YINSON PRODUCTION OFFSHORE PTE LTD AND ITS SUBSIDIARIES

(Incorporated in Singapore. Registration Number: 201429097M)

FINANCIAL STATEMENTS

For the financial year ended 31 January 2025

YINSON PRODUCTION OFFSHORE PTE LTD AND ITS SUBSIDIARIES
(Incorporated in Singapore)

FINANCIAL STATEMENTS
For the financial year ended 31 January 2025

Contents

DIRECTORS' STATEMENT
For the financial year ended 31 January 2025

The Directors present their statement to the shareholder together with the audited financial statements of the Yinson Production Offshore Pte. Ltd. ("the Company") and its subsidiaries ("the Group") for the financial year ended 31 January 2025.

In the opinion of the Directors,

(a) the financial statements of the Group and the Company as set out on pages 6 to 101 are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 January 2025 and the financial performance, changes in equity and cash flows of the Group and the Company for the financial year covered by the financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company, will be able to pay its debts as and when they fall due.

Directors

The Directors of the Company in office at the date of this statement are as follows:

Lim Chern Yuan
Flemming Grønnegaard
Andrew Choy Wei Nung
Jahn Atle Høgberg
Chai Jia Jun

Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the 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.

Directors' interests in shares or debentures

(a) According to the register of Directors' shareholdings, none of the Directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of Director	
	At 31.1.2025	At 1.2.2024
Ultimate Holding Corporation - Yinson Holdings Berhad (No. of ordinary shares)		
Lim Chern Yuan	**5,013,084**	4,970,960
Flemming Grønnegaard	**904,820**	1,184,780
Chai Jia Jun	**2,682,733**	2,650,000
Jahn Atle Høgberg	**300,000**	300,000

Directors' interests in shares or debentures (continued)

(b) According to the register of Directors' shareholdings, certain Directors holding office at the end of the financial year had interests in warrants to subscribe for ordinary shares of the Company or its related corporations as set out below:

	No. of unissued warrants and RSU	
	At 31.1.2025	At 1.2.2024
Ultimate Holding Corporation - Yinson Holdings Berhad		
(Warrants to acquire ordinary shares)		
Lim Chern Yuan	**324,710**	324,710
Flemming Grønnegaard	**135,977**	135,977
Chai Jia Jun	**300,000**	300,000
Jahn Atle Høgberg	**86,957**	86,957
(Restricted Share Units ("RSU"))		
Lim Chern Yuan	**2,275,833**	1,683,242
Flemming Grønnegaard	**860,252**	510,355
Andrew Choy Wei Nung	**501,257**	320,531
Chai Jia Jun	**381,315**	143,999
Jahn Atle Høgberg	**258,695**	115,791

Share options

No options were granted during the financial year to subscribe for unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept reappointment.

Signed on behalf of the Board of Directors in accordance with a resolution dated 30 May 2025:

Flemming Grønnegaard

Chai Jia Jun
Director

Flemming Grønnegaard
Director

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF YINSON PRODUCTION OFFSHORE PTE LTD

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Yinson Production Offshore Pte. Ltd. ("the Company") and its subsidiaries ("the Group") and the financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act"), Singapore Financial Reporting Standards (International) ("SFRS(I)s") and IFRS Accounting Standards ("IFRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 January 2025 and of the financial performance, changes in equity and cash flows of the Group and of the Company for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the income statements of the Group and of the Company for the financial year ended 31 January 2025;
- the statements of comprehensive income of the Group and of the Company for the financial year ended 31 January 2025;
- the statements of financial position of the Group and of the Company as at 31 January 2025;
- the statements of changes in equity of the Group and of the Company for the financial year ended 31 January 2025;
- the statements of cash flows of the Group and of the Company for the financial year ended 31 January 2025; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's 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

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF YINSON PRODUCTION OFFSHORE PTE LTD (continued)

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement and Enterprise Reporting but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements 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, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I)s and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 SSAs 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 SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Identify and assess the risks of material misstatement of the financial statements, 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.
- 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 30 May 2025

YINSON PRODUCTION OFFSHORE PTE LTD AND ITS SUBSIDIARIES

INCOME STATEMENTS
For the financial year ended 31 January 2025

	Note	Group		Company	
		2025	2024	**2025**	2024
		USD million	USD million	**USD million**	USD million
Revenue	6	**1,616**	2,506	**244**	121
Cost of sales	7	**(1,044)**	(1,870)	**-**	-
Gross profit		**572**	636	**244**	121
Other items of income					
Interest income		**18**	11	**2**	1
Other operating income	8	**9**	11	**1**	^
Other non-operating income	9	**109**	-	**-**	-
Other items of expenses					
Administrative expenses	10	**(90)**	(54)	**(90)**	(69)
Finance costs	12	**(341)**	(175)	**(64)**	(20)
Share of profit of joint ventures		**9**	4	**-**	-
Share of loss of associates		**(^)**	(^)	**-**	-
Profit before tax		**286**	433	**93**	33
Income tax credit/(expenses)	13	**106**	(114)	**^**	1
Profit for the financial year		**392**	319	**93**	34
Attributable to:					
Owners of the Company		**317**	279	**93**	34
Non-controlling interests		**75**	40	**-**	-
		392	319	**93**	34

^ Below USD 1 million.

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 January 2025

	Note	Group		Company	
		2025 **USD million**	2024 USD million	**2025** **USD million**	2024 USD million
Profit for the financial year		**392**	319	**93**	34
Other comprehensive Income/(loss)					
Items that will be reclassified subsequently to profit or loss:					
- Cash flows hedge reserve		**53**	27	**-**	-
- Reclassification of changes in fair value of cash flow hedges	12	**(52)**	(39)	**-**	-
Other comprehensive income/(loss) for the financial year		**1**	(12)	**-**	-
Total comprehensive income for the financial year		**393**	307	**93**	34
Attributable to:					
Owner of the Company		**325**	268	**93**	34
Non-controlling interests		**68**	39	**-**	-
		393	307	**93**	34

The accompanying notes form an integral part of these financial statements.

YINSON PRODUCTION OFFSHORE PTE LTD AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION
As at 31 January 2025

	Note	Group 2025 USD million	Group 2024 USD million	Company 2025 USD million	Company 2024 USD million
Assets					
Non-current assets					
Property, plant and equipment	15	**651**	692	**6**	12
Intangible assets	16	**30**	43	**^**	1
Investment in subsidiaries	17	**-**	-	**555**	400
Investment in joint ventures	18	**481**	78	**-**	-
Investment in associates	19	**4**	4	**3**	3
Other receivables	20	**11**	17	**291**	291
Other assets	21	**14**	4	**-**	-
Finance lease receivables	22(a)	**1,975**	1,785	**-**	-
Deferred tax assets	23	**15**	4	**1**	1
Derivatives	24	**70**	73	**-**	-
Contract assets	6(b)	**1,180**	1,965	**-**	-
		4,431	4,665	**856**	708
Current assets					
Inventories	25	**12**	16	**-**	-
Other assets	21	**36**	49	**4**	3
Contract assets	6(b)	**114**	72	**-**	-
Tax recoverable		**4**	3	**-**	-
Derivatives	24	**7**	8	**-**	-
Finance lease receivables	22(a)	**42**	34	**^**	-
Trade and other receivables	20	**146**	156	**688**	744
Cash and bank balances	26	**575**	576	**186**	160
		936	914	**878**	907
Total assets		**5,367**	5,579	**1,734**	1,615
Equity and liabilities					
Equity					
Share capital	27	**1,014**	1,014	**1,014**	1,014
Reserves	28	**58**	45	**-**	-
Retained earnings		**780**	544	**40**	37
Equity attributable to owner of the Company		**1,852**	1,603	**1,054**	1,051
Non-controlling interests		**69**	158	**-**	-
Total equity		**1,921**	1,761	**1,054**	1,051
Non-current liabilities					
Loans and borrowings	29	**2,927**	2,701	**-**	373
Lease liabilities	22(b)	**8**	12	**^**	4
Contract liabilities	6(b)	**45**	52	**-**	-
Other payables	30	**-**	97	**582**	47
Derivatives	24	**-**	6	**-**	-
Deferred tax liabilities	23	**-**	124	**-**	-
		2,980	2,992	**582**	424
Current liabilities					
Loans and borrowings	29	**162**	185	**-**	46
Lease liabilities	22(b)	**6**	5	**4**	4
Contract liabilities	6(b)	**15**	11	**-**	-
Trade and other payables	30	**268**	588	**94**	90
Put option liability	28(c)	**-**	5	**-**	-
Tax payables		**15**	32	**-**	-
		466	826	**98**	140
Total liabilities		**3,446**	3,818	**680**	564
Total equity and liabilities		**5,367**	5,579	**1,734**	1,615

^ Below USD 1 million

The accompanying notes form an integral part of these financial statements.

YINSON PRODUCTION OFFSHORE PTE LTD AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 January 2025

	Attributable to owner of the Company								
	Share capital USD million (Note 27)	**Foreign currency translation reserve USD million (Note 28(a))**	**Cash flows hedge reserve USD million (Note 28(b))**	**Put option reserve USD million (Note 28(c))**	**Capital reserve USD million (Note 28(d))**	**Retained earnings USD million**	**Total USD million**	**Non-controlling interests USD million**	**Total equity USD million**
Group									
2025									
At 1 February 2024	1,014	4	54	(5)	(8)	544	1,603	158	1,761
Profit for the financial year	-	-	-	-	-	317	317	75	392
Other comprehensive income/(loss)	-	-	8	-	-	-	8	(7)	1
Total comprehensive income	-	-	8	-	-	317	325	68	393
Transactions with owners									
Cash dividends to owner of the Company (Note 14)	-	-	-	-	-	(90)	(90)	-	(90)
Transaction with non-controlling interests (Note 39)	-	-	-	-	-	9	9	(113)	(104)
Cash dividends to non-controlling interest (Note 17(b))	-	-	-	5	-	-	5	(44)	(39)
Total transactions with owners	-	-	-	5	-	(81)	(76)	(157)	(233)
At 31 January 2025	1,014	4	62	-	(8)	780	1,852	69	1,921

The accompanying notes form an integral part of these financial statements.

YINSON PRODUCTION OFFSHORE PTE LTD AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 January 2025

	Attributable to owner of the Company								
	Share capital USD million (Note 27)	Foreign currency translation reserve USD million (Note 28(a))	Cash flows hedge reserve USD million (Note 28(b))	Put option reserve USD million (Note 28(c))	Capital reserve USD million (Note 28(d))	Retained earnings USD million	Total USD million	Non-controlling interests USD million	Total equity USD million
Group									
2024									
At 1 February 2023	1,104	4	65	(15)	(8)	301	1,451	129	1,580
Profit for the financial year	-	-	-	-	-	279	279	40	319
Other comprehensive loss	-	-	(11)	-	-	-	(11)	(1)	(12)
Total comprehensive income	-	-	(11)	-	-	279	268	39	307
Transactions with owners									
Cash dividends to owner of the Company (Note 14)	-	-	-	-	-	(36)	(36)	-	(36)
Cash dividends to a non-controlling interest (Note 17(b)(i))	-	-	-	10	-	-	10	(10)	-
Capital reduction to owner of the Company (Note 27)	(90)	-	-	-	-	-	(90)	-	(90)
Total transactions with owners	(90)	-	-	10	-	(36)	(116)	(10)	(126)
At 31 January 2024	1,014	4	54	(5)	(8)	544	1,603	158	1,761

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 January 2025

	Attributable to owner of the Company		
	Share capital USD million (Note 27)	**Retained earnings USD million**	**Total USD million**
Company			
At 1 February 2023	1,104	39	1,143
Profit and total comprehensive income for the financial year	-	34	34
Transactions with owner			
Cash dividends to owner of the Company (Note 14)	-	(36)	(36)
Capital reduction to owner of the Company (Note 27)	(90)	-	(90)
Total transactions with owner	(90)	(36)	(126)
At 31 January 2024 and 1 February 2024	**1,014**	**37**	**1,051**
Profit and total comprehensive income for the financial year	**-**	**93**	**93**
Transactions with owner			
Cash dividends to owner of the Company (Note 14)	**-**	**(90)**	**(90)**
Total transactions with owner	**-**	**(90)**	**(90)**
At 31 January 2025	**1,014**	**40**	**1,054**

The accompanying notes form an integral part of these financial statements.

YINSON PRODUCTION OFFSHORE PTE LTD AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS
For the financial year ended 31 January 2025

	Note	Group **2025** **USD million**	Group 2024 USD million	Company **2025** **USD million**	Company 2024 USD million
Cash flows from operating activities					
Profit before tax		**286**	433	**93**	33
Adjustments for:					
Amortisation of intangible assets	16	**13**	13	**^**	^
Depreciation of property, plant and equipment	15	**57**	50	**6**	6
Dividend income from subsidiaries	6	**-**	-	**(172)**	(52)
Finance costs	12	**341**	175	**64**	20
Finance lease income	6	**(286)**	(195)	**-**	-
Impairment loss on investment in subsidiaries	10	**-**	-	**1**	1
Gain on disposal of subsidiaries	9	**(105)**	-	**-**	-
Interest income		**(18)**	(11)	**(2)**	(1)
Net compensation income from termination of an anticipated FPSO project	8	**-**	(8)	**-**	-
Remeasurement of finance lease receivables	6	**(84)**	(93)	**-**	-
Share of profit of joint ventures		**(9)**	(4)	**-**	-
Share of loss of associates		**^**	^	**-**	-
Unrealised loss/(gain) on foreign exchange		**2**	3	**(1)**	^
Operating cash flows before working capital changes		**197**	363	**(11)**	7
Changes in working capital:					
Inventories		**(7)**	(10)	**-**	-
Receivables		**38**	97	**(23)**	(6)
Other assets		**3**	117	**(1)**	(1)
Payables		**(303)**	307	**10**	7
Contract assets		**(792)**	(1,357)	**-**	-
Contract liabilities		**(1)**	(214)	**-**	-
Cash flows (used in)/generated from operations		**(865)**	(697)	**(25)**	7
Finance lease payments received		**299**	213	**-**	-
Finance cost paid		**(4)**	(1)	**(^)**	(^)
Interest received		**18**	11	**2**	1
Taxes paid		**(90)**	(52)	**-**	(1)
Net cash flows (used in)/ generated from operating activities		**(642)**	(526)	**(23)**	7

^ Below USD 1 million.

YINSON PRODUCTION OFFSHORE PTE LTD AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

For the financial year ended 31 January 2025

	Note	Group		Company	
		2025	2024	**2025**	2024
		USD million	USD million	**USD million**	USD million
Cash flows from investing activities					
Purchase of intangible assets	16	**-**	(1)	**^**	(1)
Purchase of property, plant and equipment	15(a)	**(13)**	(8)	**(^)**	(3)
Investments in subsidiaries		**-**	-	**(157)**	(86)
Investments in associates		**-**	(3)	**-**	(3)
Disposal of subsidiary, net of cash and cash equivalent	39	**(47)**	-	**-**	-
Fixed deposits placement with maturity period over 3 months		**1**	(2)	**-**	-
Dividend received from subsidiaries	6	**-**	-	**172**	52
Dividend received from joint ventures		**7**	8	**-**	-
Advance to subsidiaries		**-**	-	**(49)**	(177)
Repayment of advances to subsidiaries		**-**	-	**128**	238
Repayment of advances to immediate holding company		**-**	7	**-**	-
Net cash flows (used in)/ generated from investing activities		**(52)**	1	**94**	20
Cash flows from financing activities					
Dividends paid to immediate holding company	14	**(90)**	(36)	**(90)**	(36)
Dividends paid to non-controlling interests		**(44)**	(10)	**-**	-
Advances from immediate holding company		**27**	-	**27**	-
Advances from subsidiaries		**-**	-	**590**	81
Advances from related companies		**-**	74	**-**	74
Repayment of advances from immediate holding company		**(74)**	(39)	**(74)**	(39)
Repayment of advances from subsidiaries		**-**	-	**(12)**	(69)
Repayment of advances from related companies		**-**	(211)	**-**	(211)
Finance costs paid[(i)]		**(254)**	(140)	**(51)**	(34)
Drawdown of borrowings, net of transaction costs		**802**	1,397	**-**	430
Proceeds from issue of bonds, net of transaction costs		**1,593**	-	**-**	-
Repayment of term loans		**(1,271)**	(115)	**(430)**	-
Repayment of lease liabilities		**(9)**	(6)	**(5)**	(5)
Capital reduction to owner of the Company		**-**	(90)	**-**	(90)
Capital reduction to non-controlling interests	39	**(30)**	-	**-**	-
Proceeds from partial disposal of shareholdings in a subsidiary	39	**44**	-	**-**	-
Net cash flows generated from/ (used in) financing activities		**694**	824	**(45)**	101

^ Below USD 1 million.

The accompanying notes form an integral part of these financial statements.

YINSON PRODUCTION OFFSHORE PTE LTD AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS
For the financial year ended 31 January 2025

	Note	Group		Company	
		2025 USD million	2024 USD million	**2025 USD million**	2024 USD million
Net increase in cash and cash equivalents		**^**	299	**26**	128
Cash and cash equivalents at beginning of financial year		**554**	255	**160**	32
Cash and cash equivalents at end of financial year	26	**554**	554	**186**	160

^ Below USD 1 million.

Non-cash transactions

(i) Included in the Group's finance cost paid is finance cost relating to interest rate swaps of USD 52 million (2024: USD 39 million) received in the current financial year.

Reconciliation of liabilities arising from financing activities

	Note	Amounts due to immediate holding company USD million	Amounts due to ultimate holding company USD million	Amounts due to related companies USD million	Loans and borrowings USD million	Lease liabilities USD million	Total USD million
Group							
At 1 February 2023		86	7	141	1,569	18	1,821
Cash inflows/(outflows)							
Drawdown		-	-	-	1,397	-	1,397
Repayment		-	-	-	(115)	(6)	(121)
Finance costs paid		-	-	(16)	(162)	(1)	(179)
Advances		-	-	74	-	-	74
Repayment of advances		(39)	-	(211)	-	-	(250)
Changes in working capital within operating activities		-	1	-	-	-	1
Non-cash changes							
Addition to lease liabilities		-	-	-	-	5	5
Finance costs		-	-	13	197	1	211
At 31 January 2024 and 1 February 2024	22(b), 29, 30	47	8	1	2,886	17	2,959
Cash inflows/(outflows)							
Drawdown		**-**	**-**	**-**	**2,395**	**-**	**2,395**
Repayment		**-**	**-**	**-**	**(1,271)**	**(9)**	**(1,280)**
Finance costs paid		**-**	**-**	**-**	**(305)**	**(1)**	**(306)**
Advances		**27**	**-**	**-**	**-**	**-**	**27**
Repayment of advances		**(74)**	**-**	**-**	**-**	**-**	**(74)**
Changes in working capital within operating activities		**-**	**(5)**	**(1)**	**-**	**-**	**(6)**
Non-cash changes							
Addition to lease liabilities		**-**	**-**	**-**	**-**	**6**	**6**
Finance costs		**-**	**-**	**-**	**388**	**1**	**389**
Disposal of subsidiaries	39	**-**	**-**	**-**	**(1,004)**	**-**	**(1,004)**
At 31 January 2025	22(b), 29, 30	**-**	**3**	**^**	**3,089**	**14**	**3,106**

YINSON PRODUCTION OFFSHORE PTE LTD AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS
For the financial year ended 31 January 2025

Reconciliation of liabilities arising from financing activities (continued)

	Note	Amounts due to immediate holding company USD million	Amounts due to ultimate holding company USD million	Amounts due to related companies USD million	Amounts due to subsidiaries USD million	Loans and borrowings USD million	Lease liabilities USD million	Total USD million
Company								
At 1 February 2023		86	2	141	60	-	9	298
Cash inflows/(outflows)								
Drawdown		-	-	-	-	430	-	430
Repayment		(39)	-	(211)	(69)	-	(5)	(324)
Finance costs paid		-	-	(16)	-	(17)	(1)	(34)
Advances		-	-	73	81	-	-	154
Changes in working capital within operating activities		-	4	-	(2)	-	-	2
Non-cash changes								
Addition to lease liabilities		-	-	-	-	-	4	4
Finance costs	12	-	-	13	-	6	1	20
At 31 January 2024 and 1 February 2024	22(b), 29, 30	47	6	-	70	419	8	550
Cash inflows/(outflows)								
Repayment		**(74)**	**-**	**-**	**(12)**	**(430)**	**(5)**	**(521)**
Finance costs paid		**-**	**-**	**-**	**(40)**	**(11)**	**-**	**(51)**
Advances		**27**	**-**	**-**	**590**	**-**	**-**	**617**
Changes in working capital within operating activities		**-**	**(4)**	**1**	**^**			**(3)**
Non-cash changes								
Addition to lease liabilities		**-**	**-**	**-**	**-**	**-**	**^**	**^**
Finance costs	12	**-**	**-**	**-**	**40**	**22**	**1**	**63**
At 31 January 2025	22(b), 29, 30	**-**	**2**	**1**	**648**	**-**	**4**	**655**

^ Below USD 1 million.

