3,844
	-	4,324

19. Land use rights (continued)

The land use rights as at 31 January 2015 were pledged to financial institutions for banking facilities granted to the Group as disclosed in Note 32.

20. Intangible assets

Group	Computer software RM'000	Golf membership RM'000	Total RM'000
Cost			
At 1 February 2014	162	100	262
Additions	9,351	-	9,351
At 31 January 2015 and 1 February 2015	9,513	100	9,613
Additions	12,599	-	12,599
Exchange differences	1,714	-	1,714
Attributable to discontinued operations (Note 46)	(185)	(100)	(285)
At 31 January 2016	23,641	-	23,641
Accumulated amortisation			
At 1 February 2014	153	-	153
Amortisation (Notes 10 and 46)	4	-	4
At 31 January 2015 and 1 February 2015	157	-	157
Amortisation (Notes 10 and 46)	1,117	-	1,117
Exchange differences	(20)	-	(20)
Attributable to discontinued operations (Note 46)	(153)	-	(153)
At 31 January 2016	1,101	-	1,101
Net carrying amount			
At 31 January 2015	9,356	100	9,456
At 31 January 2016	22,540	-	22,540

20. Intangible assets (continued)

Company	Computer software RM'000	Total RM'000
Cost		
At 1 February 2014	-	-
Additions	8	8
At 31 January 2015 and 1 February 2015	8	8
Additions	8,205	8,205
At 31 January 2016	8,213	8,213
Accumulated amortisation		
At 1 February 2014	-	-
Amortisation (Note 10)	1	1
At 31 January 2015 and 1 February 2015	1	1
Amortisation (Note 10)	518	518
At 31 January 2016	519	519
Net carrying amount		
At 31 January 2015	7	7
At 31 January 2016	7,694	7,694

21. Investment in subsidiaries

	Company 2016 RM'000	Company 2015 RM'000
Unquoted shares, at cost		
In Malaysia	793,390	356,311
Outside Malaysia	-	506
	793,390	356,817
Impairment losses	-	(3,605)
	793,390	353,212

Details of the subsidiaries are as follows:

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2016	Proportion (%) of ownership interest 2015	Principal activities
Yinson Transport (M) Sdn. Bhd.[(i)(v)]	Malaysia	100	100	Provision of transport services, trading in construction materials and rental of properties

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21. Investment in subsidiaries (continued)

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2016	2015	Principal activities
Yinson Corporation Sdn. Bhd. (i)(v)	Malaysia	100	100	Provision of transport services and trading in construction materials
Yinson Marine Services Sdn. Bhd. (ii)	Malaysia	100	100	Provision of sub-leasing of vessels and trading of lubricants
Yinson Shipping Sdn. Bhd. (ii)(v)	Malaysia	100	100	Provision of shipping and forwarding services (Ceased operations)
Yinson Power Marine Sdn. Bhd. (ii)(v)	Malaysia	100	65	Provision of marine transport services
Yinson Tulip Ltd. (ii)	Labuan	100	100	Leasing of vessels on bareboat basis
Yinson Offshore Limited (ii)	Labuan	100	100	Trading and leasing of vessel on time charter basis
Yinson Indah Limited(ii)	Labuan	100	60	Leasing of vessel on bareboat basis
OY Labuan Limited (ii)	Labuan	100	100	Sub-leasing of vessel on time charter basis
Yinson Production Limited (ii)	Labuan	100	100	Investment holding
Yinson Orchid Pte. Ltd. (ii)(iii)	Singapore	100	100	Vessel operator
Yinson TMC Sdn. Bhd. (ii)(iii)	Malaysia	100	100	Provision of treasury management services
OY Offshore Pte. Ltd. (ii)(iii)	Singapore	100	100	Vessel operator
Yinson Vietnam Company Limited (ii)(iii)(v)	Vietnam	100	100	Provision of civil construction services and construction management consulting services

21. Investment in subsidiaries (continued)

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2016	2015	Principal activities
Yinson Engineering Solutions Pte. Ltd. (formerly known as Yinson Management Services Pte. Ltd.) (ii)(iii)	Singapore	100	100	Business and management consultancy services
Yinson Trillium Limited (ii)(iii)	Labuan	100	100	Investment holding
Yinson Mawar Sdn. Bhd. (ii)(iii)	Malaysia	100	100	Provision of marine services
Yinson Nereus Ltd (ii)	Republic of the Marshall Islands	100	100	Investment holding
Yinson Acacia Ltd (ii)(iv)	Republic of the Marshall Islands	100	-	Investment holding
Yinson Overseas Limited (formerly known as Yinson Dadang Limited) (ii)(iv)(v)	Labuan	100	-	Investment holding
Held through Yinson Acacia Ltd				
Yinson Clover Ltd (ii)(iv)	Republic of the Marshall Islands	100	-	Investment holding
Yinson Heather Ltd (ii)(iv)	Republic of the Marshall Islands	100	-	Investment holding

21. Investment in subsidiaries (continued)

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2016	2015	Principal activities
Held through Yinson Nereus Ltd				
Yinson Camellia Limited (ii)(iii)(iv)	Labuan	100	-	Shipping operations and vessel chartering
Yinson Dynamic Ltd (ii)(iv)	Republic of the Marshall Islands	100	-	Investment holding
Held through Yinson Production Limited:				
Yinson Production AS (ii)(iii)	Norway	100	100	Investment holding
Yinson Production Pte. Ltd. (ii)(iii)	Singapore	100	100	Ship management services and service activities incidental to oil and gas extraction
Held through Yinson Trillium Limited and Yinson Production Pte. Ltd.:				
Yinson Production (West Africa) Pte. Ltd. (ii)(iii)	Singapore	100	100	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Held through Yinson Production AS:				
Fred. Olsen Production (Cyprus) Ltd. (ii)(iii)	Cyprus	-	100	Liquidated
Knock Taggart Pte. Ltd. (ii)(iii)	Singapore	100	100	Presently under liquidation

21. Investment in subsidiaries (continued)

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2016	2015	Principal activities
Held through Yinson Production AS (continued):				
Floating Operations And Production Pte. Ltd.(ii)(iii)	Singapore	100	100	Ship management services
Knock Borgen Pte. Ltd.(ii)(iii)	Singapore	100	100	Presently under liquidation
Taggart AS (ii)(iii)	Norway	100	100	Dormant
Dee AS (ii)(iii)	Norway	100	100	Dormant
Adoon AS (ii)(iii)	Norway	100	100	Investment holding
Nevis 1 AS (ii)(iii)	Norway	100	100	Dormant
Allan AS (ii)(iii)	Norway	100	100	Investment holding
Held through Allan AS:				
Knock Allan Pte. Ltd.(ii)(iii)	Singapore	100	100	Leasing of vessel and ship management services
Held through Adoon AS:				
Adoon Pte. Ltd.(ii)(iii)	Singapore	100	100	Leasing of vessel and ship management services
Held through Yinson Overseas Limited:				
Yinson Port Venture Pte. Ltd.(ii)(iii)(v)	Singapore	100	100	Investment holding

21. Investment in subsidiaries (continued)

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2016	2015	Principal activities
Held through Yinson Vietnam Company Limited:				
Yen Son Diversified Company Limited (ii)(iii)(v)	Vietnam	51	51	Provision of warehousing facilities

(i) Subsidiaries consolidated using merger method of accounting
(ii) Subsidiaries consolidated using acquisition method of accounting
(iii) Audited by a firm other than Ernst & Young
(iv) Subsidiaries newly incorporated during the current financial year
(v) Classified as discontinued operations during the current financial year (Note 46)

Acquisition of non-controlling interests

(a) Yinson Power Marine Sdn. Bhd.

On 17 July 2015, the Group acquired the remaining 35% equity interest in Yinson Power Marine Sdn. Bhd. from its non-controlling interests for a total consideration of RM1. As a result of this acquisition, Yinson Power Marine Sdn. Bhd. became a wholly-owned subsidiary of the Group. On the date of acquisition, the carrying value of the additional interests acquired was RM1,622,349. The difference between the consideration and the book value of the interest acquired of RM1,622,350 was recognised to Equity.

(b) Yinson Indah Limited

On 22 January 2016, the Group acquired the remaining 40% equity interest in Yinson Indah Limited from its non-controlling interests for a total consideration of RM3,423,673. As a result of this acquisition, Yinson Indah Limited became a wholly-owned subsidiary of the Group. On the date of acquisition, the carrying value of the additional interest acquired was RM1,529,628. The difference between the consideration and the book value of the interest acquired of RM1,894,045 was recognised to Equity.

Increase in issued share capital of subsidiaries

During the financial year, other than the acquisition of non-controlling interest, the Company increased the issued share capital of Yinson Tulip Ltd., Yinson Production Limited, Yinson Trillium Limited and Yinson TMC Sdn. Bhd. by approximately RM30.27 million, RM0.71 million, RM522.78 million and RM17.90 million respectively and were settled by way of cash or capitalisation of amounts due from subsidiaries as investment cost.

22. Investment in joint ventures

	Group 2016 RM'000	Group 2015 RM'000
Unquoted shares at cost		
- Outside Malaysia	295,198	197,255
Advances to joint ventures	3,190	3,190
	298,388	200,445
Share of post acquisition reserves	299,875	156,231
Share of net assets of joint ventures	598,263	356,676

	Company 2016 RM'000	Company 2015 RM'000
Unquoted shares outside Malaysia, at cost:		
At beginning / At end of the year	197,255	197,255
Advances to joint ventures:		
At beginning of the year	3,190	1,583
Addition	-	1,607
At end of the year	3,190	3,190
	200,445	200,445

Advance to PTSC Asia Pacific Pte. Ltd. is non-interest bearing.

Details of joint ventures are as follows:

Name of joint ventures	Countries of incorporation	Proportion (%) of ownership interest 2016	2015	Principal activities
PTSC South East Asia Pte. Ltd.[(a)]	Singapore	49	49	Leasing of a floating, storage and offloading unit ("FSO")
PTSC Asia Pacific Pte. Ltd.[(a)]	Singapore	49	49	Leasing of a floating, production, storage and offloading unit ("FPSO")
Held through Yinson Production Pte. Ltd.:				
Yinson Production West Africa Limited [(a)]	Ghana	49	49	Leasing of a floating, production, storage and offloading unit ("FPSO")

22. Investment in joint ventures (continued)

Name of joint ventures	Countries of incorporation	Proportion (%) of ownership interest 2016	2015	Principal activities
Held through Yinson Nereus Ltd:				
OY Offshore Limited [(a)]	Ghana	49	49	Operate and manage offshore support and supply vessels
Held through Yinson Heather Ltd:				
Anteros Rainbow Offshore Pte. Ltd.[(a)]	Singapore	51	-	Leasing of a floating, production, storage and offloading unit ("FPSO")

(a) Audited by a firm other than Ernst & Young

<u>Joint Venture between Yinson Heather Ltd ("YHL") and Four Vanguard Serviços E Navegaçao Lda ("Four Vanguard")</u>

On 30 July 2015, YHL , a subsidiary of the Company, entered into a Joint Venture Deed ("JVD") with Four Vanguard Serviços E Navegaçao Lda ("Four Vanguard"), a company incorporated in Portugal, to form a Joint Venture Company ("JVC") known as Anteros Rainbow Offshore Pte. Ltd. ("ARO"). YHL holds 51% shareholding in the JVC and the remaining 49% is held by Four Vanguard. The joint venture is for the purposes of acquiring a vessel owned by Four Vanguard ("the Vessel"). The Vessel is used in bidding for Floating Production Storage and Offloading ("FPSO") projects and to be leased to potential charterers.

The Group's interest in PTSC South East Asia Pte. Ltd., PTSC Asia Pacific Pte. Ltd. and Anteros Rainbow Offshore Pte. Ltd. are accounted for using the equity method in the consolidated financial statements.

22. Investment in joint ventures (continued)

Summarised financial information of the joint ventures, based on its MFRS/IFRS financial statements are set out below:

(i) PTSC South East Asia Pte. Ltd.

	2016 RM'000	2015 RM'000
Summarised statement of financial position:		
Current assets	168,735	118,957
Non-current assets	541,278	495,320
Current liabilities	(77,604)	(59,832)
Non-current liabilities	(211,295)	(271,847)
Equity	421,114	282,598
Proportion of the Group's ownership	49%	49%
Carrying amount of the investment	206,346	138,473
Summarised statement of comprehensive income:		
Revenue	141,847	120,169
Cost of sales	(28,741)	(27,517)
Administrative expenses	(318)	(416)
Finance costs	(9,649)	(10,288)
Profit before tax	103,139	81,948
Income tax expense	(2,912)	(2,756)
Profit for the year	100,227	79,192
Group's share of profit for the year	49,111	38,804

(ii) PTSC Asia Pacific Pte. Ltd.

	2016 RM'000	2015 RM'000
Summarised statement of financial position:		
Current assets	240,682	237,147
Non-current assets	1,564,076	1,503,318
Current liabilities	(30,524)	(101,722)
Non-current liabilities	(1,170,046)	(1,193,451)
Equity	604,188	445,292
Proportion of the Group's ownership	49%	49%
Carrying amount of the investment	296,052	218,193

22. Investment in joint ventures (continued)

(ii) PTSC Asia Pacific Pte. Ltd.

Summarised statement of comprehensive income:	**2016 RM'000**	**2015 RM'000**
Revenue	291,320	192,074
Cost of sales	(156,381)	(86,555)
Administrative expenses	(225)	(351)
Finance costs	(44,010)	(26,843)
Profit before tax	90,704	78,325
Income tax expense	(66)	(2,353)
Profit for the year	90,638	75,972
Group's share of profit for the year	44,413	37,226

(iii) Anteros Rainbow Offshore Pte. Ltd.

	2016 RM'000	**2015 RM'000**
Summarised statement of financial position:		
Current assets	738	-
Non-current assets	271,614	-
Current liabilities	(92,710)	-
Equity	179,642	-
Proportion of the Group's ownership	51%	0%
Carrying amount of the investment	91,617	-
Summarised statement of comprehensive income:		
Administrative expenses	(1,484)	-
Loss before tax	(1,484)	-
Income tax expense	-	-
Loss for the year	(1,484)	-
Group's share of loss for the year	(757)	-

(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.

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23. Investment in associates

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Unquoted shares, at cost:				
- Outside Malaysia	148	29,607	-	-
- In Malaysia	79	79	79	79
	227	29,686	79	79
Share of post-acquisition reserves	1,812	(297)	-	-
	2,039	29,389	79	79

Details of the associates are as follows:

Name of associates	Countries of incorporation	Proportion (%) of ownership interest 2016	2015	Principal activities
Yinson Energy Sdn. Bhd.	Malaysia	30	30	Provision of marine transport services
Regulus Offshore Sdn. Bhd.	Malaysia	49	49	Provision of vessel management services
Held through Yinson Port Venture Pte. Ltd.:				
PTSC Phu My Port Joint Stock Company [a][b]	Vietnam	40	40	Manage and operating a port, including cargo handling and provision of related business and services
Held through Yinson Production AS:				
Floating Operations & Production West Africa Limited [a]	Nigeria	40	40	Provision of technical management and FPSO management services
Held through Yinson Dynamic Ltd:				
OY Genesis Ltd [c]	Republic of the Marshall Islands	49	-	Investment holding
OY Jasper Ltd [c]	Republic of the Marshall Islands	49	-	Investment holding
OY Topaz Ltd [c]	Republic of the Marshall Islands	49	-	Investment holding

23. Investment in associates (continued)

(a) Audited by a firm other than Ernst & Young
(b) Classified as discontinued operations during the current financial year (Note 46)
(c) Associates newly incorporated during the current financial year

(i) PTSC Phu My Port Joint Stock Company

The Group's interest in PTSC Phu My Port Joint Stock Company was accounted for using the equity method in the consolidated financial statements until it was classified as held for sale in current financial year. For more details on assets classified as held for sales refer to Note 46.

The following table illustrates the summarised financial information of the Group's investment in PTSC Phu My Port Joint Stock Company:

	2016 RM'000	2015 RM'000
Summarised statement of financial position:		
Current assets	29,091	15,867
Non-current assets	87,917	77,830
Current liabilities	(23,648)	(20,866)
Non-current liabilities	-	(698)
Equity	93,360	72,133
Proportion of the Group's ownership	40%	40%
Carrying amount of the investment (Note 46)	37,344	28,853
Summarised statement of comprehensive income:		
Revenue	57,334	26,334
Cost of sales	(40,182)	(20,371)
Expenses	(7,599)	(5,114)
Profit before tax	9,553	849
Income tax expense	(2,641)	(368)
Profit for the year	6,912	481
Group's share of profit for the year (Note 46)	2,765	192

(ii) Investment in other associates

The summarised financial information of investment in other associates are not presented as these investments are individually immaterial to the Group.

24. Other investment

	Group 2016 RM'000	Group 2015 RM'000
Available-for-sale financial assets		
Quoted equity shares:		
- In Malaysia	-	2,492
- Outside Malaysia	1,739	7,194
Total available-for-sale financial assets	1,739	9,686
Financial assets at fair value through profit or loss		
Quoted equity shares:		
- In Malaysia	-	10
- Outside Malaysia	179	-
	179	10
Investment fund:		
- In Malaysia	74,998	-
Total financial assets at fair value through profit or loss	75,177	10
Total investment	76,916	9,696
Non-current	-	9,686
Current	76,916	10
	76,916	9,696

Fair values of these quoted equity shares are determined by reference to published price quotations in an active market.

25. Inventories

	Group 2016 RM'000	Group 2015 RM'000
At cost:		
Consumables	3,585	629
At realisable value:		
Trading goods	-	26,966
	3,585	27,595

During the last financial year, the trading goods have been written down by RM10,000,000 to its net realisable value.

26. Trade and other receivables

	Group		Company	
	2016	2015	2016	2015
Current:	RM'000	RM'000	RM'000	RM'000
Trade receivables				
Third parties	86,429	331,890	-	-
Joint venture	2,395	-	-	-
Associate	90	-	-	-
Directors' related companies	-	2,317	-	-
	88,914	334,207	-	-
Allowance for impairment	-	(22,724)	-	-
	88,914	311,483	-	-
Other receivables				
Refundable deposits	24,960	12,034	290	-
Sundry receivables	54,399	48,618	239	-
Due from subsidiaries:				
- bearing interest of KLIBOR + 3% p.a.	-	-	3,609	435,939
- bearing interest of 5.15% p.a.	-	-	32,777	23,104
- non-interest bearing	-	-	33,045	39,052
- others	-	-	-	42,841
Due from joint ventures	53,200	53,818	54,303	53,564
Due from an associate	1,537	1,589	133	1,589
	134,096	116,059	124,396	596,089
Allowance for impairment	-	(162)	-	-
	134,096	115,897	124,396	596,089
	223,010	427,380	124,396	596,089
Non-current:				
Other receivables				
Loans to subsidiaries				
- bearing interest of KLIBOR + 3% p.a.	-	-	494,026	-
- non-interest bearing	-	-	1,184	-
Due from joint venture	9,417	-	9,417	-
	9,417	-	504,627	-
	232,427	427,380	629,023	596,089
Total trade and other receivables	232,427	427,380	629,023	596,089
Add: cash and bank balances (Note 28)	416,187	364,378	39,940	11,639
Total loans and receivables	648,614	791,758	668,963	607,728

26. Trade and other receivables (continued)

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 120 (2015: 30 to 120) day terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2016	**2015**
	RM'000	**RM'000**
Neither past due nor impaired	36,522	120,794
1 to 30 days past due not impaired	22,968	52,015
31 to 60 days past due not impaired	14,310	30,599
61 to 90 days past due not impaired	2,150	23,569
91 to 120 days past due not impaired	41	44,067
More than 121 days past due not impaired	12,923	40,439
	52,392	190,689
Impaired	-	22,724
	88,914	334,207

Receivables that are neither past due nor impaired
Receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired
The Group has trade receivables amounting to approximately RM52,392,000 (2015: RM190,689,000) that are past due at the reporting date but not impaired.

