

CHAIRMAN'S STATEMENT

On behalf of the Board, I am pleased to present Yinson's Annual Report 2021. Everything about 2020 was beyond anyone's expectations. We faced these challenges steadfastly, determined to continue bringing value to our stakeholders and contribute actively to the recovery of the global economy. In this, I believe we have succeeded.

LIM HAN WENG
Founder and Group Executive Chairman



RISING BEYOND FYE 2021

2020 will undoubtedly be marked as one of the most challenging years in global history, with Covid-19 causing unprecedented economic turbulence and disruptions. We are thankful to see the global economy recovering, with the International Monetary Fund revising global gross domestic product growth forecast to 5.5% for 2021, up by 0.3 percentage point. This is coupled with strong growth in commodities cycles.

For the oil sector, 2020 started encouragingly, with oil prices touching the USD70 per barrel mark. However, the price took a freefall due to the combined effects of Covid-19 and actions taken by the Organisation of the Petroleum Exporting Countries ("OPEC"). The volatility caused many oil & gas developments to be postponed, resulting in an all-time low in the number of FPSO awards. Yinson was also affected, with one project cancelled in FYE 2021 and another postponed until FYE 2022. Thankfully, our FPSO business continued to show stability in earnings, and we remained resilient due to the long-term nature of our contracts, which are signed with reputable oil companies. Oil prices averaged out at USD40 level in FYE 2021, and at the moment of writing, it has risen to high USD60s. We see this as a positive start to FYE 2022 for our offshore production business and are cautiously confident that the industry will pick up where it left off pre-Covid-19, in terms of project awards and field developments.

Opportunities arose in our newer energy segments. The outlook for our Renewables Division continues to be exciting.

Trends indicate significant market potential, with renewables being yet early on the growth S-curve. Industry megatrends, such as falling battery and autonomous technology costs, and the rising market share of electric and autonomous vehicles, also bode well for our Green Technologies Division, which was established in 2020. We believe that our entry into renewables and green technologies was well-timed, and we look forward to bringing value to our stakeholders through these ventures.

On the business front, we were able to deliver on our key milestones despite the challenges faced. FPSO Abigail-Joseph achieved first oil on 28 October 2020 and work on our Brazil-bound unit, FPSO Anna Nery, is progressing well towards targeted delivery in 2023. Our Renewables Division made its first acquisition – the 140MW Bhadla 1&2 Solar Plants; and then went on to win a contract to develop a 190MW plant in Nokh Solar Park. Both solar assets are located in Rajasthan, India. Additionally, the team has built up a solid pipeline, with promising wind and solar opportunities coming up in new regions. We also started up our Green Technologies Division, which is already yielding fruit in the areas of mobility and green energy sources.

I am pleased to report that despite the various challenges, our financial performance has been strong. Yinson was able to maintain its financial robustness in FYE 2021 through the growth of its Engineering, Procurement, Construction, Installation & Commissioning ("EPCIC") and non-EPCIC business activities, where we achieved a 92% revenue growth and 151% increase in core profit.

CHAIRMAN'S STATEMENT

SUSTAINABILITY, OUR FOCUS

The events of recent times have brought sustainability into sharper focus more than ever before. This Report showcases our efforts to significantly improve our ESG performance at all levels of the business, and sustainability will continue to take centre stage in every decision we make. Opportunities in sustainable investments will definitely take a bigger role moving forward for Yinson and the rest of the world.

As a responsible corporate citizen, we are cognisant that we need to play our part in the movement towards a low carbon, climate-resilient business environment. In the review period, we have established our Climate Goals; expanded our alignment with a further three United Nations Sustainable Development Goals ("UN SDGs"); and established an ESG Taskforce to ascertain carbon reduction strategies and environment-based improvement initiatives.

We are pleased to report a marked improvement in how we value and care for our employees and crew. Through our Human Resources ("HR") Transformation Plan, we aim to see increased levels of engagement, signifying a happier and more productive workforce. We have also worked hard to keep our crew safe, not least from the Covid-19 pandemic, and we are immensely thankful there were no serious safety lapses during the year.

In terms of governance, this year we extended our engagement to our vendors, while also significantly strengthening our internal governance measures. We are humbled to have our efforts recognised through several awards, including the ASEAN Governance Scorecard Awards and maintenance of our position on the FTSE4Good Index.

SHARE PRICE PERFORMANCE

At the start of FYE 2021, from the low RM6 level, our share price appreciated steadily on the back of our strong fundamentals, so much so that it reached the year's high of RM7.24 at the end of February 2020. Come March, however, the local bourse took a hit as business communities resigned themselves to the fact that the pandemic would be a longer-term struggle, coupled with the imposition of the movement control order in Malaysia. The FTSE Bursa Malaysia Kuala Lumpur Composite Index ("FBM KLCI") contracted by about 20% from early February till end March 2020. Share prices of listed companies mirrored the FBM KLCI's performance and Yinson was not spared. Nonetheless, we were able to recover quickly. From the year's low of RM4.51, the share price appreciated by over 15% to close at RM5.20 for the year.

REWARDING OUR SHAREHOLDERS

We sincerely appreciate our shareholders, who continue to provide unwavering support in these uncertain times.

We distributed RM43 million in dividends in FYE 2021, representing 4.0 sen per ordinary share. We have further recommended a final dividend of 2.0 sen per ordinary share for FYE 2021, to be tabled to shareholders for approval at the forthcoming 28th AGM.

STRENGTHENED MANAGEMENT TEAM

We welcomed Mr Guillaume Jest to our Senior Management team in December 2020, taking up the position of Group Chief Financial Officer. He will oversee the strategic transformation of Yinson's tax, treasury and financial reporting functions in line with the Group's growth and expansion into new businesses and geographical areas. We are also pleased to welcome Mrs Louisa Brady to our Senior Management team as Group HR Director. Louisa's value to the executive table is enabling international growth strategies to be realised through our people, and we look forward to the positive change she will bring to strengthen our HR functions.

The wealth of experience and knowledge presented in our Senior Management team, combined with that of my esteemed colleagues in Yinson's Board, positions Yinson to remain relevant as a leader in the energy business for many years to come. We will continue to passionately deliver **powerful** solutions.

APPRECIATION

On behalf of the Board, our heartfelt appreciation goes out to our valued clients, financiers, vendors, advisors and not forgetting the relevant authorities for the continuous, invaluable support rendered to Yinson.

To the Yinson family, which forms Yinson's very heart and soul, a big thank you from the bottom of my heart for all the hard work and dedication. Special thanks to our offshore crew and colleagues who endured extended periods away from their families and rigorous testing and quarantine procedures as they carried out their good work for Yinson. May we continue to grow and be guided by our Core Values – Reliable, Open, Adaptable, Decisive and Sustainable!

Stay safe!

LIM HAN WENG
Founder and Group Executive Chairman