1. Corporate information

Yinson Production Offshore Pte Ltd (the "Company" or "YPOPL") and its subsidiaries ("the Group") is incorporated and domiciled in Singapore. The address of its registered office is 3 Church Street, #18-01 Samsung Hub, Singapore 049483.

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 17 to the financial statements.

The immediate holding company is Yinson Global Corporation (S) Pte. Ltd.("YGCSPL"), incorporated in Singapore. On 20 May 2025, as part of an internal restructuring, YGCSPL transferred 100% of YPOPL's shares to its subsidiary, Yinson Production Offshore Holding Ltd. ("YPOHL"), which is incorporated in the United Kingdom, resulting in a change in the immediate holding company. Yinson Holdings Berhad ("YHB"), incorporated and listed in Malaysia, is the ultimate holding company.

The financial statements are presented in United States Dollar ("USD"), which is also the Company's functional currency. Unless otherwise indicated, the amounts in these financial statements have been rounded to the nearest million.

2. Material accounting policy information

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

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") and IFRS Accounting Standards ("IFRSs"), as issued by the Accounting and Corporate Regulatory Authority ("ACRA") and International Accounting Standards Board ("IASB") respectively. The Directors wish to affirm the financial statements have met the requirements of SFRS(I) 1-1 and International Accounting Standard 1 – Presentation of Financial Statements. All references to SFRS(I)s and IFRSs are referred collectively as SFRS(I)s in these financial statements, unless specified otherwise.

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

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

2.2 Consolidation

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.

2. Material accounting policy information (continued)

2.2 Consolidation (continued)

When the Group has less than a majority of the voting or similar rights in an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
(i) the contractual arrangement with the other vote holders of the investee;
(ii) rights arising from other contractual arrangements; and
(iii) the Group's voting rights and potential voting rights.

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

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

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

2.3 Business combinations and goodwill

Common control business combinations

Business combinations involving entities under common control are accounted for by applying predecessor accounting. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the "acquired" entity is reflected within equity as capital reserve. The consolidated statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. The comparative information is restated to reflect the consolidated results of combining entities.

Other business combinations

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

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

2. Material accounting policy information (continued)

2.3 Business combinations and goodwill (continued)

Other business combinations (continued)

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

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

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

Loss of control

Upon loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and other components of equity related to the former subsidiary from the consolidated statement of financial position except when the retained interest is a joint venture where the Group's retained interest in the assets and liabilities of the former subsidiary are not derecognised. Any surplus or deficit arising from the loss of control is recognised in the profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost except when the retained interest is a joint venture where such interest is measured at its carrying amount. Subsequently, it is accounted for as an equity-accounted investee.

2.4 Investments in subsidiaries, associates and joint ventures

(a) Subsidiaries

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

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

(b) Associates and joint ventures

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

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

The Group’s investments in its associates and joint ventures are accounted for using the equity method.

2. Material accounting policy information (continued)

2.4 Investments 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. In the event in which a bargain purchase arises when there is an excess of the Group's additional share of the fair value of the associate's or joint venture's net assets over the cost of acquiring the additional stake, the Group has elected to deduct any gain on bargain purchase from goodwill. Any excess is recorded as other income in profit or loss.

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

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

2.5 Current versus non-current classification

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

(i) expected to be realised or intended to be sold or consumed in its normal operating cycle;
(ii) held primarily for the purpose of trading;
(iii) expected to be realised within twelve months after the reporting period; or
(iv) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

(i) it is expected to be settled in its normal operating cycle;
(ii) it is held primarily for the purpose of trading;
(iii) it is due to be settled within twelve months after the reporting period; or
(iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

2. Material accounting policy information (continued)

2.6 Fair value measurement

The Group measures financial instruments, such as derivatives, at fair value at each reporting date.

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

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

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

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

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

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

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

The Group’s senior management determines the policies and procedures for recurring fair value measurement.

External valuers are involved for valuation of significant non-financial assets. Involvement of external valuers is decided by the senior management after discussion with and approval by the ultimate holding 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.

2. Material accounting policy information (continued)

2.6 Fair value measurement (continued)

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

2.7 Revenue from contracts with customers

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

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

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

Step 1: Identify contracts with customers;
Step 2: Identify the separate performance obligations;
Step 3: Determine the transaction price of the contract;
Step 4: Allocate the transaction price to each of the separate performance obligations; and
Step 5: Recognise the revenue as each performance obligation is satisfied.

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

(i) Engineering, Procurement, Construction, Installation and Commissioning (“EPCIC”) of Floating Production, Storage and Offloading (“FPSO”) and Floating, Storage and Offloading (“FSO”) vessels

The Group provides design, supply, installation, operation, life extension and demobilisation of FPSO and FSO vessels. The vessel is constructed and leased to a customer on a finance lease arrangement (EPCIC contracts). The vessel is operated by the Group, under a separate operating and maintenance agreement, after transfer to the customer.

The contract includes multiple deliverables (such as Front-End Engineering Design (“FEED”), engineering, construction, procurement, installation, maintenance, operating services, demobilisation). The Group assesses the level of integration between different deliverables and ability of the deliverables to be performed by another party. Based on this assessment, the Group concludes whether the multiple deliverables are a single, or separate, performance obligation(s).

The EPCIC contract generally comprise a single performance obligation due to significant integration of the activities involved.

The Group determines the transaction price based on consideration stated in the EPCIC contract and transaction price is allocated to performance obligations in the contract based on the relative stand-alone selling prices. The EPCIC contract has agreed fixed pricing terms and a fixed lump sum.

Finance lease arrangements under which the Group constructs and delivers an FPSO vessel to a customer (manufacture lease) are treated as disclosed in Note 2.13(b), therefore the transaction price is determined as the lower of (i) the fair value of the underlying leased FPSO, or (ii) the present value of the future lease payments accruing to the lessor plus any unguaranteed residual value accruing to it, discounted using a market rate of interest. In order to determine the revenue to be recognised based on this policy, the Group determines discounting using a market rate of interest that takes into account among others: time value of money, financing structure, country risk and risk profile of a client and project.

2. Material accounting policy information (continued)

2.7 Revenue from contracts with customers (continued)

(i) Engineering, Procurement, Construction, Installation and Commissioning ("EPCIC") of Floating Production, Storage and Offloading ("FPSO") and Floating, Storage and Offloading ("FSO") vessels (continued)

At contract inception, the Group assesses whether the Group renders EPCIC services and transfers control under SFRS(I) 15 of the FPSO vessel over time or at a point in time by determining if (a) its performance does not create an asset with an alternative use to the Group; and (b) the Group has an enforceable right to payment for performance completed to date.

Where the FPSO vessel has no alternative use for the Group due to contractual restriction, and where the Group has enforceable rights to payment arising from the contractual terms, revenue is recognised over time by reference to the Group's progress towards completing the EPCIC of the FPSO vessels. Otherwise, revenue is recognised at a point in time.

The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs. Costs incurred that are not related to the EPCIC contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress.

Management has determined that the input method best depicts the Group's progress towards complete satisfaction of the performance to the customer under its ongoing EPCIC contract, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for these contracts.

An element of significant financing under SFRS(I) 15 is deemed present in one of the Group's constructions FPSO project. In determining the construction revenue, the Group adjusts for the effects of the significant financing component using a discount rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception, such that it reflects the credit characteristics of the party receiving financing in the contract.

Up to the point that the Group can reasonably measure the outcome of the performance obligation, revenue is only recognised to the extent of costs incurred.

Estimates of revenues, costs, or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Due to the nature of the services performed, variation orders and claims are commonly billed to customers in the normal course of business. The variation orders and claims are modifications of contracts that are usually not distinct and are therefore normally considered as part of the existing performance obligation. Variable consideration is included in the transaction only to the extent that it is a highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Group can agree on various payment arrangements which generally reflect the progress of delivered performance obligations. If the value of the goods transferred by the Group exceed the billings, a contract asset (refer to Note 2.7(iv) for the accounting policy on contract assets) is recognised. If the billings exceed the value of the goods transferred, a contract liability (refer to Note 2.7(v) for the accounting policy on contract liabilities) is recognised.

2. Material accounting policy information (continued)

2.7 Revenue from contracts with customers (continued)

(i) Engineering, Procurement, Construction, Installation and Commissioning ("EPCIC") of Floating Production, Storage and Offloading ("FPSO") and Floating, Storage and Offloading ("FSO") vessels (continued)

For costs incurred in fulfilling the contract which are within the scope of another SFRS(I) (e.g. Inventories), these have been accounted for in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will capitalise these as contract costs assets only if (a) these cost relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these cost generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue over time. An impairment loss is recognised in the profit or loss to the extent that the carrying amount of capitalised contract costs exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

(ii) Offshore maintenance support and rendering of services

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

The Group recognises revenue from offshore maintenance support and rendering of services over time, using an input method, measuring the inputs put in relative to the total expected inputs needed to transfer the promised services to the customer. Revenue is recognised on a straight-line basis as the inputs are expended evenly throughout the period. Revenue is recognised as and when the performance obligations are satisfied by the Group. The credit terms to customers is generally for a period of 30 to 60 days.

(iii) Management fees

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

(iv) Contract assets

Contract assets as defined in SFRS(I) 15 represent the Group's construction work-in-progress. Construction work-in-progress is the Group's right to consideration in exchange for goods and services that the Group has transferred to the customer. The Group's contract assets are measured as accumulated revenue recognised over time based on progress of the project net of instalments invoiced to date. The invoiced instalments represent the contractually agreed unconditional milestone payments during the construction period and these amounts are classified as trade receivables until the amount is paid. The Group recognises any losses from onerous contracts under provisions in line with SFRS(I) 1-37.

(v) Contract liabilities

The Group recognises a contract liability where instalments are invoiced or received in advance of satisfying the performance obligation towards the customer. Included in contract liabilities is also deferred income relating to charter income received in advance which are deferred and amortised on a straight-line basis over the contract period.

2. Material accounting policy information (continued)

2.8 Revenue from other sources

The Group and the Company recognise revenue from other sources as follows:

(i) Chartering of FPSOs

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

(ii) Dividend income

Dividend income from subsidiaries, associates and joint ventures is recognised when the Company's right to receive payment is established.

(iii) Interest income

Interest income from financial assets at amortised costs is recognised using the effective interest rate method.

2.9 Taxes

(a) Current income tax

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

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

(b) Deferred tax

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

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

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

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

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

2. Material accounting policy information (continued)

2.10 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in United States Dollar, which is also the Company’s functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

However, exchange differences are deferred in OCI when they arose from qualifying cash flow or net investment hedges or are attributable to items that form part of the net investment in a foreign operation.

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

(c) Group companies

The results and financial position of all the Group’s 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 for the financial years (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

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

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

2.11 Cash dividend to owner of the Company

The Company recognises a liability to make cash distributions to owner of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company.

2. Material accounting policy information (continued)

2.12 Property, plant and equipment

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

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

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

Motor vehicles	5 - 10 years
FPSO	Lease term of 20 years
Electrical installation (under other assets)	3 years
Renovation, office equipment, furniture and fittings (under other assets)	3 - 10 years
Capital spares (under other assets)	22.5 - 25 years

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

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

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

2.13 Leases

(a) Accounting by lessee

Leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use by the Group (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group is a lessee, it has elected the practical expedient provided in SFRS(I) 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

2. Material accounting policy information (continued)

2.13 Leases (continued)

(a) Accounting by lessee (continued)

Lease term

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group reassesses the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. See accounting policy below on reassessment of lease liabilities.

ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

ROU assets are presented as part of property, plant and equipment in the statements of financial position of the Group and the Company.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase and extension options if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

2. Material accounting policy information (continued)

2.13 Leases (continued)

(a) Accounting by lessee (continued)

Lease liabilities (continued)

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that are not based on an index or rate are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Lease liabilities are presented as a separate line item in the statements of financial position of the Group and the Company. Interest expense on the lease liability is presented within finance cost in profit or loss.

Reassessment of lease liabilities

The Group is also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

Short-term leases and leases of low-value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office furniture. Payments associated with short-term leases of vehicles and properties and all leases of low-value assets are recognised on a straight-line basis over the lease term as an expense in profit or loss.

(b) Accounting by lessor

As a lessor, the Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset, the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset at the inception of the lease and the lessee has the option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised.

Finance lease

The Group classifies a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group derecognises the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset. The lease payments include fixed payments, variable lease payments that depend on an index or a rate and unguaranteed residual value of the leased asset.

Variable lease payments that do not depend on an index or a rate are recognised as revenue in the period in which the event or condition that triggers the payment occurs.

2. Material accounting policy information (continued)

2.13 Leases (continued)

(b) Accounting by lessor (continued)

Finance lease (continued)

Initial direct costs are also included in the initial measurement of the net investment. The net investment is subject to SFRS(I) 9 impairment (refer to Note 2.16(ii) on impairment of financial assets). In addition, the Group reviews regularly the estimated unguaranteed residual value.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return. The Group revises the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

Where a lease is determined to be a finance lease at lease inception and the Group is a manufacturer-lessor, the Group recognises selling profit or loss on a finance lease as follows:

- Revenue is the fair value of the underlying leased asset or, if lower, the present value of the lease payments accruing to the lessor, discounted using a market rate of interest;
- Cost of sale is the cost, or carrying amount (if different), of the underlying leased asset, less the present value of the unguaranteed residual value; and
- Selling profit or loss is the difference between revenue and the cost of sale, and is recognised in accordance with the principles in SFRS(I) 15 (Note 2.7(i)).

Changes in variable lease payments that depend on an index or a rate that occur subsequent to initial measurement are included in the lease payments at lease commencement and upon subsequent adjustments to the charter rates that are agreed with customers. These changes are accounted for as a re-measurement of the net investment in a finance lease and recognised as revenue in the period in which the change occurs.

Operating lease

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

Separating lease and non-lease components

If an arrangement contains lease and non-lease components, the Group allocates the consideration in the contract to the lease and non-lease components based on the stand-alone selling prices in accordance with the principles in SFRS(I) 15.

2.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset, until such time all the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they occur.

2. Material accounting policy information (continued)

2.15 Intangible assets

(i) Computer software

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

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

(ii) Contract rights

Contractual rights and obligations for a customer contract are recognised at its fair value at the date of acquisition and subsequently amortised over the contract period of 8 years upon commencement of charter.

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

2.16 Financial instruments

(i) Financial assets

(a) Classification, initial recognition and measurement

The Group classifies its financial assets in the following measurement categories:

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

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

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

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

2. Material accounting policy information (continued)

2.16 Financial instruments (continued)

(i) Financial assets (continued)

(b) Subsequent measurement

Debt instruments

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

(i) Financial assets at amortised cost

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

(ii) Financial assets at fair value through other comprehensive income ("FVOCI")

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

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

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

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

Financial assets at FVTPL are carried in the statements of financial position at fair value with net changes in fair value presented as administrative expenses (negative net changes in fair value) or other income (positive net changes in fair value) in profit or loss.

2. Material accounting policy information (continued)

2.16 Financial instruments (continued)

(ii) Impairment of financial assets

The Group and the Company assess on a forward looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group and the Company have four types of financial instruments that are subject to the ECL model:

(i) Trade and other receivables;
(ii) Contract assets;
(iii) Finance lease receivables;
(iv) Cash and bank balances; and
(v) Derivatives.

While contract assets and cash and bank balances are also subject to the impairment requirements of SFRS(I) 9, there was no impairment loss identified.

ECL represent a probability-weighted estimate of the difference between the present value of cash flows according to contracts and the present value of cash flows the Group and the Group expect to receive, over the remaining life of the financial instrument. For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Company expects to receive from the holder, the debtor or any other party.

(a) General 3-stage approach for financial assets and contract assets at amortised cost

At each reporting date, the Group and the Company measure loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

Other financial assets at amortised cost comprise other receivables, finance lease receivables and cash and bank balances. The general 3-stage approach is applied for other financial assets at amortised cost other than trade receivables and contract assets.

The Group and the Company consider the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

2. Material accounting policy information (continued)

2.16 Financial instruments (continued)

(ii) Impairment of financial assets (continued)

(a) General 3-stage approach for financial assets and contract assets at amortised cost (continued)

The following indicators are incorporated:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor; and
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status and changes in the operating results of the debtor.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Note 35(b) sets out the measurement details of ECL.

(b) Simplified approach for trade receivables and contract assets

The Group and the Company apply the SFRS(I) 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and contract assets.

The Group and the Company define a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

The Group and the Company define a financial instrument as being in default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

Qualitative criteria

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

- the debtor is in breach of financial covenants;
- concessions have been made by the lender relating to the debtor's financial difficulty;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- the debtor is insolvent.

Financial instruments that are credit-impaired are assessed on individual basis.

Note 35(b) sets out the measurement details of ECL.

2. Material accounting policy information (continued)

2.16 Financial instruments (continued)

(iii) Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings, lease liabilities and derivative financial instruments.

(b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include derivative financial instruments and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by SFRS(I) 9 are classified as held for trading. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in SFRS(I) 9 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

When the basis to determine the future contractual cash flows of the borrowings are modified entirely as a result of IBOR reform, the Group applies the reliefs provided by the Phase 2 amendments related to IBOR reform to adjust the effective interest rate of the borrowings with no modification gain or loss is recognised.

(c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

2. Material accounting policy information (continued)

2.17 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

(a) amount initially recognised less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and
(b) the amount of expected loss allowance computed using the impairment methodology under Note 2.16(ii).

2.18 Derivative financial instruments

The Group uses derivative financial instruments, interest rate swaps, to hedge its interest rate risks and foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives that do not qualify for hedge accounting are classified as fair value through profit or loss and changes in fair value are recognised in profit or loss.

Derivatives that qualify for hedge accounting are designated as either:

(a) Hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or
(b) Hedges of a net investment in a foreign operation (net investment hedge).

The Group documents at the inception of the hedge relationship, the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis on whether the hedging relationship meets the hedge effectiveness requirements under SFRS(I) 9.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. For other derivative assets with a final maturity date beyond 12 months after the end of the reporting period, the Group classifies the portion expected to be settled within 12 months as a current asset and the portion expected to be settled beyond 12 months as a non-current asset.

For other derivative liabilities with a final maturity date later than 12 months after the end of the reporting period, for which no settlement will occur within 12 months, are classified in their entirety as non-current liabilities. However, for those derivatives with a final maturity date later than 12 months that have periodic cash settlements, including some occurring within 12 months, the Group classifies the portion due to be settled within 12 months as a current liability and the portion due to be settled later than 12 months as a non-current liability.

2. Material accounting policy information (continued)

2.18 Derivative financial instruments (continued)

(a) Cash flow hedge

For derivatives that qualify as cash flow hedges, the gain or loss relating to the ineffective portion of changes in the fair value is recognised in profit or loss. The gain or loss relating to the effective portion is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

Deferred tax is recognised on the temporary difference arising from the changes in the fair value of the hedging instrument recorded in other comprehensive income. The deferred tax effect is also recognised in other comprehensive income and accumulated in the Cash Flow Hedge Reserve.

When the hedged item impacts profit or loss, the deferred tax previously recognised in other comprehensive income is reclassified to profit or loss in line with the hedged item.

The Group amends its hedge documentation to reflect this change in designation by the end of the reporting period in which the changes are made. These amendments to the hedge documentation do not require the Group to discontinue its hedge relationships.

2.19 Inventories

Inventories comprise spare parts and consumables are valued at the lower of cost and net realisable value.

Purchase costs and other costs incurred in bringing the spare parts to its present location and condition are accounted for on a weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.20 Impairment of non-financial assets

The Group and the Company assess, 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 and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU fair value less costs of disposal and its value-in-use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses are recognised in the profit or loss in expense categories consistent with the function of the impaired asset.

2. Material accounting policy information (continued)

2.20 Impairment of non-financial assets (continued)

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase in revaluation reserve.