Receivables that are impaired
The Group's trade receivables are individually impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2016	**2015**
	RM'000	**RM'000**
Trade receivable - nominal amount	-	22,724
Less: Allowance for impairment	-	(22,724)
	-	-

26. Trade and other receivables (continued)

(a) Trade receivables (continued)

Receivables that are impaired (continued)

Movement for allowance accounts:

	Group	
	2016 RM'000	2015 RM'000
At beginning of year	22,724	8,779
Charge for the year	6,950	14,022
Reversal of impairment loss	(6,194)	(5)
Written off	(13,054)	(280)
Attributable to discontinued operations	(10,218)	-
Exchange differences	(208)	208
At end of year	-	22,724

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Other receivables

- Amounts due from subsidiaries bearing interest of KLIBOR + 3% are denominated in USD and RM. The amounts are unsecured and repayable upon demand.
- Amounts due from subsidiaries bearing interest of KLIBOR + 5.15% are denominated in USD and RM. These amounts are unsecured and repayable upon demand.
- Amounts due from subsidiaries which are non interest bearing are denominated in USD and RM. These amounts are unsecured and repayable upon demand.
- Included in the above amounts are amounts due from subsidiaries held for sale of RM 68,437,946 (31.1.2015: Nil), which shall be settled in accordance to the arrangement as mentioned in Note 46.
- The other amounts due from subsidiaries as at 31 January 2015 were also denominated in USD and RM. These amounts were unsecured and were settled by way of capitalisation as investment cost during current financial year.

Movement for other receivables allowance accounts:

	Group	
	2016 RM'000	2015 RM'000
At beginning of year	162	300
Charge for the year	321	27
Reversal of impairment loss	-	(2)
Written off	(55)	(163)
Discontinued operations	(428)	-
At end of year	-	162

27. Other current assets

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Prepayments	13,438	7,365	903	683
Advances to suppliers of raw materials	-	5,202	-	-
Advances to suppliers for purchase of vessels	-	15,421	-	-
	13,438	27,988	903	683

28. Cash and bank balances

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Cash on hand and at banks	189,413	260,600	35,477	5,711
Short term investment	325	313	325	313
Deposits with licensed banks	226,449	103,465	4,138	5,615
Cash and bank balances	416,187	364,378	39,940	11,639

For the purpose of the statements of cash flows, cash and cash equivalents at the reporting dates comprise the following:

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances				
- Continuing operations	416,187	364,378	39,940	11,639
- Discontinued operations (Note 46)	21,523	-	-	-
Bank overdrafts				
- Continuing operations (Note 32)	(6,364)	(4,405)	-	-
- Discontinued operations	(1,679)	-	-	-
	429,667	359,973	39,940	11,639
(Less):				
Short term investment	(325)	(313)	(325)	(313)
Deposits with licensed bank for investment purposes	-	(8,550)	-	-
Deposits pledged to banks	(218,373)	(76,515)	(4,138)	(3,815)
Cash and cash equivalents	210,969	274,595	35,477	7,511

28. 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 fifteen months, depending on the immediate cash requirements of the Group, and earn interest at the respective deposit rates.

Deposit with a licensed bank, denominated in USD, of approximately RM62,407,000 (2015: RM72,612,000), has been pledged to the bank for a performance guarantee issued in favour of a subsidiary's customer for a period of six years. The deposit is made for period of three months (2015: three months) and earns interest at 0.05% (2015: 0.06%) per annum.

Deposit with a licensed bank of approximately RM90,000 (2015: RM88,000) has been pledged to the bank for bank guarantee facilities granted to a subsidiary.

Deposits with licensed banks of approximately RM155,876,000 (2015: RM3,815,000) have been pledged to the banks for the banking facilities of the Company and the subsidiaries, as disclosed in Note 32.

29. Share capital

	Number of ordinary shares of RM0.50 / RM1.00* each		Amount	
	2016 '000	2015 '000	2016 RM'000	2015 RM'000
Authorised:				
At 1 February	2,000,000	500,000*	1,000,000	500,000
- Created during the year	-	500,000*	-	500,000
- Increase by way of share split	-	1,000,000	-	-
At 31 January	2,000,000	2,000,000	1,000,000	1,000,000
Issued and fully paid:				
At 1 February	1,032,798	258,200	516,399	258,200
Issued during the year:				
- Rights issue	-	258,199	-	258,199
- Share split	-	516,399	-	-
- Private placements	60,000	-	30,000	-
At 31 January	1,092,798	1,032,798	546,399	516,399

On 7 July 2015, the Company increased its issued and paid-up ordinary share capital from RM516,399,220 to RM546,399,220 by way of the issuance of 60 million ordinary shares of RM0.50 each via private placement, at an issue price of RM2.83 each for which the proceeds were mainly utilised to repay bank borrowings.

The share premium of RM139,800,000 arising from the issuance of ordinary shares and the share issue costs of RM 3,900,000 have been included in the share premium account. The new ordinary shares rank pari passu in all respect with the existing ordinary shares of the Company.

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) Available-for-sale reserve

The available-for-sale reserve represents cumulative fair value gain or loss arising from available-for-sale financial assets recognised. This reserve will be reclassified to profit or loss when the investment is derecognised, or when the investment is determined to be impaired.

(c) 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.

31. Retained earnings

The Company may distribute dividends out of its entire retained earnings as at 31 January 2016 under the single tier system.

32. Loans and borrowings

		Group		Company	
		2016	2015	2016	2015
	Maturity	RM'000	RM'000	RM'000	RM'000
Current:					
Secured:					
Bank loans:					
- RM loan at BLR + 1.00%	2016	-	42	-	-
- RM loan at BLR + 0.20%	2016	-	2	-	-
- RM loan at BLR - 2.00% *	2017	-	31	-	-
- RM loan at BLR - 1.60% *	2017	-	1,446	-	-
- USD loan at COF + 2.50%	2017	5,461	4,750	-	-
- USD loan at COF + 2.80%	2017	10,973	9,561	-	-

32. Loans and borrowings (continued)

	Maturity	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
- USD loan at SIBOR + 2.75%	2017	14,085	12,245	-	-
- USD loan at COF + 2.80%	2017	8,993	7,824	8,993	7,824
- USD loan at COF + 4.00%	2017	4,038	-	4,038	-
- USD loan at LIBOR + 4.50%	2017	58,195	50,281	-	-
- USD loan at LIBOR + 4.00%	2017	49,223	43,139	-	-
- USD loan at COF + 1.65%	2017	6,756	-	-	-
- RM loan at COF + 3.50%	2017	1,370	-	-	-
Obligations under finance leases (Note 33)	2017	295	6,296	186	177
		159,389	135,617	13,217	8,001
Unsecured:					
Bank overdrafts	On demand	6,364	4,405	-	-
Bankers' acceptances*	2017	-	166,778	-	-
Revolving credits	2017	41,768	41,784	41,545	36,284
		48,132	212,967	41,545	36,284
		207,521	348,584	54,762	44,285
Non-current:					
Secured:					
Bank loans:					
- RM loan at BLR - 2.00% *	2017	-	162	-	-
- RM loan at BLR - 1.60% *	2019	-	4,214	-	-
- USD loan at COF + 2.50%	2018	14,699	17,605	-	-
- USD loan at COF + 2.80%	2018	3,747	12,350	-	-
- USD loan at SIBOR + 2.75%	2018	27,512	36,330	-	-
- USD loan at COF + 2.80%	2019	11,757	17,506	11,757	17,506

32. Loans and borrowings (continued)

	Maturity	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
- USD loan at COF + 4.00%	2019	10,624	10,897	10,624	10,897
- USD loan at LIBOR + 4.50%	2019	204,066	229,051	-	-
- USD loan at LIBOR + 4.00%	2019	111,944	140,683	-	-
- USD loan at LIBOR + 2.9%	2024	759,811	-	-	-
- USD loan at COF + 1.65%	2020	26,434	-	-	-
- RM loan at COF + 3.50%	2018	231,584	-	-	-
Obligations under finance leases (Note 33)	2019	797	5,795	472	657
		1,402,975	474,593	22,853	29,060
Unsecured:					
Revolving credits	2021	43,655	-	-	-
		1,446,630	474,593	22,853	29,060
		1,654,151	823,177	77,615	73,345
Total borrowings					
Bank overdrafts (Note 28)		6,364	4,405	-	-
Bankers' acceptances*		-	166,778	-	-
Revolving credits		85,423	41,784	41,545	36,284
Bank loans		1,561,272	598,119	35,412	36,227
		1,653,059	811,086	76,957	72,511
Obligations under finance leases (Note 33)		1,092	12,091	658	834
Total loans and borrowings		1,654,151	823,177	77,615	73,345

* Associated with the disposal group classified as held for sale during the current financial year (Note 46).

The remaining maturities of the loans and borrowings (excluding obligations under finance leases) as at the reporting date are as follows:

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
On demand or within one year	207,226	342,288	54,576	44,108
More than 1 year and less than 2 years	405,479	131,250	12,345	9,590
More than 2 years and less than 5 years	432,671	318,199	10,036	18,813
5 years or more	607,683	19,349	-	-
	1,653,059	811,086	76,957	72,511

32. Loans and borrowings (continued)

(a) The secured loans and borrowings of the Group are secured by certain assets of the Group as disclosed in Notes 17, 18, 19, 28 and 46.

(b) A secured loan of the Company is guaranteed jointly and severally by two of the directors namely, Lim Han Weng and Lim Chern Yuan.

All unsecured loans and borrowings of the subsidiaries are guaranteed by the Company.

(c) The bank overdrafts, bankers' acceptances and revolving credits are for purchase of raw materials and working capital, denominated in USD and RM, and bear interests at range of BLR+0.00% (2015: BLR + 0.00% to BLR + 1.50%), Nil (2015: 4.40% to 5.62%) and COF + 1.50% to COF + 3.00% (2015: COF + 1.25% to COF + 3.00%) respectively.

33. Obligations under finance leases

	Group	
	2016 RM'000	2015 RM'000
Minimum lease commitments:		
Not later than 1 year	338	6,819
Later than 1 year and not later than 2 years	338	4,302
Later than 2 years and not later than 5 years	506	1,749
Total minimum lease payments	1,182	12,870
Less: Amounts representing finance charges	(90)	(779)
Present value of minimum lease payments	1,092	12,091
Present value of payments:		
Not later than 1 year	295	6,296
Later than 1 year and not later than 2 years	309	4,134
Later than 2 years and not later than 5 years	488	1,661
Present value of minimum lease payments	1,092	12,091
Less: Amount due within 12 months (Note 32)	(295)	(6,296)
Amount due after 12 months (Note 32)	797	5,795

	Company	
	2016 RM'000	2015 RM'000
Minimum lease commitments:		
Not later than 1 year	211	211
Later than 1 year and not later than 2 years	287	212
Later than 2 years and not later than 5 years	212	498
Total minimum lease payments	710	921
Less: Amounts representing finance charges	(52)	(87)
Present value of minimum lease payments	658	834

33. Obligations under finance leases (continued)

	Company	
	2016	2015
	RM'000	RM'000
Present value of payments:		
Not later than 1 year	186	177
Later than 1 year and not later than 2 years	194	185
Later than 2 years and not later than 5 years	278	472
Present value of minimum lease payments	658	834
Less: Amount due within 12 months (Note 32)	(186)	(177)
Amount due after 12 months (Note 32)	472	657

The finance lease liabilities are secured by charges over the leased assets (Note 17) and secured by corporate guarantees from the Company. The discount rates implicit in the leases ranges from 4.14% to 4.74% (2015: 2.36% to 4.30%) per annum.

34. Net employee defined benefit liabilities

	Group	
	2016	2015
	RM'000	RM'000
At 1 February	3,233	7,669
Recognised in profit or loss	(3,840)	882
Settlement	-	(3,991)
Exchange differences	607	(1,327)
At 31 January	-	3,233

Employees in Yinson Production AS (YPAS) participated in a defined pension plan providing entitlement to 70% of the salary at the time of retirement (based on length of service) up to a maximum of 12G (approximately NOK1.06 million). In addition, YPAS had unfunded (unsecured) pension obligations covering senior executives equal to 66% of salary on retirement.

Until 31 December 2013, the pension plan was administered by Fred.Olsen & Co's Pensjonskasse. The administration of pension funds is subject to the Financial Supervisory Authority of Norway (Kredittilsynet) rules of capital management. The pension plan assets consisted primarily of bonds, certificates and shares in Norwegian stock listed companies.

The aforementioned pension plan qualified under the minimum requirements for mandatory service pension ("Obligatorisk Tjenestepensjon") in accordance with Norwegian law for Company Pensions ("Lov om Foretakspensjon").

Subsequent to the acquisition of Fred. Olsen Production ASA by Yinson Production Limited, YPAS ended its membership in Fred. Olsen & Co's Pensjonskasse and established a defined contribution pension plan effective 1 January 2014. All full-time employees in Norway now participate in the defined contribution pension plan and there were 33 members as at 31 January 2016. No other post-retirement benefits are provided by YPAS.

34. Net employee defined benefit liabilities (continued)

One employee was included in the defined benefit pension plan at 31 January 2015 and none are included as at 31 January 2016. The defined benefit pension scheme is now closed.

35. Favourable and unfavourable contracts

	Group	
	2016 RM'000	2015 RM'000
Favourable contract		
Cost		
At 1 February	12,510	11,536
Exchange differences	1,814	974
At 31 January	14,324	12,510
Accumulated amortisation		
At 1 February	6,255	-
Amortisation (Note 8)	6,841	5,981
Exchange differences	1,228	274
At 31 January	14,324	6,255
Net carrying amount	-	6,255
Amount to be amortised:		
- Current	-	6,255
	-	6,255
Unfavourable contracts		
Cost		
At 1 February	101,126	93,245
Exchange differences	13,467	7,881
At 31 January	114,593	101,126
Accumulated amortisation		
At 1 February	27,114	1,971
Amortisation (Note 8)	19,047	22,480
Exchange differences	3,630	2,663
At 31 January	49,791	27,114
Net carrying amount	64,802	74,012

35. Favourable and unfavourable contracts

Unfavourable contracts (continued)	Group 2016 RM'000	Group 2015 RM'000
Amount to be amortised:		
- Current	19,942	17,416
- Non-current	44,860	56,596
	64,802	74,012

The favourable and unfavourable contracts represent the fair value of the services contracts embedded in the time charter contracts, arising from the acquisition of subsidiaries and recognised as assets and liabilities respectively.

36. Deferred tax (assets)/liabilities

	Group 2016 RM'000	Group 2015 RM'000
At 1 February	610	10,098
Recognised in profit or loss (Note 14)	22,459	(24)
Recognised in profit or loss (discontinued operations)	4,358	(5,015)
Exchange differences	(168)	-
Disposal of subsidiaries	-	(4,449)
Attributable to discontinued operations	(486)	-
At 31 January	26,773	610
Presented after appropriate offsetting as follows:		
Deferred tax assets	-	(6,114)
Deferred tax liabilities	26,773	6,724
	26,773	610

36. Deferred tax (assets)/liabilities (continued)

The components and movements of deferred tax assets and liabilities during the financial year are as follows:

	Deferred tax liabilities	Deferred tax assets		
	Accelerated capital allowances and others RM	Unutilised tax losses and unabsorbed capital allowances RM	Provision RM	Total RM
At 1 February 2014	14,540	(3,260)	(1,182)	10,098
Recognised in profit or loss	(3,050)	3,260	(5,249)	(5,039)
Acquisition of subsidiaries	(4,449)	-	-	(4,449)
At 31 January 2015 and 1 February 2015	7,041	-	(6,431)	610
Recognised in profit or loss	22,808	(935)	4,944	26,817
Exchange differences	(168)	-	-	(168)
Attributable to discontinued operations	(2,908)	935	1,487	(486)
At 31 January 2016	26,773	-	-	26,773

As at the reporting date, the Group had unutilised tax losses and unabsorbed capital allowances of approximately RM Nil (2015: RM 10,700,000) that are available to offset against future taxable profits of the respective subsidiaries in which these unutilised tax losses and unabsorbed capital allowances arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability.

The availability of unutilised tax losses to offset against future taxable profits of the respective subsidiaries in Malaysia are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority. The use of tax losses of subsidiaries in other countries are subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislations of the countries in which the subsidiaries operate.

37. Trade and other payables

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Current:				
Trade payables				
Third parties	11,695	39,472	-	-
Directors' related companies	-	46	-	-
Due to an associate	1,110	438	-	-
	12,805	39,956	-	-
Other payables				
Due to directors	19,690	350	19,690	350
Due to subsidiaries	-	-	1,111	6,912
Due to joint ventures	397	-	-	-
Due to an associate	201	660	201	660
Directors' related companies	-	755	-	-
Corporate shareholder of a subsidiary	-	7,932	-	-
Sundry payables	308,354	18,768	3,465	509
Accruals	63,906	40,729	698	1,237
Deposit	16,800	-	16,800	-
	409,348	69,194	41,965	9,668
	422,153	109,150	41,965	9,668
Non-current:				
Other payable				
Due to subsidiaries	-	-	418,019	-
Total trade and other payables	422,153	109,150	459,984	9,668
Total trade and other payables	422,153	109,150	459,984	9,668
Add: loans and borrowings (Note 32)	1,654,151	823,177	77,615	73,345
Total financial liabilities carried at amortised cost	2,076,304	932,327	537,599	83,013

(a) Trade payables

Trade payables are non-interest bearing and the credit terms granted to the Group range from 30 to 120 (2015: 30 to 120) days.

(b) Other payables - current

All other payables are unsecured, non-interest bearing and are repayable on demand.

Deposit relates to 10% of total cash consideration received from a directors' related company in accordance to the share sale agreement ("SSA") for the proposed divestment as disclosed in Note 46.

(c) Other payable - non-current

Amount due to subsidiaries is unsecured and not expected to be paid within the next twelve months. Included in the amount due to subsidiaries is an interest-bearing loan of approximately RM414 million, which bears interest of 6.10% to 7.54%.

38. Derivatives

	Group	
	2016	2015
Non-hedging derivatives:	RM'000	RM'000
Current		
(a) **Financial assets at fair value through profit or loss**		
- Currency forward contracts	-	30,518
(b) **Financial liabilities at fair value through profit or loss**		
- Interest rate swaps	(6,177)	(214)

The foreign exchange forward contracts reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationship, but are intended to reduce the level of foreign currency risk for expected loans and borrowings.

The interest rate swaps reflect the negative 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.

	Group	
	2016	2015
Hedging derivatives:	RM'000	RM'000
Non-current		
(c) **Financial liabilities designated as cash flow hedge**		
- Interest rate swaps	(149,701)	-

During the financial year, a subsidiary of the Company had entered into a series of USD interest swap contracts with banks. The interest rate swaps reflect the negative change in fair value of those interest rate swaps which have been designated as cash flows hedge and are used to manage the exposure to the risk of changes in market interest rates arising from floating rate bank loans of the subsidiary.

The fair values of the foreign exchange forward contracts and 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.

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39. Significant related party transactions

(a) Sales and purchases of goods and services

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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Directors' interested companies:				
- rental income	60	60	-	-
- transport income	2,680	5,021	-	-
- lease of barges	2,267	3,430	-	-
- sales of goods	271	8	-	-
- purchases of goods	3,130	3,553	-	-
Associates:				
- management and administration charges	854	634	-	-
- management fee charges	2,559	-	-	-
- chartering charges	5,039	-	-	-
- management fee income	117	-	117	-
- purchases of goods	2,461	585	-	-
- rental income	250	185	-	-
Joint ventures:				
- interest income	1,917	1,535	1,917	1,535
Subsidiaries:				
- dividend income	-	-	-	103,810
- management fee income	-	-	27,890	6,109
- interest income	-	-	31,367	29,312

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

(b) Compensation to key management personnel

Key management personnel of the Group and of the Company are also executive directors of the Company. Information of compensation to executive directors is disclosed in Note 12.

40. Commitments

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
(a) Capital commitments				
Approved and contracted for: Property, plant and equipment	826,542	75,325	1,790	-
Approved but not contracted for: Property, plant and equipment	1,440,917	41,210	-	-
	2,267,459	116,535	1,790	-

(b) Operating lease commitments – Group as lessee

In addition to the land use rights as disclosed in Note 19, the Group has entered into leases for the use of premises, vessels and equipment. These leases have tenures ranging between 6 months to 2 years with options to extend for the lease periods mutually agreed between the lessees and lessors. The Group is restricted from leasing the leased premises to third parties.

Minimum lease payments, including amortisation of land use rights recognised in profit or loss for the financial years ended 31 January 2016 and 31 January 2015, amounted to approximately RM4,151,000 and RM1,798,000 respectively.

Future minimum rentals payable under non-cancellable operating leases (excluding land use rights) at the reporting date are as follows:

	Group	
	2016	2015
	RM'000	RM'000
Not later than 1 year	2,380	694
Later than 1 year and not later than 5 years	1,358	989
	3,738	1,683

40. Commitments (continued)

(c) Operating lease commitments – Group as lessor

The Group has entered into leases on its investment properties and vessels. These non-cancellable leases have remaining lease terms of between one to fifteen years. All leases include a clause to enable upward revision of the rental charge on renewal basis based on prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases at the reporting date are as follows:

	Group	
	2016	**2015**
	RM'000	**RM'000**
Not later than 1 year	365,854	271,692
Later than 1 year and not later than 5 years	3,404,565	2,605,228
Later than 5 years	7,453,208	6,509,380
	11,223,627	9,386,300

Rental income from leasing of investment properties and chartering fees from leasing of vessels recognised in profit or loss during the financial year are disclosed in Note 7.

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41. Fair value measurement

(a) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

	Fair value measurement using			
	Quoted prices in active market Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
At 31 January 2016				
Financial assets:				
Available-for-sale	1,739	-	-	1,739
At fair value through profit or loss	179	74,998	-	75,177
Financial liability:				
Interest rate swaps	-	155,878	-	155,878
Unfavourable contracts	-	-	64,802	64,802
At 31 January 2015				
Non-financial asset:				
Investment properties	-	-	29,598	29,598
Financial assets:				
Available-for-sale	9,686	-	-	9,686
At fair value through profit or loss	10	-	-	10
Foreign currency forward contracts	-	30,518	-	30,518
Favourable contracts	-	-	6,255	6,255
Financial liability:				
Interest rate swaps	-	214	-	214
Unfavourable contracts	-	-	74,012	74,012
Discontinued operations				
At 31 January 2016				
Non-financial asset:				
Investment properties	-	-	36,022	36,022
Plant and equipment	-	-	3,492	3,492
Financial assets:				
Available-for-sale	1,424	-	-	1,424
At fair value through profit or loss	12	-	-	12

41. Fair value measurement (continued)

(a) Fair value hierarchy (continued)

The Group classifies fair value measurement using the fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

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

There have been no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 31 January 2016 and 31 January 2015.

(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 (current)	26
Trade and other payables	37
Loans and borrowings (current), excluding obligations under finance leases	32
Loans and borrowings (non-current), excluding obligations under finance leases and certain bank loans	32

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of loans and borrowings excluding obligations under finance leases are reasonable approximation of fair values due to the insignificant impact of discounting.

The fair values of non-current loans and borrowings excluding obligations under finance leases are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

41. 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.

(c) Fair values of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	Group	
	2016	**2015**
Financial liabilities:	**RM'000**	**RM'000**
Carrying amount:		
- Obligations under finance leases (current and non-current)	1,092	12,091
- USD bank loans (non-current)	1,075,821	369,734
	1,076,913	381,825
Fair value:		
- Obligations under finance leases (current and non-current)	1,092	12,095
- USD bank loans (non-current)	1,128,824	352,379
	1,129,916	364,474

42. Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets, other than derivatives, include loans, trade and other receivables, and cash and short-term deposits that are derived directly from its operations. The Group also holds available-for-sale financial assets.

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 a 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 three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, short-term deposits, available-for-sale financial assets and derivatives.

The sensitivity analysis in the following sections relate to the positions as at 31 January 2016 and 2015.

(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 RM1,568,000 (2015: RM603,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

42. Financial risk management objectives and policies (continued)

(a) Market risk (continued)

(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 (when revenue or expense is denominated in a different currency from the Group's presentation currency) 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 Vietnamese Dong ("VND"). The foreign currency in which these transactions are denominated is mainly USD.

The Group holds cash and cash equivalents denominated in foreign currencies for working capital purposes. The other financial instruments denominated in foreign currencies includes available-for-sale financial assets, trade and other receivables, trade and other payables and loans and borrowings.

The Group is also exposed to currency translation risk arising from its net investment in foreign operations in Vietnam, Labuan, Singapore and Norway. 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.

<u>Foreign currency sensitivity</u>

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rate, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

		Group	
		2016	**2015**
		RM'000	**RM'000**
USD/RM	- Strengthened 5%	(4,582)	26,879
	- Weakened 5%	4,582	(26,879)
EURO/RM	- Strengthened 5%	(848)	-
	- Weakened 5%	848	-

42. Financial risk management objectives and policies (continued)

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

(i) Trade receivables

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 an individual credit limits are defined in accordance with this assessment. Outstanding receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major receivables. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in statement of financial position. The Group does not hold collateral as security. As at last reporting date, approximately 57% of the Group's trade receivables are due from companies of a common group.

(ii) Financial instruments and cash deposits

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 limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in statement of financial position except for trade receivables as disclosed above.

(c) Liquidity risk

Liquidity risk is the risk that the Group or 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 objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases contracts.

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	One to five years RM'000	Over five years RM'000	Total RM'000
31 January 2016				
Trade and other payables	422,153	-	-	422,153
Loans and borrowings	489,802	926,241	740,974	2,157,017
Derivatives	6,177	149,701	-	155,878
Total undiscounted financial liabilities	918,132	1,075,942	740,974	2,735,048
31 January 2015				
Trade and other payables	109,150	-	-	109,150
Loans and borrowings	355,353	476,858	19,342	851,553
Derivatives	214	-	-	214
Total undiscounted financial liabilities	464,717	476,858	19,342	960,917
Company				
31 January 2016				
Trade and other payables	41,965	418,019	-	459,984
Loans and borrowings	60,276	34,698	-	94,974
Total undiscounted financial liabilities	102,241	452,717	-	554,958
31 January 2015				
Trade and other payables	9,668	-	-	9,668
Loans and borrowings	45,198	41,102	-	86,300
Total undiscounted financial liabilities	54,866	41,102	-	95,968

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) Marine - This segment comprises provision of vessel and marine related services.

(ii) Other operations - This segment comprises of investment, management services and treasury services.

(iii) Discontinued operations - It comprises of the following segments :

(a) The transport segment consists of the provision of trucking services.

(b) The trading segment consists of trading activities mainly in the construction related materials.

(c) Other discontinued operations consist of provision of warehouses and rental from investment properties.

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.

	Marine RM'000	Other operations RM'000	Discontinued operations RM'000	Elimination RM'000	Consolidated RM'000
31 January 2016					
Revenue:					
Gross revenue	460,721	33,674	551,973	(621,970) A	424,398
Inter-segment	(36,452)	(33,543)	(836)	70,831 B	-
	424,269	131	551,137	(551,139)	424,398
Results:					
Segment results	159,866	79,694	12,955	(12,955) A	239,560
Finance costs					(40,514)
Share of results of joint ventures					92,165
Share of results of associates					1,549
Income tax expense					(77,710)
Profit for the year					215,050
Amortisation and depreciation	92,669	1,017	5,015	(5,015) A	93,686

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43. Segment information (continued)

	Marine RM'000	Other operations RM'000	Discontinued operations RM'000	Elimination RM'000	Consolidated RM'000
31 January 2016					
Fair value gain/ (loss):					
- investment properties	-	-	(1,321)	1,321 A	-
- marketable securities	-	23	2	(2) A	23
Other non-cash income/(expenses)	(26,282)	84,887	(9,481)	9,481 A	58,605
Assets and liabilities					
Segment assets	4,117,460	248,994	473,356	-	4,839,810
Segment liabilities	1,946,393	411,534	228,499	-	2,586,426
Addition to non-current assets	1,859,213	128	8,830	-	1,868,171
31 January 2015					
Revenue:					
Gross revenue	428,648	19,264	694,870	(747,342) A	395,440
Inter-segment	(33,220)	(19,252)	(6,886)	59,358 B	-
	395,428	12	687,984	(687,984)	395,440
Results:					
Segment results	113,023	114,015	12,613	(12,613) A	227,038
Finance costs					(37,375)
Share of results of joint ventures					91,386
Share of results of an associate					(325)
Income tax expense					(27,457)
Profit for the year					253,267
Amortisation and depreciation	84,657	253	5,888	(5,888) A	84,910

43. Segment information (continued)

	Marine RM'000	Other operations RM'000	Discontinued operations RM'000	Elimination RM'000	Consolidated RM'000
31 January 2015					
Fair value gain/(loss):					
- investment properties	-	-	405	(405) A	-
- marketable securities	-	-	(3)	3 A	-
- Derivatives	-	30,518	-	-	30,518
Other non-cash income/(expenses)	4,795	52,570	(10,893)	10,893 A	57,365
Assets and liabilities					
Segment assets	1,953,622	534,594	-	-	2,488,216
Segment liabilities	786,425	242,282	-	-	1,028,707
Addition to non-current assets	139,655	10,273	-	-	149,928

Geographical information

The geographical information is not disclosed as this does not form part of the management reporting.

Notes

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

A The amounts relating to the discontinued operations have been excluded to arrive at amount shown in the consolidated statement of comprehensive income as they are presented separately in the income statement within one item, "profit/(loss) from the year from discontinued operations"

B Inter-segment revenues are eliminated on consolidation.

44. Capital management

For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to owners of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a debt-to-capital ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Loans and borrowings	1,654,151	823,177	77,615	73,345
Trade and other payables	422,153	109,150	459,984	9,668
Less: Cash and bank balances	(416,187)	(364,378)	(39,940)	(11,639)
Financial liabilities, attributable to discontinued operations, net of cash and bank balances	204,015	-	-	-
Net debt	1,864,132	567,949	497,659	71,374
Equity attributable to owners of the parent, total capital	1,814,074	1,450,510	1,290,022	1,080,627
Capital and net debt	3,678,206	2,018,459	1,787,681	1,152,001
Debt-to-capital ratio	51%	28%	28%	6%

45. Perpetual securities of a subsidiary

On 25 September 2015, Yinson TMC Sdn Bhd, a wholly owned subsidiary of the Company issued perpetual securities of USD 100 million. The perpetual securities are:

(a) unconditionally and irrevocably guaranteed by the Company;
(b) direct, unsecured, unconditional and unsubordinated obligations of the subsidiary;
(c) 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 will not be listed on Bursa Malaysia Securities Berhad or on any other stock exchange and will carry an initial periodic distribution rate of 7% per annum. The Perpetual Securities have no fixed maturity date but are callable 5 years from date of issuance at their principal amount. The Perpetual Securities may also be redeemed upon the occurrence of certain events as more particularly detailed in the terms and conditions of the Perpetual Securities.

46. Discontinued operations and disposal group classified as held for sale

On 28 September 2015, the Company entered into a share sale agreement ("SSA") to divest its entire equity interest in its non-oil and gas subsidiaries ("Target Subsidiaries") to Liannex Labuan Limited ("Liannex Labuan") for a total cash consideration of RM168.0 million, subject to adjustments in accordance with the SSA. In addition, Liannex Labuan shall settle all inter-company loans owing to the Company by the Target Subsidiaries as at the completion date of the divestment. The divestment decision is consistent with the Group's strategy to focus on its oil and gas business. The proposed divestment was approved by the non-interested shareholders of the Company by way of poll at the Extraordinary General Meeting held on 29 January 2016. Subsequently, the Board of Directors had on 16 May 2016 announced that all conditions precedent pursuant to the SSA were fulfilled and/or waived and the proposed divestment had on the same date, becomes unconditional.

Target Subsidiaries under divestment:

i) 100% equity interest in Yinson Corporation Sdn Bhd;
ii) 100% equity interest in Yinson Transport Sdn Bhd;
iii) 100% equity interest in Yinson Shipping Sdn Bhd;
iv) 100% equity interest in Yinson Power Marine Sdn Bhd;
v) 100% equity interest in Yinson Overseas Limited ("YOL"). The Company undertook an internal restructuring whereby YOL acquired the entire equity interest of Yinson Port Ventures Pte Ltd* on 19 October 2015 and subsequent to the current financial year, acquired the entire equity interest of Yinson Vietnam Company Limited**.

* Yinson Port Ventures Pte Ltd, in turn owns 40% equity interest in PTSC Phu My Port Joint Stock Company.
** Yinson Vietnam Company Limited, in turn owns 51% equity interest in Yen Son Diversified Company Limited.

46. Discontinued operations and disposal group classified as held for sale (continued)

As at 31 January 2016, given its impending disposal, the assets and liabilities of the Target Subsidiaries have been classified as a disposal group held for sale. In accordance with the requirements of MFRS 5, the results of the Target Subsidiaries are excluded from the results of continuing operations and are presented as a single amount as profit/(loss) for the year from discontinued operations in the income statement (including the comparative period). The impact on the income statement for the comparative period is as follows:

	2015 RM'000 Originally stated	RM'000 Adjustments	2015 RM'000 Restated
Revenue	1,083,424	(687,984)	395,440
Cost of sales	(912,303)	651,335	(260,968)
Profit before tax	279,380	1,344	280,724
Income tax expense	(27,968)	511	(27,457)
Profit for the year from continuing operations	251,412	1,855	253,267
Loss for the year from discontinued operations	-	(1,855)	(1,855)

Results of the discontinued operations

At 31 January 2016, the Target Subsidiaries were classified as a disposal group held for sale and as discontinued operations. The results of the disposal group for the year are presented below.

		Group	
	Note	2016 RM'000	2015 RM'000
Revenue		551,137	687,984
Expenses		(538,268)	(675,371)
Finance costs		(12,368)	(14,149)
Share of results of associate	23	2,765	192
Profit/(Loss) before tax from discontinued operations*		3,266	(1,344)
Income tax expense (Note 14)		(2,495)	(511)
Profit/(Loss) for the year from discontinued operations		771	(1,855)

46. Discontinued operations and disposal group classified as held for sale (continued)

* The following items have been charged/(credited) in arriving profit/(loss) before tax from discontinued operation:

Results of the discontinued operations (continued)

	Note	Group 2016 RM'000	Group 2015 RM'000
Bad debts recovered		(1,230)	(73)
Impairment loss on:			
- trade receivables		6,950	14,022
- other receivables		321	27
Reversal of impairment loss on:			
- trade receivables		(6,194)	(5)
- other receivables		-	(2)
Impairment loss on plant and equipment	(a)	2,000	-
Impairment loss on available-for-sale financial assets		1,068	-
Write down of inventories		2,177	10,000
Inventory written off		5,843	-
Unrealised loss/(gain) on foreign exchange		4,299	(2,283)
Fair value loss/(gain) on:			
- investment properties	(b)	1,321	(405)
- marketable securities		(2)	3
Loss on disposal of property, plant and equipment		1,029	-
Plant and equipment written off		9	-
Operating leases - Minimum lease payment for land and buildings		432	198
Waiver of amount due from a former shareholder of a subsidiary		(716)	-
Auditors' remuneration:			
Statutory audit			
- Company's auditors		98	90
- Other auditors		31	23
Other services			
- Company's auditors		44	43
- Other auditors		-	3
Interest income		(96)	(12)
Amortisation of intangible assets		3	3
Amortisation of land use rights		72	96
Depreciation of property, plant and equipment		4,940	5,789
Employee benefits expenses		11,550	9,828

Included in employee benefits expense are directors' remuneration as disclosed in Note 12 amounting to RM1,757,000 (2015: RM1,491,000).

46. Discontinued operations and disposal group classified as held for sale (continued)

Assets of disposal group classified as held for sale

The major classes of assets and liabilities of the disposal group classified as held for sale as at 31 January 2016 are as follows:

	Note	Group 2016 RM'000
Assets		
Property, plant and equipment	(a)	41,845
Investment properties	(b)	36,022
Intangible assets		132
Land use rights	(c)	4,252
Investment in associate	23	37,344
Available-for-sale financial assets		1,424
Deferred tax assets		2,376
Inventories		1,751
Trade and other receivables		278,053
Other current assets		43,314
Tax recoverable		5,308
Marketable securities		12
Cash and bank balances		21,523
		473,356

During the current financial year, the inventories have been written down by RM2,177,455 to its net realisable value.

Included in other receivables is an amount of RM4,000,000 (2015: Nil) advanced to a director for a business venture on behalf of a subsidiary as refundable deposit. The full amount was refunded in February 2016.

Assets of disposal group classified as held for sale (continued)

	Note	Group 2016 RM'000
Liabilities		
Loans and borrowings	(d)	(207,569)
Trade and other payables		(17,969)
Tax payables		(99)
Deferred tax liabilities		(2,862)
Liabilities directly associated with disposal group classified as held for sale		(228,499)
Net assets directly associated with disposal group classified as held for sale		244,857

46. Discontinued operations and disposal group classified as held for sale (continued)

Non-current asset classified as held for sale

The non-current asset of the disposal group classified as held for sale on the Company's statement of financial position as at 31 January 2016 is, as follows:

	Company RM'000
Assets	
Investment in subsidiaries	154,182

(a) Subsequent to classification as assets held for sale, Yinson Power Marine Sdn Bhd had carry out a review of the recoverable amount of its tug boats and barges because of persistent losses. An impairment loss of RM 2,000,000 (2015: Nil), representing the fair value less disposal cost of the tug boats and barges was recognised in profit for the year from discontinued operations in Income Statement for the financial year ended 31 January 2016. The recoverable amount of tug boats and barges are based on the valuations performed by a marine surveyor. Fair value measurement disclosures are provided in Note 41.

(b) Investment properties classified as assets held for sale are stated at fair value, which has been determined based on valuations at the reporting date. A fair value loss of RM1,321,000 (2015: fair value gain of RM 405,000) was recognised in profit for the year from discontinued operations in Income Statement for the financial year ended 31 January 2016. The valuations are performed by accredited independent valuers. Fair value measurement disclosures are provided in Note 41.

The carrying amount of investment properties pledged to financial institutions for banking facilities granted to the Group as disclosed in Note 32 at reporting date was approximately RM13.124 million.

Non-current asset classified as held for sale (continued)

(c) The land use rights are pledged to financial institutions for banking facilities granted to the Group as disclosed in Notes 32.

(d) Included in loans and borrowings are bank overdrafts, banker's acceptance and revolving credits, for purchase of raw materials and working capital, denominated in RM, and bear interests at range of BLR+0.0% to BLR+2.5%, 3.96% to 6.10% and COF+1.25% to COF+2% respectively.

46. Discontinued operations and disposal group classified as held for sale (continued)

Cash flows attributable to the discontinued operations

The net cash flows incurred by the disposal group are, as follows:

	Group	
	2016	**2015**
	RM'000	**RM'000**
Operating	12,847	(59,156)
Investing	(15,151)	(40,460)
Financing	32,962	104,992
Net cash inflow	30,658	5,376

47. Subsequent event

On 12 May 2016, Yinson Mawar Sdn. Bhd., a subsidiary of the Group has entered into sale and purchase agreements with Lion Courts Sdn. Bhd. for the purchase of 5 residential units of total consideration of RM25,606,100. The purchase consideration will be settled in cash.

48. Authorisation of financial statements for issue

The financial statements for the year ended 31 January 2016 were authorised for issue in accordance with a resolution of the directors on 25 May 2016.

49. Supplementary information – breakdown of retained earnings into realised and unrealised

The breakdown of the retained earnings of the Group and of the Company as at 31 January 2016 and 2015 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Group				
Total retained earnings				
- Realised	331,072	262,416	134,632	116,806
- Unrealised	81,903	87,634	55,928	30,259
	412,975	350,050	190,560	147,065
Total retained earnings/ (accumulated losses) from:				
Joint ventures:				
- Realised	201,946	109,781	-	-
Associates:				
- Realised	3,061	(1,269)	-	-
	617,982	458,562	190,560	147,065
Less: Consolidation adjustments	31,253	(3,831)	-	-
Retained earnings as per financial statements	649,235	454,731	190,560	147,065

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Yinson Holdings Berhad

(259147 A)

(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements

31 January 2015

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Yinson Holdings Berhad
(Incorporated In Malaysia)

Contents

Yinson Holdings Berhad
(Incorporated in Malaysia)

Directors' report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 January 2015.