2.21 Cash and bank balances

Cash and bank balances in the statements of financial position comprise cash at banks, cash on hand and short-term deposits with a maturity of three months or less, for purpose of short-term working capital rather than for investment or other purposes, that are convertible to known amounts of cash and is not subject to significant risk of change in value.

2.22 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the profit or loss net of any reimbursement.

2.23 Employee benefits

(a) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(b) Defined contribution plans

The Group's contributions to defined contribution plans are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further financial obligations.

2.24 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.

2. Material accounting policy information (continued)

2.24 Share capital (continued)

(iii) Dividend distribution

A liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

Distributions to holders of an equity instrument is recognised directly in equity.

2.25 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.

Details on the Group's impairment policies of trade and other receivables are provided in Note 2.16(ii).

2.26 Contract cost assets

The Group's non-current contract cost assets as at 31 January 2025 is related to modification work on an FPSO Abigail Joseph vessel chartered to First Exploration and Petroleum Development Company Limited ("FEP") which is expected to complete in the financial year ended 31 January 2027. Management has assessed the recoverability of the capitalised costs and considers it probable that the costs will be recovered, based on the commencement of the charter, the agreed scope of modifications, and the vessel's operational readiness.

2.27 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.

2.28 Put option liability

The Group recognises a liability for an option granted to a non-controlling interest to sell its equity stake back to the Group at their original consideration less dividends and proceeds from capital reduction received by then upon occurrence of conditions set out in the shareholders agreement. A corresponding amount is recognised directly in equity as put option reserve.

3. Standards, amendments to published standards and interpretations, which are applicable and adopted by the Group and the Company

The Group and the Company have applied the following standards and amendments for the first time for the financial year beginning on 1 February 2024:

(i) Amendments to SFRS(I) 16 “Lease Liability in a Sale and Leaseback”
(ii) Amendments to SFRS(I) 1-1 “Classification of liabilities as current or non-current” and “Non-current Liabilities with Covenants”
(iii) Amendments to SFRS(I) 1-7 and SFRS(I) 7 “Supplier Finance Arrangements”

The adoption of the above amendments to published standards does not have any material impact to the Group and the Company for the financial year ended 31 January 2025.

Amendments to SFRS(I) 1-12 “International Tax Reform-Pillar Two Model Rules”

The Group has applied the temporary exception issued by Accounting Standards Committee under Accounting and Corporate Regulatory Authority (“ACRA”) and International Accounting Standards Board (“IASB”) in May 2023 from the accounting requirements for deferred taxes in SFRS(I) 1-12 Income taxes, which is applicable and adopted by the Group for the financial year beginning on 1 February 2023. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

As the Group may be impacted by Base Erosion and Profit Shifting (“BEPS”) rules, it continues to assess their potential financial impact. It should be noted that the impact can only be finally determined when legislation is enacted in the relevant jurisdictions. Once the final legislation is enacted in all jurisdictions in which the Group operates and a full assessment of the impact is completed, the Group will be able to conclude on the implications of BEPS rules.

4. Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective

(a) Financial year beginning on/after 1 February 2026

(i) Amendments to SFRS(I) 9 and SFRS(I) 7 “Amendments to the Classification and Measurement of Financial Instruments”

Amendments to SFRS(I) 9 and SFRS(I) 7 “Amendments to the Classification and Measurement of Financial Instruments” have:

- require financial assets to be derecognised on the date the contractual rights to the cash flows expire and financial liabilities to be derecognised when obligation under the contract is discharged (i.e. the settlement date). In addition, there is an optional exception to derecognise financial liabilities before the settlement date for settlement using electronic payment systems (if specified criteria are met);
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (“SPPI”) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (“FVOCI”).

4. Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Company but not yet effective (continued)

(b) Financial year beginning on/after 1 February 2027

(i) SFRS(I) 18 "Presentation and Disclosure in Financial Statements"

SFRS(I) 18 "Presentation and Disclosure in Financial Statements" replaces IAS 1 "Presentation of Financial Statements".

- The new SFRS(I) introduces a new structure of profit or loss statement.
  (a) Income and expenses are classified into 3 new main categories:
    (i) Operating category which typically includes results from the main business activities;
    (ii) Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
    (iii) Financing category that presents income and expenses from financing liabilities.
  (b) Entities are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.
- Management-defined performance measures ("MPMs") are disclosed in a single note and reconciled to the most similar specified subtotal in SFRS(I) Accounting Standards.
- Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

The Group and the Company are currently assessing the impact of the adoption and application of the above new/amended standards.

The following amendments are not expected to have a significant impact on the consolidated financial statements of the Group:

(i) Amendments to SFRS(I) 1-21 "Lack of Exchangeability"
(ii) SFRS(I) 19 "Subsidiaries without Public Accountability: Disclosures"
(iii) Annual Improvements to SFRS(I) Accounting Standards for enhanced consistency

Other standards and amendments are not relevant for the Group and the Company.

5. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

5. Critical accounting estimates and judgements (continued)

(a) Finance leases - Group as lessor

The Group has determined, based on the analysis of the terms and conditions of the contract on assessing whether the Group retains the significant risks and rewards of ownership of the FPSO subject of the lease contract. To identify whether risks and rewards are retained, the Group systematically considers, amongst others, the indicators listed by SFRS(I) 16 “Leases” on a contract-by-contract basis. The Group makes significant judgements to determine whether the arrangement results in a finance lease or an operating lease. This judgement can have a significant effect on the amounts recognised in the financial statements and its recognition of profits in the future.

The most important judgement areas assessed by the Group in respect of finance leases are as follows:

- Revenue recognition for leased FPSOs

  For manufacture lease contracts classified as finance leases, construction revenue based on the fair value of the leased FPSO is recognised throughout the construction period, as stated in Note 5(b).

  Significant judgements are also used to estimate the fair value of the leased FPSO upon commencement of the lease, determined based on relative stand-alone selling price as described below. The determination of fair value of leased FPSO also takes into account among others: time value of money, financing structure, country risk and risk profile of a client and project. Therefore, the fair value requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

- Allocation of transaction price to performance obligations for lease contracts

  The Group provides design, supply, installation, operation, life extension and demobilisation of FPSO vessels. The vessels are constructed and leased to customers on a finance lease arrangement and operated by the Group under a separate operating and maintenance agreement after the vessels, leasing and operations are each identified as a separate performance obligation. The transaction price is allocated to each performance obligation based on the relative stand-alone selling prices.

  The relative stand-alone selling prices are estimated based on the expected costs to be incurred and expected profit margin applicable to each performance obligation at the inception of the lease contract. Significant judgement is used to estimate the costs and profit margins applied in the allocation of the transaction price.

  Please refer to Notes 2.7(i) and Note 2.13(b) for the Group’s accounting policies on revenue recognition for the construction of FPSO vessels and finance lease arrangements respectively.

- Determination of lease term

  The Group determines the lease term based on the period for which the Group has contracted to lease the asset together with any further terms for which the lessee has the option to continue to lease the asset.

  In determining the lease term, the Group considers all facts and circumstances that create an economic incentive for the lessee to exercise an extension option, including the indicators set out in paragraphs B37 to B40 of SFRS(I) 16 “Leases”. Extension options are only included in the lease term if the lease is reasonably certain to be extended by the lessees. The evaluation of the term “reasonably certain” involves judgement.

5. Critical accounting estimates and judgements (continued)

(a) Finance leases - Group as lessor (continued)

- Determination of lease term (continued)

  Extension options are included in certain leases of FPSOs across the Group in order to determine the net investment in these leases (Note 22(a)). The extension options are exercisable only by the respective lessees.

  The lease term is reassessed if an option is actually exercised (or not exercised). The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment.

(b) The measurement and recognition of revenues on EPCIC contracts based on the input method

The Group has ongoing EPCIC contracts to construct FPSO vessels for customers. For this contract, revenue is recognised over time by reference to the Group's progress towards completing the EPCIC of the FPSO. The measure of progress is determined based on the proportion of contract costs incurred to date to the estimated total contract costs ("input method").

Management has to estimate the total contract costs to complete, which are used in the input method to determine the Group's recognition of contract revenue. When it is probable that the total unavoidable contract costs of meeting the obligation under the contract will exceed the total contract revenue, a provision for onerous contracts is recognised immediately.

Present obligations arising under onerous contracts are recognised and measured as provisions by accessing each contract. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The management has also applied judgement to assess whether facts and circumstances indicate that a group of contracts has become onerous as a whole at the Group. Intra-group transactions will be eliminated at consolidation.

Significant judgement is used to estimate the above-mentioned total contract costs to complete. In making these estimates, management has applied its past experience of completing similar projects, as well as quotations from and contracts with suppliers and sub-contractors. These estimations are also made with due consideration of the circumstances and relevant events that were known to management at the date of these financial statements. Total contract costs are subject to fluctuations not only due to uncertainties in contract execution, variations in scope of works, and acceptance of claims by customers, but also due to broader macroeconomic factors. These include post-COVID market conditions, high commodity prices, and political events globally which can significantly affect material costs and project timelines. Recent geopolitical tensions and persistent high inflation are such examples impacting our estimations. Material changes influenced by these factors are recognised in the financial statements of the year they occur, as per SFRS(I) guidelines, and disclosed as subsequent events if identified and can be reliably measured post-reporting period but pre-financial statement issuance.

For the financial year ended 31 January 2025, if there is an increase/decrease of 5% to the estimated total contract costs, revenue have significant impact of USD 76 million (2024: USD 131 million).

Costs and revenue (and the resulting gross margin) at completion reflect, at each reporting period, management's current best estimate of the probable future benefits and obligations associated with the contracts.

5. Critical accounting estimates and judgements (continued)

(c) Income taxes

The Group recognises assets and 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 positions in the period in which such determination is made.

In measuring the provision for taxation and deferred taxation at the reporting date, the Group has applied judgements and estimates in relation to interpretation of tax legislations in arriving at the Group's tax position. Judgements and estimates are based on the current tax legislation and best available information as at the reporting date.

In the current financial year, the Group obtained advice from external tax experts due to the restructuring of governance and operational responsibilities between The Netherlands and Brazil. The Group has determined, based on advice provided by external tax experts, that it is probable that the charter contracts for the Group's Brazilian FPSO projects qualifies as provision of services under a time charter agreement, which thereby results in the transfer of the FPSO from the Netherlands head office to a Brazilian permanent establishment ("PE") of the Netherlands company when the construction of the FPSO is completed and the operational phase commences. Based on this, the Group has revised its tax basis for its Offshore Production operations in the Netherlands to reflect this filing position.

Significant estimation is involved in ascertaining the attribution of profits to the Netherlands head office and Brazil PE on an arm's length basis based on appropriate guidelines and transfer pricing methodologies.

Significant estimation is also involved when determining the Fair Market Value ("FMV") of the FPSO upon transfer from the Netherlands head office to the Brazil PE. The difference between the FMV and tax book value of the FPSO will give rise to an object exemption, which results in lower tax relief in the Netherlands during the operational phase of the FPSO.

As a result of the change in tax basis, the following are the consequential adjustments for the Netherlands companies and the Group:

	2025 **Change in estimate** **USD million**
Group	
Reversal of deferred tax liabilities	**129**
Advance tax payments recognised as tax recoverable	**25**
Total income tax credit	**154**

See Notes 13 and 23 for details. These adjustments were accounted for as a change in accounting estimate and recognised in the current year's income statement, given that the tax position adopted has changed from that of the prior year.

Determining the Group's provision for income taxes and deferred taxes involves judgement, as there may be transactions and calculations where the final tax determination is uncertain at the reporting date. If the final outcome differs from the initially estimated amounts, these discrepancies will affect the income tax and deferred tax provisions in the period when the determination is finalised.

6. Revenue

	Group		Company	
	2025 USD million	2024 USD million	**2025 USD million**	2024 USD million
Revenue from contracts with customers (Note (a))	**1,104**	2,077	**72**	69
Revenue from other sources:				
- Chartering of FPSOs	**142**	141	**-**	-
- Net finance lease income (Note 22(a))	**370**	288	**-**	-
Finance lease income	**286**	195	**-**	-
Remeasurement of finance lease receivables (Note (c) and Note 22(a)(i)(ii) and (iii))	**84**	93	**-**	-
- Dividend income	**-**	-	**172**	52
	1,616	2,506	**244**	121

(a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time as follows:

	EPCIC USD million	FPSO Operations USD million	Total USD million
Group			
2025			
EPCIC of FPSO vessel	**895**	**-**	**895**
FPSO support services fees	**-**	**207**	**207**
Others	**2**	**-**	**2**
	897	**207**	**1,104**
2024			
EPCIC of FPSO vessel	1,924	-	1,924
FPSO support services fees	-	152	152
Others	1	-	1
	1,925	152	2,077

The Company derives its management fee income of USD 72 million (2024: USD 69 million) from contracts with customers over time in the period which the services are rendered.

<u>Geographical information</u>

The Group and the Company operate in the following main geographical as:

(i) Brazil and Angola - involved in design, supply, installation, operation, life extension and demobilisation of FPSOs
(ii) Brazil, Ghana and Nigeria - mainly involved in the charter of FPSOs and ship management services
(iii) Malaysia - mainly involved in leasing and sub-leasing of FPSOs on bareboat or time charter basis
(iv) Singapore - mainly involved in investment holding and provision of management services

6. Revenue (continued)

(a) Disaggregation of revenue from contracts with customers (continued)

Geographical information (continued)

Revenue from contract with customers by location of the Group's and the Company's operations are analysed as follows:

	Group		Company	
	2025	2024	**2025**	2024
	USD million	USD million	**USD million**	USD million
Brazil	**679**	1,119	**-**	-
Angola	**543**	1,047	**-**	-
Ghana	**215**	206	**-**	-
Nigeria	**109**	69	**-**	-
Malaysia	**62**	62	**-**	-
Singapore	**1**	-	**244**	121
Others	**7**	3	**-**	-
	1,616	2,506	**244**	121

(b) Contract balances

The Group has recognised the following assets and liabilities related to contracts with customers:

	Group	
	2025	2024
	USD million	USD million
Contract assets (Note (b)(i))		
Current	**114**	72
Non-current	**1,180**	1,965
	1,294	2,037
Contract liabilities (Note (b)(ii))		
Current	**15**	11
Non-current	**45**	52
	60	63

(i) Contract assets

Contract assets primarily relate to the Group's right to consideration for work completed on ongoing EPCIC contracts but not yet billed as at reporting date. Bareboat charter payments received during the lease period will be allocated towards the settlement of the contract assets related to the EPCIC contracts.

Contract assets have decreased in line with the achievement of first oil for FPSO Maria Quitéria on 15 October 2024 which resulted in the reclassification from contract assets to finance lease receivables (Note 22(a)) in the current financial year.

(ii) Contract liabilities

Contract liabilities primarily comprise of charter income received in advance of USD 52 million (2024: USD 59 million) in relation to FPSO John Agyekum Kufuor ('JAK'), which is deferred and amortised on a straight-line basis over the contract period. As at 31 January 2025, the amount classified as current and non-current were USD 7 million and USD 45 million (2024: USD 7 million and USD 52 million) respectively. The Group recognised revenue of USD 7 million (2024: USD 7 million) during the year, which was included in the contract liabilities as at 31 January 2025.

6. Revenue (continued)

(b) Contract balances (continued)

(ii) Contract liabilities (continued)

During the financial year, the subsidiary of the Group received an advance consideration of USD 3 million for modification work on an FPSO Abigail Joseph chartered to First Exploration and Petroleum Development Company Limited (“FEP”).

(iii) On 31 July 2023, Yinson Bouvardia Holdings Pte. Ltd., an indirect wholly owned subsidiary of the Company, has completed acquisition of 100% equity interest in AFPS B.V. (“AFPS”) from Atlanta Field B.V. (“AFBV”) by way of exercising the call option with a purchase cash consideration of USD 22 million.

The entire contractual arrangement with AFPS with respect of FPSO Atlanta is determined to be a construction service arrangement in accordance with SFRS(I) 15 “Revenue from Contracts with Customers”.

Upon the exercise of the call option, the total transaction price for the contractual arrangement with AFPS was re-assessed and revised to reflect the future cash flows from the charter rates to be received over the 15-years charter period in accordance with the charter contract with Enauta Energia S.A. ("Enauta").

The amounts previously received by the Group from AFPS are, in substance, advances received from AFPS, to fund the construction of the FPSO. Upon exercise of the call option, these advances were converted into a loan to be repaid by the Group to Enauta over the charter period of 15 years at a fixed interest rate of 6%. Accordingly, the future principal and interest repayments under the loan are accounted for as a consideration payable to Enauta. The consideration payable to Enauta is offset against the contract asset arising from the fulfilment of the EPCI performance obligation.

The net contract asset balance in respect of FPSO Atlanta included within contract assets as at 31 January 2025 and 2024 are determined as follows:

	Group	
	2025 USD million	**2024 USD million**
Cumulative revenue recognised for EPCI performance obligation less progress billings to date	**521**	360
Less: Consideration payable to Enauta	**(408)**	(330)
Net balance included within contract assets	**113**	30

(iv) Unsatisfied long-term EPCIC contracts

The following table shows unsatisfied performance obligations resulting from long-term EPCIC contracts:

	Group	
	2025 USD million	2024 USD million
Aggregate amount of the transaction price allocated to long-term EPCIC contracts that are partially or fully unsatisfied as at 31 January	**295**	1,169

6. Revenue (continued)

(b) Contract balances (continued)

(iv) Unsatisfied long-term EPCIC contracts (continued)

Management expects 100% of the transaction price allocated to the unsatisfied performance obligations of USD 295 million as at the end of the financial year may be recognised as revenue during the next reporting period as the Group continues to perform to complete the EPCIC of the FPSO vessels. The Group will recognise the unsatisfied performance obligation over this period in line with the work performed.

The offshore maintenance ("O&M") services revenue is recognised based on the daily O&M rates, whereby the Group has the right to a consideration from customers that corresponds to the Group's performance completed to date. Hence, the practical expedient in SFRS(I) 15 applies and the Group does not disclose information about unsatisfied performance obligation for O&M services.

(c) Remeasurement of finance lease receivables

Lease payments under applicable contracts are subject to indexation clauses (variable considerations). During the financial year ended 31 January 2025, there was a remeasurement of finance lease receivable to reflect adjustments in lease payments resulting from indexation movements. Accordingly, the Group has recognised a remeasurement of finance lease receivables amounting to USD 84 million (2024: USD 93 million).

7. Cost of sales

Included in cost of sales are:

	Group	
	2025	2024
	USD million	USD million
Amortisation of intangible assets	**12**	12
Depreciation of property, plant and equipment	**48**	42
EPCIC construction costs	**832**	1,691
Employee benefits expenses (Note 11)	**50**	34
Vessel operating expenses	**89**	76

8. Other operating income

	Group		Company	
	2025 USD million	2024 USD million	**2025 USD million**	2024 USD million
Government grant income	**-**	^	**^**	^
Net compensation income from termination of an anticipated FPSO project (Note (a))	**-**	8	**-**	-
Management fee income to ultimate holding company	**5**	-	**-**	-
Miscellaneous	**4**	3	**1**	-
	9	11	**1**	^

^ Below USD 1 million.

(a) Net compensation income of USD 8 million was recognised during the financial year ended 2024 arising from the lapse of the exclusive rights for FPSO Nganhurra by BP Exploration (Angola) Ltd (“BP”). The Group has paid USD 15 million for the exclusivity option to secure a vessel and in turn, has received USD 23 million as part of an exclusivity agreement with the customer to secure the said vessel.

9. Other non-operating income

	Group	
	2025 USD million	2024 USD million
Gain on disposal of subsidiary to joint venture due to loss of control (Note (a) and Note 39)	**105**	-
Sale of equipment	**4**	-
	109	-

(a) Gain on disposal of subsidiary of USD 105 million was recognised during the financial year ended 31 January 2025 arising from the loss of control over Yinson Boronia Consortium Pte. Ltd. and its subsidiaries on 31 January 2025. See Note 39 for further details.

10. Administrative expenses

Included in administrative expenses are:

	Group		Company	
	2025 USD million	2024 USD million	**2025 USD million**	2024 USD million
Amortisation of intangible assets	**1**	1	**^**	^
Depreciation of property, plant and equipment	**9**	8	**6**	6
Employee benefits expenses (Note 11)	**33**	12	**39**	39
Consultancy fee expenses	**4**	2	**3**	5
Management fee expenses	**5**	5	**14**	6
Impairment loss on investment in subsidiaries (Note 17)	**-**	-	**1**	1
Withholding tax expense	**19**	7	**13**	2
Net loss on foreign exchange	**2**	4	**^**	^

^ Below USD 1 million.

11. Employee benefits expenses

	Group		Company	
	2025 USD million	2024 USD million	**2025 USD million**	2024 USD million
Included in:				
- Cost of sales (Note 7)	**50**	34	**-**	-
- Administrative expense (Note 10)	**33**	12	**39**	39
	83	46	**39**	39
Analysed as follows:				
- Wages, salaries and bonuses	**60**	33	**33**	35
- Social security contributions	**10**	4	**-**	-
- Contributions to defined contribution plans	**2**	1	**2**	2
- Other benefits	**11**	8	**4**	2
	83	46	**39**	39

12. Finance costs

	Group		Company	
	2025 USD million	2024 USD million	**2025 USD million**	2024 USD million
Bank charges	**3**	1	**1**	-
Interest expenses:				
- Loans and borrowings	**388**	197	**22**	6
- Loans from related companies	**-**	13	**-**	13
- Loans from a subsidiary	**-**	-	**40**	-
- Lease liabilities	**1**	1	**1**	1
- Underwriting fee	**3**	-	**-**	-
Unwinding of notional interest (Note 30(b)(iv))	**^**	2	**-**	-
Cash flow hedge reclassified to profit or loss	**(52)**	(39)	**-**	-
	343	175	**64**	20
Less: Interest expenses capitalised	**(2)**	-	**-**	-
	341	175	**64**	20

^ Below USD 1 million.

13. Income tax (credit)/expense

Major components of income tax (credit)/expense

The major components of income tax (credit)/expense are:

	Group		Company	
	2025	2024	**2025**	2024
	USD million	USD million	**USD million**	USD million
Income statements				
Current income tax				
- Singapore income tax				
Current year	**7**	12	**-**	-
Under provision in prior years	**^**	^	**^**	^
- Foreign tax				
Current year	**67**	53	**-**	-
Changes in tax estimate (Note 5(c))	**(25)**	-	**-**	-
(Over)/Under provision in prior years	**(12)**	3	**-**	-
	37	68	**^**	^
Deferred tax (Note 23):				
- Relating to origination of temporary differences	**(14)**	46	**-**	(1)
- Changes in tax estimate (Note 5(c))	**(129)**	-	**-**	-
	(106)	114	**^**	(1)

^ Below USD 1 million.

Reconciliation between tax (credit)/expense and accounting profit

The reconciliation between tax (credit)/expense and profit before tax multiplied by the applicable tax rates are as follows:

	Group		Company	
	2025	2024	**2025**	2024
	USD million	USD million	**USD million**	USD million
Profit before tax	**286**	433	**93**	33
Tax at Singapore statutory tax rate of 17%	**49**	74	**16**	6
Expenses not deductible for tax purposes	**56**	16	**13**	3
Different tax rates of subsidiaries in various national jurisdictions	**(20)**	24	**-**	-
Changes in tax estimate (Note 5(c))	**(154)**	-	**-**	-
Share of results of joint ventures	**1**	1	**-**	-
Tax exempt income	**(62)**	(21)	**(29)**	(9)
Changes in deferred tax assets not recognised	**18**	17	**-**	-
Top-up tax expenses arising from Pillar Two legislation	**18**	-	**^**	(1)
(Over)/under provision in prior years	**(12)**	3	**^**	^
Income tax (credit)/expense recognised in profit or loss	**(106)**	114	**^**	(1)

^ Below USD 1 million.

Domestic income tax is calculated at the Singapore statutory tax rate of 17% (2024: 17%) of the estimated assessable profit for the financial year.

13. Income tax (credit)/expense (continued)

Reconciliation between tax expense/(credit) and accounting profit (continued)

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.

OECD Pillar Two model rules

Yinson Production Offshore Pte Ltd's ultimate holding corporation, Yinson Holdings Berhad ("the YHB Group") is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in Malaysia, the jurisdiction in which the YHB Group is incorporated, and will come into effect from 1 January 2025. Since Pillar Two legislation was not effective at the reporting date, the YHB Group has no related current tax exposure. The YHB Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Under the legislation, the YHB Group is liable to pay a top-up tax for the difference between the GloBE effective tax rate for each jurisdiction and the 15% minimum rate. For the financial year ended 31 January 2025, the average effective tax rate (calculated in accordance with paragraph 86 of SFRS(I) 1-12) of the entities operating in Singapore jurisdiction could be less than 15%.

The YHB Group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. The YHB Group's exposure to paying Pillar Two income taxes might not be the full difference in tax rates in relation to Singapore jurisdiction. This is due to the impact of specific adjustments envisaged in the Pillar Two legislation which give rise to different effective tax rates compared to those calculated in accordance with SFRS(I) 1-12.

As management is still currently processing the potential impact, it is not practicable to provide a reasonable estimate of the financial effect until the management completes the review.

In addition, based on the current assessment, there is no material impact from exposure to Pillar Two legislation on the going concern of the Company, or on any asset impairment.

14. Dividends

	Group and Company	
	USD cents per share	**USD million**
2025		
Interim dividends paid on:		
- 12 March 2024	**2.96**	**30**
- 26 June 2024	**2.96**	**30**
- 18 December 2024	**2.96**	**30**
		90
2024		
Interim dividends paid on:		
- 10 July 2023	0.45	5
- 18 July 2023	0.18	2
- 21 July 2023	0.80	9
- 23 October 2023	0.45	5
- 2 November 2023	1.36	15
		36

The Directors do not recommend any other dividend for the financial year ended 31 January 2025.

15. Property, plant and equipment

	Motor vehicles USD million	FPSOs USD million	Right-of-use assets USD million	Other assets* USD million	Construction-in-progress USD million	Total USD million
Group						
Cost						
At 1 February 2023	1	939	28	14	-	982
Additions	-	-	5	5	3	13
At 31 January 2024 and 1 February 2024	1	939	33	19	3	995
Additions	**1**	**-**	**6**	**2**	**10**	**19**
Disposals	**-**	**-**	**(4)**	**-**	**-**	**(4)**
Disposal of subsidiaries (Note 39)	**-**	**-**	**-**	**(3)**	**-**	**(3)**
Reclassification	**-**	**-**	**-**	**13**	**(13)**	**-**
At 31 January 2025	**2**	**939**	**35**	**31**	**-**	**1,007**
Accumulated depreciation						
At 1 February 2023	^	238	11	4	-	253
Charge for the financial year	^	42	7	1	-	50
At 31 January 2024 and 1 February 2024	^	280	18	5	-	303
Charge for the financial year	**1**	**48**	**6**	**2**	**-**	**57**
Disposals	**-**	**-**	**(4)**	**-**	**-**	**(4)**
Disposal of subsidiaries (Note 39)	**-**	**-**	**-**	**(^)**	**-**	**(^)**
At 31 January 2025	**1**	**328**	**20**	**7**	**-**	**356**
Net carrying amount						
At 31 January 2024	1	659	15	14	3	692
At 31 January 2025	**1**	**611**	**15**	**24**	**-**	**651**

^ Below USD 1 million.

15. Property, plant and equipment (continued)

	Motor vehicles USD million	Right-of-use assets USD million	Other assets* USD million	Total USD million
Company				
Cost				
At 1 February 2023	^	17	5	22
Additions	-	4	3	7
At 31 January 2024 and 1 February 2024	^	21	8	29
Additions	**-**	**^**	**^**	**^**
Disposals	**-**	**(4)**	**-**	**(4)**
At 31 January 2025	**^**	**17**	**8**	**25**
Accumulated depreciation				
At 1 February 2023	^	8	3	11
Charge for the financial year	^	4	2	6
At 31 January 2024 and 1 February 2024	^	12	5	17
Charge for the financial year	**^**	**4**	**2**	**6**
Disposals	**-**	**(4)**	**-**	**(4)**
At 31 January 2025	**^**	**12**	**7**	**19**
Net carrying amount				
At 31 January 2024	^	9	3	12
At 31 January 2025	**^**	**5**	**1**	**6**

* Other assets comprise office equipment, renovation, electrical installation, furniture and fittings and capital spares.

^ Below USD 1 million.

(a) Additions to property, plant and equipment which were acquired during the financial year were as follows:

	Group		Company	
	2025 USD million	2024 USD million	**2025 USD million**	2024 USD million
Cash payment	**13**	8	**^**	3
Additions to lease liabilities	**6**	5	**^**	4
	19	13	**^**	7

(b) The carrying amounts of property, plant and equipment subject to :

(i) pledged to financial institutions for banking facilities granted to the Group as disclosed in Note 29 at reporting date respectively; and

(ii) operating leases (Note 32), comprising FPSO John Agyekum Kufuor, as at end of reporting date.

	Group		Company	
	2025 USD million	2024 USD million	**2025 USD million**	2024 USD million
FPSOs	**611**	659	**-**	-

(c) The FPSO contracts include options for the charterers to purchase the respective FPSO or to extend their charter periods beyond the initial firm lease period. The purchase option values are based on declining agreed prices, which are in excess of the current net book values of the FPSOs as at reporting date.

15. Property, plant and equipment (continued)

(d) Additional information for right-of-use assets were as follows:

	Group		Company	
	2025	2024	**2025**	2024
	USD million	USD million	**USD million**	USD million
Buildings				
Depreciation charge for the financial year	**6**	7	**4**	4
Carrying amounts at the end of financial year	**15**	15	**5**	9

16. Intangible assets

	Computer software USD million	Contract rights* USD million	Total USD million
Group			
Cost			
At 1 February 2023	8	93	101
Addition	1	-	1
At 31 January 2024 and 31 January 2025	9	93	102
Accumulated amortisation			
At 1 February 2023	6	40	46
Amortisation	1	12	13
At 31 January 2024	7	52	59
Amortisation	**1**	**12**	**13**
At 31 January 2025	**8**	**64**	**72**
Net carrying amount			
At 31 January 2024	2	41	43
At 31 January 2025	**1**	**29**	**30**

* Contract rights recognised pursuant to the consideration paid for the novation of a charter contract involving provision of EPCIC and leasing of FPSO Helang.

16. **Intangible assets** (continued)

	Computer software USD million
Company	
Cost	
At 1 February 2023	1
Addition	1
At 31 January 2024 and 31 January 2025	2
Accumulated amortisation	
At 1 February 2023	1
Amortisation	^
As at 31 January 2024 and 1 February 2024	**1**
Amortisation	**^**
At 31 January 2025	**1**
Net carrying amount	
At 31 January 2024	1
At 31 January 2025	**^**

^ Below USD 1 million.

17. **Investment in subsidiaries**

	Company	
	2025 USD million	2024 USD million
Unquoted shares, at cost		
In Singapore	**367**	217
Outside Singapore	**257**	251
	624	468
Accumulated impairment loss	**(69)**	(68)
	555	400

On 7 February 2023, the Company acquired London Marine Group Limited for a total consideration of USD 633,280 (GBP 524,803) and was satisfied via cash.

On 13 February 2023, the Company incorporated Yinson Brasil Servicos Ltda. with an issued share capital of USD 764,513 (BRL 3,990,150) comprising of 3,990,150 ordinary shares.

On 11 September 2023, the Company increased its investment in Yinson Acacia Ltd for a total consideration of USD 85,000,000 and was satisfied via cash.

On 6 October 2023, the Company incorporated Yinson Production Financial Services Pte. Ltd. with an issued share capital of USD 1 comprising of 1 ordinary share.

On 19 February 2024, The Company increased its investment in Yinson Production Financial Services Pte. Ltd. for a total consideration of USD 1,500,000 and was satisfied via cash.

On 21 February and 14 April 2024, the Company increased its investment in Yinson Brasil Servicos Ltda. for total considerations of USD 450,000 and USD1,340,000 was satisfied via cash.

On 13 August 2024, the Company increased its investment in Yinson Acacia Ltd for a total consideration of USD 3,150,000 and was satisfied via cash.

17. Investment in subsidiaries (continued)

On 13 August 2024 and 23 January 2025, the Company increased its investment in Yinson Production EPC Pte Ltd. for total considerations of USD 46,000,000 and USD103,000,000 and was satisfied via cash.

On 5 September 2024, the Company increased its investment in London Marine Group Limited for a total consideration of USD 1,269,400 and was satisfied via cash.

Movement in the allowance in impairment account is as follows:

	Company	
	2025	2024
	USD million	USD million
At 1 February	**68**	67
Impairment charge (Note 10)	**1**	1
At 31 January	**69**	68

Impairment losses of USD 1 million (2024: USD 1 million), in relation to the Company's investment in London Marine Group Limited (2024: London Marine Group Limited), were recognised during the current financial year as the estimated recoverable amount of the investment was lower than its carrying amount.

(a) Details of subsidiaries are as follows:

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest		Principal place of business	Principal activities
		2025	2024		
Held through the Company:					
Yinson Acacia Ltd(ii)	Republic of the Marshall Islands	100	100	Singapore	Investment holding
Yinson Production AS(ii)	Norway	100	100	Norway	Investment holding and provision of management services
Yinson Production Capital Pte. Ltd(i)	Singapore	100	100	Singapore	Investment holding and provision of management consultancy services
London Marine Group Limited(iv)	United Kingdom	100	100	United Kingdom	Engineering design and provision of mooring systems for offshore installations
Yinson Production Financial Services Pte. Ltd.(iii)	Singapore	100	100	Singapore	Provision of treasury management services
Yinson Production EPC Pte. Ltd(i)	Singapore	100	100	Singapore	Investment holding and provision of engineering procurement and construction for floating production system and management services
Yinson Production (The Netherlands) B.V. (formerly known as Yinson the Netherlands B.V.)(v)	Netherlands	100	100	Netherlands	Investment holding and provision of management services
Yinson Brasil Servicos Ltda(iii)	Brazil	100	100	Brazil	Provision of Intercompany services

17. Investment in subsidiaries (continued)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest		Principal place of business	Principal activities
		2025	2024		
Held through Yinson Production (The Netherlands) B.V.					
Yinson Production Fortuna Holdings B.V.[iii]	Netherlands	**100**	-	Netherlands	Holding company and provision of intra-group services
Held through London Marine Group Limited					
London Marine Consultants Limited[iv]	United Kingdom	**100**	100	United Kingdom	Engineering related scientific and technical consulting activities
LMC Asia Pacific Pte.Ltd. (In liquidation)	Singapore	**100**	100	Singapore	Installation of industrial machinery and equipment, mechanical engineering works
Held through Yinson Acacia Ltd:					
Yinson Bergenia Consortium Pte. Ltd.[i]	Singapore	**100**	100	Singapore	Investment holding
Yinson Boronia Consortium Pte. Ltd.[i] [ix]	Singapore	**-**	75.0	Singapore	Investment holding
Yinson Bouvardia Consortium Pte. Ltd.[i]	Singapore	**100**	100	Singapore	Investment holding
Yinson Production Azalea Consortium Pte.Ltd (formerly known as Yinson Azalea Holdings Pte.Ltd).[i]	Singapore	**100**	100	Singapore	Investment holding
Yinson Production Iterum Holdings Pte.Ltd. (f.k.a Yinson Eden Pte.Ltd)[i][iv]	Singapore	**100**	100	Singapore	Provision of floating marine assets for chartering and engineering design and consultancy services
Held through Yinson Bergenia Consortium Pte. Ltd.:					
Yinson Bergenia Holdings Pte. Ltd.[i]	Singapore	**100**	100	Singapore	Investment holding
Held through Yinson Bergenia Holdings Pte. Ltd.:					
Yinson Bergenia Production B.V.[ii]	Netherlands	**100**	100	Netherlands	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Held through Yinson Bergenia Production B.V.:					
Yinson Bergenia Servicos De Operacao Ltda[ii]	Brazil	**100**	100	Brazil	Provision of operations and maintenance services of floating marine assets to the offshore oil and gas industry

17. Investment in subsidiaries (continued)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest		Principal place of business	Principal activities
		2025	2024		
Held through Yinson Boronia Consortium Pte. Ltd.:					
Yinson Boronia Holdings (S) Pte. Ltd.(i) (ix)	Singapore	**-**	100	Singapore	Investment holding
Held through Yinson Boronia Holdings (S) Pte. Ltd.:					
Yinson Boronia Production B.V.(ii) (ix)	Netherlands	**-**	100	Netherlands	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Held through Yinson Boronia Holdings (S) Pte. Ltd. and Yinson Boronia Production B.V.:					
Yinson Boronia Servicos De Operacao Ltda(ii) (ix)	Brazil	**-**	100	Brazil	Provision of operations and maintenance services of floating marine assets to the offshore oil and gas industry
Held through Yinson Production Azalea Consortium Pte.Ltd. (formerly known as Yinson Azalea Holdings Pte.Ltd.):					
Yinson Production Azalea Holdings (S) Pte.Ltd.(i)(iii)	Singapore	**100**	100	Singapore	Investment Holding
Yinson Azalea Operacoes Angola - Prestacao De Servicos (SU), Lda. (ii)	Angola	**100**	100	Angola	Provision of operations maintenance services of floating marine assets to the offshore oil and gas industry
Held through Yinson Production Azalea Holdings (S) Pte.Ltd. :					
Yinson Azalea Production Pte.Ltd. (i)	Singapore	**100**	100	Singapore	Provision of floating marine assets for chartering
Held through Yinson Bouvardia Consortium Pte. Ltd.:					
Yinson Bouvardia Holdings Pte. Ltd.(i)	Singapore	**100**	100	Singapore	Investment holding

17. Investment in subsidiaries (continued)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest		Principal place of business	Principal activities
		2025	2024		
Held through Yinson Bouvardia Holdings Pte. Ltd.:					
AFPS B.V.	Netherlands	**100**	100	Brazil	Provision of operations and maintenance services of floating marine assets to the offshore oil and gas industry
Yinson Bouvardia Production B.V.(v)	Netherlands	**100**	100	Netherlands	Provision of floating marine assets of chartering
Held through AFPS B.V.:					
Yinson Bouvardia Servicos De Operacao Ltda(v)	Brazil	**100**	100	Brazil	Provision of operations and maintenance services of floating marine assets to the offshore oil and gas industry
Held through Yinson Production EPC Pte. Ltd.:					
Yinson Production EPC Sdn. Bhd.(ii)	Malaysia	**100**	100	Malaysia	Provision of engineering, procurement and construction for floating production system and management services
Held through Yinson Production AS:					
Adoon AS(ii)	Norway	**100**	100	Norway	Investment holding
Allan AS(ii)	Norway	**100**	100	Norway	Investment holding
Yinson Operations & Production West Africa Limited(ii)(vii)	Nigeria	**40.0**	40.0	Nigeria	Provision of operations and maintenance of floating marine assets to the offshore oil and gas industry
Floating Operations and Production Pte. Ltd.(i)	Singapore	**100**	100	Singapore	Provision of operations and maintenance of floating marine assets to the offshore oil and gas industry
Held through Yinson Production AS and Floating Operations and Production Pte. Ltd.:					
Yinson Malva Operations S.A. DE C.V.(v) (In Dissolution and Liquidation)	Mexico	**100**	100	Mexico	Dormant

17. Investment in subsidiaries (continued)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiaries	Countries of incorporation	Proportion (%) of ownership interest		Principal place of business	Principal activities
		2025	2024		
Held through Adoon AS:					
Adoon Pte. Ltd.[(i)]	Singapore	**100**	100	Singapore	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Held through Yinson Production Capital Pte. Ltd.:					
Yinson Trillium Limited[(ii)]	Labuan, Malaysia	**100**	100	Labuan, Malaysia	Investment holding
Yinson Production Pte. Ltd.[(i)]	Singapore	**100**	100	Singapore	Provision of engineering design and consultancy services relating to the offshore oil and gas industry
Yinson Nepeta Production Ltd[(ii)]	Republic of the Marshall Islands	**100**	100	Singapore	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Yinson Macacia Sdn. Bhd. [(ii)]	Malaysia	100	100	Malaysia	Investment holding
Held through Yinson Trillium Limited:					
Yinson Production (West Africa) Pte. Ltd.[(i)]	Singapore	74.0	74.0	Singapore	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Held through Yinson Production Pte. Ltd.:					
Yinson Production West Africa Limited[(ii)(viii)]	Ghana	49.0	49.0	Ghana	Provision of operations and maintenance of floating marine assets to the offshore oil and gas industry
Held through Yinson Macacia Sdn. Bhd.:					
Yinson Macacia Limited[(ii)(vi)]	Labuan, Malaysia	100	100	Labuan, Malaysia	Investment holding
Held through Yinson Macacia Limited:					
Yinson Lavender Limited[(ii)]	Labuan, Malaysia	100	100	Labuan, Malaysia	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Yinson Lavender Operations Sdn. Bhd.[(ii)]	Malaysia	100	100	Malaysia	Provision of operations and maintenance of floating marine assets to the offshore oil and gas industry

17. Investment in subsidiaries (continued)

(a) Details of subsidiaries are as follows: (continued)

(i) Audited by PricewaterhouseCoopers LLP, Singapore.
(ii) Audited by PricewaterhouseCoopers firms outside Singapore.
(iii) Subsidiaries newly incorporated during the financial year ended 31 January 2025.
(iv) Subsidiaries acquired during the financial year ended 31 January 2025 as disclosed in Note 38.
(v) Companies not required to be audited under the laws of the country of incorporation.
(vi) Companies acquired as part of the Restructuring Exercise as disclosed in Note 28(d). Results, assets and liabilities of these companies were accounted for using the predecessor method of accounting as these are companies under common control.
(vii) The Group has concluded that it controls Yinson Operations & Production West Africa Limited, even though it holds 40.0% equity interest in this subsidiary. Based on an agreement signed between the shareholders, a subsidiary of the Company has majority representation on the Board of Directors, which are responsible for directing the relevant activities. All decisions of the Board of Directors only require a simple majority vote to be passed.
(viii) The Group has concluded that it controls Yinson Production West Africa Limited, even though it holds 49.0% equity interest in this subsidiary. Based on an agreement signed between the shareholders, a subsidiary of the Company has majority representation on the Board of Directors, which are responsible for directing the relevant activities. Matters presented to the Board shall be approved upon receiving affirmative vote of a simple majority of the Directors.
(ix) The Group relinquished control over Yinson Boronia Consortium Pte. Ltd. and its subsidiaries (“YBC Group”) and, as of 31 January 2025, reclassified the YBC Group as an investment in a joint venture. See Note 39 for further details.