Principal activities

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

The principal activities of the subsidiaries are described in Note 21 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

Results

	Group RM'000	Company RM'000
Profit for the year	251,412	157,067
Attributable to:		
Owners of the parent	247,677	157,067
Non-controlling interests	3,735	-
	251,412	157,067

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the 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 the retrospective adjustments that have been made on the fair values of the vessels and service contracts attached to the vessels which were determined on a provisional basis in prior year, following the finalisation of the purchase price allocation. As a result, the gain on a bargain purchase recognised in prior year have also been increased by approximately RM73.322 million to RM121.336 million.

Dividend

The amount of dividend paid by the Company since 31 January 2014 was as follows:

In respect of the financial year ended 31 January 2014:

	RM'000
First and final single-tier dividend of 1.25%, on 1,032,798,440 ordinary shares, declared on 31 July 2014 and paid on 12 September 2014	12,910

At the forthcoming Annual General Meeting, a final single tier dividend of 1.5 sen per ordinary shares in respect of the financial year ended 31 January 2015, amounting to approximately RM15.492 million, will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 January 2016.

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Lim Han Weng
Bah Kim Lian
Dato' Adi Azmari bin B.K. Koya Moideen Kutty
Bah Koon Chye
Kam Chai Hong
Lim Han Joeh
Hassan bin Ibrahim
Lim Chern Yuan

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

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 emoluments received or due and receivable by the directors as shown in Note 12 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 39 to the financial statements.

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Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

	Number of ordinary shares of RM1.00 each			
Name of director	**1.2.2014**	**Acquired**	**Sold**	**30.6.2014**
The Company				
Direct interest:				
Lim Han Weng	67,068,042	46,732,458	-	113,800,500
Bah Kim Lian	22,715,650	22,823,150	-	45,538,800
Bah Koon Chye	70,000	70,000	-	140,000
Dato' Adi Azmari bin B.K. Koya Moideen Kutty	68,700	41,300	-	110,000
Lim Han Joeh	10,327,594	10,327,594	-	20,655,188
Kam Chai Hong	66,000	66,300	-	132,300
Lim Chern Yuan	15,300	15,300	-	30,600
Indirect interest:				
Lim Han Weng	34,647,350	34,808,850	-	69,456,200
Bah Kim Lian	67,640,342	47,304,758	-	114,945,100
Lim Chern Yuan	89,783,692	69,555,608	-	159,339,300

	Number of ordinary shares of RM0.50 each *			
Name of director	**1.7.2014**	**Acquired**	**Sold**	**31.1.2015**
The Company				
Direct interest:				
Lim Han Weng	227,601,000	-	-	227,601,000
Bah Kim Lian	91,077,600	-	-	91,077,600
Bah Koon Chye	280,000	-	-	280,000
Dato' Adi Azmari bin B.K. Koya Moideen Kutty	220,000	-	-	220,000
Lim Han Joeh	41,310,376	-	-	41,310,376
Kam Chai Hong	264,600	-	-	264,600
Lim Chern Yuan	61,200	-	-	61,200
Indirect interest:				
Lim Han Weng	138,912,400	-	-	138,912,400
Bah Kim Lian	229,890,200	-	-	229,890,200
Lim Chern Yuan	318,678,600	-	-	318,678,600

Directors' interests (continued)

* Share Split was completed at 1 July 2014, involving subdivision of every existing one (1) of the Company's ordinary share of RM1.00 each into two (2) subdivided ordinary shares of RM0.50 each.

Lim Han Weng, Bah Kim Lian and Lim Chern Yuan 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.

Other than as stated above, the other director in office at the end of the financial year did not have any interest in shares in the Company or its related corporations during the financial year.

Issue of share capital

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM258,199,610 to RM516,399,220 by way of the issuance of 258,199,610 ordinary shares of RM1 each via Right Issue of 258,199,610 new ordinary shares of RM1.00 each, at an issue price of RM2.20 each.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

Other statutory information

(a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and

  (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

  (i) it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

  (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

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Other statutory information (continued)

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

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

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

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is 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.

Significant events

In addition to the significant events disclosed elsewhere in this report, other significant events are disclosed in Note 21 to the financial statements.

Subsequent events

Details of subsequent events are disclosed in Note 45 to the financial statements.

Yinson Holdings Berhad
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Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 29 MAY 2015

Lim Han Weng

Bah Kim Lian

Yinson Holdings Berhad
(Incorporated in Malaysia)

Statement by directors
Pursuant to Section 169(15) of the Companies Act 1965

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 11 to 115 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2015 and of their financial performance and the cash flows for the year then ended.

The information set out in Note 47 to the financial statements on page 116 have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 29 MAY 2015

Lim Han Weng

Bah Kim Lian

Statutory declaration
Pursuant to Section 169(16) of the Companies Act 1965

I, Tan Fang Fing, 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 11 to 116 are in my opinion 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 Tan Fang Fing at Johor Bahru in the State of Johor on 29 MAY 2015

Tan Fang Fing

Before me,

PESURUHJAYA SUMPAH
No. J 204
MOHDZAR BIN KHALID
P.L.P., P.I.S.
MALAYSIA

No. 89, Jalan Trus,
80000 Johor Bahru.

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Ernst & Young AF: 0039
GST Reg No: 001556430848
Chartered Accountants
Level 16-1, Jaya99, Tower B
99, Jalan Tun Sri Lanang
75100 Melaka, Malaysia

Tel: +606 288 2399
Fax: +606 283 2899
ey.com

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Independent auditors' report to the members of
Yinson Holdings Berhad
(Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Yinson Holdings Berhad, which comprise statements of financial position as at 31 January 2015 of the Group and of the Company, and 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 year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 11 to 115.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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Independent auditors' report to the members of Yinson Holdings Berhad (continued)

Auditors' responsibility (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 January 2015 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 21 to the financial statements, being financial statements that have been included in the consolidated financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

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Independent auditors' report to the members of Yinson Holdings Berhad (continued)

Other reporting responsibilities

The supplementary information set out in Note 47 on page 116 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Lee Ah Too
2187/09/15(J)
Chartered Accountant

Melaka, Malaysia
Date: 29 MAY 2015

Yinson Holdings Berhad
(Incorporated in Malaysia)

Statements of profit or loss
For the financial year ended 31 January 2015

	Note	Group 2015 RM'000	Group 2014 RM'000 (Restated)	Company 2015 RM'000	Company 2014 RM'000
Revenue	7	1,083,424	941,861	109,919	7,949
Cost of sales	8	(912,303)	(865,371)	-	-
Gross profit		171,121	76,490	109,919	7,949
Other items of income					
Interest income		4,591	3,694	32,871	4,096
Dividend income		3,303	1	-	-
Rental income		-	381	-	-
Other income	9	129,234	129,848	36,448	7,045
Other items of expenses					
Administrative expenses	10	(68,599)	(63,741)	(15,084)	(3,048)
Finance costs	13	(51,524)	(28,971)	(5,775)	(10,277)
Share of results of joint ventures		91,386	35,686	-	-
Share of results of associates		(132)	(1,316)	-	-
Profit before tax		279,380	152,072	158,379	5,765
Income tax expense	14	(27,968)	(8,958)	(1,312)	(66)
Profit for the year		251,412	143,114	157,067	5,699
Attributable to:					
Owners of the parent		247,677	139,751	157,067	5,699
Non-controlling interests		3,735	3,363	-	-
		251,412	143,114	157,067	5,699
Earnings per share attributable to owners of the parent (sen per share)					
Basic	15(a)	26.1	20.3		
Diluted	15(b)	N/A	N/A		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Statements of comprehensive income
For the financial year ended 31 January 2015

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000 (Restated)	RM'000	RM'000
Profit for the year	251,412	143,114	157,067	5,699
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
- Exchange differences on translation of foreign operations	52,745	22,043	-	-
- Net loss on available-for-sale financial assets	(7,872)	(12,378)	-	-
- Reclassification of cumulative loss of AFS reserve recognised as impairment loss to profit or loss	-	19,223	-	-
Other comprehensive income for the year	44,873	28,888	-	-
Total comprehensive income for the year	296,285	172,002	157,067	5,699
Attributable to:				
Owners of the parent	292,550	168,639	157,067	5,699
Non-controlling interests	3,735	3,363	-	-
	296,285	172,002	157,067	5,699

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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Yinson Holdings Berhad
(Incorporated in Malaysia)

Statements of financial position
As at 31 January 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000 (Restated)	2015 RM'000	2014 RM'000
Assets					
Non-current assets					
Property, plant and equipment	17	1,158,000	1,023,958	2,026	-
Investment properties	18	29,598	15,155	-	-
Land use rights	19	4,324	4,420	-	-
Intangible assets	20	9,456	109	7	-
Investment in subsidiaries	21	-	-	353,212	36,145
Investment in joint ventures	22	356,676	410,965	200,445	198,838
Investment in associates	23	29,389	29,211	79	30
Other receivables	26	-	1,981	-	37,934
Available-for-sale financial assets	24	9,686	15,733	-	-
Favourable contracts	35	-	5,768	-	-
Deferred tax assets	36	6,114	1,148	-	-
		1,603,243	1,508,448	555,769	272,947
Current assets					
Inventories	25	27,595	40,041	-	-
Trade and other receivables	26	427,380	376,623	596,089	436,497
Other current assets	27	27,988	9,420	683	1,075
Tax recoverable		849	420	-	281
Favourable contracts	35	6,255	5,768	-	-
Derivatives	38	30,518	-	-	-
Marketable securities		10	13	-	-
Cash and bank balances	28	364,378	267,077	11,639	5,671
		884,973	699,362	608,411	443,524
Total assets		2,488,216	2,207,810	1,164,180	716,471

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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Yinson Holdings Berhad
(Incorporated in Malaysia)

Statements of financial position
As at 31 January 2015 (continued)

	Note	Group 2015 RM'000	Group 2014 RM'000 (Restated)	Company 2015 RM'000	Company 2014 RM'000
Equity and liabilities					
Equity					
Issued capital	29	516,399	258,200	516,399	258,200
Share premium		417,163	112,941	417,163	112,941
Reserves	30	62,217	17,344	-	-
Retained earnings	31	454,731	219,964	147,065	2,908
Equity attributable to owners of the parent		1,450,510	608,449	1,080,627	374,049
Non-controlling interests		8,999	5,919	-	-
Total equity		1,459,509	614,368	1,080,627	374,049
Non-current liabilities					
Loans and borrowings	32	474,593	668,394	29,060	22,789
Net employee defined benefit liabilities	34	3,233	7,669	-	-
Unfavourable contracts	35	56,596	66,697	-	-
Deferred tax liabilities	36	6,724	11,246	-	-
		541,146	754,006	29,060	22,789
Current liabilities					
Loans and borrowings	32	348,584	621,739	44,285	221,218
Trade and other payables	37	109,150	180,795	9,668	98,415
Unfavourable contracts	35	17,416	24,577	-	-
Derivatives	38	214	127	-	-
Tax payables		12,197	12,198	540	-
		487,561	839,436	54,493	319,633
Total liabilities		1,028,707	1,593,442	83,553	342,422
Total equity and liabilities		2,488,216	2,207,810	1,164,180	716,471

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Statements of changes in equity
For the financial year ended 31 January 2015

	Attributable to owners of the parent							
	Non-Distributable				Distributable			
Group	Issued capital RM'000 (Note 29)	Share premium RM'000	Foreign currency translation reserve RM'000 (Note 30 (a))	Available-for-sale reserve RM'000 (Note 30 (b))	Retained earnings RM'000 (Note 31)	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
2015								
As at 31 January 2014 (as previously stated)	258,200	112,941	20,822	(3,478)	146,642	535,127	5,919	541,046
Effect of purchase price allocation adjustment (Note 21)	-	-	-	-	73,322	73,322	-	73,322
As at 31 January 2014 (restated)/1 February 2014	258,200	112,941	20,822	(3,478)	219,964	608,449	5,919	614,368
Disposal of a subsidiary	-	-	-	-	-	-	(655)	(655)
Profit for the year	-	-	-	-	247,677	247,677	3,735	251,412
Other comprehensive income	-	-	52,745	(7,872)	-	44,873	-	44,873
Total comprehensive income	258,200	112,941	73,567	(11,350)	467,641	900,999	8,999	909,998
Transactions with owners								
Cash dividend (Note 16)	-	-	-	-	(12,910)	(12,910)	-	(12,910)
Issue of share capital	258,199	309,840	-	-	-	568,039	-	568,039
Share issuance expenses	-	(5,618)	-	-	-	(5,618)	-	(5,618)
	258,199	304,222	-	-	(12,910)	549,511	-	549,511
At 31 January 2015	516,399	417,163	73,567	(11,350)	454,731	1,450,510	8,999	1,459,509

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Statements of changes in equity
For the financial year ended 31 January 2015 (continued)

Group	Issued capital RM'000 (Note 29)	Share premium RM'000	Foreign currency translation reserve RM'000 (Note 30 (a))	Available-for-sale reserve RM'000 (Note 30 (b))	Retained earnings RM'000 (Note 31)	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
	Attributable to owners of the parent							
	Non-Distributable				Distributable			
2014								
As at 1 February 2013	200,355	8,076	(1,221)	(10,323)	84,345	281,232	2,556	283,788
Profit for the year (as previously stated)	-	-	-	-	66,429	66,429	3,363	69,792
Effect of purchase price allocation adjustment (Note 21)	-	-	-	-	73,322	73,322	-	73,322
Profit for the year (restated)	-	-	-	-	139,751	139,751	3,363	143,114
Other comprehensive income	-	-	22,043	6,845	-	28,888	-	28,888
Total comprehensive income	200,355	8,076	20,822	(3,478)	224,096	449,871	5,919	455,790
Transactions with owners								
Cash dividend (Note 16)	-	-	-	-	(4,132)	(4,132)	-	(4,132)
Issue of share capital	57,845	105,277	-	-	-	163,122	-	163,122
Share issuance expenses	-	(412)	-	-	-	(412)	-	(412)
	57,845	104,865	-	-	(4,132)	158,578	-	158,578
At 31 January 2014 (restated)	258,200	112,941	20,822	(3,478)	219,964	608,449	5,919	614,368

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Statements of changes in equity
For the financial year ended 31 January 2015 (continued)

Company	Issued capital RM'000 (Note 29)	Non-Distributable Share premium RM'000	Distributable Retained earnings RM'000 (Note 31)	Total equity RM'000
2015				
As at 1 February 2014	258,200	112,941	2,908	374,049
Total comprehensive income	-	-	157,067	157,067
Transactions with owners				
Cash dividend (Note 16)	-	-	(12,910)	(12,910)
Issue of share capital	258,199	309,840	-	568,039
Share issuance expenses	-	(5,618)	-	(5,618)
	258,199	304,222	(12,910)	549,511
At 31 January 2015	516,399	417,163	147,065	1,080,627
2014				
As at 1 February 2013	200,355	8,076	1,341	209,772
Total comprehensive income	-	-	5,699	5,699
Transactions with owners				
Cash dividend (Note 16)	-	-	(4,132)	(4,132)
Issue of share capital	57,845	105,277	-	163,122
Share issuance expenses	-	(412)	-	(412)
	57,845	104,865	(4,132)	158,578
At 31 January 2014	258,200	112,941	2,908	374,049

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Yinson Holdings Berhad
(Incorporated in Malaysia)

Statements of cash flows
For the financial year ended 31 January 2015

	Group		Company	
	2015 RM'000	2014 RM'000 (Restated)	2015 RM'000	2014 RM'000
Operating activities				
Profit before tax	279,380	152,072	158,379	5,765
Adjustments for:				
Amortisation and depreciation	90,798	22,825	252	-
Amortisation of favourable contracts	5,981	-	-	-
Amortisation of intangible assets	-	-	1	-
Amortisation of unfavourable contracts	(22,480)	(2,111)	-	-
Impairment loss on investment in subsidiary	-	-	3,100	-
Impairment loss on:				
- trade receivables	14,022	5,831	-	-
- other receivables	27	11	-	-
Reversal of impairment loss on:				
- trade receivables	(5)	(8)	-	-
- other receivables	(2)	(6)	-	-
Impairment loss on available-for-sale financial assets	-	19,223	-	-
Write down of inventories	10,000	-	-	-
Unrealised gain on foreign exchange	(60,716)	(4,263)	(30,259)	(4,025)
Finance costs	51,524	28,971	5,775	10,277
Fair value (gain)/loss on:				
- investment properties	(405)	20	-	-
- marketable securities	3	(2)	-	-
- derivatives	(30,431)	7	-	-
Gain on a bargain purchase on acquisition of subsidiaries	-	(121,336)	-	-
Gain on disposal of property, plant and equipment	-	(558)	-	-
Gain on disposal of a subsidiary	(20,866)	-	-	-
Plant and equipment written off	230	350	-	-
Share of results of joint ventures	(91,386)	(35,686)	-	-
Share of results of associates	132	1,316	-	-
Dividend income	(3,303)	(1)	(103,810)	(7,949)
Interest income	(4,591)	(3,694)	(32,871)	(4,096)
Operating cash flows before working capital changes - carried forward	217,912	62,961	567	(28)

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Yinson Holdings Berhad
(Incorporated in Malaysia)

Statements of cash flows
For the financial year ended 31 January 2015 (continued)

	Group		Company	
	2015 RM'000	2014 RM'000 (Restated)	2015 RM'000	2014 RM'000
Operating cash flows before working capital changes - carried forward	217,912	62,961	567	(28)
Receivables	(64,128)	(78,465)	1	997
Other current assets	(19,663)	32,611	392	38,337
Inventories	2,446	(36,946)	-	-
Payables	20,253	10,960	(203)	(2,882)
Cash flows from/(used in) operations	156,820	(8,879)	757	36,424
Defined benefit paid	(3,991)	-	-	-
Interest received	4,591	3,694	(5,775)	4,096
Interest paid	(51,524)	(26,502)	2,251	(8,430)
Taxes paid	(34,474)	(11,543)	(491)	(9)
Net cash flows from/(used in) operating activities	71,422	(43,230)	(3,258)	32,081
Investing activities				
Dividend received	3,303	1	24,000	7,949
Repayment from/(loans) to subsidiaries	-	-	24,147	(286,541)
Loans to joint ventures	-	-	(2,015)	-
Loans to associates	-	-	(926)	-
Net cash flow on acquisition of subsidiaries	-	(358,320)	-	(6)
Subscription of new ordinary shares of subsidiaries	-	-	(320,175)	-
Incorporation of new subsidiaries	-	-	(19)	-
Investment in joint ventures	(1,618)	(44,105)	(1,607)	(49,406)
Investment in associates	-	(193)	(49)	(30)
Proceeds from disposal of property, plant and equipment	70	4,324	-	-
Proceeds from disposal of a subsidiary	189,442	-	-	-
Placement of short term investment	(313)	-	(313)	-
Net cash (outflow)/inflow from disposal of a subsidiary	(364)	-	27	-
Purchase of intangible assets	(8,943)	(3)	(8)	-
Purchase of property, plant and equipment	(141,122)	(3,118)	(1,221)	-
Addition in investment property	(14,038)	-	-	-
Net cash flows from/(used in) investing activities	26,417	(401,414)	(278,159)	(328,034)

Yinson Holdings Berhad
(Incorporated in Malaysia)

Statements of cash flows
For the financial year ended 31 January 2015 (continued)

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
		(Restated)		
Financing activities				
Increase in short-term borrowings	23,505	62,899	16,302	16,728
(Repayment to)/advances from directors	(85,100)	84,572	(85,100)	84,592
Drawdown of term loans	7,920	404,647	10,367	48,402
Repayment of term loans	(457,754)	(32,502)	(203,785)	(6,887)
Dividend paid	(12,910)	(4,132)	(12,910)	(4,132)
Repayment of obligations under finance leases	(5,771)	(3,826)	(223)	-
Proceeds from issuance of shares	568,039	163,122	568,039	163,122
Share issuance expenses	(5,618)	(412)	(5,618)	(412)
Placement of fixed deposits for investment purposes	(8,550)	-	-	-
Placement of fixed deposits pledged as security	(9,518)	(66,914)	(3,815)	-
Net cash flows from financing activities	14,243	607,454	283,257	301,413
Net increase in cash and cash equivalents	112,082	162,810	1,840	5,460
Effects of foreign exchange rate changes	(22,471)	11,110	-	-
Cash and cash equivalents at beginning of year	184,984	11,064	5,671	211
Cash and cash equivalents at end of year (Note 28)	274,595	184,984	7,511	5,671

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the financial statements
For the financial year ended 31 January 2015

1. Corporate information

Yinson Holdings Berhad (the "Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at No. 25, Jalan Firma Dua, Kawasan Perindustrian Tebrau IV, 81100 Johor Bahru, Johor Darul Ta'zim.