17. Investment in subsidiaries (continued)

(b) Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI"), based on effective equity interest are follows:

(i) Yinson Production (West Africa) Pte. Ltd.

	Group	
	2025	2024
	USD million	USD million
Effective equity interest held by NCI	**26.0%**	26.0%
Carrying value of NCI	**47**	48
Profit for the financial year attributable to NCI	**15**	14
Dividend paid to NCI	**14**	10

The summarised financial information before intercompany eliminations are as follows:

	Group	
	2025	2024
	USD million	USD million
As at 31 January		
Non-current assets	**664**	721
Current assets	**98**	111
Non-current liabilities	**(508)**	(575)
Current liabilities	**(74)**	(72)
Net assets	**180**	185
Financial year ended 31 January		
Revenue	**137**	136
Profit for the financial year	**56**	55
Other comprehensive loss	**(7)**	(3)
Total comprehensive income	**49**	52
Cash flows generated from operating activities	**121**	117
Cash flows generated from investing activities	**1**	^
Cash flows used in financing activities	**(134)**	(117)
Net (decrease)/increase in cash and cash equivalents	**(12)**	^

^ Below USD 1 million.

17. Investment in subsidiaries (continued)

(b) Non-controlling interests in subsidiaries (continued)

(ii) Yinson Boronia Consortium Pte. Ltd. and its subsidiaries

	Group	
	2025	2024
	USD million	USD million
Effective equity interest held by NCI	**-**	25.0%
Carrying value of NCI	**-**	95
Profit for the financial year attributable to NCI	**54**	20
Dividend paid to NCI	**30**	-

The summarised financial information before intercompany eliminations are as follows:

	Group	
	2025	2024
	USD million	USD million
As at 31 January		
Non-current assets	**-**	1,354
Current assets	**-**	90
Non-current liabilities	**-**	(940)
Current liabilities	**-**	(126)
Net assets	**-**	378
Financial year ended 31 January		
Revenue	**234**	277
Profit for the financial year	**165**	82
Other comprehensive loss	**(20)**	(2)
Total comprehensive income	**145**	80
Cash flows generated from operating activities	**111**	24
Cash flows generated from/(used in) investing activities	**5**	(^)
Cash flows used in financing activities	**(111)**	(1)
Net increase in cash and cash equivalents	**5**	23

^ Below USD 1 million.

The other subsidiaries of the Group which have non-controlling interests are individually not material. Refer to Note 18(i) for summarised balance sheet of YBC as a joint venture as at 31 January 2025.

18. Investment in joint ventures

	Group	
	2025	2024
	USD million	USD million
Unquoted shares in Singapore, at cost	**216**	45
Share of post-acquisition reserves	**256**	29
Share of profit of joint ventures	**9**	4
Share of net assets of joint ventures	**481**	78

Details of joint ventures held are as follows:

Name of joint ventures	Countries of incorporation	Proportion (%) of ownership interest		Principal activities
		2025	2024	
Held through Yinson Production Capital Pte. Ltd.:				
PTSC Asia Pacific Pte. Ltd.(i)	Singapore	49.0	49.0	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
PTSC South East Asia Pte. Ltd.(i)	Singapore	49.0	49.0	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Held through Yinson Acacia Ltd:				
Yinson Boronia Consortium Pte. Ltd.(“YBC”)(i)(iii)	Singapore	63.2	-	Investment holding
Held through Yinson Boronia Consortium Pte. Ltd.:				
Yinson Boronia Holdings (S) Pte. Ltd.(i)	Singapore	100	-	Investment holding
Held through Yinson Boronia Holdings (S) Pte. Ltd.:				
Yinson Boronia Production B.V.(ii)	Netherlands	100	-	Provision of floating marine assets for chartering and service activities incidental to oil and gas extraction
Held through Yinson Boronia Holdings (S) Pte. Ltd. and Yinson Boronia Production B.V.:				
Yinson Boronia Servicos De Operacao Ltda(ii)	Brazil	100	-	Provision of operations and maintenance of floating marine assets to the offshore oil and gas industry

(i) Audited by PricewaterhouseCoopers LLP, Singapore.
(ii) Audited by PricewaterhouseCoopers firms outside Singapore.
(iii) The YBC was reclassified as an investment in a joint venture of the Group during the financial year ended 31 January 2025. See Note 39 for details of the reclassification.

18. Investment in joint ventures (continued)

Summarised financial information of the material joint ventures, based on its SFRS(I) financial statements are set out below:

(i) Yinson Boronia Consortium Pte. Ltd. and its subsidiaries

There are no share of profit or total comprehensive income presented for the financial year ended 31 January 2025 and 2024 as the reclassification of YBC from a subsidiary to a joint venture of the Group was completed on 31 January 2025. See Note 39 for details of the reclassification.

The following summarises the major classes of the fair value of the YBC Group, and the recognised amounts of assets and liabilities assumed at the date of loss of control:

Summarised statement of financial position:

	Group 2025 USD million
Current assets#	**143**
Non-current assets*	**1,528**
Current liabilities	**(50)**
Non-current liabilities&	**(986)**
Net assets(i)	**635**
Proportion of the Group's ownership	**63.2%**
Carrying amount of the investment	**401**

\# Included in current assets is cash and bank balances of USD 47 million.

* Included in non-current assets are fair value adjustments of USD 165 million, which includes the fair value adjustments from the multiperiod excess earnings from the secured customer contracts of FPSO Anna Nery. The Group is currently in the process of finalising the detailed notional purchase price allocation.
The fair value adjustments have been determined with the following assumptions:

Assumptions	Descriptions
Discount Rates	The Weighted Average Cost of Capital ("WACC") is estimated at 9.18%, based on the cost of the FPSO Anna Nery's existing bond and the cost of equity relevant to the jurisdictions in which it operates.
Inflation Rates	Inflation rates range from 2.46% in the U.S. to 4.2% in Brazil, based on data from reputable financial institutions.
Projected Expenses	The total operating expenditure ("OPEX") is forecasted for the entire duration of the contractual charter period of FPSO Anna Nery. This projection is based on approved manpower budgets and encompasses all operational costs necessary to effectively fulfil contractual obligations.

& Included in non-current liabilities is bond balances of USD 1,070 million.

(i) No share of profit or other comprehensive income from the joint venture was recognised for the current financial year since YBC was deconsolidated from a subsidiary and reclassified as an investment in a joint venture of the Group on 31 January 2025. Refer to Note 17(b)(ii) for summarised financial information of YBC related to non-controlling interests before deconsolidation.

Based on the sensitivity analysis performed, a reasonable change in the key assumption of an increase of 0.1% to the WACC, with all other inputs held constant, would result in a decrease in fair value by USD 8 million.

18. Investment in joint ventures (continued)

(ii) PTSC Asia Pacific Pte. Ltd.

Summarised statement of financial position:

	Group	
	2025	2024
	USD million	USD million
Current assets#	**82**	68
Non-current assets	**29**	19
Current liabilities	**(11)**	(1)
Net assets	**100**	86
Proportion of the Group's ownership	**49.0%**	49.0%
Carrying amount of the investment	**49**	42

\# Included in current assets is cash and bank balances of USD 76 million (2024: USD 63 million).

Summarised statement of comprehensive income:

	Group	
	2025	2024
	USD million	USD million
Revenue	**40**	18
Cost of sales*	**(29)**	(13)
Gross profit	**11**	5
Interest income	**3**	1
Profit before tax/Profit for the financial year and total comprehensive income	**14**	6
Group's share of profit for the financial year and total comprehensive income	**7**	3
Dividend received from joint venture	**-**	5

* Included in cost of sales is depreciation of USD 8 million (2024: USD 11 million).

18. Investment in joint ventures (continued)

(iii) PTSC South East Asia Pte. Ltd.

Summarised statement of financial position:

	Group	
	2025	2024
	USD million	USD million
Current assets#	**22**	22
Non-current assets	**41**	51
Non-current liabilities	**(^)**	(^)
Net assets	**63**	73
Proportion of the Group's ownership	**49.0%**	49.0%
Carrying amount of the investment	**31**	36

\# Included in current assets is cash and bank balances of USD 20 million (2024: USD 20 million).
^ Below USD 1 million.

Summarised statement of comprehensive income:

	Group	
	2025	2024
	USD million	USD million
Revenue	**16**	12
Cost of sales*	**(11)**	(11)
Profit before tax/Profit for the financial year and total comprehensive income	**5**	1
Group's share of profit for the financial year and total comprehensive income	**2**	^
Dividend received from joint venture	**7**	3

* Included in cost of sales is depreciation of USD 11 million (2024: USD 11 million).
^ Below USD 1 million.

19. Investment in associates

	Group		Company	
	2025 USD million	2024 USD million	**2025 USD million**	2024 USD million
Unquoted shares outside Singapore, at cost	**3**	3	**3**	3
Share of post-acquisition reserves	**1**	1	**-**	-
Share of loss of associates	**(^)**	(^)	**-**	-
	4	4	**3**	3

^ Below USD 1 million.

Details of associates are as follows:

Name of associates	Country of incorporation	Proportion (%) of ownership interest		Principal activities
		2025	2024	
Held through the Company:				
Carbon Removal AS[i]	Norway	**39.0**	39.0	Provision of development and execution of direct air capture projects
Held through the Company:				
Ionada PLC[ii]	Republic of the Marshall Islands	**7.0**	7.0	Provision of development, manufacture, and market exhaust gas cleaning system
Held through Yinson Production AS:				
Floating Operations & Production West Africa Ltd (in liquidation)	Nigeria	**40.0**	40.0	Dormant

(i) On 20 September 2023, the Company subscribed for 610,000 shares, each with a nominal value of NOK 0.10 in Carbon Removal AS ("CRAS"), representing 38.88% equity interest in CRAS for a total cash consideration of NOK 10,980,000 (USD 1,025,037).

(ii) On 29 November 2023, the Company subscribed for 877,918 shares of Series A-3 preferred stock, each with a par value of USD 1 in Ionada PLC ("Ionada"), representing 6.83% shareholding interest in Ionada for a total cash consideration of USD 2,250,000. Although the Group holds less than 20% equity interest in Ionada, based on the agreement signed between the shareholders, the Group has significant influence over Ionada.

20. Trade and other receivables

	Group		Company	
	2025	2024	**2025**	2024
	USD million	USD million	**USD million**	USD million
Current:				
Trade receivables (Note (a))				
Third parties	**95**	104	**-**	-
Subsidiaries	**-**	-	**116**	94
Related companies	**7**	6	**1**	-
	102	110	**117**	94
Other receivables				
Deposits	**2**	3	**1**	1
Sundry receivables (Note (b)(i))	**33**	37	**1**	2
Due from ultimate holding company (Note (b)(ii))	**3**	3	**1**	1
Due from immediate holding company (Note (b)(ii))	**5**	5	**-**	-
Due from subsidiaries (Note (b)(ii))	**-**	-	**565**	646
Due from related companies (Note (b)(ii))	**3**	-	**3**	-
	46	48	**571**	650
Accumulated impairment loss (Note (b)(iii))	**(2)**	(2)	**-**	-
	44	46	**571**	650
	146	156	**688**	744
Non-current:				
Other receivables				
Sundry receivables (Note b(i))	**11**	17	**-**	-
Due from subsidiaries (Note (b)(ii))	**-**	-	**291**	291
	11	17	**291**	291
Total trade and other receivables	**157**	173	**979**	1,035

Trade receivables are non-interest bearing and are generally on 30 to 60-day credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(a) Trade receivables

(i) Trade receivables that are individually determined to be impaired at the reporting date related to debtors that are in significant financial difficulties and/or have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

There are no trade receivables allowance recorded as at the financial years ended.

(ii) Trade receivables from contracts with customers and other sources

	Group		Company	
	2025	2024	**2025**	2024
	USD million	USD million	**USD million**	USD million
Current:				
Trade receivables from contracts with customers and other sources	**102**	110	**117**	94

20. Trade and other receivables (continued)

(b) Other receivables

(i) Included in sundry receivables is an amount of USD 13 million (2024: USD 16 million) relating to a contractual settlement arrangement with a customer for receivables relating to an FPSO project, which is unsecured and repayable over a period of 3 (2024: 4) years. The amount receivable was adjusted to its fair value upon initial recognition and is subsequently carried at amortised cost. As at the end of the financial year, the amounts classified as current and non-current were USD 5 million (2024: USD 4 million) and USD 8 million (2024: USD 12 million) respectively.

Included in the current sundry receivables is an amount of USD 1 million (2024: USD 4 million) held in escrow accounts by third parties for payments to suppliers.

(ii) Amounts due from ultimate holding company, immediate holding company and related companies are unsecured, non-interest bearing and revolving on a daily basis.

Amounts due from subsidiaries are unsecured, non-interest bearing and revolving on a daily basis, except for amounts of USD 291 million (2024: USD 291 million) which were not expected to be recovered within the next 12 months.

(iii) Movement for other receivables allowance for impairment accounts:

	Performing USD million	Under - performing USD million	Not performing USD million	Total USD million
Group				
At 1 February 2023	-	-	3	3
Reversal of impairment loss	-	-	(1)	(1)
At 31 January 2024, 1 February 2024 and 31 January 2025	-	-	2	2

Refer to Note 35(b)(ii) for the Group's definition on performing, under-performing and not performing.

21. Other assets

	Group		Company	
	2025 **USD million**	2024 USD million	**2025** **USD million**	2024 USD million
Current:				
Prepayments (Note (a))	**35**	47	**4**	3
Contract cost assets	**1**	2	**-**	-
	36	49	**4**	3
Non-current:				
Contract cost assets (Note (b))	**11**	-	**-**	-
Prepayments	**3**	4	**-**	-
	14	4	**-**	-
	50	53	**4**	3

(a) Included in the Group's current prepayments is an amount of USD 18 million (2024: USD 16 million) relating to prepayments to vendors of EPCIC business activities and USD 3 million (2024: USD 10 million) relating to purchase of capital spares.

(b) As at 31 January 2025, the Group's contract cost assets include an amount of USD 11 million (2024: Nil) relating to the costs to commence a contract addendum for modification works carried out on an FPSO vessel chartered to First Exploration and Petroleum Development Company Limited ("FEP"). The modification works result in a revision of the charter period and option period for FPSO Abigail Joseph. See Note 22 (a)(iii) for further details.

The Group's non-current contract cost assets as at 31 January 2025 related to modification work on an FPSO Abigail Joseph chartered to FEP which is expected to complete in the financial year ending 31 January 2027. Management has assessed the recoverability of the capitalised costs and considers it probable that the costs will be recovered, based on the commencement of the charter, the agreed scope of modifications, and the vessel's operational readiness.

22. Leases

(a) Finance lease receivables as lessor

	Group	
	2025 **USD million**	2024 USD million
Minimum lease receivables:		
Within 1 year	**263**	247
Between 1-2 years	**263**	246
Between 2-3 years	**260**	247
Between 3-4 years	**259**	244
Between 4-5 years	**256**	242
Later than 5 years	**3,694**	3,763
Total undiscounted lease payments	**4,995**	4,989
Less: Future finance income	**(2,978)**	(3,170)
Net investment in finance lease	**2,017**	1,819
Current	**42**	34
Non-current	**1,975**	1,785
	2,017	1,819

22. Leases (continued)

(a) Finance lease receivables as lessor (continued)

(i) In the financial year ended 31 January 2025, the Group has commenced a finance lease for the chartering of FPSO Maria Quitéria to a third party for a lease term of 22.5 years. Finance income on the net investment in the lease during the financial year is USD 80 million (2024: Nil) (Note 6), of which USD 30 million (2024: Nil) related to gain on remeasurement of finance lease receivables arising from effect of indexation movement and USD 31 million (2024: Nil) relates to variable lease payments which is not included in the measurement of the net investment in the lease.

(ii) In the financial year ended 31 January 2024, the Group commenced a finance lease for the chartering of an FPSO Anna Nery to a third party for a lease term of 25 years until 2048. Finance income on the net investment in the lease during the financial year is USD 178 million (2024: USD 209 million) (Note 6), of which USD 17 million (2024: USD 93 million) related to gain on remeasurement of finance lease receivables arising from effect of charter day rate escalation determined at effective dates as stipulated in the charter contracts and USD 1 million (2024: USD 8 million) relates to variable lease payments which is not included in the measurement of the net investment in the lease. The contract assets of USD 1,284 million was reclassified to finance lease receivables in the financial year ended 31 January 2024. There are no finance lease receivables balances during the financial year due to loss of control of YBC. See Note 39 for the further details.

(iii) In the financial year ended 31 January 2021, the Group commenced a finance lease for the chartering of an FPSO Abigail Joseph to a third party for a lease term of 12 years, comprising a firm charter period of 7 years and extension option periods of 5 years out of the full extension option period of 8 years.

On 31 January 2025, the Group entered a contract addendum on lease modification and the lease term was revised to a firm charter period of 14 years and extension option period of 2 years. As a result, the Group has recorded a remeasurement of financial lease receivables amounting to USD 37 million. Finance income on the net investment in the lease during the financial year is USD 77 million (2024: USD 42 million) (Note 6), of which USD 8 million (2024: USD 14 million) relates to variable lease payments which is not included in the measurement of the net investment in the lease.

(iv) In the financial year ended 31 January 2020, the Group commenced a finance lease for the chartering of an FPSO Helang to a third party for a lease term of 18 years comprising of a firm charter period of 8 years and annual extension option periods of up to 10 years. Finance income on the net investment in the lease during the financial year is USD 35 million (2024: USD 37 million) (Note 6), of which USD 6 million (2024: USD 6 million) relates to variable lease payments which is not included in the measurement of the net investment in the lease.

22. Leases (continued)

(b) Lease liabilities as lessee

	Group		Company	
	2025 USD million	2024 USD million	**2025 USD million**	2024 USD million
Minimum lease commitments:				
Within 1 year	**5**	6	**4**	5
More than 1 year and less than 2 years	**3**	5	**^**	4
More than 2 years and less than 5 years	**7**	4	**^**	^
More than 5 years	**1**	5	**-**	-
Total minimum lease payments	**16**	20	**4**	9
Less: Amounts representing finance charges	**(2)**	(3)	**^**	(1)
Present value of minimum lease payments	**14**	17	**4**	8
Present value of payments:				
Within 1 year	**6**	5	**3**	4
More than 1 year and less than 2 years	**3**	5	**1**	4
More than 2 years and less than 5 years	**4**	3	**^**	^
More than 5 years	**1**	4	**-**	-
Present value of minimum lease payments	**14**	17	**4**	8
Less: Amount due within 12 months	**(6)**	(5)	**(4)**	(4)
Amount due after 12 months	**8**	12	**^**	4

^ Below USD 1 million.