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

The principal activities of the subsidiaries are described in Note 21 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

2.1 Basis of preparation

The consolidated financial statements of Yinson Holdings Berhad and its subsidiaries (the "Group") have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the requirements of the Companies Act, 1965 in Malaysia.

The consolidated financial statements have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

The consolidated financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000), except when otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 January 2015. 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:

2.2 Basis of consolidation (continued)

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- 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 of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- 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 year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into 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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;

2.2 Basis of consolidation (continued)

- Recognises any surplus or deficit in profit or loss; and

- 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.

3. Summary of significant accounting policies

3.1 Business combinations and goodwill

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

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

When the Group acquires a business, it assesses the financial assets 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.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and 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 139 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in either profit or loss or as a change to OCI. If the contingent consideration is not within the scope of MFRS 139, 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.

3. Summary of significant accounting policies (continued)

3.1 Business combinations and goodwill (continued)

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

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units 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 cash-generating unit 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 cash-generating unit retained.

3.2 Investment in subsidiaries, associates and joint ventures

(i) Subsidiaries

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

(ii) 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.

3. Summary of significant accounting policies (continued)

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

(ii) Associates and joint ventures (continued)

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

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

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

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

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

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

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group except for an associate as disclosed in Note 23. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

3. Summary of significant accounting policies (continued)

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

(ii) 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 as 'Share of profit of an associate and a joint venture' in the statement of 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.

3.3 Current versus non-current classification

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

- Expected to be realised or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- 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.

3. Summary of significant accounting policies (continued)

3.4 Fair value measurement

The Group measures financial instruments, such as, derivatives, and non-financial assets such as investment properties, at fair value at each statement of financial position date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 41.

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:

- In the principal market for the asset or liability; or
- 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.

3. Summary of significant accounting policies (continued)

3.4 Fair value measurement (continued)

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

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

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

At each reporting date, the senior management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per 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 each 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.

3.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to inventory and credit risks.

3. Summary of significant accounting policies (continued)

3.5 Revenue recognition (continued)

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

(i) Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

(ii) Rendering of services

Revenue from rendering services is recognised upon services rendered. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

(iii) Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

(iv) Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

(v) Vessel charter fees

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

3.6 Taxes

(i) 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.

3. Summary of significant accounting policies (continued)

3.6 Taxes (continued)

(i) Current income tax (continued)

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of 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.

(ii) 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 for financial reporting purposes at the reporting date.

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

- 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

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

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

- 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

3. Summary of significant accounting policies (continued)

3.6 Taxes (continued)

(ii) Deferred tax (continued)

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

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 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.

(iii) Sales tax

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and

- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3. Summary of significant accounting policies (continued)

3.7 Foreign currencies

The Group's consolidated financial statements are presented in RM, which is also the parent company's functional currency. The Group determines the functional currency for each entity and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and has elected to recycle the gain or loss that arises from using this method.

(i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

3. Summary of significant accounting policies (continued)

3.7 Foreign currencies (continued)

(ii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

3.8 Cash dividend and non-cash distribution to owners of the parent

The Company recognises a liability to make cash or non-cash distributions to owners of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company.

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 the statement of profit or loss.

3.9 Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. 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. 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. 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.

3. Summary of significant accounting policies (continued)

3.9 Property, plant and equipment (continued)

Assets under construction are not depreciated as these assets not yet available for use. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	50 to 60 years
Buildings	50 years
Electrical installation	5 years
Motor vehicles	10 years
Renovation, equipment, furniture and fittings	10 years
Tug boats, barges and boat equipment	10 years
Vessels	20 years

An item of property, plant and equipment and any significant part initially recognised 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 statement of profit or loss when the asset is derecognised.

The 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.

3.10 Leases

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

(i) Group as a lessee

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. 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 the statement of profit or loss.

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.

3. Summary of significant accounting policies (continued)

3.10 Leases (continued)

(i) Group as a lessee (continued)

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

(ii) Group as a lessor

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 the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.11 Borrowing costs

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

3.12 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions 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. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

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 statement of 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.

3. Summary of significant accounting policies (continued)

3.13 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

3.14 Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3. Summary of significant accounting policies (continued)

3.14 Financial instruments – initial recognition and subsequent measurement (continued)

(i) Financial assets

(a) Initial recognition and measurement

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

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

(b) Subsequent measurement

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

- Financial assets at fair value through profit or loss;

- Loans and receivables;

- Held-to-maturity investments; and

- Available-for-sale financial assets.

Financial assets at fair value through profit or loss

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

3. Summary of significant accounting policies (continued)

3.14 Financial instruments – initial recognition and subsequent measurement (continued)

(i) Financial assets (continued)

(b) Subsequent measurement (continued)

Financial assets at fair value through profit or loss (continued)

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

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

Loans and receivables

This category is the most relevant to the Group. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

3. Summary of significant accounting policies (continued)

3.14 Financial instruments – initial recognition and subsequent measurement (continued)

(i) Financial assets (continued)

(b) Subsequent measurement (continued)

Held-to-maturity investments

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

The Group did not have any held-to-maturity investments during the years ended 31 January 2015 and 2014.

Available-for-sale (AFS) financial assets

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

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

3. Summary of significant accounting policies (continued)

3.14 Financial instruments – initial recognition and subsequent measurement (continued)

(i) Financial assets (continued)

(b) Subsequent measurement (continued)

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

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

For a financial asset reclassified from the AFS category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

(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 flows 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.

3. Summary of significant accounting policies (continued)

3.14 Financial instruments – initial recognition and subsequent measurement (continued)

(i) Financial assets (continued)

(c) Derecognition (continued)

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 assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

3. Summary of significant accounting policies (continued)

3.14 Financial instruments – initial recognition and subsequent measurement (continued)

(ii) Impairment of financial assets (continued)

Financial assets carried at amortised cost (continued)

If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in statement of profit or loss. Interest income (recorded as finance income in the statement of profit or loss) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

Available-for-sale (AFS) financial assets

For AFS financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

3. Summary of significant accounting policies (continued)

3.14 Financial instruments – initial recognition and subsequent measurement (continued)

(ii) Impairment of financial assets (continued)

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

When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss – is removed from OCI and recognised in the statement of profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in OCI.

In the case of debt instruments classified as AFS, the impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the statement of profit or loss, the impairment loss is reversed through the statement of profit or loss.

(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.

3. Summary of significant accounting policies (continued)

3.14 Financial instruments – initial recognition and subsequent measurement (continued)

(iii) Financial liabilities (continued)

(a) Initial recognition and measurement (continued)

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

(b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by MFRS 139. 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 the statement of 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 139 are satisfied.

Loans and borrowings

This is the category most relevant to the Group. 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.

3. Summary of significant accounting policies (continued)

3.14 Financial instruments – initial recognition and subsequent measurement (continued)

(iii) Financial liabilities (continued)

(b) Subsequent measurement (continued)

Loans and borrowings (continued)

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 statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made 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, adjusted for 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.

(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 statement of profit or loss.

(iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3. Summary of significant accounting policies (continued)

3.15 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. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss.

3.16 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.

3.17 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 cash-generating unit's (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 assessments 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.

3. Summary of significant accounting policies (continued)

3.17 Impairment of non-financial assets (continued)

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.18 Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts.

3.19 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 can be made of the amount of the obligation. 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 statement of profit or loss net of any reimbursement.

3. Summary of significant accounting policies (continued)

3.20 Pensions and other post-employment benefits

The Group makes contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

The subsidiary of the Group, Yinson Production AS operates a defined benefit pension plan, which providing post-employment benefits upon retirement. The benefit to be received by employees depends on factors including length of service, retirement date and future salary increment.

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the statement of financial position date reflecting the maturity dates approximating to the terms of the Group's obligations. The calculation is performed by a qualified actuary.

Actuarial gains and losses will be recognized immediately in other comprehensive income correspondingly affecting the net benefit liability or asset in the statement of financial position.

3.21 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 parent shareholders' equity. 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.

3.22 Share capital and share issuance expenses

An equity investment is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity investments.

Ordinary shares are recorded at the proceeds received, net of directly attributable transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

4. Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 February 2014, the Group and the Company adopted the following new and amended MFRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 February 2014.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014

The nature and impact of the new and amended MFRSs and IC Interpretation are described below:

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and "simultaneous realisation and settlement". These amendments are to be applied retrospectively. These amendments have no impact on the Group, since none of the entities in the Group has any offsetting arrangements.

Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under MFRS 10 Consolidated Financial Statements and must be applied retrospectively, subject to certain transition relief. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact on the Group, since none of the entities in the Group qualifies to be an investment entity under MFRS 10.

4. Changes in accounting policies (continued)

Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets

The amendments to MFRS 136 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives has been allocated when there has been no impairment or reversal of impairment of the related CGU. In addition, the amendments introduce additional disclosure requirements when the recoverable amount is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by MFRS 13 Fair Value Measurements.

The application of these amendments has had no material impact on the disclosures in the Group's and the Company's financial statements.

Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting

These amendments provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measure of hedge effectiveness. Retrospective application is required.

These amendments have no impact on the Group as the Group does not have any derivatives that are subject to novation.

5. Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	**Effective for annual periods beginning on or after**
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 - 2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012 - 2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016

5. Standards issued but not yet effective (continued)

Description	Effective for annual periods beginning on or after
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 9 Financial Instruments	1 January 2018

Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions

The amendments to MFRS 119 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee. For contributions that are independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. For contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's and the Company's financial statements.

Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of an asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group as the Group has not used a revenue-based method to depreciate its non-current assets.

5. Standards issued but not yet effective (continued)

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and

- gains and losses resulting from transactions involving the sale or contribution to an associate of a joint venture of assets that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after 1 January 2016. Earlier application is permitted.

Amendments to MFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations

The amendments to MFRS 11 require that a joint operator which acquires an interest in a joint operations which constitute a business to apply the relevant MFRS 3 Business Combinations principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to MFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. The Directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's consolidated financial statements.

Amendments to MFRS 127: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying MFRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of MFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to MFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

5. Standards issued but not yet effective (continued)

Amendments to MFRS 101: Disclosure Initiatives

The amendments to MFRS 101 include narrow-focus improvements in the following five areas:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

The Directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's and the Company's financial statements.

Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. The amendments further clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. In addition, the amendments also provides that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries.

The amendments are to be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

MFRS 14 Regulatory Deferral Accounts

MFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulations, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of MFRS. Entities that adopt MFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in the account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. Since the Group is an existing MFRS preparer, this standard would not apply.

5. Standards issued but not yet effective (continued)

MFRS 9 Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

Annual Improvements to MFRSs 2010–2012 Cycle

The Annual Improvements to MFRSs 2010-2012 Cycle include a number of amendments to various MFRSs, which are summarised below. The Directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's and the Company's financial statements.

(i) MFRS 3 Business Combinations

The amendments to MFRS 3 clarifies that contingent consideration classified as liabilities (or assets) should be measured at fair value through profit or loss at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of MFRS 9 or MFRS 139. The amendments are effective for business combinations for which the acquisition date is on or after 1 July 2014.

(ii) MFRS 8 Operating Segments

The amendments are to be applied retrospectively and clarify that:

- an entity must disclose the judgements made by management in applying the aggregation criteria in MFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar; and
- the reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker.

5. Standards issued but not yet effective (continued)

Annual Improvements to MFRSs 2010–2012 Cycle (continued)

(iii) MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets

The amendments remove inconsistencies in the accounting for accumulated depreciation or amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amendments clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

(iv) MFRS 124 Related Party Disclosures

The amendments clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. The reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services.

Annual Improvements to MFRSs 2011–2013 Cycle

The Annual Improvements to MFRSs 2011-2013 Cycle include a number of amendments to various MFRSs, which are summarised below. The Directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's and the Company's financial statements.

(i) MFRS 3 Business Combinations

The amendments to MFRS 3 clarify that the standard does not apply to the accounting for formation of all types of joint arrangement in the financial statements of the joint arrangement itself. This amendment is to be applied prospectively.

(ii) MFRS 13 Fair Value Measurement

The amendments to MFRS 13 clarify that the portfolio exception in MFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of MFRS 9 (or MFRS 139 as applicable).

5. Standards issued but not yet effective (continued)

Annual Improvements to MFRSs 2011–2013 Cycle (continued)

(iii) MFRS 140 Investment Property

The amendments to MFRS 140 clarify that an entity acquiring investment property must determine whether:

- the property meets the definition of investment property in terms of MFRS 140; and
- the transaction meets the definition of a business combination under MFRS 3,

to determine if the transaction is a purchase of an asset or is a business combination.

Annual Improvements to MFRSs 2012–2014 Cycle

The Annual Improvements to MFRSs 2012-2014 Cycle include a number of amendments to various MFRSs, which are summarised below. The Directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's and the Company's financial statements.

(i) MFRS 7 Financial Instruments: Disclosures

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in MFRS 7 in order to assess whether the disclosures are required.

In addition, the amendment also clarifies that the disclosures in respect of offsetting of financial assets and financial liabilities are not required in the condensed interim financial report.

(ii) MFRS 119 Employee Benefits

The amendment to MFRS 119 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

(iii) MFRS 134 Interim Financial Reporting

MFRS 134 requires entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'.

5. Standards issued but not yet effective (continued)

Annual Improvements to MFRSs 2012–2014 Cycle (continued)

(iii) MFRS 134 Interim Financial Reporting (continued)

The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time.

6. Significant accounting judgments, estimates and assumptions

The preparation of the Group's and of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(i) Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Group as lessor

The Group has entered into property leases on its investment property portfolio. 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 property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Chartering of vessels to customers are recognised as revenue based on whether the charter contracts are determined to be an operating lease or a finance lease in accordance with MFRS 117 Leases. The classifications of the charter contracts are assessed at the inception of the lease.

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.

6. Significant accounting judgments, estimates and assumptions (continued)

(ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. The Group engaged an independent valuation specialist to assess fair value as at 31 January 2015 for investment properties.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount,which is the higher of its fair value less costs of disposal and its value in use.

The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Useful life and residual value of vessel

The depreciable amount of a vessel is determined after deducting its residual value and shall be allocated on a systematic basis over its useful life. The estimated useful lives are based on the management's best estimate and is normally equal to the design lives of the vessel.

Assumptions about residual value are based on prevailing market conditions and expected value to be obtained from the vessel at the end of its useful life. These assumptions by their nature may differ from actual outcome in the future. The residual value and the estimated useful life of a vessel will be reviewed at least at each financial year-end, and where appropriate, the management will adjust the residual value and useful life on individual vessel basis based on the particular conditions of the vessel.

6. Significant accounting judgments, estimates and assumptions (continued)

(ii) Estimates and assumptions (continued)

Deferred tax assets

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.

Significant judgment is required to determine the amount of deferred tax assets to be recognised, based upon the likely timing and magnitude of future taxable profits together with future tax planning strategies.

7. Revenue

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Transport services	93,409	105,360	-	-
Vessel chartering and support services fees	399,109	127,065	-	-
Trading in construction materials	589,824	708,378	-	-
Rental of properties	1,070	1,058	-	-
Management fee income	12	-	6,109	-
Dividend from subsidiaries	-	-	103,810	7,949
	1,083,424	941,861	109,919	7,949

8. Cost of sales

	Group	
	2015 RM'000	2014 RM'000
Cost of trading goods sold	566,126	679,812
Cost of services rendered	346,055	185,435
Other direct expenses	122	124
	912,303	865,371
Included in cost of sales are:		
Vessel lease rental	12,502	33,760
Amortisation of favourable contracts (Note 35)	5,981	-
Amortisation of unfavourable contracts (Note 35)	(22,480)	(1,971)
Depreciation	89,818	22,041
Direct operating expenses of investment properties:		
- revenue generating during the year	122	124
Employee benefits expenses (Note 11)	2,889	4,951
Write down of inventories	10,000	-
Transport agents' charges	45,102	55,058

9. Other income

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000 (Restated)**	**RM'000**	**RM'000**
Bad debts recovered	73	209	-	-
Fair value gain on				
- derivatives	30,518	-	-	-
- investment properties (Note 18)	405	-	-	-
- marketable securities	-	2	-	-
Investment income	310	-	310	-
Gain on a bargain purchase (Note 21)	-	121,336	-	-
Gain on disposal of				
- property, plant and equipment	-	558	-	-
- a subsidiary	20,866	-	-	-
Gain on foreign exchange				
- Realised	9,298	261	5,854	1,087
- Unrealised	60,716	4,263	30,259	4,025
Reversal of impairment loss				
- Trade (Note 26 (a))	5	8	-	-
- Others (Note 26 (b))	2	6	-	-
Miscellaneous	7,041	3,205	25	1,933
	129,234	129,848	36,448	7,045

10. Administrative expenses

Included in administrative expenses are:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Auditors' remuneration:				
Statutory audit				
- Company's auditors	491	305	65	60
- Other auditors	876	243	-	-
Other services	503	241	19	77
Amortisation of intangible assets	4	8	-	-
Amortisation of land use rights (Note 19)	96	96	-	-
Depreciation	880	680	252	-
Fair value loss on marketable securities	3	-	-	-
Fair value loss on investment properties (Note 18)	-	20	-	-

10. Administrative expenses (continued)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Impairment loss on investment in subsidiaries	-	-	3,100	-
Impairment loss on receivables:				
- Trade (Note 26 (a))	14,022	5,831	-	-
- Others (Note 26 (b))	27	11	-	-
Impairment loss on available-for-sale financial assets	-	19,223	-	-
Operating leases - Minimum lease payment for land and buildings	1,996	624	-	-
Plant and equipment written off	230	350	-	-
Employee benefits expenses (Note 11)	37,706	11,108	4,273	1,394
Non-executive directors remuneration (Note 12)	232	235	212	215

11. Employee benefits expense

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Included in:				
Cost of sales (Note 8)	2,889	4,951	-	-
Administrative expenses (Note 10)	37,706	11,108	4,273	1,394
	40,595	16,059	4,273	1,394
Analysed as follows:				
Wages and salaries	34,307	14,002	3,373	1,075
Social security contributions	87	237	12	3
Contributions to defined contribution plan	3,608	1,465	483	129
Contributions to defined benefit plan	(4,144)	-	-	-
Other benefits	6,737	355	405	187
	40,595	16,059	4,273	1,394

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration as disclosed in Note 12.

12. Directors' remuneration

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Executive directors' remuneration:				
- Fees	160	160	160	160
- Other emoluments	4,140	2,978	2,669	28
	4,300	3,138	2,829	188
Non-executive directors' remuneration:				
- Fees	210	210	190	190
- Other emoluments	22	25	22	25
	232	235	212	215
Total directors' remuneration	4,532	3,373	3,041	403

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors	
	2015	2014
Executive:		
RM200,001 - RM250,000	-	1
RM250,001 - RM300,000	2	1
RM400,001 - RM450,000	-	1
RM1,000,001 - RM1,050,000	1	-
RM1,050,001 - RM1,100,000	1	1
RM1,100,001 - RM1,150,000	-	1
RM1,600,001 - RM1,650,000	1	-
Non-executive:		
RM50,001 - RM100,000	3	3

13. Finance costs

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Bank charges	964	2,469	173	1,847
Interest expenses	50,560	26,502	5,602	8,430
	51,524	28,971	5,775	10,277

14. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 January 2015 and 2014 are:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Statement of profit or loss				
Current income tax:				
- Malaysian income tax	7,182	7,637	1,313	63
- Foreign tax	25,923	2,377	-	-
- (Over)/under provision in prior years	(98)	519	(1)	3
	33,007	10,533	1,312	66
Deferred tax (Note 36):				
- Relating to origination/reversal of temporary differences	(5,115)	(1,134)	-	-
- Under/(over) provision in prior years	76	(441)	-	-
	(5,039)	(1,575)	-	-
	27,968	8,958	1,312	66

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 years ended 31 January 2015 and 2014 are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000 (Restated)	2015 RM'000	2014 RM'000
Profit before tax	279,380	152,072	158,379	5,765
Tax at Malaysian statutory tax rate of 25% (2014: 25%)	69,845	38,018	39,595	1,441
Income not subject to tax	(16,255)	(20,946)	(42,192)	(1,378)
Expenses not deductible for tax purposes	4,901	10,978	3,910	-
Different tax rates of subsidiaries	(9,175)	(11,141)	-	-
Shared of profits of joint ventures and associates	(22,814)	(8,593)	-	-
Changes in deferred tax asset not recognised	1,488	564	-	-

14. Income tax expense (continued)

Reconciliation between tax expense and accounting profit (continued):

	Group		Company	
	2015 RM'000	2014 RM'000 (Restated)	2015 RM'000	2014 RM'000
(Over)/under provision of tax expense in prior years	(98)	519	(1)	3
Under/(over) provision of deferred tax in prior years	76	(441)	-	-
Income tax expense recognised in profit or loss	27,968	8,958	1,312	66

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

The Malaysian corporate statutory tax rate is expected to reduce from 25% to 24% with effect from year of assessment 2016 as announced in the 2014 Budget. The reduction in the corporate statutory tax rate has no significant impact to the Group and the Company.

15. Earnings per share

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the year, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2015	2014
Profit attributable to owners of the parent used in the computation of basic earnings per share (RM'000)	247,677	139,751
Weighted average number of ordinary shares for computation of basic earnings per share ('000) #	950,475	688,075
Basic earnings per share (sen)	26.1	20.3

\# Comparative adjusted for rights issue and share split of RM1 each into two 50 sen shares

15. Earnings per share (continued)

(b) Diluted

Diluted earnings per share is the same as basic earnings per share as there is no dilutive potential ordinary shares outstanding throughout the financial years ended 31 January 2015 and 31 January 2014.

16. Dividend

	In respect of the financial year ended		Recognised during the year	
	2014	2013	2015	2014
	RM'000	RM'000	RM'000	RM'000
Dividend on ordinary shares: Final single tier dividend 1.25%: 1.25 sen per share	12,910	-	12,910	-
Dividend on ordinary shares: Final dividend 2.5% less 25% taxation: 1.875 sen per share	-	4,132	-	4,132
	12,910	4,132	12,910	4,132

At the forthcoming Annual General Meeting, a final single tier dividend of 1.5 sen per ordinary shares in respect of the financial year ended 31 January 2015, amounting to approximately RM15.492 million, will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 January 2016.

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Yinson Holdings Berhad
(Incorporated in Malaysia)

17. Property, plant and equipment

Group	Buildings RM'000	Motor vehicles RM'000	Vessels, tugboats, and barges RM'000	*Other assets RM'000	Total RM'000
Cost					
At 1 February 2013	6,118	49,328	220,333	4,535	280,314
Acquisition of subsidiaries	-	-	777,298	-	777,298
Additions	42	10,542	82	427	11,093
Written off	(52)	(801)	-	(14)	(867)
Disposals	-	(5,446)	(3,741)	(2)	(9,189)
Exchange differences	-	363	31,474	40	31,877
At 31 January 2014 and 1 February 2014	6,108	53,986	1,025,446	4,986	1,090,526
Additions	30	9,384	131,902	8,612	149,928
Written off	-	(401)	-	(191)	(592)
Disposals	-	(189)	(19)	-	(208)
Disposal of a subsidiary	-	(381)	-	(37)	(418)
Exchange differences	-	463	148,216	691	149,370
At 31 January 2015	6,138	62,862	1,305,545	14,061	1,388,606
Accumulated depreciation and impairment loss					
At 1 February 2013	1,144	25,919	17,197	3,741	48,001
Charge for the year	122	4,334	18,057	208	22,721
Written off	-	(506)	-	(11)	(517)
Disposals	-	(3,202)	(2,221)	-	(5,423)
Exchange differences	-	154	1,616	16	1,786
At 31 January 2014 and 1 February 2014	1,266	26,699	34,649	3,954	66,568
Charge for the year	122	5,019	84,266	1,291	90,698
Written off	-	(271)	-	(91)	(362)
Disposals	-	(133)	(5)	-	(138)
Disposal of a subsidiary	-	(35)	-	(4)	(39)
Exchange differences	-	259	73,494	126	73,879
At 31 January 2015	1,388	31,538	192,404	5,276	230,606
Net carrying amount					
At 31 January 2014	4,842	27,287	990,797	1,032	1,023,958
At 31 January 2015	4,750	31,324	1,113,141	8,785	1,158,000

17. Property, plant and equipment (continued)

Company	Motor vehicles RM'000	*Other assets RM'000	Total RM'000
Cost			
At 1 February 2014	-	-	-
Additions	1,157	1,121	2,278
At 31 January 2015	1,157	1,121	2,278
Accumulated depreciation and impairment loss			
At 1 February 2014	-	-	-
Charge for the year	93	159	252
At 31 January 2015	93	159	252
Net carrying amount			
At 31 January 2015	1,064	962	2,026

* Other assets comprise office equipment, computers, signboard, renovation, electrical installation, plant and equipment and furniture and fittings.

17. Property, plant and equipment (continued)

(a) The carrying amounts of motor vehicles held under finance leases at the reporting date was approximately RM20,691,000 (2014: RM14,652,000).

(b) During the financial year, the Group and the Company acquired property, plant and equipment by means of:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash payment	141,122	3,118	1,221	-
Finance leases	8,806	7,975	1,057	-
	149,928	11,093	2,278	-

(c) 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 Notes 32 and Note 33 at reporting date were as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Land and buildings	4,750	4,842	-	-
Motor vehicles	20,691	14,652	1,064	-
Vessels and barges	976,962	990,799	-	-
	1,002,403	1,010,293	1,064	-

(d) Included in property, plant and equipment are motor vehicles with carrying amount of approximately RM4,982,000 (2014: RM4,661,000) registered in the name of third parties, a director, Lim Han Weng and companies in which certain directors have interests.

(e) Included in vessels, tugboats and barges at the reporting date is a vessel under construction with carrying amount of approximately RM129,923,000 (2014: Nil).

18. Investment properties

	Group	
	2015 RM'000	2014 RM'000
At 1 February	15,155	15,175
Additions	14,038	-
Net gain/(loss) from fair value adjustments recognised in profit or loss	405	(20)
At 31 January	29,598	15,155

18. Investment properties (continued)

The carrying amount of investment properties under construction at reporting date was approximately RM14,038,000.

The carrying amount of investment properties held under lease terms at reporting date was approximately RM11,610,000 (2014: RM11,490,000).

The carrying amount of investment properties pledged to financial institutions for banking facilities granted to the Group as disclosed in Notes 32 at reporting date was approximately RM8,720,000 (2014: RM8,470,000)

Valuation of investment properties

Investment properties are stated at fair value, which has been determined based on valuations at the reporting date. Valuation are performed by accredited independent valuers.

19. Land use rights

	Group	
	2015 RM'000	2014 RM'000
Cost		
At 1 February/31 January	5,763	5,763
Accmulated amortisation		
At 1 February	1,343	1,247
Amortisation for the year (Note 10)	96	96
31 January	1,439	1,343
Net carrying amount	4,324	4,420
Amount to be amortised:		
- Not later than one year	96	96
- Later than one year but not later than five years	384	384
- Later than five years	3,844	3,940
	4,324	4,420

The land use rights are pledged to financial institutions for banking facilities granted to the Group as disclosed in Notes 32.

20. Intangible assets

Group	Computer software RM'000	Golf membership RM'000	Total RM'000
Cost			
At 1 February 2013	159	100	259
Additions	3	-	3
At 31 January 2014 and 1 February 2014	162	100	262
Additions	9,351	-	9,351
At 31 January 2015	9,513	100	9,613
Accumulated amortisation			
At 1 February 2013	145	-	145
Amortisation (Note 10)	8	-	8
At 31 January 2014 and 1 February 2014	153	-	153
Amortisation (Note 10)	4	-	4
At 31 January 2015	157	-	157
Net carrying amount			
At 31 January 2014	9	100	109
At 31 January 2015	9,356	100	9,456

Company	Computer software RM'000	Total RM'000
Cost		
At 1 February 2014	-	-
Additions	8	8
At 31 January 2015	8	8
Accumulated amortisation		
At 1 February 2014	-	-
Amortisation	1	1
At 31 January 2015	1	1
Net carrying amount		
At 31 January 2015	7	7

21. Investment in subsidiaries

	Company 2015 RM'000	Company 2014 RM'000
Shares, at cost		
In Malaysia	356,311	36,470
Outside Malaysia	506	180
	356,817	36,650
Impairment losses	(3,605)	(505)
	353,212	36,145

Details of the subsidiaries are as follows:

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2015	Proportion (%) of ownership interest 2014	Principal activities
Yinson Transport (M) Sdn. Bhd.(i)	Malaysia	100	100	Provision of transport services, trading in construction materials and rental of properties.
Yinson Corporation Sdn. Bhd.(i)	Malaysia	100	100	Provision of transport services and trading in construction materials.
Yinson Marine Services Sdn. Bhd.(ii)	Malaysia	100	100	Provision of sub-leasing of vessels and trading of lubricants.
Yinson Shipping Sdn. Bhd.(ii)	Malaysia	100	100	Provision of shipping and forwarding services. Temporary ceased operations.
Yinson Power Marine Sdn. Bhd.(ii)	Malaysia	65	65	Provision of marine transport services.
Regulus Offshore Sdn. Bhd. (ii)	Malaysia	-	51	Provision of vessel management services.
Yinson Tulip Ltd.(ii)	Labuan	100	100	Leasing of vessels on bareboat basis.

21. Investment in subsidiaries (continued)

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2015	2014	Principal activities
Yinson Offshore Limited.(ii)	Labuan	100	100	Trading and leasing of vessel on time charter basis.
Yinson Indah Ltd.(ii)	Labuan	60	60	Leasing of vessel on bareboat basis.
OY Labuan Limited (formerly known as Yinson Hibiscus Limited) (ii)	Labuan	100	100	Sub-leasing of vessel on time charter basis.
Yinson Production Limited (ii)	Labuan	100	100	Investment holding.
Yinson Port Venture Pte. Ltd.(ii)(iii)	Singapore	100	100	Investment holding.
Yinson Orchid Pte. Ltd.(ii)(iii)	Singapore	100	100	Vessel operator.
Yinson Vietnam Company Limited (ii)(iii)	Vietnam	100	100	Provision of construction work, consulting construction and project management.
Yinson TMC Sdn. Bhd.(ii)(iii)(iv)	Malaysia	100	-	Provision of treasury management services.
OY Offshore Pte. Ltd.(ii)(iv)	Singapore	100	-	Vessel operator.
Yinson Management Services Pte. Ltd. (formerly known as Yinson Heather Pte. Ltd.)(ii)(iv)	Singapore	100	-	Business and management consultancy services

21. Investment in subsidiaries (continued)

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2015	2014	Principal activities
Yinson Trillium Limited.(ii)(iv)	Labuan	100	-	Investment holding.
Yinson Mawar Sdn. Bhd.(ii)(iv)	Malaysia	100	-	Provision of marine services.
Yinson Nereus Ltd. (ii)(iv)	Republic of the Marshall Islands	100	-	Investment holding.
Held through Yinson Production Limited:				
Yinson Production AS (ii)(iii)	Norway	100	100	Investment holding.
Yinson Production Pte. Ltd.(ii)(iii)	Singapore	100	100	Ship management services and service activities incidental to oil and gas extraction.
Held through Yinson Production Pte. Ltd.:				
Yinson Production (West Africa) Pte. Ltd.(ii)(iii)(iv)	Singapore	100	-	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Held through Yinson Production AS:				
Fred. Olsen Production (Cyprus) Ltd.(ii)(iii)	Cyprus	100	100	Presently under liquidation.
Knock Taggart Pte. Ltd.(ii)(iii)	Singapore	100	100	Dormant

21. Investment in subsidiaries (continued)

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest 2015	2014	Principal activities
Held through Yinson Production AS:				
Floating Operations And Production Pte. Ltd. (formerly (known as Fred. Olsen Production Pte. Ltd.(ii)(iii)	Singapore	100	100	Ship management services.
Knock Borgen Pte. Ltd.(ii)(iii)	Singapore	100	100	Dormant
Nautipa AS (ii)(iii)	Norway	-	100	Investment holding.
Taggart AS (ii)(iii)	Norway	100	100	Dormant
Dee AS (ii)(iii)	Norway	100	100	Dormant
Adoon AS (ii)(iii)	Norway	100	100	Investment holding.
Nevis 1 AS (ii)(iii)	Norway	100	100	Dormant
Allan AS (ii)(iii)	Norway	100	100	Investment holding.
Held through Allan AS:				
Knock Allan Pte. Ltd.(ii)(iii)	Singapore	100	100	Leasing of vessel and ship management services.
Held through Adoon AS:				
Adoon Pte. Ltd.(ii)(iii)	Singapore	100	100	Leasing of vessel and ship management services.
Held through Yinson Vietnam Company Limited:				
Yen Son Diversified Company Limited (ii)(iii)	Vietnam	51	51	Provision of warehousing facilities.

21. Investment in subsidiaries (continued)

(i) Subsidiaries consolidated using merger method of accounting.
(ii) Subsidiaries consolidated using acquisition method of accounting.
(iii) Audited by a firm other than Ernst & Young.
(iv) Subsidiaries newly incorporated during the financial year.

Increase in issued share capital of subsidiaries

During the financial year, the Company increased the issued share capital of Yinson Corporation Sdn. Bhd., Yinson Transport (M) Sdn. Bhd., Yinson Shipping Sdn. Bhd., Yinson Vietnam Company Limited, Yinson Production Limited, and Yinson TMC Sdn. Bhd. by approximately RM63.00 million, RM36.00 million, RM3.00 million, RM0.33 million, RM19.89 million and RM198.00 million respectively.

Completion of accounting of acquisition

As disclosed in the previous year's financial statements, the Group has engaged an independent valuer to determine the fair values of the vessels and service contracts attached to the vessels arising from the acquisition of Yinson Production AS. As at 31 January 2014, the fair values of the vessels and net unfavourable contracts amounting to approximately RM777 million and RM100 million respectively were determined on a provisional basis as the independent valuation had not been completed by the date the financial statements for the financial year ended 31 January 2014 were authorised for issue.

Upon completion of the valuation by the independent valuer, retrospective adjustments have been made on the fair values of the following assets and liabilities:

	As at 31 January 2014 (As previously stated) RM'000	Adjustments RM'000	As at 31 January 2014 (Restated) RM'000
Investment in joint ventures	357,965	53,000	410,965
Favourable contract (Non-current)	-	5,768	5,768
Favourable contract (Current)	-	5,768	5,768
Unfavourable contract (Non-current)	(75,483)	8,786	(66,697)
Other net identifiable assets	320,405	-	320,405
	602,887	73,322	676,209
Gain on a bargain purchase (Note 9)	(48,014)	(73,322)	(121,336)
Cost of business combination	554,873	-	554,873

21. Investment in subsidiaries (continued)

Disposal of subsidiaries

(a) Regulus Offshore Sdn. Bhd.

The Group disposed of its 2% equity interest in Regulus Offshore Sdn. Bhd. on 3 February 2014 for a total consideration of RM27,000 comprising of cash. The disposal resulted in the Group losing control of the subsidiary and had the following effects on the financial position of the Group as at the end of the financial year:

	RM'000
Plant and equipment	378
Trade and other receivables	1,524
Prepayment	1,095
Cash and bank balances	391
Trade and other payables	(1,744)
Tax payable	(23)
Borrowings	(274)
Deferred tax liabilities	(10)
	1,337
Non-controlling interest	(655)
Net assets disposed	682
Total disposal proceeds	(27)
	655
Investment retained in the former subsidiary as an associate	655
Gain or loss on disposal of the Group	-

Cash outflow arising on disposal:

	RM'000
Cash consideration	27
Cash and bank balances of subsidiary disposed	(391)
Net cash outflow on disposal	(364)

21. Investment in subsidiaries (continued)

Disposal of subsidiaries (continued)

(b) Nautipa AS

The Group disposed off its 100% equity interest in Nautipa AS on 8 October 2014 for a total consideration of USD57,096,914 (equivalent to RM189,763,176). The disposal had the following effects on the financial position of the Group as at the end of the financial year:

	RM'000
Investment in a joint venture	172,988
Deferred tax liabilities	(4,439)
Net assets disposed	168,549
Total disposal proceeds, net of directly attributable disposal expenses	(189,415)
Gain on disposal of the Group	20,866

22. Investment in joint ventures

	Group	
	2015 RM'000	2014 RM'000 (Restated)
Share of net assets of joint ventures	356,676	410,965

	Company	
	2015 RM'000	2014 RM'000
Unquoted shares outside Malaysia, at cost:		
At beginning of the year	197,255	54,822
Addition	-	32,796
Capitalisation of advances to joint ventures	-	109,637
At end of the year	197,255	197,255
Advances to joint ventures:		
At beginning of the year	1,583	98,309
Addition	1,607	12,911
Capitalisation of advances to joint ventures	-	(109,637)
At end of the year	3,190	1,583
	200,445	198,838

Advance to PTSC South East Asia Pte. Ltd. is secured and bears interest at LIBOR+ 2.5% (2014: LIBOR + 2.5%) per annum.

Advance to PTSC Asia Pacific Pte. Ltd. is unsecured and bears interest at 4.5% (2014: 4.5%) per annum.

22. Investment in joint ventures (continued)

Details of joint ventures are as follows:

Name of joint ventures	Countries of incorporation	Proportion (%) of ownership interest 2015	2014	Principal activities
PTSC South East Asia Pte. Ltd.(i)	Singapore	49	49	Leasing of a floating, storage and offloading unit ("FSO").
PTSC Asia Pacific Pte. Ltd.(i)	Singapore	49	49	Leasing of a floating, production, storage and offloading unit ("FPSO").
Held through Yinson Production Pte. Ltd.:				
Yinson Production West Africa Limited (i)	Ghana	49	-	Leasing of a floating, production, storage and offloading unit ("FPSO").
OY Offshore Limited (i)	Ghana	49	-	Operate and manage offshore support and supply vessels.
Held through Nautipa AS:				
Tinworth Pte. Ltd.(ii)	Singapore	-	50	Leasing of a floating, production, storage and offloading unit ("FPSO") on time charter basis.

(i) Audited by a firm other than Ernst & Young.
(ii) Audited by a member firm of Ernst & Young Global in Singapore.

The Group's commitments in respect of its interest in the joint ventures are disclosed in Note 40.

The Group's interest in PTSC South East Asia Pte. Ltd., PTSC Asia Pacific Pte. Ltd. and Tinworth Pte. Ltd. (up to the date of disposal) are accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint ventures, based on its MFRS/IFRS financial statements are set out below:

22. Investment in joint ventures (continued)

(i) PTSC South East Asia Pte. Ltd.

	2015 RM'000	2014 RM'000
Summarised statement of financial position:		
Current assets	118,957	81,978
Non-current assets	495,320	473,479
Current liabilities	(59,832)	(133,593)
Non-current liabilities	(271,847)	(247,829)
Equity	282,598	174,035
Proportion of the Group's ownership	49%	49%
Carrying amount of the investment	138,473	85,277
Summarised statement of comprehensive income:		
Revenue	120,169	93,405
Cost of sales	(27,517)	(14,771)
Administrative expenses	(416)	(910)
Finance costs	(10,288)	(6,227)
Profit before tax	81,948	71,497
Income tax expense	(2,756)	(1,444)
Profit for the year	79,192	70,053
Group's share of profit for the year	38,804	34,326

(ii) PTSC Asia Pacific Pte. Ltd.