23. Deferred taxation

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group		Company	
	2025 USD million	2024 USD million	**2025 USD million**	2024 USD million
Deferred tax assets	**15**	4	**1**	1
Deferred tax liabilities	**-**	(124)	**-**	-
	15	(120)	**1**	1
At 1 February	**(120)**	(74)	**1**	-
Recognised in profit or loss (Note 13)	**143**	(46)	**-**	1
Disposal of subsidiary (Note (i) and Note 39)	**(8)**	-	**-**	-
At 31 January	**15**	(120)	**1**	1

(i) Temporary difference relating to YBC Group are not included in Note 23 as YBC Group is being deconsolidated in the financial year ended 31 January 2025.

The movements of deferred taxes during the financial years are contributed to the components as follows:

	Tax losses and interest capitalised USD million	**Contract assets USD million**	**Others USD million**	**Total USD million**
Group				
At 1 February 2023	1	(75)	-	(74)
Recognised in profit or loss (Note 13)	1	(48)	1	(46)
At 1 February 2024 and 31 January 2024	2	(123)	1	(120)
Recognised in profit or loss (Note 13)				
- Changes in tax estimate (Note 5(c))	**-**	**129**	**-**	**129**
- Others	**13**	**-**	**1**	**14**
Disposal of subsidiary (Note 39)	**(2)**	**(6)**	**-**	**(8)**
At 31 January 2025	**13**	**-**	**2**	**15**
Company				
At 1 February 2023	-	-	-	-
Recognised in profit or loss (Note 13)	**-**	**-**	**1**	**1**
At 31 January 2024 and 31 January 2025	**-**	**-**	**1**	**1**

As at the reporting date, the Group had unabsorbed tax losses that are available to offset against future taxable profits of the respective subsidiaries in which these unabsorbed tax losses and other deductible temporary differences arose, for which deferred tax asset of approximately USD 47 million (2024: USD 29 million) is not recognised due to uncertainty of its recoverability.

23. Deferred taxation (continued)

The use of tax losses of subsidiaries in other countries are subject to the agreement of the tax authorities of those countries and compliance with certain provisions of the tax legislations of the countries in which the subsidiaries operate. The tax losses have no expiry date.

24. Derivatives

	Group		
	2025 Assets USD million	2024 Assets USD million	2024 (Liabilities) USD million
Current			
Hedging derivatives:			
- Interest rate swaps (Note (a))	**7**	8	-
Non-current			
Hedging derivatives:			
- Interest rate swaps (Note (a))	**70**	73	(6)
Total	**77**	81	(6)

(a) Certain subsidiaries of the Group had entered into a series of USD interest swap contracts with banks. The interest rate swaps reflect the positive and negative change in fair value of those interest rate swaps which have been designated as cash flows hedge and are used to manage the exposure to the risk of changes in market interest rates arising from floating rate bank loans of the subsidiaries.

The fair values of the interest rate swaps are determined by using the prices quoted by the counterparty banks which are categorised as Level 2 of the fair value hierarchy. There are no transfers between Levels 1, 2 and 3 during the current financial year.

The effects of the interest rate swaps on the Group's financial position and performance are disclosed in Note 35(a)(i).

25. Inventories

	Group	
	2025 USD million	2024 USD million
Spare parts	**12**	16

The cost of inventories recognised as an expense in profit or loss during the year ended 31 January 2025 and 31 January 2024 is insignificant. There were no write-downs of inventories to net realisable value or reversals of write-downs during the year (2024: Nil).

26. Cash and bank balances

	Group		Company	
	2025 USD million	2024 USD million	**2025 USD million**	2024 USD million
Cash on hand and at banks	**509**	479	**186**	160
Deposits with licensed banks	**66**	97	**-**	-
Cash and bank balances	**575**	576	**186**	160

For the purpose of the statements of cash flows, cash and cash equivalents at the reporting dates comprise the following:

	Group		Company	
	2025 USD million	2024 USD million	**2025 USD million**	2024 USD million
Cash and bank balances	**575**	576	**186**	160
Less: Fixed deposits with maturity period over 3 months	**(21)**	(22)	**-**	-
Cash and cash equivalents	**554**	554	**186**	160

Cash and cash equivalents are cash and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits qualify for cash equivalents only when they have a maturity of three months or less from the date of the acquisition, As at 31 January 2025, fixed deposits of USD 21 million placed with licenced banks had a maturity over 3 months.

Included in cash and bank balances are bank balances and deposits with licensed banks that are restricted based on requirements of various loan agreements of the Group. As at 31 January 2025 the Group holds USD 314 million (2024: USD 209 million) restricted cash and the Company holds no restricted cash (2024: USD 43 million) as of the financial year end. These restricted amounts can only be used for purposes specified in the respective loan agreements, such as:

- Debt Service Reserve Accounts, where specified minimum amounts are required to be maintained to service loans;
- Operation and maintenance restricted accounts, where the amounts only be utilised for expenses related to the charter and operation and maintenance contracts relating to the specified FPSO; and
- FPSO restricted accounts, where the amounts can only be utilised for construction of an FPSO as disclosed in Note 29.

27. Share capital

	Number of shares million	Amount USD million
Group and Company		
Ordinary shares issued and fully paid:		
At 1 February 2023	1,104	1,104
Capital reduction during the financial year	(90)	(90)
At 31 January 2024 and 31 January 2025	**1,014**	**1,014**

There is no par value for these ordinary shares.

On 19 January 2024, the issued and fully paid capital of the Company was reduced from 1,103,564,127 ordinary shares of USD 1,103,564,127 to 1,013,564,127 ordinary shares of USD 1,013,564,127 by cancelling a total of 90,000,000 ordinary shares held by the shareholders and the sum of USD 90,000,000 has been returned to the shareholder by way of cash.

28. 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.

(b) Cash flows hedge reserve

The cash flow hedge reserve represents cumulative fair value gain or loss arising from derivatives recognised. The effective portion of cash flow hedges is recognised in reserve while the ineffective portion will be reclassified to profit or loss.

(c) Put option reserve

Put option reserve arising from the disposal of 26% equity interest in a subsidiary, where an option was granted to a non-controlling interest to sell its equity stake back to the Group at their original consideration less dividends and proceeds from capital reduction received by them upon occurrence of conditions set out in the shareholders agreement.

(d) Capital reserve

As part of YHB's structural realignment effort to consolidate all EPCIC and FPSO operations within the Offshore Production business ("Restructuring exercise"), the Group acquired certain entities from YHB in the financial years 2023 and 2022. The restructuring was accounted for under predecessor basis, wherein the difference between the purchase consideration and the assets and liabilities of the acquired entities was recognised as Capital reserves under equity.

29. Loans and borrowings

	Group		Company	
	2025	2024	**2025**	2024
	USD million	USD million	**USD million**	USD million
Current:				
Term loans – secured	**148**	185	**-**	46
Bond – secured	**14**	-	**-**	-
	162	185	**-**	46
Non-current:				
Term loans – secured	**2,342**	2,586	**-**	373
Term loans – unsecured	**-**	115	**-**	-
Bond – secured	**585**	-	**-**	-
	2,927	2,701	**-**	373
Total loans and borrowings	**3,089**	2,886	**-**	419

29. 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 15 and 26 and certain of the Group's vessels under finance lease arrangements.

The loans and borrowings of the Group are subject to compliance with covenants as defined in the respective facility agreements. For the financial years ended 31 January 2025 and 2024, the Group and the Company have complied with these requirements.

For the purpose of financial covenants calculations, the most significant ratio and indicators apply:

- Debt Service Coverage Ratio (“DSCR”)
- Gearing Ratio
- Cash and cash equivalents (excluding restricted balances where required under each facility agreement)
- Net worth

The applicable ratios and indicators may be tested at the entity level, project level, sub-group level, or YP Group level, depending on the specific requirements of each facility agreement. The covenants are required to be complied with on a quarterly, semi-annual, or annual basis, depending on the terms specified in each agreement.

The Group is in compliance with the financial covenants for the current financial year. There is no indication that financial covenants will not be met in the next financial year.

(b) Certain term loans of USD 743 million as at 31 January 2024 are guaranteed by both the ultimate holding company and an external party, whilst certain term loans and bond of USD 1,757 million (2024: USD 485 million) are fully guaranteed by the Company.

(c) The term loans at floating interest rates bear interest at range of 6.91% to 9.29% (2024: 7.81% to 13.88%) per annum.

(d) During the previous financial year, 3-month USD LIBOR has ceased publication and accordingly, all LIBOR term loans have been transitioned to reference SOFR and there is no material effect on the amounts reported for the previous financial year.

29. Loans and borrowings (continued)

The remaining maturities of the loans and borrowings as at the reporting date are as follows:

	Interest rate terms	Denominated currency	Total carrying amount USD million	On demand or within one year USD million	More than 1 year and less than 2 years USD million	More than 2 years and less than 5 years USD million	5 years or more USD million
Group							
At 31 January 2025							
Secured							
Term loans	Floating rates vary based on Secured Overnight Financing Rate ("SOFR")*	USD	**1,912**	**128**	**187**	**1,128**	**469**
	Fixed rate at 12.00% per annum	USD	**242**	**14**	**14**	**214**	**-**
	Fixed rate at 13.88% per annum	USD	**336**	**6**	**-**	**-**	**330**
Bond	Fixed rate at 9.63% per annum	USD	**599**	**14**	**-**	**585**	**-**
			3,089	**162**	**201**	**1,927**	**799**
At 31 January 2024							
Secured							
Term loans	Floating rates vary based on Secured Overnight Financing Rate ("SOFR")*	USD	2,286	180	209	1,634	263
	Fixed rate at 12.00% per annum	USD	225	-	14	42	169
	Fixed rate at 13.88% per annum	USD	260	5	-	-	255
Unsecured							
Term loan	Floating rates vary based on Secured Overnight Financing Rate ("SOFR")	USD	115	-	-	115	-
			2,886	185	223	1,791	687
Company[(i)]							
At 31 January 2024							
Secured							
Term loan	Floating rates vary based on Secured Overnight Financing Rate ("SOFR")	USD	419	46	53	320	-

* Certain floating rate bank loans of the subsidiaries are hedged by a series of USD interest rate swap contracts with banks (Note 24(a)).
(i) In the financial year ended 31 January 2025, the loan was fully repaid by the Company.

30. Trade and other payables

	Group		Company	
	2025 USD million	2024 USD million	**2025 USD million**	2024 USD million
Current:				
Trade payables (Note (a))				
Third parties	**82**	116	**2**	1
Other payables				
Due to ultimate holding company (Note (b)(i))	**3**	8	**2**	6
Due to subsidiaries (Note (b)(i))	**-**	-	**66**	70
Due to related companies (Note (b)(i))	**^**	1	**1**	-
Due to associate (Note (b)(i))	**1**	1	**-**	-
Sundry payables	**10**	25	**2**	2
Accruals (Note (b)(ii))	**172**	432	**21**	11
Deposits (Note (b)(iii))	**^**	5	**-**	-
	186	472	**92**	89
	268	588	**94**	90
Non-current:				
Other payables				
Due to immediate holding company (Note (b)(i))	**-**	47	**-**	47
Due to a subsidiary(Note (b)(i))	**-**	-	**582**	-
Due to non-controlling interests (Note (b)(iv))	**-**	50	**-**	-
	-	97	**582**	47
Total trade and other payables	**268**	685	**676**	137

^ Below USD 1 million.

(a) Trade payables

Trade payables are non-interest bearing.

(b) Other payables

(i) Amounts due to ultimate holding company, immediate holding company, subsidiaries and associate are unsecured, non-interest bearing and revolving on a daily basis, except for:

- Amounts of USD 47 million to immediate holding company as at 31 January 2024 which will not be demanded for repayment by the immediate holding company within the period of at least 12 months from the financial year ended 31 January 2024.
- Amount of USD 582 million to a subsidiary as at 31 January 2025, which is unsecured and bears interest of 0.45% plus cost of funds per annum, with a maturity date on 3 May 2029. There will be three principal repayments which consist of two repayments of USD 100 million in 2027 and 2028 respectively and the remaining balance in 2029.

(ii) Included in the Group's accruals are amounts relating to expenditures incurred for the construction of FPSOs amounting to USD 137 million (2024: USD 405 million).

30. Trade and other payables (continued)

(b) Other payables (continued)

(iii) Included in the Group's deposits is an amount of USD 5 million as at 31 January 2024 relating to a deposit payment received by Yinson Acacia Ltd ("YAL"), a direct wholly owned subsidiary of the Group, for the proposed disposal of a minority equity interest in Yinson Boronia Consortium Pte. Ltd. ("YBC"), an indirect wholly owned subsidiary of the Group, to Kawasaki Kisen Kaisha, Ltd. ("K" Line") for a total cash consideration of USD 49 million pursuant to a Share Sale and Purchase Agreement executed between YAL and "K" Line on 9 July 2020. In the financial year ended 31 January 2025, the deposit payment received of USD 5 million was utilised upon the completion of the disposals of the minority equity interest to "K" Line (or Japan Offshore Facility Investment 1 Pte. Ltd. ("JOFI") (a direct wholly owned subsidiary of Sumitomo Corporation), at "K" Line's option) (see Note 39 for further details), and subsequently, the financial guarantees were released under the associated project finance agreements on 22 October 2024.

(iv) On 11 May 2020, an indirect subsidiary of the Group issued a convertible loan of USD 52 million to its shareholders. USD 13 million of the issuance is to a minority shareholder (i.e. Japan Offshore Facility Investment 1 Pte. Ltd., a wholly owned subsidiary of Sumitomo Corporation), which is proportionate to its shareholdings in the subsidiary. In accordance with the terms and conditions (depending on the prevailing gearing once the finance agreements are executed) set out in the Convertible Loan Agreement, the loan may be jointly converted into ordinary shares of the subsidiary by the shareholders on a proportionate basis. Otherwise, the loan from the minority shareholder is due for repayment in equal quarterly repayments within 2 years from the date on which the conditions as set out in the Convertible Loan Agreement are met. The loan was adjusted to its fair value upon initial recognition with discounting effect being recognised as a capital contribution from non-controlling interest of USD 2 million in the financial year ended 31 January 2021 and was subsequently carried at amortised cost. As at 31 January 2024, the Group's carrying amount of this loan, which is unsecured and interest free, is USD 13 million.

On 24 August 2021, an indirect subsidiary of the Group received an interest-free loan from JOFI amounting to USD 41 million. The loan is unsecured, repayable at the borrower's discretion and has no fixed term of repayment. The Group expects the loan to be repaid 5 years from the date of drawdown. The loan was adjusted to its fair value upon initial recognition with the discounting effect being recognised as a capital contribution from non-controlling interest of USD 7 million in the financial year ended 31 January 2024, and the loan was subsequently carried at amortised cost. As at 31 January 2024, the Group's carrying amount of this loan is USD 37 million.

The deemed interest expense arising from the discounting effect on the fair value of the loans recognised for the financial year ended 31 January 2025 is insignificant and 31 January 2024 is USD 2 million.

In the financial year ended 31 January 2025, the convertible and interest-free loans were converted and fully repaid. The Statement of Cash Flows reflects a cash outflow of USD 47 million, which includes the USD 4 million difference arising from the discounting effect under the amortised cost measurement. See Note 39 for further details.

31. Significant related party disclosures

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities. Related companies comprise mainly companies which are controlled by the Group's ultimate holding company that are not part of the Group.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly. Key management personnel of the Group are made up of Directors of the Group and the Company.

(a) Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group		**Company**	
	2025 USD million	2024 USD million	**2025 USD million**	2024 USD million
Ultimate holding company:				
- management fee charged	**(5)**	(4)	**(8)**	(5)
- management fee income	**6**	-	**5**	-
Immediate holding company:				
- advance received	**27**	-	**27**	-
- dividend paid to	**(90)**	(36)	**(90)**	(36)
- repayment of advance to	**(74)**	(39)	**(74)**	(39)
Subsidiaries:				
- management fee charged	**-**	-	**(6)**	(1)
- management fee income	**-**	-	**67**	69
- dividend income	**-**	-	**172**	52
- repayment of advance	**-**	-	**136**	72
- advance made	**-**	-	**(61)**	-
- advance received	**-**	-	**582**	-
- interest expenses	**-**	-	**(40)**	-

31. Significant related party disclosures (continued)

(a) Significant related party transactions (continued)

	Group		Company	
	2025 USD million	2024 USD million	**2025 USD million**	2024 USD million
Related companies:				
- management fee charged	**2**	-	**^**	^
- advance interest charged	**-**	(13)	**^**	(13)
- advance received	**-**	74	**-**	74
- repayment of advance to	**-**	(189)	**-**	(211)
- repayment of interest charged	**-**	(16)	**^**	(16)
Joint ventures:				
- dividend income	**7**	8	**-**	-

^ Below USD 1 million.

(b) Related party balances

Related party balances have been disclosed in Notes 20 and 30 to the financial statements.

(c) Compensation to key management personnel

	Group		Company	
	2025 USD million	2024 USD million	**2025 USD million**	2024 USD million
Salaries and other short term employee benefits	**2**	2	**2**	2

32. Operating lease commitments as a lessor

The Group entered into leases for its FPSO. As at 31 January 2025, these non-cancellable leases have remaining lease terms of 8 years (2024: 9 years) and 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	
	2025 USD million	2024 USD million
Within 1 year	**129**	129
More than 1 year and less than 5 years	**517**	517
More than 5 years	**301**	430
	947	1,076

Chartering fees from leasing of FPSO recognised in profit or loss during the financial year are disclosed in Note 6.

33. 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 USD million	Significant observable inputs Level 2 USD million	Significant unobservable inputs Level 3 USD million	Total USD million
Group				
At 31 January 2025				
Financial asset:				
Interest rate swaps	-	77	-	77
Financial liability:				
Fixed rate loans	-	-	(616)	(616)
Fixed rate bond	(624)	-	-	(624)
	(624)	-	(616)	(1,240)
At 31 January 2024				
Financial asset:				
Interest rate swaps	-	81	-	81
Financial liability:				
Interest rate swaps	-	(6)	-	(6)
Fixed rate loans	-	-	(527)	(527)
	-	(6)	(527)	(533)

The Group and the Company classify 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 are no transfers between Levels 1, 2 and 3 during the current financial year.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group and the Company use a variety of methods and make assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows, are used to determine the fair value for the remaining financial instruments.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves. These derivative financial instruments are classified as Level 2 and comprises derivative financial instruments. In infrequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

33. Fair value measurement (continued)

(a) Fair value hierarchy (continued)

The fair value of fixed rate term loans is calculated based on discounted cash flow using a rate based on the current market rate of borrowing of the Company at the reporting date.

The fair value of fixed rate bond is calculated based on the market price at the reporting date.

(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 the Group's and the Company's financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	20
Floating rate loans	29
Trade and other payables	30

The carrying amounts of financial assets and financial liabilities are reasonable approximation of fair values, either due to their short-term nature or those floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of non-current receivables and payables are reasonable approximations of fair values. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

The carrying amounts of the current portion of loans and borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

The carrying amounts of non-current loans and borrowings are reasonable approximation of fair values due to those floating rate instruments that are re-priced to market interest rates on or near the reporting date. The fair values of non-current loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

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 guaranteed party's default; and
- the estimated loss exposure if the party guaranteed were to default.

The Company has assessed the financial guarantee contracts and concluded that the financial impact of the guarantees is not material as the probability of crystallisation is remote.

34. Financial instruments by category

	Group		Company	
	2025	2024	**2025**	2024
	USD million	USD million	**USD million**	USD million
Financial assets				
Financial assets designated as cash flow hedge				
- Interest rate swaps (Note 24)	**77**	81	**-**	-
Financial assets at amortised costs				
- Finance lease receivables (Note 22(a))	**2,017**	1,819	**-**	-
- Trade and other receivables (Note 20)	**157**	173	**979**	1,035
- Cash and bank balances (Note 26)	**575**	576	**186**	160
	2,749	2,568	**1,165**	1,195
Total	**2,826**	2,649	**1,165**	1,195
Financial liabilities				
Financial liabilities designated as cash flow hedge				
- Interest rate swaps (Note 24)	**-**	6	**-**	-
Financial liabilities at amortised cost:				
- Trade and other payables (Note 30)	**268**	685	**676**	137
- Loans and borrowings (Note 29)	**3,089**	2,886	**-**	419
- Put option liability	**-**	5	**-**	-
- Lease liabilities (Note 22(b))	**14**	17	**4**	8
	3,371	3,593	**680**	564
Total	**3,371**	3,599	**680**	564

The Group's and the Company's exposure to various risks associated with the financial instruments are discussed in Note 35.

35. Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives and put option liability, comprise loans and borrowings, lease liabilities, trade and other payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include finance lease receivables, trade and other receivables, cash and short-term deposits and contract assets that are derived directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by the corporate finance and treasury team that advises on financial risks and the appropriate financial risk governance framework for the Group. The corporate finance and treasury team assists the Group's senior management to ensure 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.

35. Financial risk management objectives and policies (continued)

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk. Financial instruments affected by market risk include loans and borrowings, short-term deposits and derivatives.

(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 enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and floating interest rate amounts calculated by reference to an agreed-upon notional amount. For the financial year ended 31 January 2025 and 2024, the Group's borrowings at floating rates were denominated in USD.

Included in the variable rate secured borrowings are 5 to 12 years (2024: 5 to 12 years) floating rate term loan of USD 1,912 million (2024: USD 2,286 million) (Note 29) whose interest rate is based on 3-month USD SOFR. To hedge the variability in cash flows of these loans, the Group has entered into 4 to 12 years (2024: 4 to 12 years) interest rate swaps with key terms (principal amount, payment dates, repricing dates, currency) that match those of the debt on which it pays a fixed rate and receives a variable rate.

Instruments used by the Group

Interest rate swaps used by the Group during the financial year cover approximately 81% (2024: 74%) of the Group's outstanding 3-month USD SOFR variable rate secured loans. These loans bear variable rates based on USD SOFR plus a certain margin, however the interest rates are fixed based on the fixed interest rates of the swaps. The effective interest rate of these loans are ranging from 3.89% to 8.56% (2024: 3.72% to 6.39%).

The swap contracts require settlement of net interest receivable or payable every quarter. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

35. Financial risk management objectives and policies (continued)

(a) Market risk (continued)

(i) Interest rate risk (continued)

Effects of hedge accounting on the financial position and performance

The effects of the above-mentioned interest rate swaps on the Group's financial position and performance are as follows:

Group	**2025** SOFR/Total USD million	**2024** SOFR/Total USD million
Interest rate swaps		
Carrying amount (current and non-current)		
- Assets	**77**	81
- Liabilities	**-**	(6)
	77	75
Notional amount of interest rate swaps	**1,557**	1,682
Hedge ratio of secured loans	**81%**	74%
Change in fair value of outstanding hedging instruments since 1 February	**1**	(12)
Change in value of hedged item used to determine hedge effectiveness	**(1)**	12
Weighted average interest rate for the year	**3.89% to 8.56%**	3.72% to 6.39%

In the financial year ended 31 January 2024, the Group's negotiated contracts for which SOFR replaced LIBOR as the benchmark rate resulted in an economically equivalent position with no profit or loss impact upon initial transition. There were no outstanding contracts in transition to SOFR as at reporting date.

The maturity period of interest rate swaps ranges from November 2027 to December 2031 (2024: August 2026 to December 2031).

Interest rate sensitivity

An increase/decrease in interest rates by 10 (2024: 10) basis points would not result in a significant increase/decrease in interest expense for the unhedged variable rate loans of the Group, as such, the sensitivity analysis is not disclosed.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group’s exposure to the risk of changes in foreign exchange rates relates primarily to the Group’s operating activities and the Group’s net investments in foreign subsidiaries.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily USD, BRL, NOK and MYR. The foreign currencies in which these transactions are denominated are mainly SGD, NOK, NGN and EUR.

The Group holds cash and cash equivalents denominated in foreign currencies for working capital purposes. The other financial instruments denominated in foreign currencies include trade and other receivables, trade and other payables and lease liabilities.

35. Financial risk management objectives and policies (continued)

(a) Market risk (continued)

(ii) Foreign currency risk (continued)

The currency profile of monetary financial assets and financial liabilities are as follows:

	Denominated in currencies other than functional currencies				
	Malaysian Ringgit USD million	Singapore Dollar USD million	Others USD million	Denominated in functional currencies USD million	Total USD million
Group					
2025					
Receivables	**^**	**3**	**31**	**2,140**	**2,174**
Interest rate swaps	**-**	**-**	**-**	**77**	**77**
Cash and bank balances	**5**	**5**	**5**	**560**	**575**
Borrowings	**-**	**-**	**-**	**(3,089)**	**(3,089)**
Lease liabilities	**(^)**	**(4)**	**(1)**	**(9)**	**(14)**
Payables	**(1)**	**(16)**	**(29)**	**(222)**	**(268)**
	4	**(12)**	**6**	**(543)**	**(545)**
2024					
Receivables	2	4	4	1,982	1,992
Interest rate swaps	-	-	-	75	75
Cash and bank balances	-	4	5	567	576
Borrowings	-	-	-	(2,886)	(2,886)
Lease liabilities	-	(8)	(8)	(1)	(17)
Payables	(8)	(20)	(19)	(638)	(685)
Put option liability	-	-	-	(5)	(5)
	(6)	(20)	(18)	(906)	(950)

^ Below USD 1 million.

35. Financial risk management objectives and policies (continued)

(a) Market risk (continued)

(ii) Foreign currency risk (continued)

	Denominated in currencies other than functional currencies			
	Singapore Dollar USD million	**Others USD million**	**Denominated in functional currencies USD million**	**Total USD million**
Company				
2025				
Receivables	**21**	**1**	**957**	**979**
Cash and bank balances	**3**	**-**	**183**	**186**
Lease liabilities	**(4)**	**-**	**-**	**(4)**
Payables	**(10)**	**(3)**	**(663)**	**(676)**
	10	**(2)**	**477**	**485**
2024				
Receivables	15	1	1,019	1,035
Cash and bank balances	2	-	158	160
Lease liabilities	(8)	-	-	(8)
Borrowings	-	-	(419)	(419)
Payables	(6)	(6)	(125)	(137)
	3	(5)	633	631

The effect of changes in exchange rate on the translation of the unhedged financial assets or liabilities is not material during the financial years ended 31 January 2025 and 2024.

35. Financial risk management objectives and policies (continued)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amounts of each class of financial assets recognised in the statements of financial position.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the individual credit standings and financial strengths. Outstanding receivables are regularly monitored.

Credit risk from balances with banks and financial institutions is managed by the Group's Treasury department in accordance with the ultimate holding company's guidelines. Counterparty credit standings are reviewed by the Group's Senior Management on a monthly basis and may be updated throughout the financial years. Limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments.

(i) Trade receivables and contract assets

ECL for trade receivables and contract assets are measured using the simplified approach. The expected loss rates are based on the payment profiles of sales over a period of 36 months before reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group and the Company have identified the gross domestic product ("GDP"), GDP growth, oil price and country rating in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. No significant changes to estimation techniques or assumptions were made during the reporting period.

The reconciliation of allowance for impairment and maximum exposure to credit risk are disclosed in Note 20 and Note 6(b).

(ii) Other financial assets at amortised cost

Other financial assets at amortised cost comprises other receivables, finance lease receivables and cash and bank balances.

ECL for other financial assets at amortised cost are measured using the general 3-stage approach. The Group and the Company use three categories which reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Group's and the Company's ECL model is as follows:

35. Financial risk management objectives and policies (continued)

(b) Credit risk (continued)

(ii) Other financial assets at amortised cost (continued)

Category	**Group's definition of category**	**Basis for recognising ECL**
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows.	12-month ECL
Underperforming	Debtors for which there is a significant increase in credit risk or significant increase in credit risk if presumed the forward looking information and indicators available signify impairment to debtor's ability to repay.	Lifetime ECL
Non-performing	Debtor's ability to repay or likelihood of repayment is determined as fully impaired according to the available indicators.	Lifetime ECL (credit-impaired)

Based on the above, loss allowance is measured on either 12-month ECL or lifetime ECL using a PD x LGD x EAD methodology as follows:

- PD ('probability of default') – the likelihood that the debtor would not be able to repay during the contractual period;
- LGD ('loss given default') – the percentage of contractual cash flows that will not be collected if default happens; and
- EAD ('exposure at default') – the outstanding amount that is exposed to default risk.

In deriving the PD and LGD, the Group and the Company consider historical data by each debtor by category and adjusts for forward-looking macroeconomic data. The Group and the Company have identified the industry and geographical area which the debtor operates in, to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

The following table contains an analysis of the credit risk exposure for which an ECL allowance is recognised. The gross carrying amount disclosed below also represents the Group's and the Company's maximum exposure to credit risk on these assets:

35. Financial risk management objectives and policies (continued)

(b) Credit risk (continued)

(ii) Other financial assets at amortised cost (continued)

Group	**Performing USD million**	**Under-performing USD million**	**Not performing USD million**	**Total USD million**
2025				
Other receivables				
Gross carrying amount	**55**	**-**	**2**	**57**
Accumulated impairment loss	**-**	**-**	**(2)**	**(2)**
Net carrying amount	**55**	**-**	**-**	**55**
Cash and bank balances				
Gross/net carrying amount	**575**	**-**	**-**	**575**
Finance lease receivables				
Gross/net carrying amount	**2,017**	**-**	**-**	**2,017**
Interest rate swaps				
Gross/net carrying amount	**77**	**-**	**-**	**77**
2024				
Other receivables				
Gross carrying amount	63	-	2	65
Accumulated impairment loss	-	-	(2)	(2)
Net carrying amount	63	-	-	63
Cash and bank balances				
Gross/net carrying amount	576	-	-	576
Finance lease receivables				
Gross/net carrying amount	1,819	-	-	1,819
Interest rate swaps				
Gross/net carrying amount	81	-	-	81

35. Financial risk management objectives and policies (continued)

(b) Credit risk (continued)

(ii) Other financial assets at amortised cost (continued)

	Performing USD million	Under-performing USD million	Not performing USD million	Total USD million
Company				
2025				
Other receivables				
Gross/net carrying amount	**862**	**-**	**-**	**862**
Cash and bank balances				
Gross/net carrying amount	**186**	**-**	**-**	**186**
2024				
Other receivables				
Gross/net carrying amount	941	-	-	941
Cash and bank balances				
Gross/net carrying amount	160	-	-	160

The reconciliation of allowance for impairment of other receivables is disclosed in Note 20(b)(iii).

The Group assessed that there is a concentration of credit risk in contract assets where the Group derives revenue solely from the construction of FPSO vessels and subsequently from the chartering of the FPSO vessels to its customers.

Due to the nature of the industry to which only constitute a small number of customers for each FPSO vessel construction due to the significant upfront cost required, there is therefore
a higher credit risk concentration. In addition, the Group also has a concentration of credit risk by geographical locations of its customer, which are mainly based in Brazil and Angola.

The risk is managed through the close monitoring of aged receivables and through general credit collection procedures.

(iii) Financial guarantee contracts

The Company has issued financial guarantees to banks for borrowings of its subsidiaries. These guarantees are subject to the impairment requirements of SFRS(I) 9. The amounts disclosed below represents the Company's maximum exposure to credit risk on financial guarantee contracts.

	Company	
	2025 USD million	2024 USD million
Financial guarantee contracts	**1,799**	485

The Company has assessed that its subsidiaries have strong financial capacity to meet the contractual cash flow obligations and does not expect significant credit losses arising from these guarantees.

35. Financial risk management objectives and policies (continued)

(b) Credit risk (continued)

As at 31 January 2025, the credit risk of the Group primarily relates to the Group's 5 (2024: 4) largest customers which accounted for 91% (2024: 91%) of the outstanding trade receivables at the end of the reporting period. The Group believes these counterparties' credit risk is low taking into consideration of their financial position, past collection experiences and other factors. Except for the impairment loss provided as disclosed in Note 20(a) to the financial statements, management does not expect any counterparty to fail to meet their obligations.

(c) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objectives are to maintain a balance between continuity of funding and flexibility through the use of bank loans.

Operating in an environment that necessitates substantial cash outflows during the initial stages of an FPSO project, the Group finances the construction of the FPSO through short to medium term loans. Once the project achieves first oil and the charter begins, the loan transitions to a non-recourse status for the Group. At this stage, the Group refinances the loan into a long-term facility, aligning the repayment schedule to approximate lease term of the charter.

This strategy allows the Group to adequately recoup its capital investment and repay loan instalments using the charter fees received during the lease period.

In ensuring that the Group manages its overall liquidity risk it has undertaken the following during the financial year:

- The Group entered into various financing agreements during the year in which the Group has drawn down USD 2,481 million (2024: USD 1,453 million) in borrowings;
- The drawdown of the borrowings was used to finance EPCIC construction cost of USD 832 million (2024: USD 1,691 million) for the ongoing construction of 3 FPSO vessels whilst enabling the fourth FPSO to achieve first oil.

35. 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 USD million**	**Two to five years USD million**	**Over five years USD million**	**Total USD million**
2025				
Trade and other payables	244	-	-	244
Loans and borrowings	420	2,698	714	3,832
Lease liabilities	5	10	1	16
Gross settled interest rate swaps				
- Receipts	(93)	(168)	(2)	(263)
- Payments	60	127	1	188
Total undiscounted financial liabilities	636	2,667	714	4,017
2024				
Trade and other payables	588	97	-	685
Loans and borrowings	442	2,878	777	4,097
Lease liabilities	6	9	5	20
Gross settled interest rate swaps				
- Receipts	(52)	(142)	(16)	(210)
- Payments	19	110	7	136
Put option liability	5	-	-	5
Total undiscounted financial liabilities	1,008	2,952	773	4,733

In managing the Group's repayment obligations, the Group considers its current availability of cash flows, its current undrawn debt facilities and available equity funding, together with its expectation of future cash flows to ensure the continuity of the Group's operations.

As at 31 January 2025, the Group has cash and bank balances of USD 575 million (2024: USD 576 million). The Group's total undrawn term loan facilities amounted to USD 680 million (2024: USD 226 million).

In addition to the above, the Group forecasts its cash inflow based on its expectation of future cash flows based on contractual non-cancellable lease and charter contracts as shown below:

	On demand or within one year USD million	**Two to five years USD million**	**Over five years USD million**	**Total USD million**
Future minimum lease rental receivables				
- Finance lease	263	1,038	3,694	4,995
- Operating lease	129	517	301	947
Total lease receivables	392	1,555	3,995	5,942
Contracted cash flow for FPSO project under construction	88	940	2,496	3,524
Charter income	89	358	888	1,335
Total	569	2,853	7,379	10,801

35. Financial risk management objectives and policies (continued)

(c) Liquidity risk (continued)

With the continued availability of these debt facilities and available equity funding required for the Group to support their current level of operations, the Group expects that it has sufficient liquidity to meet its liabilities for at least 12 months from balance sheet date.

	On demand or within one year USD million	Two to five years USD million	Over five years USD million	Total USD million
Company				
2025				
Trade and other payables	**94**	**582**	**-**	**676**
Lease liabilities	**4**	**-**	**-**	**4**
Financial guarantee^	**15**	**79**	**1,705**	**1,799**
Total undiscounted financial liabilities	**113**	**661**	**1,705**	**2,479**
2024				
Trade and other payables	90	47	-	137
Loans and borrowings	49	381	-	430
Lease liabilities	5	4	-	9
Financial guarantee^	485	-	-	485
Total undiscounted financial liabilities	629	432	-	1,061

^ The maximum amount of the financial guarantees issued to the banks for subsidiaries' borrowings are limited to the amount utilised by the subsidiaries. The earliest period any of the financial guarantees can be called upon by banks is within the next 12 months. The Company believes that the liquidity risk in respect of the financial guarantees is minimal as it is unlikely that the subsidiaries will not make payment to the banks when due.

36. Capital management

For the purpose of the Group's and the Company's capital management, capital includes share capital and all other equity reserves attributable to owners of the Company. The objectives of the Group's and the Company's capital management are to maximise shareholders' value, to maintain optimal capital structure to reduce cost of capital and to sustain future developments of the Group.

36. **Capital management** (continued)

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, shares buy-back or issue new shares. The Group and the Company monitor capital using gross and net debt to equity ratio. Gross debt includes interest bearing loans and borrowings, while net debt includes interest bearing loans and borrowings, less cash and bank balances.

	Group		Company	
	2025	2024	**2025**	2024
	USD million	USD million	**USD million**	USD million
Gross debt	**3,089**	2,886	**-**	419
Less: Cash and bank balances (Note 26)	**(575)**	(576)	**(186)**	(160)
	2,514	2,310	**(186)**	259
Total equity	**1,921**	1,761	**1,054**	1,051
Gross debt to equity ratio	**1.61**	1.64	**-**	0.40
Net debt to equity ratio	**1.31**	1.31	**-**	0.25

The Group and the Company are required to comply with financial covenants such as Debt Service Coverage Ratio and minimum group liquidity, as defined in the respective facility agreements (refer to Note 29). For the financial years ended 31 January 2025 and 2024, the Group and the Company have complied with these requirements.

37. **Internal re-organisation of companies**

The Group undertakes the following transactions as part of its ongoing internal re-organisation of its subsidiaries. These are undertaken as follows:

2025

There were no internal re-organisations during the current financial year.

2024

(a) On 17 August 2023, Yinson Production Azalea Holdings (S) Pte. Ltd., an indirect wholly owned subsidiary of the Company, completed the acquisition of 100% equity interest in Yinson Azalea Production Pte. Ltd. from Yinson Production Azalea Consortium Pte. Ltd. (formerly known as Yinson Azalea Holdings Pte. Ltd.), an indirect wholly owned subsidiary of the Company, for a consideration of USD 44,894,037. As a result, Yinson Azalea Production Pte. Ltd. remains as an indirect wholly owned subsidiary of the Company.

(b) On 18 October 2023, AFPS B.V., an indirect wholly owned subsidiary of the Company, completed the acquisition of 100% equity interest in Yinson Bouvardia Servicos De Operacao Ltda. from Yinson Bouvardia Production B.V., an indirect wholly owned subsidiary of the Company, for a consideration of USD 257,673. As a result, Yinson Bouvardia Servicos De Operacao Ltda. remains as an indirect wholly owned subsidiary of the Company.

There were no consequential financial effects to the Group upon the completion of the internal re-organisation of the companies above.

38. Summary of effects of acquisition of companies

2025

The were no acquisitions completed during the financial year ended.

2024

(a) On 7 February 2023, the Company completed the acquisition of 100% equity interest in London Marine Group Limited, London Marine Consultants Limited and LMC Asia Pacific Pte. Ltd. (collectively "LMG Group") from Telemark Limited for a cash consideration of GBP 524,803. As a result, London Marine Group became a direct wholly owned subsidiary of the Company.

London Marine Group Limited is the holding company of London Marine Consultants Limited and LMC Asia Pacific Pte. Ltd.

(b) On 24 January 2024, Yinson Acacia Ltd, an indirect wholly owned subsidiary of the Company, completed the acquisition of 100% equity interest in Yinson Production Iterum Holdings Pte. Ltd. (formerly known as Yinson Eden Pte. Ltd.) from Yinson Global Corporation (HK) Limited for a consideration of USD 1. As a result, Yinson Production Iterum Holdings Pte. Ltd. became an indirect wholly owned subsidiary of the Company.

The consequential financial effects of the acquisitions mentioned above are not material to the Group.

39. Summary of effects of dilution and disposal of companies

2025

On 5 February 2024, Yinson Boronia Consortium Pte. Ltd. ("YBC"), an indirect subsidiary of the Company, increased its share capital via conversion of two quasi-equity loans totalling USD 204 million, from both Yinson Acacia Ltd ("YAL"), an indirect wholly owned subsidiary of the Company, and Japan Offshore Facility Investment 1 Pte. Ltd. ("JOFI"), based on the current price per share of USD 1.00. The loans were converted into ordinary shares of YBC by the YAL and JOFI on a proportionate basis and did not impact the current shareholding.

As a result, the increase in the non-controlling interests recorded in equity arising from the above-mentioned conversion of loans from JOFI amounted to USD 47 million.

On 18 June 2024, YAL disposed of 955,831 ordinary shares in YBC, representing 0.24% equity interest of the share capital of YBC, to JOFI, for a total consideration of USD 1 million. As a result, YAL's equity interest in YBC has decreased from 75% to 74.76%.

On 13 August 2024, YBC reduced its paid-up capital by USD 120 million via reduction of par value on the YBC's shares from USD 392 million to USD 271 million for a cash consideration of USD 120 million. Following the reduction of paid-up capital for a cash consideration of USD 120 million, the Group still controls YBC, retaining an effective equity interest in YBC of 74.76%. The total cash outflow from Group to JOFI in relation to the share capital reduction of YBC is USD 30 million.