	2015 RM'000	2014 RM'000
Summarised statement of financial position:		
Current assets	237,147	49,344
Non-current assets	1,503,318	1,170,244
Current liabilities	(101,722)	(153,443)
Non-current liabilities	(1,193,451)	(732,656)
Equity	445,292	333,489
Proportion of the Group's ownership	49%	49%
Carrying amount of the investment	218,193	163,410

22. Investment in joint ventures (continued)

(ii) PTSC Asia Pacific Pte. Ltd. (continued)

	2015 RM'000	2014 RM'000
Summarised statement of comprehensive income:		
Revenue	192,074	-
Cost of sales	(86,555)	-
Administrative expenses	(351)	(584)
Finance costs	(26,843)	-
Profit/(loss) before tax	78,325	(584)
Income tax expense	(2,353)	-
Profit/(loss) for the year	75,972	(584)
Group's share of profit/(loss) for the year	37,226	(286)

(iii) Yinson Production West Africa Limited

	2015 RM'000	2014 RM'000
Summarised statement of financial position:		
Current assets	10	-
Equity	10	-
Proportion of the Group's ownership	49%	0%
Carrying amount of the investment	5	-
Group's share of profit/(loss) for the year	-	-

(iv) OY Offshore Limited

	2015 RM'000	2014 RM'000
Summarised statement of financial position:		
Current assets	10	-
Equity	10	-
Proportion of the Group's ownership	49%	0%
Carrying amount of the investment	5	-
Group's share of profit/(loss) for the year	-	-

22. Investment in joint ventures (continued)

(v) Tinworth Pte. Ltd.

	2015 RM'000	2014 RM'000 (Restated)
Summarised statement of financial position:		
Current assets	-	126,169
Non-current assets	-	247,479
Current liabilities	-	(49,092)
Equity	-	324,556
Proportion of the Group's ownership	0%	50%
Carrying amount of the investment	-	162,278

	1.2.2014 to 30.9.2014 RM'000	1.1.2014 to 31.1.2014 RM'000
Summarised statement of comprehensive income:		
Revenue	86,209	8,040
Cost of sales	(47,880)	(6,058)
Other income	8	2,739
Administrative expenses	(2,479)	(481)
Profit before tax	35,858	4,240
Income tax expense	(5,146)	(948)
Profit for the period	30,712	3,292
Group's share of profit for the year	15,356	1,646

During the financial year, the Group disposed off its 50% equity interest in Tinworth Pte. Ltd. held through a subsidiary, Nautipa AS. The details are disclosed in Note 21.

23. Investment in associates

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Unquoted shares, at cost:				
- Outside Malaysia	29,607	29,607	-	-
- In Malaysia	79	30	79	30
	29,686	29,637	79	30
Share of post-acquisition reserves	(297)	(426)	-	-
	29,389	29,211	79	30

Details of the associates are as follows:

Name of associates	Countries of incorporation	Proportion (%) of ownership interest 2015	2014	Principal activities
Yinson Energy Sdn. Bhd.	Malaysia	30	30	Provision of marine transport services. The Company has not commenced operations.
Regulus Offshore Sdn. Bhd.	Malaysia	49	-	Provision of vessel management services.
Held through Yinson Port Venture Pte. Ltd.:				
PTSC Phu My Port Joint Stock Company [i]	Vietnam	40	40	Manage and operating a port, including cargo handling and provision of related business and services.
Held through YPAS:				
Fred. Olsen Production (West Africa) Ltd. [i]	Nigeria	40	40	Provision of technical management and FPSO management services.

(i) Audited by a firm other than Ernst & Young.

23. Investment in associates (continued)

(i) PTSC Phu My Port Joint Stock Company

The Group's interest in PTSC Phu My Port Joint Stock Company is accounted for using the equity method in the consolidated financial statements. The financial statements of PTSC Phu My Port Joint Stock Company for the year ended 31 December 2014 have been used in applying the equity method of accounting as allowed by Paragraph 34 of MFRS 128 Investments in Associates and Joint Ventures. There is no significant transaction or event that occurred between 31 December 2014 and the reporting date and hence no adjustment has been made for the current and previous financial years.

The following table illustrates the summarised financial information of the Group's investment in PTSC Phu My Port Joint Stock Company:

	2015 RM'000	2014 RM'000
Summarised statement of financial position:		
Current assets	15,867	12,341
Non-current assets	77,830	80,299
Current liabilities	(20,866)	(17,116)
Non-current liabilities	(698)	(2,010)
Equity	72,133	73,514
Proportion of the Group's ownership	40%	40%
Carrying amount of the investment	28,853	29,405

	2015 RM'000	2014 RM'000
Summarised statement of comprehensive income:		
Revenue	26,334	14,817
Cost of sales	(20,371)	(15,369)
Expenses	(3,444)	(2,437)
Profit/(loss) before tax	2,519	(2,989)
Income tax expense	(368)	(166)
Profit/(loss) for the year	2,151	(3,155)
Bonus and welfare funds	-	(132)
	2,151	(3,287)
Group's share of profit/(loss) for the year	860	(1,315)

(ii) Investment in other associates

The summarised financial information of investment in other associates are not presented due to these investments are individually immaterial to the Group.

24. Available-for-sale financial assets

	Group 2015 RM'000	Group 2014 RM'000
Quoted equity shares:		
- In Malaysia	2,492	2,492
- Outside Malaysia	7,194	13,241
	9,686	15,733

Fair values of these quoted equity shares are determined by reference to published price quotations in an active market.

Impairment on AFS financial assets

For AFS financial assets, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. The determination of what is 'significant' or 'prolonged' requires judgment. In making this judgment, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

The Group had identified an impairment of approximately RM19.223 million on AFS quoted equity securities and recognised the impairment loss in the consolidated statement of profit or loss in the previous financial year.

25. Inventories

	Group 2015 RM'000	Group 2014 RM'000
At cost:		
Consumables	629	2,936
Trading goods	-	37,105
	629	40,041
At realisable value:		
Trading goods	26,966	-
	27,595	40,041

During the financial year, the trading goods have been written down by RM10 million to its net realisable value.

26. Trade and other receivables

	Group		Company	
	2015	2014	2015	2014
Current:	RM'000	RM'000	RM'000	RM'000
Trade receivables				
Third parties	331,890	315,501	-	-
Joint venture	-	810	-	-
Directors' related companies	2,317	1,955	-	-
	334,207	318,266	-	-
Allowance for impairment	(22,724)	(8,779)	-	-
	311,483	309,487	-	-
Other receivables				
Refundable deposits	12,034	588	-	1
Sundry receivables	48,618	21,130	-	-
Due from subsidiaries:				
- bearing interest of KLIBOR + 3% p.a.	-	-	435,939	-
- bearing interest of 5.15% p.a.	-	-	23,104	-
- non-interest bearing	-	-	39,052	390,778
- others	-	-	42,841	-
Due from joint ventures	53,818	45,715	53,564	45,715
Due from an associate	1,589	3	1,589	3
	116,059	67,436	596,089	436,497
Allowance for impairment	(162)	(300)	-	-
	115,897	67,136	596,089	436,497
	427,380	376,623	596,089	436,497
Non-current:				
Other receivables				
Loans to subsidiaries				
- non-interest bearing	-	-	-	28,658
- bearing interest of 5.15% p.a.	-	-	-	9,276
Third parties	-	1,981	-	-
	-	1,981	-	37,934
	427,380	378,604	596,089	474,431
Total trade and other receivables	427,380	378,604	596,089	474,431
Add: cash and bank balances (Note 28)	364,378	267,077	11,639	5,671
Total loans and receivables	791,758	645,681	607,728	480,102

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 120 (2014: 30 to 120) day terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

26. Trade and other receivables (continued)

(a) Trade receivables (continued)

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group 2015 RM'000	Group 2014 RM'000
Neither past due nor impaired	120,794	119,073
1 to 30 days past due not impaired	52,015	105,383
31 to 60 days past due not impaired	30,599	58,250
61 to 90 days past due not impaired	23,569	6,526
91 to 120 days past due not impaired	44,067	3,755
More than 121 days past due not impaired	40,439	16,500
	190,689	190,414
Impaired	22,724	8,779
	334,207	318,266

Receivables that are neither past due nor impaired

Receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to approximately RM190,689,000 (2014: RM190,414,000) that are past due at the reporting date but not impaired.

Receivables that are impaired

The Group's trade receivables are individually impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group 2015 RM'000	Group 2014 RM'000
Trade receivable - nominal amount	22,724	8,779
Less: Allowance for impairment	(22,724)	(8,779)
	-	-

26. Trade and other receivables (continued)

(a) Trade receivables (continued)

Receivables that are impaired (continued)

Movement for allowance accounts:

	Group	
	2015	2014
	RM'000	RM'000
At beginning of year	8,779	3,154
Charge for the year (Note 10)	14,022	5,831
Reversal of impairment loss (Note 9)	(5)	(8)
Written off	(280)	(198)
Exchange differences	208	-
At end of year	22,724	8,779

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Other receivables

- Amounts due from subsidiaries bearing interest of KLIBOR + 3% are denominated in USD and RM. These amounts are unsecured and repayable upon demand.
- Amounts due from subsidiaries with interest-free are denominated in USD and RM. These amounts are unsecured and repayable upon demand.
- The amounts due from subsidiaries other than the above are denominated in USD and RM. These amounts are unsecured and will be settled by way of capitalisation as investment cost in the next financial year.

Movement for other receivables allowance accounts:

	Group	
	2015	2014
	RM'000	RM'000
At beginning of year	300	375
Charge for the year (Note 10)	27	11
Reversal of impairment loss (Note 9)	(2)	(6)
Written off	(163)	(80)
At end of year	162	300

27. Other current assets

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Prepayments	7,365	9,420	683	1,075
Advances to suppliers of raw materials	5,202	-	-	-
Advances to suppliers for purchase of vessels	15,421	-	-	-
	27,988	9,420	683	1,075

28. Cash and bank balances

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Cash on hand and at banks	260,600	200,080	5,711	5,671
Short term investment	313	-	313	-
Deposits with licensed banks	103,465	66,997	5,615	-
Cash and bank balances	364,378	267,077	11,639	5,671

For the purpose of the statements of cash flows, cash and cash equivalents at the reporting dates comprise the following:

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Cash and bank balances	364,378	267,077	11,639	5,671
Bank overdrafts (Note 32)	(4,405)	(15,096)	-	-
	359,973	251,981	11,639	5,671
(Less):				
Short term investment	(313)	-	(313)	-
Deposits with licensed bank for Investment purposes	(8,550)	-	-	-
Deposits pledged to banks	(76,515)	(66,997)	(3,815)	-
Cash and cash equivalents	274,595	184,984	7,511	5,671

Cash at bank earns interest at floating rates based on daily bank deposit rates. Except for placement in Repo, deposits with licensed banks are made for varying periods of between one to fifteen months, depending on the immediate cash requirements of the Group, and earn interest at the respective deposit rates.

28. Cash and bank balances (continued)

Deposit with a licensed bank, denominated in USD, of approximately RM72,612,000 (2014: RM66,912,000), has been pledged to the bank for a performance guarantee issued in favour of a subsidiary's customer for a period of six years. The deposit is made for period of three months (2014: three months) and earns interest at 0.06% (2014: 0.06%) per annum.

Deposit with a licensed bank of approximately RM88,000 (2014: RM85,000) has been pledged to the bank for bank guarantee facilities granted to a subsidiary.

Deposits with licensed banks of approximately RM3,815,000 have been pledged to the banks for the banking facilities of the Company.

29. Issued capital

	Number of ordinary shares of RM0.50* / RM1.00 each		Amount	
	2015	2014	2015	2014
	000	000	RM'000	RM'000
Authorised:				
At 1 February	500,000	500,000	500,000	500,000
- Created during the year	500,000	-	500,000	-
- Increase by way of share split	1,000,000*	-	-	-
At 31 January	2,000,000*	500,000	1,000,000	500,000
Issued and fully paid:				
At 1 February	258,200	200,355	258,200	200,355
Issued during the year:				
- Rights issue	258,199	-	258,199	-
- Share split	516,399	-	-	-
- Private placements	-	20,036	-	20,036
- Share issuance	-	37,809	-	37,809
At 31 January	1,032,798	258,200	516,399	258,200

During the financial year, the Company increased its authorised share capital from RM500 million comprising 500 million ordinary shares of RM1.00 each to RM1 billion comprising 1 billion ordinary shares of RM1.00 each.

The proposed Rights Issue has been completed on 13 June 2014. 258,199,610 ordinary shares of RM1.00 each have been issued at RM2.20, with gross proceeds of RM568,039,142 being raised.

On 2 April 2014, Bursa Malaysia Securities Berhad approved the proposed share split involving the subdivision of one ordinary share into two ordinary shares of RM0.50 each. On 1 July 2014, 516,399,200 ordinary shares of RM1 each in the Company were subdivided into 1,032,798,440 ordinary shares of RM0.50 each in the Company.

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) Available-for-sale reserve

The available-for-sale reserve represents cumulative fair value gain or loss arising from available-for-sale financial assets recognised. This reserve will be reclassified to profit or loss upon the investment is derecognised, or when the investment is determined to be impaired.

31. Retained earnings

The Company may distribute dividends out of its entire retained earnings as at 31 January 2015 under the single tier system.

32. Loans and borrowings

		Group		Company	
		2015	2014	2015	2014
	Maturity	RM'000	RM'000	RM'000	RM'000
Current:					
Secured:					
Bank loans:					
- RM loan at BLR + 1.00%	2016	42	197	-	-
- RM loan at BLR + 0.20%	2016	2	82	-	-
- RM loan at BLR - 2.00%	2016	31	28	-	-
- RM loan at BLR + 0.50%		-	625	-	-
- RM loan at BLR - 1.60%	2016	1,446	1,376	-	-
- USD loan at COF + 2.50%	2016	4,750	4,366	-	-

32. Loans and borrowings (continued)

		Group		Company	
		2015	2014	2015	2014
	Maturity	RM'000	RM'000	RM'000	RM'000
- USD loan at COF + 2.80%	2016	9,561	8,724	-	-
- USD loan at LIBOR + 2.75%	2016	12,245	11,245	-	-
- USD loan at COF + 2.80%	2016	7,824	6,621	7,824	6,621
- USD loan at LIBOR + 4.50%	2016	50,281	116,288	-	-
- USD loan at LIBOR + 4.00%	2016	43,139	69,923	-	-
Obligations under finance leases (Note 33)	2016	6,296	4,242	177	-
		135,617	223,717	8,001	6,621
Unsecured:					
Bank overdrafts	On demand	4,405	15,096	-	-
Bank loans					
- RM loan at COF + 2.50%		-	50,000	-	50,000
- USD loan at COF + 2.50%		-	97,685	-	97,685
- USD loan at COF + 3.50%		-	50,184	-	50,184
Bankers' acceptances	2016	166,778	162,829	-	-
Revolving credits	2016	41,784	22,228	36,284	16,728
		212,967	398,022	36,284	214,597
		348,584	621,739	44,285	221,218
Non-current:					
Secured:					
Bank loans:					
- RM loan at BLR + 1.00%		-	40	-	-
- RM loan at BLR + 0.20%		-	2	-	-
- RM loan at BLR - 2.00%	2017	162	195	-	-
- RM loan at BLR - 1.60%	2019	4,214	5,660	-	-
- USD loan at COF + 2.50%	2018	17,605	20,614	-	-

32. Loans and borrowings (continued)

		Group		Company	
		2015	2014	2015	2014
	Maturity	RM'000	RM'000	RM'000	RM'000
- USD loan at COF + 2.80%	2017	12,350	19,796	-	-
- USD loan at LIBOR + 2.75%	2017	36,330	44,789	-	-
- USD loan at COF + 2.80%	2019	17,506	22,789	17,506	22,789
- USD loan at COF + 4.00%	2019	10,897	-	10,897	-
- USD loan at LIBOR + 4.50%	2019	229,051	251,329	-	-
- USD loan at LIBOR + 4.00%	2019	140,683	298,093	-	-
Obligations under finance leases (Note 33)	2019	5,795	5,087	657	-
		474,593	668,394	29,060	22,789
		823,177	1,290,133	73,345	244,007

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Total borrowings				
Bank overdrafts (Note 28)	4,405	15,096	-	-
Bankers' acceptances	166,778	162,829	-	-
Revolving credits	41,784	22,228	36,284	16,728
Bank loans	598,119	1,080,651	36,227	227,279
	811,086	1,280,804	72,511	244,007
Obligations under finance leases (Note 33)	12,091	9,329	834	-
Total loans and borrowings	823,177	1,290,133	73,345	244,007

The remaining maturities of the loans and borrowings (excluding obligations under finance leases) as at the reporting dates are as follows:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
On demand or within one year	342,288	617,497	44,108	221,218
More than 1 year and less than 2 years	131,250	126,221	9,590	6,647
More than 2 years and less than 5 years	318,199	395,198	18,813	16,142
5 years or more	19,349	141,888	-	-
	811,086	1,280,804	72,511	244,007

32. Loans and borrowings (continued)

(a) The secured loans and borrowings of the Group are secured by certain assets of the Group as disclosed in Notes 17, 18 and 19.

(b) Certain unsecured loans and borrowings of the Company are guaranteed jointly and severally by two of the directors namely, Lim Han Weng and Lim Han Joeh.

All unsecured loans and borrowings of the subsidiaries are guaranteed by the Company and certain unsecured loans and borrowings of the subsidiaries are guaranteed jointly and severally by two of the directors namely, Lim Han Weng and Lim Han Joeh.

(c) The bank overdrafts, bankers' acceptances and revolving credits are for purchase of raw materials and working capital, denominated in USD and RM, and bear interests at range of BLR + 0.00% to BLR + 1.50%, 4.40% to 5.62% and COF + 1.25% to COF + 3.00% respectively.

33. Obligations under finance leases

	Group	
	2015 RM'000	2014 RM'000
Minimum lease commitments:		
Not later than 1 year	6,819	4,677
Later than 1 year and not later than 2 years	4,302	3,855
Later than 2 years and not later than 5 years	1,749	1,233
Total minimum lease payments	12,870	9,765
Less: Amounts representing finance charges	(779)	(436)
Present value of minimum lease payments	12,091	9,329
Present value of payments:		
Not later than 1 year	6,296	4,242
Later than 1 year and not later than 2 years	4,134	3,699
Later than 2 years and not later than 5 years	1,661	1,388
Present value of minimum lease payments	12,091	9,329
Less: Amount due within 12 months (Note 32)	(6,296)	(4,242)
Amount due after 12 months (Note 32)	5,795	5,087

	Company	
	2015 RM'000	2014 RM'000
Minimum lease commitments:		
Not later than 1 year	211	-
Later than 1 year and not later than 2 years	212	-
Later than 2 years and not later than 5 years	498	-
Total minimum lease payments	921	-
Less: Amounts representing finance charges	(87)	-
Present value of minimum lease payments	834	-

33. Obligations under finance leases (continued)

	Company	
	2015	2014
	RM'000	RM'000
Present value of payments:		
Not later than 1 year	177	-
Later than 1 year and not later than 2 years	185	-
Later than 2 years and not later than 5 years	472	-
Present value of minimum lease payments	834	-
Less: Amount due within 12 months (Note 32)	(177)	-
Amount due after 12 months (Note 32)	657	-

The finance lease liabilities are secured by charges over the leased assets (Note 17) and secured by corporate guarantees from the Company. The discount rates implicit in the leases ranges from 2.36% to 4.30% (2014: 2.36% to 4.30%) per annum.

34. Net employee defined benefit liabilities

	Group	
	2015	2014
	RM'000	RM'000
At 1 February	7,669	-
Assumed from acquisition of subsidiaries (Note 21)	-	7,522
Recognised in profit or loss	882	-
Settlement	(3,991)	-
Exchange differences	(1,327)	147
At 31 January	3,233	7,669

Employees in Yinson Production AS (YPAS) participated in a defined pension plan providing entitlement to 70% of the salary at the time of retirement (based on length of service) up to a maximum of 12G. In addition, YPAS had unfunded (unsecured) pension obligations covering senior executives equal to 66% of salary on retirement. The general retirement age under the pension plan is 67 years except for four senior managers who have the right to pension upon reaching 65 years of age.

Prior to 31 December 2013, the pension plan was administered by Fred. Olsen & Co's Pensjonskasse. The administration of pension funds is subject to the Financial Supervisory Authority of Norway (Kredittilsynet) rules of capital management. The pension plan assets consist primarily of bonds, certificates and shares in Norwegian stock listed companies. 14 employees were included in the pension plan at 31 December 2013.

The aforementioned pension plan qualifies under the minimum requirements for mandatory service pension ("Obligatorisk Tjenestepensjon") under the Norwegian law for Company Pensions ("Lov om Foretakspensjon").

34. Net employee defined benefit liabilities (continued)

Subsequent to the acquisition, the YPAS ended its membership in Fred. Olsen & Co's Pensjonskasse and established a defined benefit pension plan with effect from 1 January 2014.

35. Favourable and unfavourable contracts

	Group	
	2015	2014
	RM'000	RM'000 (Restated)
Favourable contract		
Cost		
At 1 February	11,536	-
Recognised from acquisition of subsidiaries	-	11,536
Exchange differences	974	-
At 31 January	12,510	11,536
Accumulated amortisation		
At 1 February	-	-
Amortisation (Note 8)	5,981	-
Exchange differences	274	-
At 31 January	6,255	-
Net carrying amount	6,255	11,536
Amount to be amortised:		
- Current	6,255	5,768
- Non-current	-	5,768
	6,255	11,536
Unfavourable contracts		
Cost		
At 1 February	93,245	-
Assumed from acquisition of subsidiaries	-	91,300
Exchange differences	7,881	1,945
At 31 January	101,126	93,245
Accumulated amortisation		
At 1 February	1,971	-
Amortisation (Note 8)	22,480	1,971
Exchange differences	2,663	-
At 31 January	27,114	1,971
Net carrying amount	74,012	91,274

35. Favourable and unfavourable contracts

	Group 2015 RM'000	Group 2014 RM'000 (Restated)
Amount to be amortised:		
- Current	17,416	24,577
- Non-current	56,596	66,697
	74,012	91,274

The favourable and unfavourable contracts represent the fair value of the services contracts embedded in the time charter contracts, arising from the acquisition of subsidiaries and recognised as assets and liabilities respectively.

36. Deferred tax liabilities

	Group 2015 RM'000	Group 2014 RM'000
At 1 February	10,098	2,796
Recognised in profit or loss (Note 14)	(5,039)	(1,575)
Disposal of subsidiaries	(4,449)	-
Acquisition of subsidiaries	-	8,877
At 31 January	610	10,098
Presented after appropriate offsetting as follows:		
Deferred tax assets	(6,114)	(1,148)
Deferred tax liabilities	6,724	11,246
	610	10,098

36. Deferred tax liabilities (continued)

The components and movements of deferred tax assets and liabilities during the financial year are as follows:

	Deferred tax liabilities	Deferred tax assets		
	Accelerated capital allowances and others RM	Unutilised tax losses and unabsorbed capital allowances RM	Provision RM	Total RM
At 1 February 2013	5,763	(2,952)	(15)	2,796
Recognised in profit or loss	(100)	(308)	(1,167)	(1,575)
Acquisition of subsidiaries	8,877	-	-	8,877
At 31 January 2014 and 1 February 2014	14,540	(3,260)	(1,182)	10,098
Recognised in profit or loss	(3,050)	3,260	(5,249)	(5,039)
Disposal of subsidiaries	(4,449)	-	-	(4,449)
At 31 January 2015	7,041	-	(6,431)	610

As at the reporting date, the Group had unutilised tax losses and unabsorbed capital allowances of approximately RM10,700,000 (2014: RM 4,749,000) that are available to offset against future taxable profits of the respective subsidiaries in which these unutilised tax losses and unabsorbed capital allowances arose, for which no deferrred tax asset is recognised due to uncertainty of its recoverability.

The availability of unutilised tax losses to offset against future taxable profits of the respective subsidiaries in Malaysia are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority. The use of tax losses of subsidiaries in other countries are subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislations of the countries in which the subsidiaries operate.

37. Trade and other payables

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Trade payables				
Third parties	39,472	43,885	-	-
Directors' related companies	46	5,102	-	-
Due to an associate	438	-	-	-
	39,956	48,987	-	-
Other payables				
Due to directors	350	85,450	350	85,450
Due to subsidiaries	-	-	6,912	11,016
Due to an associate	660	-	660	-
Directors' related companies	755	1,175	-	-
Corporate shareholders of subsidiaries	7,932	8,057	-	-
Sundry payables	18,768	32,400	509	90
Accruals	40,729	4,726	1,237	1,859
	69,194	131,808	9,668	98,415
Total trade and other payables	109,150	180,795	9,668	98,415
Total trade and other payables	109,150	180,795	9,668	98,415
Add: loans and borrowings (Note 32)	823,177	1,290,133	73,345	244,007
Total financial liabilities carried at amortised cost	932,327	1,470,928	83,013	342,422

(a) Trade payables

Trade payables are non-interest bearing and the credit terms granted to the Group range from 30 to 120 (2014: 30 to 120) days.

(b) Other payables

Amounts due to directors, directors' related companies, a corporate shareholder of subsidiaries and subsidiaries are unsecured, non-interest bearing and are repayable on demand.

38. Derivatives

	Group 2015 RM'000	Group 2014 RM'000
Financial assets at fair value through profit or loss		
Derivatives not designated as hedges		
- Currency forward contracts	30,518	-
Financial liabilities at fair value through profit or loss		
Derivatives not designated as hedges		
- Interest rate swaps	(214)	(127)

The foreign exchange forward contracts reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationship, but are intended to reduce the level of foreign currency risk for expected loans and borrowings.

The interest rate swaps reflect the negative 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.

The fair values of the foreign exchange forward contracts and 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.

39. Significant related party transactions

(a) Sales and purchases of goods and services

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 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Directors' interest companies:				
- rental income	60	60	-	-
- transport income	5,021	7,171	-	-
- lease of barges	3,430	3,262	-	-
- sales of goods	8	584	-	-
- purchases of goods	3,553	3,396	-	-
- interest income	-	31	-	-

39. Significant related party transactions (continued)

(a) Sales and purchases of goods and services (continued)

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Associate:				
- management and administation charges	634	-	-	-
- purchases of goods	585	-	-	-
- rental income	185	-	-	-
Joint ventures:				
- sales of goods	-	755	-	-
- interest income	1,536	3,320	1,535	3,320
Subsidiaries:				
- dividend income	-	-	103,810	7,949
- management fee income	-	-	6,109	-
- interest income	-	-	29,312	441

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

(b) Compensation to key management personnel

Key management personnel of the Group and of the Company are also executive directors of the Company. Information of compensation to executive directors is disclosed in Note 12.

40. Commitments

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
(a) Capital commitments				
Approved and contracted for: Property, plant and equipment	75,325	15,049	-	-
Share of joint ventures' capital commitments in relation to property, plant and equipment	-	64,250	-	-
Approved but not contracted for: Property, plant and equipment	41,210	15,813	-	-
Share of joint ventures' capital commitments in relation to property, plant and equipment	-	35,043	-	-
	116,535	130,155	-	-

(b) Operating lease commitments – Group as lessee

In addition to the land use rights as disclosed in Note 19, the Group has entered into leases for the use of premises, vessels and equipment. These leases have tenures range between 6 months to 2 years with options to extend for the lease periods mutually agreed between the lessees and lessors. The Group is restricted from leasing the leased premises to third parties.

Minimum lease payments, including amortisation of land use rights recognised in profit or loss for the financial years ended 31 January 2015 and 31 January 2014, amounted to approximately RM2,105,000 and RM720,000 respectively.

40. Commitments (continued)

(b) Operating lease commitments – Group as lessee (continued)

Future minimum rentals payable under non-cancellable operating leases (excluding land use rights) at the reporting date are as follows:

	Group	
	2015	**2014**
	RM'000	**RM'000**
Not later than 1 year	694	1,692
Later than 1 year and not later than 5 years	989	-
	1,683	1,692

(c) Operating lease commitments – Group as lessor

The Group has entered into leases on its investment properties and vessels. These non-cancellable leases have remaining lease terms of between one to six years. All leases include a clause to enable upward revision of the rental charge on renewal basis based on prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases at the reporting date are as follows:

	Group	
	2015	**2014**
	RM'000	**RM'000**
Not later than 1 year	271,692	265,634
Later than 1 year and not later than 5 years	2,605,228	756,877
Later than 5 years	6,509,380	-
	9,386,300	1,022,511

Rental income from leasing of investment properties and chartering fees from leasing of vessels which recognised in profit or loss during the financial year are disclosed in Note 7.

41. Fair value measurement

(a) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

	Fair value measurement using			
	Quoted prices in active market Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3	Total
	RM'000	RM'000	RM'000	RM'000
At 31 January 2015				
Non-financial asset:				
Investment properties	-	-	29,598	29,598
Financial assets:				
Available-for-sale financial assets	9,686	-	-	9,686
Marketable securities	10	-	-	10
Foreign currency forward contracts	-	30,518	-	30,518
Financial liability:				
Interest rate swaps	-	214	-	214
At 31 January 2014				
Non-financial asset:				
Investment properties	-	-	15,155	15,155
Financial assets:				
Available-for-sale financial assets	15,733	-	-	15,733
Marketable securities	13	-	-	13
Financial liability:				
Interest rate swap	-	127	-	127

41. Fair value measurement (continued)

(a) Fair value hierarchy (continued)

The Group classifies fair value measurement using the fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

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

There have been no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 31 January 2015 and 31 January 2014.

(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 (current)	26
Trade and other payables	37
Loans and borrowings (current), excluding obligations under finance leases	32
Loans and borrowings (non-current), excluding obligations under finance leases and certain bank loans	32

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of loans and borrowings excluding obligations under finance leases are reasonable approximation of fair values due to the insignificant impact of discounting.

The fair values of non-current loans and borrowings excluding obligations under finance leases are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

41. 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.

(c) Fair values of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	Group	
	2015	2014
Financial liabilities:	RM'000	RM'000
Carrying amount:		
- Obligations under finance leases (current and non-current)	12,091	9,329
- USD bank loans (non-current)	369,734	549,422
	381,825	558,751
Fair value:		
- Obligations under finance leases (current and non-current)	12,095	9,222
- USD bank loans (non-current)	352,379	366,675
	364,474	375,897

42. Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets, other than derivatives, include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Group also holds available-for-sale financial assets.

42. Financial risk management objectives and policies (continued)

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 a 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 three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, short-term deposits, available-for-sale financial assets and derivatives.

The sensitivity analysis in the following sections relate to the positions as at 31 January 2015 and 2014.

(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 non-current 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 RM603,000 (2014: RM1,096,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

42. Financial risk management objectives and policies (continued)

(a) Market risk (continued)

(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 (when revenue or expense is denominated in a different currency from the Group's presentation currency) 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 Vietnamese Dong ("VND"). The foreign currency in which these transactions are denominated is mainly USD.

The Group holds cash and cash equivalents denominated in foreign currencies for working capital purposes. The other financial instruments denominated in foreign currencies includes available-for-sale financial assets, trade and other receivables, trade and other payables and loans and borrowings.

The Group is also exposed to currency translation risk arising from its net investment in foreign operations in Vietnam, Labuan, Singapore and Norway. 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 exchange rate, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

		Group	
		2015	2014
		RM'000	RM'000
USD/RM	- Strengthened 5%	26,879	4,989
	- Weakened 5%	(26,879)	(4,989)

42. Financial risk management objectives and policies (continued)

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

(i) Trade receivables

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 an individual credit limits are defined in accordance with this assessment. Outstanding receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major receivables. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in statement of financial position. The Group does not hold collateral as security. As at reporting date, approximately 57% (2014: 57%) of the Group's trade receivables are due from companies of a common group.

(ii) Financial instruments and cash deposits

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 limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in statement of financial position except for trade receivables as disclosed above.

(c) Liquidity risk

Liquidity risk is the risk that the Group or 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 objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases contracts.

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	One to five years RM'000	Over five years RM'000	Total RM'000
31 January 2015				
Trade and other payables	109,150	-	-	109,150
Loans and borrowings	353,002	460,752	22,155	835,909
Derivatives	214	-	-	214
Total undiscounted financial liabilities	462,366	460,752	22,155	945,273
31 January 2014				
Trade and other payables	180,795	-	-	180,795
Loans and borrowings	660,188	610,395	147,633	1,418,216
Derivatives	127	-	-	127
Total undiscounted financial liabilities	841,110	610,395	147,633	1,599,138
Company				
31 January 2015				
Trade and other payables	9,668	-	-	9,668
Loans and borrowings	44,370	29,130	-	73,500
Total undiscounted financial liabilities	54,038	29,130	-	83,168
31 January 2014				
Trade and other payables	98,415	-	-	98,415
Loans and borrowings	222,380	24,549	-	246,929
Total undiscounted financial liabilities	320,795	24,549	-	345,344

43. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

(i) Transport - This segment includes the provision of commercial land transportation, haulage and shipping services.

(ii) Marine - This segment comprises provision of vessel, barge and marine related services.

(iii) Trading - This segment comprises the trading activities mainly in the construction related materials

(iv) Other business segments include rental, insurance and investment income.

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.

	Transport RM'000	Marine RM'000	Trading RM'000	Other operations RM'000	Consolidated RM'000
31 January 2015					
Revenue:					
Gross revenue	94,188	432,329	595,929	20,336	1,142,782
Elimination					(59,358)
					1,083,424
Results:					
Segment results	4,991	112,644	7,473	114,542	239,650
Finance costs					(51,524)
Share of results of joint ventures					91,386
Share of results of associates					(132)
Income tax expense					(27,968)
Profit for the year					251,412
Amortisation and depreciation	5,066	85,353	124	255	90,798

43. Segment information (continued)

	Transport RM'000	Marine RM'000	Trading RM'000	Other operations RM'000	Consolidated RM'000
31 January 2015					
Fair value gain/(loss):					
- investment properties	-	-	-	405	405
- marketable securities	-	-	-	(3)	(3)
- Derivatives	-	-	-	30,518	30,518
Other non-cash income	427	(5,215)	10,886	(52,570)	(46,472)
Assets and liabilities					
Segment assets	79,700	1,959,963	269,173	179,380	2,488,216
Segment liabilities	24,520	796,314	191,816	16,057	1,028,707
Addition to non-current assets	7,980	139,655	-	2,293	149,928
31 January 2014 (Restated)					
Revenue:					
Gross revenue	106,046	162,085	714,048	9,031	991,210
Elimination					(49,349)
					941,861
Results:					
Segment results	7,880	27,360	20,043	91,390	146,673
Finance costs					(28,971)
Share of results of joint ventures					35,686
Share of results of an associate					(1,316)
Income tax expense					(8,958)
Profit for the year					143,114
Amortisation and depreciation	4,490	18,211	124	-	22,825

43. Segment information (continued)

	Transport RM'000	Marine RM'000	Trading RM'000	Other operations RM'000	Consolidated RM'000
31 January 2014					
Fair value gain/(loss):					
- investment properties	-	-	-	(20)	(20)
- marketable securities	-	-	-	2	2
Other non-cash expenses	2,554	(279)	3,000	(4,025)	1,250
Assets and liabilities					
Segment assets	374,620	1,496,827	265,759	70,604	2,207,810
Segment liabilities	30,957	1,371,906	187,755	2,824	1,593,442
Addition to non-current assets	10,305	782	-	5	11,092

Geographical information

The geographical information is not disclosed as the necessary information is not available and the cost to develop it would be excessive.

44. Capital management

For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves attributable to owners of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

	Group		Company	
	2015 RM'000	**2014 RM'000 (Restated)**	**2015 RM'000**	**2014 RM'000**
Loans and borrowings	823,177	1,290,133	73,345	244,007
Trade and other payables	109,150	180,795	9,668	98,415
Less: Cash and bank balances	(364,378)	(267,077)	(11,639)	(5,671)
Net debt	567,949	1,203,851	71,374	336,751
Equity attributable to owners of the parent, total capital	1,450,510	608,449	1,080,627	374,049
Capital and net debt	2,018,459	1,812,300	1,152,001	710,800
Gearing ratio	28%	66%	6%	47%

45. Subsequent events

(i) Incorporation of subsidiaries

Subsequent to the financial year end, Yinson Holdings Berhad ("YHB") incorporated the following wholly-owned subsidiaries:-

a) Yinson Acacia Ltd ("YAL"), a company incorporated in the Republic of the Marshall Islands.

b) YAL incorporated two wholly-owned subsidiaries, Yinson Clover Ltd ("YCL") and Yinson Heather Ltd ("YHL"), in the Republic of the Marshall Islands.

The principal activities of YAL, YCL and YHL are investment holding company.

Yinson Nereus Ltd, a wholly-owned subsidiary within the Group incorporated a wholly-owned subsidiary, namely Yinson Camellia Limited ("Camellia"), a company incorporated in Federal Territory of Labuan, Malaysia. The principal activities of Camellia is to carry on shipping operations and vessel chartering.

(ii) Proposed Employees' Share Scheme (ESS)

In relation to the proposed ESS announced on 17 March 2015, an application in relation to the listing and quotation for up to ten percent (10%) of the total issued and paid-up share capital of YHB (excluding treasury shares, if any) at any point in time pursuant to the Proposed ESS had been submitted to Bursa Malaysia Securities Berhad on 15 May 2015.

46. Authorisation of financial statements for issue

The financial statements for the year ended 31 January 2015 were authorised for issue in accordance with a resolution of the directors on 29 May 2015.

47. Supplementary information – breakdown of retained earnings into realised and unrealised

The breakdown of the retained earnings of the Group and of the Company as at 31 January 2015 and 2014 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000 (Restated)	RM'000	RM'000
Group				
Total retained earnings				
- Realised	262,416	183,247	116,806	(1,117)
- Unrealised	87,634	4,776	30,259	4,025
	350,050	188,023	147,065	2,908
Total retained earnings from:				
Joint ventures:				
- Realised	109,781	35,396	-	-
Associates:				
- Realised	(1,269)	(1,743)	-	-
	458,562	221,676	147,065	2,908
Less: Consolidation adjustments	(3,831)	(1,712)	-	-
Retained earnings as per financial statements	454,731	219,964	147,065	2,908

ISSUER

Yinson Juniper Ltd
Coastal Building, Wickham's Cay II
P.O. Box 2221
Road Town, Tortola
British Virgin Islands

GUARANTOR

Yinson Holdings Berhad
BO2-A-18, Menara 3
Jalan Bangsar, KL Eco City
59200 Kuala Lumpur, Malaysia

TRUSTEE

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

PRINCIPAL PAYING AGENT

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom

REGISTRAR AND TRANSFER AGENT

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building – Polaris
2-4 rue Eugène Ruppert
L-2453 Luxembourg

ARRANGER AND DEALER

Standard Chartered Bank
8 Marina Boulevard, Level 20
Marina Bay Financial Centre Tower 1
Singapore 018981

LEGAL ADVISERS

To the Issuer and the Guarantor as to English law

Linklaters Singapore Pte. Ltd.
One George Street
#17-01
Singapore 049145

To the Arranger and the Dealers as to English law

Clifford Chance Pte. Ltd.
Marina Bay Financial Centre
25th Floor, Tower 3
12 Marina Boulevard
Singapore 018982

To the Arranger and the Dealers as to Malaysian law

Zaid Ibrahim & Co
Level 19, Menara Milenium
Pusat Bandar Damansara
50490 Kuala Lumpur
Malaysia

To the Arranger and the Dealers as to British Virgin Islands law

Conyers Dill & Pearman Pte. Ltd.
9 Battery Road
#20-01 MYP Centre
Singapore 049910

To the Trustee as to English law

Clifford Chance Law Office (Gaikokuho Kyodo Jigyo)
Palace Building, 3rd Floor
1-1, Marunouchi 1-chome
Chiyoda-ku, Tokyo 100-0005
Japan

AUDITORS TO THE GROUP

For Financial Year 2017

PricewaterhouseCoopers
Level 10, 1 Sentral, Jalan Rakyat,
Kuala Lumpur Sentral
P.O. Box 10192
50706 Kuala Lumpur
Malaysia

For Financial Year 2015 and Financial Year 2016

Ernst & Young
Suite 11.2, Level 11 Menara Pelangi
2 Jalan Kuning, Taman Pelangi
80400 Johor Bahru
Johor Darul Ta'zim
Malaysia