Thereafter, YAL further disposed 45,250,298 ordinary shares in YBC, representing 11.56% equity interest of the share capital of YBC, to JOFI, for a total consideration of USD 48 million on 22 October 2024. As a result, YAL's equity interest in YBC decreased from 74.76% to 63.20%. The Group still controls YBC with the equity interest of 63.20%.

The total consideration for the above-mentioned disposals was USD 49 million, of which USD 44 million was paid in cash on the respective dates of disposal, with the remainder offset against a deposit received in prior years of USD 5 million. The USD 9 million difference between the consideration of USD 49 million and the USD 40 million recorded in respect of the disposals to non-controlling interest is recognised directly as an increase in equity.

39. Summary of effects of dilution and disposal of companies (continued)

On 31 January 2025, YAL issued a shareholder's notice to waive YAL's right to have a casting vote at the board meetings of YBC in the event of an equality of votes between the directors, to the acceded Shareholders' Agreement dated 18 June 2024, between Yinson Holdings Berhad, the ultimate holding company, YBC, YAL, both of which were wholly owned subsidiaries of the Company, JOFI, Sumitomo Corporation, and Kawasaki Kisen Kaisha Ltd ("the Parties"). The proposed amendment was agreed upon by the Parties on 31 January 2025, and the amendment deed was completed on 14 March 2025.

As a result, the Group no longer has control over YBC, and the Group's investment in YBC was reclassified to a joint venture of the Group.

The net assets of YBC Group disposed of amounted to USD 297 million resulting in a gain of USD 105 million. The effects of the disposal of the Group are as follows:

Effects of assets and liabilities disposed	**USD million**
Finance lease receivables	1,357
Cash and bank balances	47
Trade and other receivables	34
Tax recoverable	44
Inventories	10
Deferred tax asset (Note 23)	8
Property, plant and equipment	3
Loans and borrowings	(1,004)
Tax payable	(15)
Trade and other payables	(15)
Contract liability	(2)
Net carrying amount of YBC Group	**467**
Less: Non-controlling interest	(170)
Net assets disposed of	**297**
Fair value of retained interest of 63.2%	402
Less: Net asset disposed of	(297)
Gain on disposal of subsidiary to joint venture due to loss of control (Note 9)	105
Net cash outflow	**(47)**

Below is a summary of impact of Statement of Changes in Equity ("SOCIE") arising from the transactions relating to YBC as detailed above:

Date	**Matters**	**Retained earnings USD million**	**Non-controlling interest USD million**
5 Feb 2024	Conversion of quasi-equity loans into shares	-	47
18 June 2024	Disposal of shares 0.24%	(^)	1
13 August 2024	Capital reduction from non-controlling interests	-	(30)
22 October 2024	Disposal of shares 11.56%	9	39
31 January 2025	Loss of control in YBC	-	(170)
	Total impact	**9**	**(113)**

2024

There were no dilution and disposal during the financial year ended.

40. Subsequent events

(a) On 19 February 2025, an indirect wholly owned subsidiary of the Company, Yinson Production Fortuna Holdings B.V., completed the acquisition of 100% equity interest in Stella Maris CCS AS from Altera Infrastructure. As a result, Stella Maris CCS AS became an indirect wholly owned subsidiary of the Company.

(b) On 23 April 2025, Yinson Production Financial Services Pte. Ltd., a direct wholly owned subsidiary of the Company, has successfully structured and arranged a stand-by letter of credit and three-year guarantee facility of USD 100 million. The facility will be used to increase the financial flexibility and streamline the cash management of the Group.

41. Authorisation of financial statements for issue

The financial statements for the financial years ended 31 January 2025 were authorised for issue in accordance with a resolution of the Board of Directors on 30 May 2025.

The accompanying notes do not form an integral part of the financial statements above.

Enterprise Reporting

In the financial year ended 31 January 2025, the Group extended its reporting with non-SFRS(I) disclosures showing financial statement results (Enterprise Reporting), which is in line with operating cash flows, to increase the transparency and understanding of the Group's performance and to address the complexity in the Group's business model that classified majority of its EPCIC and FPSO Operation contracts as "finance leases", which accelerate the revenue and profit recognition into the construction phase, before the start of charter revenue being invoiced to and paid by the customers, further causing complexity to the results of the Group.

Effective 1 February 2024, the Group's Enterprise Reporting principles are as follows:

(a) Enterprise Reporting represents an additional non-GAAP disclosure to SFRS(I) reporting

(b) Enterprise Reporting assumes all lease contracts are classified as operating leases, merging EPCIC with FPSO Operations as a segment

(c) Enterprise Reporting assumes all investees related to FPSO Operations are consolidated on a proportional basis (based on Group's percentage of ownership)

(d) Enterprise Reporting is limited to restating the consolidated income statement and consolidated statement of financial position

Under Enterprise Reporting, the accounting results closely track the cash flow generation and this method will be used by the Group's Advisory Board to monitor operation performance and for business planning of the Group.

FPSO / FSO assets of the Group

The lease classification and consolidation method adopted for the Group's offshore assets under SFRS(I) and Enterprise Reporting are set out below:

		Lease classification		Consolidation method	
Vessel	**Equity ownership**	**SFRS(I)**	**Enterprise Reporting**	**SFRS(I)**	**Enterprise Reporting**
Owned by the Group					
FPSO JAK	74.0%	Operating lease	**Operating lease**	Full consolidation	**Proportionate**
FPSO Helang	100%	Finance lease	**Operating lease**	Full consolidation	**Proportionate**
FPSO Abigail-Joseph	100%	Finance lease	**Operating lease**	Full consolidation	**Proportionate**
FPSO Anna Nery*	63.2%	Finance lease	**Operating lease**	Full consolidation	**Proportionate**
FPSO Maria Quitéria	100%	Finance lease	**Operating lease**	Full consolidation	**Proportionate**
FPSO Atlanta	100%	Service contract SFRS(I)15	**Operating lease**	Full consolidation	**Proportionate**
Agogo FPSO	100%	Finance lease	**Operating lease**	Full consolidation	**Proportionate**
Owned through joint venture arrangements					
FPSO PTSC Lam Son	49.0%	Operating lease	**Operating lease**	Equity	**Proportionate**
FSO PTSC Bien Dong 01	49.0%	Operating lease	**Operating lease**	Equity	**Proportionate**
FSO Lac Da Vang	49.0%	Operating lease	**Operating lease**	Equity	**Proportionate**

* On 31 January 2025, the Group no longer has control over YBC, the holding company of FPSO Anna Nery, and YBC has been deconsolidated from a subsidiary and reclassified to an investment in a joint venture of the Group (refer to Note 18(i) and Note 39). The SFRS(I) income statement for FPSO Anna Nery remain to be fully consolidated for the current financial year ended 31 January 2025.

YINSON PRODUCTION OFFSHORE PTE LTD AND ITS SUBSIDIARIES

INCOME STATEMENT (ENTERPRISE REPORTING)
For the financial year ended 31 January 2025

	Group	
	2025	2024
	USD million	USD million
Revenue	**608**	707
FPSO Operations	**606**	707
- Charter and operations	***538***	*404*
- Progress milestones earned and mobilisation fees	***68***	*303*
Others	**2**	^
Operating expenses	**(103)**	(76)
FPSO Operations	**(102)**	(76)
Others	**(1)**	^
Gross profit	**505**	631
FPSO Operations	**504**	631
Others	**1**	^
Sales general and administrative expenses	**(72)**	(33)
Other operating income	**42**	11
Other operating expenses	**(5)**	(6)
Depreciation and amortisation	**(160)**	(127)
Earnings before interest and tax	**310**	476
Interest income	**16**	13
Interest expenses	**(165)**	(84)
Share of loss of associates	**(^)**	(^)
Earnings before tax	**161**	405
Income tax expenses	**(15)**	(59)
Profit for the financial year	**146**	346
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**470**	603
Adjusted EBITDA	**402**	300

^ Below USD 1 million.

Management Commentaries

FPSO Operations

Revenue for the financial year under review decreased to USD 606 million, as compared to USD 707 million in the corresponding financial year ended 31 January 2024. The decline is primarily due to lower upfront milestone payments for Agogo FPSO driven by signifi cant achievement of milestones in the corresponding financial year. The decrease is partially offset by the increase in charter and operation fees contributed by FPSO Anna Nery's, FPSO Maria Quitéria's and FPSO Atlanta's operations since first oil was achieved on 7 May 2023, 15 October 2024 and 31 December 2024 respectively.

Operating expenses increased to USD 102 million, as compared to USD 76 million in the corresponding financial year ended 31 January 2024, reflecting the same drivers as the increase in charter and operation fees revenue for the financial year under review.

Each of these led to the decrease of gross profit to USD 504 million, as compared to USD 631 million in the corresponding financial year.

Other Operations

The segment has a gain of USD 1 million for the financial year under review mainly contributed from gain in the revenue from management services provided to other business units.

Interest expense

Interest expense for the financial year under review increased to USD 165 million, as compared to USD 84 million in the corresponding financial year ended 31 January 2024. The increase in finance costs arose from accelerated amortisation expense from refinancing a corporate loan, interest expenses from FPSO Maria Quitéria post first oil, full year interest expenses from FPSO Anna Nery post first oil and the higher average outstanding of the Group's corporate level financing facilities.

Profit for the year

Consolidated profit for the year under review decreased to USD 146 million, as compared to USD 346 million in the corresponding financial year ended 31 January 2024. The decrease was mainly due to lower contribution from FPSO Operations due to lower upfront milestone billings for Agogo FPSO driven by significant achievement of milestones in corresponding financial year as well as higher finance costs arising from accelerated amortisation expense from refinancing a corporate loan, interest expenses from FPSO Maria Quitéria post first oil, full year interest expenses from FPSO Anna Nery post first oil and the higher average outstanding of the Group's corporate level financing facilities.

Reconciliation of Income Statement (Enterprise Reporting to SFRS(I))

The reconciliation from Enterprise Reporting to SFRS(I) comprises two main steps:

- All lease contracts that are classified and accounted for as finance lease contracts under SFRS(I) are restated from an operating lease accounting treatment to a finance lease accounting treatment.

- The consolidation method is changed from:

  (a) Percentage of ownership consolidation to full consolidation for those FPSO Operations related subsidiaries over which the Group has control; and

  (b) Percentage of ownership consolidation to equity method for those FPSO Operations related investees that are classified as joint venture in accordance with SFRS(I) 11.

Reconciliation of Income Statement for the financial year ended 31 January 2025

	Reported under Enterprise Reporting	Impact of lease accounting treatment	Impact of consolidation methods	Total consolidated SFRS(I)
	USD million	USD million	USD million	USD million
Revenue				
FPSO Operations	606	814	194	1,614
Others	2	-	-	2
Total Revenue	**608**	**814**	**194**	**1,616**
Gross profit				
FPSO Operations	504	(27)	93	570
Others	1	-	1	2
Total gross profit	**505**	**(27)**	**94**	**572**
EBIT				
FPSO Operations	338	123	89	550
Others	(28)	-	78	50
Total EBIT	**310**	**123**	**167**	**600**
EBITDA				
FPSO Operations	490	(11)	132	611
Others	(20)	-	79	59
Total EBITDA	**470**	**(11)**	**211**	**670**
Share of profit of joint venture	-	-	9	9
Share of loss of associates	(^)	-	-	(^)
Interest income	16	(2)	4	18
Finance costs	(165)	(142)	(34)	(341)
Income tax expenses	(15)	137	(16)	106
Profit for the financial year	**146**	**116**	**130**	**392**

^ Below USD 1 million.

Management Commentaries

Impact of lease accounting treatment

For the FPSO Operations, the restatement from an operating to a finance lease accounting treatment has the following main impact for the year:

- Revenue increased by USD 814 million. Construction revenue is recognised under SFRS(I) from finance leases (Agogo FPSO) based on percentage of completion of allocated total contract value at determined at contract inception while finance lease revenue from FPSO Anna Nery, FPSO Maria Quitéria and FPSO Atlanta is recognised using effective interest method. Under Enterprise Reporting, in accordance with operating lease treatment, the upfront milestone billings and full charter rate is recognised as revenue following the actual billing (cash-basis). Gain of USD 123 million under Enterprise Reporting FPSO Operations EBIT reflects the same drivers.

- Gross profit decreased by USD 27 million. Under SFRS(I), gross profit and EBIT from finance leases follows the declining profile of the interest income from finance lease, recognised using effective interest method and the recognition of accelerated construction revenue recognised based on the construction progress aligned with construction cost. On the other side of operating lease treatment applied under Enterprise Reporting, the gross profit and EBIT correspond to the revenue, less depreciation of recognised property, plant and equipment, both accounted for on a straight-line basis over the lease period.

Finance costs increased by USD 142 million. Interest on project loans are expensed off under SFRS(I) while they are capitalized in the vessel under construction following Enterprise Reporting principle. Restatement from operating to finance lease accounting treatment results in an aggregate increase of profit for the year by USD 116 million under SFRS(I) when compared with Enterprise Reporting.

Impact of consolidation methods

The impact of consolidation methods in the above table describes the net impact from:

- Percentage of ownership consolidation to full consolidation for FPSO Operations subsidiaries which the Group has control, resulting in increase of revenue, gross profit, EBIT and profit for the year.

- Percentage of ownership consolidation to equity accounting method for FPSO Operations investees that are classified as joint ventures, in accordance to SFRS(I) 11, resulting in decrease of revenue, gross profit, EBIT and profit for the year.

The impact of consolidation methods restatement results in an aggregate gain of profit for the year by USD 130 million under SFRS(I) when compared with Enterprise Reporting.

Reconciliation of Income Statement (Enterprise Reporting to SFRS(I)) (continued)

Reconciliation of Income Statement for the financial year ended 31 January 2024

	Reported under Enterprise Reporting	Impact of lease accounting treatment	Impact of consolidation methods	Total consolidated SFRS(I)
	USD million	USD million	USD million	USD million
Revenue				
FPSO Operations	707	1,651	148	2,506
Others	^	^	-	^
Total Revenue	**707**	**1,651**	**148**	**2,506**
Gross profit				
FPSO Operations	631	(64)	68	635
Others	^	-	1	1
Total gross profit	**631**	**(64)**	**69**	**636**
EBIT				
FPSO Operations	487	56	62	605
Others	(11)	-	(1)	(12)
Total EBIT	**476**	**56**	**61**	**593**
EBITDA				
FPSO Operations	607	(42)	97	662
Others	(4)	-	-	(4)
Total EBITDA	**603**	**(42)**	**97**	**658**
Share of profit of joint venture	^	-	4	4
Share of loss of associates	(^)	-	-	(^)
Interest income	13	(4)	2	11
Finance costs	(84)	(69)	(22)	(175)
Income tax expenses	(59)	(46)	(9)	(114)
Profit for the financial year	**346**	**(63)**	**36**	**319**

^ Below USD 1 million.

Reconciliation of Statement of Financial Position (Enterprise Reporting to SFRS(I))

Consistent with the reconciliation of Enterprise Reporting income statement, the above table details:

- The restatement from the operating lease accounting treatment to the finance lease accounting treatment for those lease contracts that are classified and accounted for as finance lease contracts under SFRS(I); and

- The change from percentage of ownership consolidation to either full consolidation or equity accounting for investees related to FPSO Operations.

Reconciliation of Statement of Financial Position as at 31 January 2025

	Total Enterprise Reporting	Impact of lease accounting treatment	Impact of consolidation methods	Total consolidated SFRS(I)
	USD million	USD million	USD million	USD million
Assets				
Property, plant and equipment[1]	5,030	(4,995)	616	651
Intangible asset	30	-	-	30
Investment in joint ventures	-	-	481	481
Investment in associates	4	-	-	4
Finance lease receivables	-	3,374	(1,357)	2,017
Deferred tax asset	22	(9)	2	15
Contract assets	-	1,294	-	1,294
Trade and other receivables	229	-	(6)	223
Derivative financial instruments	65	-	12	77
Cash and bank balances	625	-	(50)	575
TOTAL ASSETS	**6,005**	**(336)**	**(302)**	**5,367**
Equity and liabilities				
Equity attributable to parent company	1,661	50	141	1,852
Non-controlling interests	-	-	69	69
TOTAL EQUITY	**1,661**	**50**	**210**	**1,921**
Borrowings and lease liabilities	4,005	(408)	(494)	3,103
Trade and other payables	296	(39)	11	268
Contract liabilities	49	(4)	15	60
Tax payables	(6)	20	1	15
Deferred tax liabilities	-	45	(45)	-
TOTAL EQUITY AND LIABILITIES	**6,005**	**(336)**	**(302)**	**5,367**

1 Under Enterprise Reporting, total includes USD 1,326 million related to units under construction (Agogo FPSO, FSO Lac Da Vang, FPSO Abigail Joseph's debottlenecking and modification project for contract extension).

Management Commentaries

Consistent with the reconciliation of Enterprise Reporting income statement, the above table details:

- The restatement from the operating lease accounting treatment to the finance lease accounting treatment for those lease contracts that are classified and accounted for as finance lease contracts under SFRS(I); and

- The change from percentage of ownership consolidation to either full consolidation or equity accounting for investees related to FPSO Operations

Impact of lease accounting treatment

For the FPSO Operations, the restatement from an operating to a finance lease accounting treatment has the following main impact on the financial statement:

- For those lease contracts that are classified and accounted for as finance lease contracts under SFRS(I), derecognition of property, plant and equipment recognised under Enterprise Reporting and subsequent recognition of finance lease receivables and contract assets for those assets still under construction.

- Borrowings decreased due to de-recognition of borrowings from FPSO Atlanta under SFRS(I).

The restatement from operating to finance lease accounting treatment resulted to an aggregate increase in equity of USD 50 million under SFRS(I) when compared with Enterprise Reporting.

Impact of consolidation methods

The impact of consolidation methods in the above table describes the net impact from the change from percentage of ownership consolidation to either full consolidation or equity accounting for investees related to FPSO Operations which impacts:

- Full consolidation of asset-specific entities that mainly comprise finance lease receivables (representing the net present value of the future lease payments to be received) and project borrowings.

- Derecognition of the individual line items from the statement of financial positions for those entities that are equity-accounted under SFRS(I), rolling up in the line item ’Investment in associates and joint ventures’.

The restatement of the impact of consolidation methods gives rise to an aggregate increase in equity of USD 210 million under SFRS(I) when compared with Enterprise Reporting.

Reconciliation of Statement of Financial Position (Enterprise Reporting to SFRS(I)) (continued)

Reconciliation of Statement of Financial Position as at 31 January 2024

	Total Enterprise Reporting USD million	Impact of lease accounting treatment USD million	Impact of consolidation methods USD million	Total consolidated SFRS(I) USD million
Assets				
Property, plant and equipment	4,253	(4,067)	506	692
Intangible asset	43	-	-	43
Investment in joint ventures	-	-	78	78
Investment in associates	4	-	-	4
Finance lease receivables	-	1,818	1	1,819
Deferred tax assets	21	(24)	7	4
Contract assets	-	2,037	-	2,037
Trade and other receivables	224	-	21	245
Derivative financial instruments	62	-	19	81
Cash and cash equivalents	583	-	(7)	576
TOTAL ASSETS	**5,190**	**(236)**	**625**	**5,579**
Equity and liabilities				
Equity attributable to parent company	1,586	44	(27)	1,603
Non-controlling interests	-	-	158	158
TOTAL EQUITY	**1,586**	**44**	**131**	**1,761**
Borrowings and lease liabilities	2,895	(332)	340	2,903
Trade and other payables	612	(56)	129	685
Contract liabilities	48	-	15	63
Derivative financial instruments	11	-	-	11
Tax payables	34	(11)	9	32
Deferred tax liabilities	4	119	1	124
TOTAL EQUITY AND LIABILITIES	**5,190**	**(236)**	**625**	**5,579**

Impact of Enterprise Reporting to Statement of Cash Flows

At the statement of cash flows level, lease accounting differences have minimal impact. The distinction between Enterprise Reporting and SFRS(I) primarily results in reclassification among the cash-flow activities.

A significant portion of capital expenditures amounting to USD 866 million (2024: USD 1,643 million) is shifted from investing activities under Enterprise Reporting to operating cash flows under SFRS(I), where finance lease contracts are treated as construction contracts. In addition, financing costs incurred during the FPSO construction phase, which are capitalised as part of construction work-in-progress under Enterprise Reporting (and thus classified under investing activities), are presented under financing activities in SFRS(I).

The effect of the consolidation method on the cash flow statement aligns with its impact on the statement of financial position. Under SFRS(I), the full consolidation of asset-specific entities – primarily finance lease receivables and related project debts – leads to higher borrowings and repayments compared to Enterprise Reporting.